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**Project submitted in partial fulfilment of the requirements for the**

**ILDP 2015 PROGRAMME**

**Supervisor: Bonita Lee Shew**

**December 2015**

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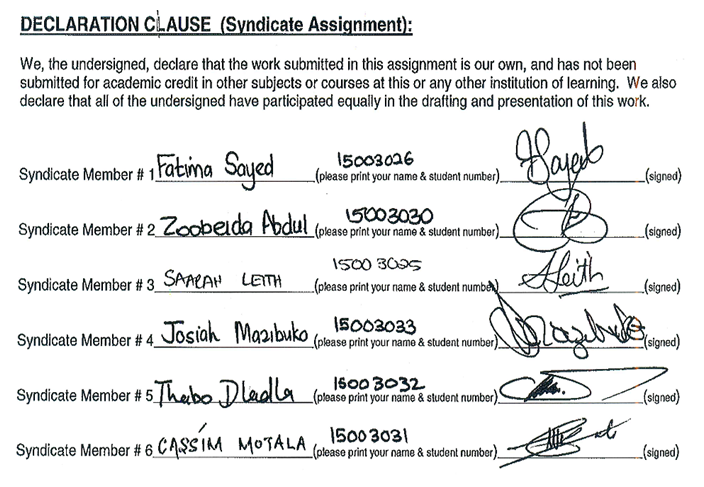
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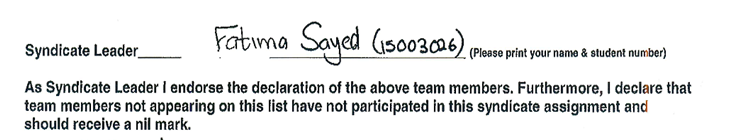
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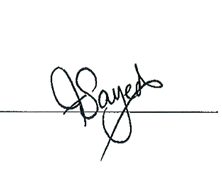
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Declaration

We, FATIMA SAYED, SAARAH LEITH, JOSIAH MAZIBUKO, ZOOBEIDA ABDUL, THABO DLADLA and CASSIM MOTALA, declare that the contents of this project represent our own unaided work and that the project has not previously been submitted for academic examination towards any qualification. Furthermore, it represents our own opinions and not necessarily those of Gordon Institute of Business Science.

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Signature  Date: 04th December 2015

# **LECTURER FEEDBACK**

Result %

**Lecturer Comments:**

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# **I NTRODUCTION**

The current unemployment rate in South Africa is **24.3%** (StatsSA2014). This is considered to be very high with youth unemployment rates even worse off. In a study conducted by the International Labour Organisation (2012), when compared with other developing countries (see Figure 1 below); South Africa was found to have the lowest youth employment ratio than any of its counterparts.



**Figure 1: Youth Employment Ratios in developing nations (Source: ILO, 2010)**

Further research conducted by ILO in 2014 found that the situation was getting bleaker as “young people continue to be particularly affected by the weak world economic recovery. It is esti­mated that some 74.5 million young people – aged 15–24 were unemployed in 2013; that is almost 1 million more than in the year before. The global youth unemployment rate has reached 13.1 per cent, which is almost three times as high as the adult unemployment rate.”

* 1. **Youth Unemployment:**

The National definition of South African Youth ranges from 15 years to 34 years, (StatsSA, 2014) and refers to individuals who are actively seeking employment. According to the Quarterly Labour Force Survey, Q4, 2014, the youth in this age bracket currently represent 55.15% of the South Africa population and 34.78% of the unemployed.

National Treasury (2011) also confirmed that South Africa has a serious problem of youth unemployment that requires a multi-faceted approach to improve employment, support inclusion and social cohesion. They summarised youth employment statistics as follows:

* Approximately 42 % of youth under the age of 30 are unemployed compared with less than 17 % of adults over the age of 30.
* Only 1 in 8 working age adults under 25 years of age have a job compared with 40% in most emerging economies.
* Employment of 18 to 24 year olds has fallen by more than 20% (320 000) since December 2008.
* Unemployed young people tend to be less skilled and inexperienced – almost 86% do not have formal tertiary education, while two-thirds have never worked.

Further, according to National Treasury (2011), the high level of unemployment results in young people not acquiring the skills or experience needed to drive economic growth which inhibits the country’s overall development and imposes a larger burden on the state to provide social assistance.

**1.2 Entrepreneurship**

Entrepreneurship is defined as “creating and building something of value from practically nothing and relates to the pursuit of risky and innovative business ventures to capture new opportunities” (Ogbor 2009). It is widely considered to be an important driver of sustainable economic growth through job creation and to have a positive effect on welfare and unlocking growth potential in South Africa in addressing poverty and inequality (Herrington, Kew & Kew, 2014). Entrepreneurship involves the definition, creation and distribution of value and benefits to individuals, groups, organisation and society (Ogbor, 2009).

**1.3 Overview of the South African Wholesale and Retail Sector**

According to StatsSA (2012), the retail industry forms part of the major trade division which includes wholesale & retail trade, repair of motor vehicles, motor cycles, personal & household goods and hotels & restaurants. In their research, IDC (2015) also found that “the Wholesale and Retail Sector is a major employer, particularly of the youth, representing 26% of the total youth employed in the country. In 2014, total youth employment stood at nearly 1.6 million, with the largest number of young people between the ages of 15 and 34 years employed in the retail trade segment”. It concluded that “this sector registered the highest rate of youth employment of all broad sectors of the South African Economy, at 48.8% in 2014”. IDC (2015) determined that the Wholesale and Retail Sector is dominated by large companies that owns branded stores, outlets or dealerships with integrated supply chains. However, there is also a large group of small enterprises that focus on specific products and/or geographical areas that complement the sector.

1. RESEARCH GOAL:

To investigate youth employment and entrepreneurial opportunities in the South African Wholesale and Retail Sector that will contribute to solving youth unemployment. The project team utilised various research methodologies to achieve this.

**2.1 Research Objectives:**

* To explore, identify and understand the major contributors to the youth unemployment and entrepreneurship problem;
* To evaluate current entrepreneurship initiatives that are being implemented in the Wholesale and Retail Sector;
* To identify the current gaps in Youth Skill’s Development and entrepreneurship initiatives;
* Make recommendations for youth employability and entrepreneurship.

**2.2 Scope of the Project:**

The following is deemed to be within and out of scope for our project:-

**2.2.1. In Scope:**

* Youth Unemployment and Entrepreneurship for 15 – 34 years old;
* Exploring current youth employment programmes in the Wholesale & Retail Sector and entrepreneurial initiatives;
* Focus within the South African Context of the Wholesale and Retail sector;
* Learning from other Countries;
* Stakeholders: Government; Wholesale and Retail Sector; Communities; Youth; Academic Institutions and Unions.
* Opportunities for employment and entrepreneurship in the Wholesale and Retail Sector for youth between the ages of 15 – 34 years old;
* Propose recommendations and or solutions.

**2.2.2 Out of Scope:**

* Proposing recommendations and or solutions for youth employment and entrepreneurship outside of the Wholesale and Retail Sectors;
* Unemployment and lack of entrepreneurship initiatives impacting people above 35 years;
* Solutions to Health and other Socio Economic Issues.

**2.3 Assumptions**

Our research will be based on the following assumptions:

* Youth Employment will have a major positive socio-economic impact in the country;
* Increased Youth Entrepreneurial opportunities will greatly assist in reducing Youth unemployment;
* Skilled Youth will be more employable and will be better enabled to become entrepreneurs.

**2.4 Research Questions:**

The Research questions identified for this project are the following:

**2.4.1. Defining and understanding Youth Unemployment.**

* What is the definition and understanding of Youth Unemployment?
* What is the current state of Youth Unemployment in South Africa?
* What are the primary causes of youth unemployment?
* What role do the following stakeholders play in providing opportunities for employing Youth: Government, The Retail Sector, SMME’s and Communities?

**2.4.2. Defining and understanding Entrepreneurship.**

* What is the definition of Entrepreneurship?
* What are the barriers to youth entrepreneurship?
* What are other industries and stakeholders doing to promote youth entrepreneurship?
* What traits are required to become a successful entrepreneur?
* What support mechanism fosters successful entrepreneurship?

**2.4.3. What are the current stakeholder interventions and constraints that are exacerbating youth unemployment and entrepreneurial appetite?**

* What are the current initiatives available to address youth unemployment and entrepreneurial development;
* How effective are current government and industry interventions?
* Do these interventions promote or hinder entrepreneurial opportunities and initiatives?
* Are all stakeholders aware of these initiatives?
* Do these Stakeholder interventions complement each other in order to ensure that they are effective and sustainable?
* What strategies are being implemented by these Stakeholders and how can they be adapted / improved upon?

**2.4.4.** **How does the National Development Plan address issues of youth unemployment and entrepreneurship?**

**2.4.5** **What are the perceptions/ experiences/ expectations of key stakeholders around youth unemployment and entrepreneurial opportunities?**

**2.4.6.** **What are the skills and competencies required to promote youth employability and entrepreneurial appetite?**

**2.4.7.** **What are the possible solutions to this problem?**

**2.4.8.** **What role should educational institutions (schools, colleges, universities, etc.) be playing in promoting youth entrepreneurship?**

1. FACTORS CONTRIBUTING TO YOUTH UNEMPLOYMENT

Literature reviews and research conducted by the team have identified several causal and contributory factors to the high youth unemployment. Some of these factors have also been identified earlier as part of the National Skills Development Strategy III. These factors include amongst others the following:

**3.1 Lack of entrepreneurship opportunities**

A study conducted by Fatoki & Chindoga (2011) investigated the problem of the lack of entrepreneurship using high school and university students as their case study. The study revealed that the lack of access to capital, business skills, government support and few market opportunities was the major obstacles to entrepreneurial intention. The Global Entrepreneurship Monitor (2008) reports that a small percentage of start-up entrepreneurs can expect to create 20 jobs in the first 5 years of business, thus SMME’s are currently not large generators of employment. The reason for this is that entrepreneurship tends to be skewed towards impact entrepreneurship which is driven by necessity rather than by vision.

**3.2. Lack of skill development, education and work experience.**

Poor education, high wage and job expectations are also cited as contributors to high unemployment rates, (Marock 2008, Altman & Marock 2011 and Yu 2012).Youth lack the skills that are required for employment, e.g. literacy, numeracy and other skills such as social, communication and professional skills. Yu (2012) refers to this as the lack of “soft skills” and says that despite youth having these skills, employers are still risk averse to employing them, as they lack work experience and their outputs have not been measured or tested. The skills and resources that youth are lacking as cited by Altman & Marock (2011) include: effective basic education, socialisation, work-readiness attitudes, previous work experience whether it be part-time or temporary vacation work experience, communication skills, IT skills, search skills, and labour market-appropriate networks.

**3.3 An unstable Political climate**

In 1994, South Africa went from an apartheid government to a democratic state and this political reform impacted on all population groups and filtered through to every facet of life. South African youth find themselves in a particularly precarious situation. They must negotiate the development of their own identities as well as adapt to the social changes that are occurring around them (Finshilescu & Dawes, 2001:132).

**3.4 Inequalities in Education**

The South African education system with a large divide between the “have” and “have nots” automatically places youth from impoverished backgrounds at a disadvantage when entering the labour market. ‘The youth labour force is relatively less educated, especially African youth. This could be attributed to reasons such as early drop out’, (Yu 2012). The Statistic South Africa General Household Survey (2014) shows that the average of school going children between the ages of 7 and 18 who are not attending school for various reasons has been 690 000. The survey also indicates that only 73.8% of children and young people between the ages of 7 to 24 years are attending educational institutions. Furthermore 17.7% of school pupils aged 7 to 18 years fell out of the education system due to poor academic performance. This is supported by Mlatsheni & Rospabe (2002), who mention that education plays a pivotal role in the success rate of finding employment and that the gaps in youth education is often as a result of early school dropout.

* 1. **Limited Market Opportunities:**

One of the other causes of youth unemployment was found to be limited market opportunities, driven in part by extreme spatial segregation that the legacy of apartheid presumably plays in explaining low employment and high school enrolment.

**4. LITERATURE REVIEW SUMMARY:**

This literature review aims to critically evaluate both published and non-published works for the period 2002- 2014 which investigates the topic of Youth Unemployment in South Africa. The aim is to identify the causes of high youth unemployment as well as to establish opportunities that exist in South Africa to increase youth employability, absorption rate and self-employment. The authors agree with Marock (2008) who states that there is “neither one cause of youth unemployment nor one simple solution to it”.

The WEF Global Risk Report (2014) states that “youth unemployment on this scale is not only a waste of human capital and potential but also threatens to halt economic progress, creating a vicious cycle of less economic activity and more unemployment. It also raises the risk of social unrest by creating a disaffected “lost generation” who are vulnerable to being lured into criminal or extremist movements”. Increasing incidents of violent service delivery strikes, escalating crimes and xenophobic attacks driven largely by the youth have become a common feature of the South African socio-political landscape.

The review has shown that the current situation of youth unemployment is characterized by high unemployment. When work is sourced by the youth, it tends to be mainly low level jobs, with very little job security, poor training, few career advancement opportunities and very little promise for the future. It was established that youth face specific barriers in the labour market; their unemployment rate was significantly higher and their employment and working conditions are worse than those of their elders, which results in high economic and social costs for our society. There is an extreme need for targeted interventions, which should be based on complementing existing interventions. Coenjaerts, et al. 2009).

A common thread in most papers researched was the impact that a defective Education system played in causing the problem of high youth unemployment in South Africa. Further, the importance of implementing policies directed at the demand side of the labour market and given the lack of job creation in the formal sector, emphasises the need for policies that promote entrepreneurship. Such a focus is imperative as most new jobs for youth in South Africa will be generated via entrepreneurship, albeit in the informal sector. However, challenges to creating a successful entrepreneurial environment need to be addressed as it is evident that successful entrepreneurship does not emerge under forced conditions.

Despite unemployment being high in South Africa, the number of people starting businesses as a result of having no other options for work is low (Herrington, Kew & Kew, 2014). According to the GEM 2014 report, South Africa’s entrepreneurial activity has declined by 34% from 10.6% in 2013, to 7.0% in 2014. Entrepreneurial activity in South Africa, although very low for a developing nation, has increased marginally over the last 10 years but is still a mere quarter of that seen in other sub-Saharan African countries. Bardasi et al. (2007), in their analysis of Enterprise Survey data in Africa, found there are no significant differences in terms of performance and productivity of the business between men and women entrepreneurs. This suggests that Africa has, in their words, “considerable hidden growth potential in its women and that tapping into that potential can make a substantial difference for Africa’s growth and poverty reduction”.

Increasing female participation in the SMME sector is thus an important strategy for economic development in South Africa. The Business Partners Women’s Fund, launched in 2007, is an important initiative in this regard. Jo’ Schwenke, former MD of Business Partners, notes that his organisation has found women to be better business risks than men, with a significantly lower rate of failure. An estimated 14 new jobs are created every time they invest in a woman-owned business. It is important that government programmes follow this lead to enable more female entrepreneurs to take up meaningful roles in the business community. Innovation, which is an integral part of entrepreneurship, requires new and unique ideas that flourish in a diverse environment. The level of business discontinuance remains high compared to business start-ups and exceeds the established business rate, resulting in a net loss of small business activity and subsequent job losses. Like elsewhere in Africa, many of the businesses cite lack of finance and poor profitability as the main reason for closing down, (Herrington, Kew & Kew, 2014).

The following barriers to youth entrepreneurship have been identified in the research conducted by GEM 2014 and Fatoki & Chindoga (2011):

• High operating costs which include red tape and stringent labour regulations.

• The lack of government support

• Corruption and bribes relating to licenses, granting of tenders, etc.

• Few market opportunities.

• Limited access to technology and internet.

High competition, especially in Retail sector which offers low barriers to entry with respect to start-up capital and business skills.

**5. GAPS, FINDINGS AND MISALIGNMENT IN CURRENT PROGRAMMES:**

Based on the literature review (local and international), research and interviews conducted with various stakeholders; the following key findings were made;

* The jobless lack of growth in the South African economy has been detrimental to the ability to absorb new job entrants, most of which are the youth.
* The Youth Unemployment problem needs urgent attention as it has the potential to halt economic progress in South Africa.
* The basic education system only educates 73.8% of students aged between 7-18 years of age.
* Despite the serious challenges facing the country, the retail sector has significant opportunities in skills development, entrepreneurship, education, work experience and partnerships to address this problem of Youth Unemployment and Entrepreneurship.
* The lack of access to capital, business skills, workplace experience, government support and few market opportunities was the major obstacles to entrepreneurial intention.
* High levels of crime, poverty, child headed households, and the inequalities in the current South African Education system entrenches the divide between rich and poor youth.
* The Government is aware of the gravity of this problem and has initiated several interventions which include Funding and Policy interventions, Government Public funded programmes, amendments to Legislation and the Wage subsidy. The Skills and training programmes managed by the Sector Education and Training authorities have been allocated the huge responsibility of affecting the Skills and training programmes successfully. However the implementation of some of these programmes have failed to yield the required results.
* The government as well as the private sector are involved in several funding initiatives which support the development and growth of SMME’s in South Africa. There are also several non –government funders for Entrepreneurship which can be accessed and promoted.
* There is a need for Government to review its policies for start-ups which dissuades prospective entrepreneurs who find the process to be bureaucratic and laden with red tape processes. The country’s financial and operating environment is not supportive of entrepreneurs, particularly in terms of regulations, policies and access to capital. The banking is the main source of capital to start and grow businesses, whereas in other emerging countries, different financial structures play this support role.
* The need to address educational inequalities in the country. Subjects which reinforce practical trade skills need to be introduced into schools.

**6. Key Learnings from the Diepsloot Immersion**

* Diepsloot does not present itself as a typical South African township in that it has a higher number of immigrants. The township has poor infrastructure and insufficient basic services to meet the needs of the people who live there. Yet despite the poor living conditions Diepsloot is thriving and experiencing growth. Diepsloot’s diverse culture mix has given it a uniqueness unlike any other township in South Africa. Where in other townships foreign nationals are not treated kindly, Diepsloot exhibits tolerance.
* This might be attributed to the fact that there are not much of the government resources that foreign nationals can be accused of benefiting from in Diepsloot. Instead the lack in many basic needs and presumed unemployment has created an opportunity for entrepreneurship. Many of the residents in Diepsloot are informal traders often in direct competition with their neighbours. This has led to innovation by many of the entrepreneurs in order to create a unique value proposition for their business. Diepsloot is great example of a poor community finding ways to lift itself out of poverty through entrepreneurship. The hope is that this abundance of practical examples in entrepreneurship can motivate the youth to start their own businesses to solving youth unemployment.
* In late 2007 a shopping mall was opened in Diepsloot to cater for formalised retailing and according to Mzolisi Mbikwana, Diepsloot Centre Manager, there are plans to expand the mall as there is a demand for retail space. This is a great opportunity for retailers to employ or develop the youth of Diepsloot.

**7. Current Gaps in Entrepreneurial Development:**

There are many discrepancies in matching funding mandates and entrepreneurs’ eligibility. In most cases large disparities exist between the economic and financial status of the business seeking capital and the requirements of the various financing options that are made available by different funding groups. This can also be attributed to the oversupply of entrepreneurs in highly saturated markets and industries. Funding agencies are often approached by entrepreneurs operating in highly saturated markets that are not easy to differentiate. The issue is not about the viability of the business, but rather that under such market circumstances it is more difficult for entrepreneurs to present unique business models and opportunities. Entrepreneurs find it difficult to understand the accessing of funding. The application process tends to be bureaucratic and heavily laden with protocol and red tape and a lengthy process is required to access funding. Many entrepreneurs expect the process of getting funding to be quick and easy and end up frustrated and disappointed with the process. There is an over-emphasis on capital as the key enabler to entrepreneurial success. Many entrepreneurs are under the illusion that capital is the most critical catalyst for business success.

* Government policies:Make complex legislation easier for start-ups. Reduce government administrative requirements for starting up a business and complying on a monthly basis – e.g. UIF, PAYE, tax, etc. Provide simplified and localised administration and support for registering businesses. Create a simple, tax-free legal form of enterprise that allows informal businesses to register as legal entities, open bank accounts and enter into contractual relationships. Ease restrictive labour laws and make it easy to hire and fire.
* Government should support entrepreneurship training and access to funding, but by people who have the skills. Improve the management and performance of agencies supporting entrepreneurship. Ensure government grants are available for start-ups.
* There is a clear need to establish a nationwide network of walk-in centres to support entrepreneurs, especially informal and small businesses.
* R&D transfer: A carefully implemented national programme of incubators should be set up, in partnership with the private sector.
* Commercial and professional infrastructure*.* Provide better institutional arrangements to assist SMMEs. Improve access to affordable and excellent supply chains. *Market openness* Improve access to market and procurement opportunities, Help small businesses identify markets, both nationally and internationally. Improve access to markets.

Entrepreneurs who focus solely on making money do not end up building great businesses. Zook (2015) states that entrepreneurs are often glorified for their one big project that sells to a large company for an absurd amount of money and this does not reflect reality for the vast majority of entrepreneurs. One of the biggest problems with entrepreneurship is the over-glorification of successful entrepreneurs. This over-glorification creates an unrealistic environment and skewed perceptions of success. South African entrepreneur Raymond Ackerman, paraphrased by facilitator Alec Hogg, argues: “Money should not be the main motivating factor in starting a business. People should go into business to work on something they enjoy and the money will follow.”

Most female entrepreneurs in South Africa seem to be lifestyle and not high-impact entrepreneurs. The assumption is that men entrepreneurs can focus on their businesses more than women entrepreneurs who tend to have multiple commitments to balance in their lives. Some of the reasons mentioned in the study for the gap between men and women in entrepreneurship are women’s propensities to: want to spend more time with their families, want to avoid the stress of employing too many people, have lesser education, and experience more difficulty accessing capital due to marriage contract formulations. The implication of these findings is that the survival rate of women’s businesses is lower in almost all countries and economic levels. These findings are confirmed by the GEM Women’s Report 2010, which shows a larger gender difference in he established business rate in all but four countries. The prevalence of early-stage entrepreneurial activity tends to be relatively low in the 18–24 years age bracket, peaks among 25–34 year olds, and then declines as age increases with the sharpest decrease after the age of 54. Many young people in South Africa attempt to enter the job market immediately after leaving school.

8. EVALUATION OF CURRENT INITIATIVES TO ADDRESS YOUTH UNEMPLOYMENT:

Both the government and the private sector have initiated a number of interventions geared towards addressing youth unemployment.

**8.1 Government legislative and policy frameworks to address youth unemployment**

M. Oosthuizen & A. Cassim, (2014) reference the various legislative frameworks and policies that Government has introduced on the supply-side initiatives targeted at addressing the structural causes of youth unemployment; these include:-

**8.1.1 Funding policies and interventions:**

There are a number of funding and policy interventions in place which is aimed at improving the youth employment opportunities. The National Treasury budget in 2013/2014 fiscal year allocated R232.5 billion towards Education spending by concentrating on infrastructure, services and the backlog in numeracy and literacy skills. This initiative however did not address the large spectrum of early school leavers, dropouts and unemployed high school graduates that have already been impacted by the past inefficiencies in the education system. It was found that these youth require interventions that would specifically address their particular gaps in skills in order for them to obtain jobs.

**8.1.2 Skills and training programs:**

Skills and training programs have been established for youth through publicly funded technical and vocational education and training (TVET) institutions. The aim of these institutions is to facilitate youth finding work into the labor market. These colleges however do not have sufficient capacity to provide the proper training. TVET institutions mainly offer vocational education programs, but in most cases these programs do not meet the skills required, for example completing a school qualification or upskilling in a particular non-vocational skill that are required by youth. TVET institutions are also not easily accessible in terms of location or financing. Collaboration between TVET institutions, other educational institutions and employers are weak as it has not improved the opportunities for youth to enter apprenticeship programs to supplement their training.

**8.1.3 Government public funded programs:**

The labour demand in the private sector provides more opportunities for skilled workers than for low skilled workers. Government has therefore intervened to improve youth employability through public funded initiatives such as **The Community Works Program (CWP).** This program was introduced in 2008. The program mirrors the model used in India (Mahatma Gandhi National Rural Employment Guarantee Act (NREGA)), where communities determine what work would benefit them most. The CWP was later extended to the Extended Public Works Program (EPWP). These programs however have not really attracted youth because the programs are not custom-made to youth aspirations. The type of work experience, e.g. repairs to community or school infrastructure, creating food gardens or home-based care does not necessarily result in better paying jobs in the labour market, especially in the urban areas.

**8.1.4 The Sector Education and Training Authorities (SETA):**

(SETA) provide skills development in South Africa. They have Learnership programs that targets students and unemployed youth, and provide a nationally recognised qualification through structured learning and practical work experience where they are immersed in the workplace. The Department of Trade and Industry’s has introduced small business support programs which also aim to create youth employment.

**8.1.5 Legislation:**

The Department of Labour introduced the Employment Services Act in April 2014. The aim of this legislation is to provide youth services to access work with government. This legislation requires them to register as job seekers. The services offered include advertising job vacancies and other placement opportunities and acting as an intermediary. The uses of cell phone technology will improvement the accessibility of these services by making it available to a wide spectrum of youth.

**8.1.6 The Wage Subsidy:**

From the demand side, a government scheme has been introduced by the National Treasury to incentivise private companies to employ youth in order for them to gain credible work experience. The scheme allows employers that are paying a full minimum wage to new employees between the ages of 18-29 years to reclaim 50% of the cost in the first year and 20% in the second year, with no obligation to make these employees permanent. This is considered to be a temporary solution that allows a handful of youth work experience with little or no chance of it becoming a permanent means of employment. A longer term solution is required in order to address youth unemployment. Another flaw in this initiative is that government is unable to increase the demand by private companies despite the incentive being offered.

9. ENTREPRENEURSHIP:

According to Key, S. (2013) being an entrepreneur means you are your own manager, as well as the manager of others. Entrepreneurs are a diverse set of people and have a range of personalities and a range of temperaments. Many of the traits found in successful entrepreneurs are found among successful leaders and managers in all types of organizations, not just entrepreneurial businesses. Entrepreneurial skills need to be extensive in order for it to be successful.

**9.1 Core Skills for an Entrepreneur**

Key, S. (2013), Miranda (2014), Tobak (2013) and McQuerrey (2013) state that the core skills required to become a successful entrepreneur are:

**9.1.1 Business, Management and Leadership skills:**

Entrepreneurs usually rely on themselves when starting a business therefore they need a solid business background with a clear understanding of all the functional areas. They have to be a one person multi-functional team. Poor business skills account for most failures. Most small companies fail due to, managerial incompetence or inexperience, neglect of the enterprise, ineffective business controls, and undercapitalization. If entrepreneurs did their homework and acquired the necessary portfolio of skills and knowledge concerning the business, many could avoid at least some of these pitfalls.

**9.1.2 Communication and selling skills:**

Entrepreneurs are always engaging with various stakeholders such as customers, bankers, suppliers, employees, investors and government departments. This requires that they be able to communicate clearly and effectively. The ability to sell the concept of the business and the ability to run a successful business to others is important for Entrepreneurs; therefore they require excellent persuasion skills.

**9.1.3 Flexibility and Adaptability**:

Entrepreneurs need to be flexible in order to adapt to economic and industry changes around them. The most successful entrepreneurs learn from others and ask for advice.

**9.1.4 An unwavering passion and commitment:**

Being an entrepreneur demands commitment and dedication, more than most jobs do.

**9.1.5 Get Used to Failure:**

For every entrepreneurial venture that succeeds, many fail. Entrepreneurs not only have to be able to deal with failure, but learn from it for future business ventures.

**9.1.6 Networking:**

Entrepreneurs must have the ability to partner and engage with others business owners and various stakeholders to greatly enhance their chances of success.

**9.1.7 Values:**

Entrepreneurs must create a values based culture in their businesses and entrench the importance of values by leading by example.

**9.1.8 Time Management:**

A successful entrepreneur must be able to make wise decisions about how he uses his time, continually evaluating and prioritizing tasks according to relevance and importance.

**9.1.9 Employee and financial management:**

Successful entrepreneurs must have the managerial skills necessary to recruit the right employees, train workers and must understand the labor laws of the country. Even if an entrepreneur hires an accountant or finance professional to track money and other assets, they ultimately responsible for the financial management of the company and must therefore have sound business acumen. They must understand the basic accounting principles in order to make the proper financial decisions for the business.

**9.1.10 Decision-making:**

Entrepreneurs must have the ability make the right decisions. That comes down to probing, listening, reasoning, and knowing when to trust your gut, being able to do this well is the most important aspect of entrepreneurship.

9.2 Evaluation of Current funding initiatives available to entrepreneurs:

There are many government and private initiatives to support SMME development in South Africa, but the question remains as to their effectiveness. Since the advent of democracy in South Africa in 1994, the government has introduced a number of programmes designed to support small and medium businesses. The objective was to stimulate economic development in an attempt to reduce the rising rate of unemployment and the high poverty levels of the majority of the population. The question still remains as to whether they have proven to be effective and have, in fact, contributed to the creation of jobs. Some of the Government initiatives are (Herrington, Kew & Kew, 2014):

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

This agency was established in December 2004 under the Department of Trade and Industry (DTI). SEDA provides business development and support services for small enterprises through a national network, in partnership with other role players who support small enterprises.

* **Small Enterprise Finance Agency (SEFA)**

SEFA was founded in 2012 with access to R1.4 billion in funding, provided by the IDC and the government of South Africa. SEFA caters for small businesses requiring funding, up to R3 million in the form of bridging finance, revolving loans, asset finance, working capital and term loans. Any SME with a viable business plan can apply for finance. SEFA evaluates the application to determine whether the business can afford the funding and will be able to repay the money over time out of its cash flow.

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

The NYDA was launched in 2009 and financed from the demutualisation of Old Mutual and SANLAM. Its mandate was to coordinate and promote the development of youth in South Africa, by assisting them to start businesses and to finance existing businesses. It was required to initiate, facilitate, implement, coordinate and monitor youth development aimed specifically at reducing youth unemployment and promoting social cohesion. NYDA’s primary target group is young South Africans between 14–35 years of age. Much controversy has surrounded this organisation which was formed by the merger of two previously ineffective agencies, the Umsobomvu Youth Fund and the National Youth Commission.

* **Technology and Innovation Agency (TIA)**

TIA was created by an act of the South African parliament in November 2008. TIA is an initiative of the Department of Science and Technology (DST) and its mandate is to enable and support technological innovation across all sectors of the economy in order to achieve socio-economic benefits for South Africa and to enhance its global competitiveness. Its goals are to use South Africa’s science and technology base to develop new industries, create sustainable jobs and help diversify the economy from commodity exports towards knowledge-based industries equipped to address modern global challenges.

* **National Empowerment Fund (NEF)**

The NEF was established in 1998 and is “the driver and thought leader in promoting and facilitating black economic participation by providing financial and non-financial support to black empowered businesses and promoting the culture of savings and investment among black people”. The NEF provides business loans from R250 000 to R75 million across all industry sectors, for start-ups, expansion and equity acquisition purposes.

### Industrial Development Council: Types of IDC funding available

There are several funds available from the IDC which Entrepreneurs can access depending on the type of business they want to form. Examples of these are:

* **Development Funds:** These funds are aimed at supporting projects especially informal that will have high long-term impact on the economy through growth and support of these informal ventures.
* **Agro-Processing Competitiveness Fund**: This fund provides support and facilitates increased competitiveness, business growth, job creation and development in the agro-processing and beverages industries.
* **Gro-E Scheme:** Through this scheme, over the next five years the IDC is investing R10 billion that will offer financial support to start-up businesses that includes funding for buildings, equipment, and working capital. **Product Process Development Scheme (PPD)**: This is aimed at providing financial assistance to micro and small enterprises where total assets are below R5 million, annual turnover is less than R13 million, and the entity employs less than 50 people. The fund is intended to promote innovation and technology development through financial assistance enabling the development of new products and/or processes.
* **Isivande Women’s Fund** is an exclusive women’s fund established by the DTI to accelerate women’s economic empowerment through affordable, usable and responsible finance.

There are also a number of other funders (non-government) that are available for entrepreneurs:

* **Knife Capital:** The Knife Capital team is deeply involved in skills, technology and knowledge transfer initiatives to foster entrepreneurial activity in the Southern African region.
* **Leaf Capital:** Leaf Empowerment TrustIn line with its BEE policy, Leaf Private Equity established a trust to acquire and hold investment interests for the benefit of historically disadvantaged individuals directly or through projects. The aim is to advance and promote broad-based BEE in each investment that is made.
* **Masisizane Fund:** The Masisizane Fund (‘Masisizane’) is an Old Mutual initiative that was established in 2007 following the closure of the Unclaimed Share Schemes Trust in consultation with the National Treasury of South Africa. Masisizane was set up as a non-profit funding company to provide loan financing and support to small, medium and micro enterprises (SMMEs). The funds are a private / public sector joint partnership between Old Mutual and the Umsobomvu Youth Fund (an initiative of the National Government).The aim is to create opportunities for the historically disadvantaged women and youth in South Africa, create jobs, reduce inequality, promote economic growth and support, develop and promote entrepreneurship, while attracting investment to SMMEs.
* **Edge Growth:** Edge Growth is an Enterprise and Supplier Development (“ESD”) specialist firm
* based in Johannesburg, providing an end-to-end holistic ESD solution. We are passionate about leaving a legacy and believe that in South Africa, job creation is the most powerful way to transform the social injustices caused by the lack of skills, education and jobs.

**10. International Perspectives on Youth Employment and Entrepreneurial Development.**

DBSA (2011) suggests that “given that youth unemployment is not unique to South Africa, it is instructive to review the interventions made in other countries to support young people in entering the labour market”. DBSA (2011) evaluated various types of interventions deployed by different countries globally to address the issue of youth employability and entrepreneurship. The outcome of the research is captured in Table 5 below;

**Table 1: Review of types of interventions internationally**

|  |  |  |  |
| --- | --- | --- | --- |
| **CATEGORY** | **COMPONENTS** | **DEVELOPED COUNTRIES** | **DEVELOPING COUNTRIES** |
| 1. Making labour markets work for the youth | Counselling and job search  Wage subsidies  Public works  Affirmative action | United States: Youth Incentive Entitlement Pilot Project (YIEPP) | Romania: Employment and Relocation Services  Bulgaria: Temporary Employment Plan |
| 2. Supporting improved general education | Conditional cash grants  Equivalence programmes  Second-chance programmes | United States: Summer Youth Employment Programme (SYEP) | |
| 3. Skills training (PLUS) | Non-formal vocational skills  Apprenticeships  Employee mentoring  Soft skills training | Belgium: First Job Programme | Peru: PROJoven |
| 4. Making training systems work for young people | Vouchers and subsidies  Information | Kenya: Jua Kali Voucher Programme | |
| 5. Improving chances for young entrepreneurs | Training  Advisory services  Microfinance  Social capital (relationships) | OECD: Youth Business International (YBI) | Indonesia: Young Professional Entrepreneur Development |
| 6. Comprehensive, multiservice approaches | Job and life skills training  Apprenticeships and entrepreneurship schemes  Information, counselling and placement  Incentives | United Kingdom: New Deal for Young People (NDYP) | Latin America and Caribbean (LAC) Entra 21 |

**11. SUMMARY OF RESEARCH FINDINGS**

**11.1 Interview Summary: Retail Executives**

Senior Management involved in Executive Management, Strategy, Operations, and Enterprise Development and Training at local South African Retailers were interviewed in order to obtain qualitative feedback sector as well as to understand the causal factors of youth unemployment in the Sector.

All concurred that the Youth Unemployment problem needs to be addressed by all Stakeholders in the Wholesale and Retail Sector. The need to address Educational inequalities came through very strongly. Although most Companies are involved in partnerships with the Government via the Wholesale and Retail SETA, there are very little or no specific programmes which target the Youth exclusively, nor are there any programmes which promote Entrepreneurship. The sustainability of these programmes needs to be looked at as well.

It was contended that while there is a need for Corporates to provide opportunities for employment and entrepreneurship through practical work skills based programmes, there is also a need for youth to take ownership and make they available to be included in the work environment. Government institutions also need to lead by example when recruiting youth in their own institutions.

**11.2 Interview Summary: W&R SETA Executives**

W&R SETA Executives all agreed that the Youth Unemployment problem and lack of Entrepreneurship opportunities was one of the most important problems which need to be resolved by Government and business. Youth are angry and frustrated and it is only a matter of time before this problem may spiral out of control. The question of youth unemployment remains a concerning one as the youth form the core of our country going in to the future. The worry was that, when these youth remain unemployed, unskilled and inexperienced it would cause a problem in the next 10 to 20 years because when the current crop of leaders and managers retired, there will be a serious gap as there will be very few people available to takeover. This applies to all sectors of the economy.

There is a serious gap between employment and the academia. The education system is not teaching the young ones the skills needed by the economy or to be entrepreneurial. The current curriculum teaches the youth to leave the system only for them to be unemployed. This is across the value chain of the educations system, from high school, to TVET College right through to university. Unless the education system is thoroughly addressed, youth unemployment will remain a challenge. Companies want to employ skilled and knowledgeable people who will add value to the bottom-line of the company. The country’s poor education system was cited as one of the primary causes of high Youth unemployment. The Education system does not equip youth with Critical Mathematical, Financial, IT, Communication, Customer Care, Buying and Planning Skills.

The government has tried to introduce a few measures to alleviate youth unemployment but frankly this has had little or no success. The government recently promulgated the youth employment incentive scheme where companies are encouraged to employ young people and they receive certain incentives from government. The government has also, through the SETAs, established learnerships and artisans initiatives for your people. This has not gained the necessary traction as youth unemployment remains stubborn.

In impoverished areas, teachers are demotivated; they have to contend with large numbers in classrooms with insufficient access to resources. Subjects are sometimes taught by teachers who are unqualified. Learners who may pass Grade 12 have very poor grades .this results in them being unable to secure work in HETI or TVET colleges. While Government initiatives like the Skills Development Plan provides incentives for business owners to employ unemployed youth, these are insufficient to address the core of the problem.

There needs to be more youth offered Permanent employment once their artisanship/ learnerships have been completed. Government Departments nationally have come on board to place unemployed graduates as interns with the help of Seta’s. The funding available for bursaries has also grown substantially. This funding is sourced largely from the skills levies through the Seta’s and the National Skills Development Fund. Business was commended for playing a crucial role through paying their skills levies and opening their doors to the unemployed. There was room to create more opportunities for the Youth through their CSI initiatives.

Youth perceive the Retail Sector jobs as unattractive and low paying. Successful retailers need to mentor and motivate learners from school level by making the time share knowledge of what the Sector has to offer them. Youth are not knowledgeable of the various careers that are available in the Retail Sector. None of the executives could explain how Government measures the effectiveness of its strategies.

They were however optimistic that by creating effective partnerships with all stakeholders, the high Youth Unemployment problem could be addressed. Prospects for the future creation of entrepreneurship opportunities would have to come from the SMME sector and not big business. One of the greatest obstacles for entrepreneurship was that young people lack the life skills required. They do not have a strong support network available both from Government as well as big business. It is often difficult to source seed funding for a start-up business.

**11.3 Interview Summary: University Lecturers**

Students are adequately equipped with the required academic skills when they leave school and enter University. There is a very large discrepancy in skills from those learners who come from urban and rural schools. Learners struggle mostly with English and Maths. The main problem cited by Lecturers for students not completing their studies were mainly a lack of access to funds as well as self-discipline. It was strongly felt that schools do not adequately lay the foundation for success at University.

Bureaucratic red tape, onerous compliance, regulatory frameworks and lack of capital were cited as the main obstacles to successful entrepreneurship ventures. Poor Government planning was rated as the main cause for this problem. Commerce related subjects, the MBA, the Engineering and Agricultural faculties were recommended courses that would most nurture and develop students to become entrepreneurs. However, there is a need for more mentoring and incubation programmes as well as the creation of partnerships between Academic Institutions, Government and Big business. Poor career guidance while learners were still at school results in them making poor subject choices which hinder their future careers. There is too much focus on academic subjects and too little importance given to practical, hands on trade subjects which wold make learners skilled and more employable. There is also a need for more community based initiatives where communities take ownership of the problem and not expect hand-outs from Government. Several partnerships do exist between the academic institutions and Corporates as well as SME’s. However there is a need for more funding and focused Project Management.

**11.4 Interview Summary: Unions**

According to the Union Officials, the NDP only addresses Youth Unemployment and Entrepreneurship to a certain extent. This is so because amongst other things of consultation while the plan was designed, those in youth and entrepreneurs might have not been consulted to an extent of having the plan be explicit in their specific challenges. One needs to appreciate the fact that this sector in our country has existed under two different systems of government and under two different material conditions. Prior 1994, due to apartheid and subsequently sanctions, this sector relied and was mainly depending only on the internal (SA), meaning therefore it suffered foreign investment due to sanctions. After 1994 things changed in the Government. There no more sanctions now and SA became part of BRICS that talks to something positive done by our government to the benefit of this sector. Foreign investments started flowing into retail equities as foreign portfolio managers took a liking to this sector. These positive conditions were created by government.

Also what working together with our government has done is to increase the infrastructure spending programs, attract tourists, grow urbanization and increase the number of economically active individuals. Programs like BEE is also boosting this sector. Research by Financial Mail has amongst other things shown that the more you have more. Africans in the middle class is the more spending capacity increases in favour of Retail and Wholesale. The surgery has shown that African middle class are far more fashion-conscious than their white counterparts.20% of the middle class blacks spend 3.5% of their income on clothing compared to 1.5% by whites. Since AA and BEE Truworths, Massmart and Shoprite are cashing in on this trend. This is so because as people’s financial status changes, so does the demand for sophisticated appliances like washing machines, other forms of food and clothing. This then says transformation in employment has spoken stability and boosting news to this sector.  
  
Urbanization does help this sector as well as big shops will not be mostly in towns but as well where people are. Evidence to this is the opening of the Maponya Mall in Soweto in 2007 by former president Mandela. That kind of industrialized Soweto and at the same time made as still is making this sector grow even further.  
  
The current educational system does not empower our youth with the skills to enter the labour market. Evidence to this is the shortage in critical skills like Artisans, Engineers, CAs and others .The current economic climate within the Retail sector is not impacting Youth Unemployment positively and this increases the weight on the unemployment scale. Two important things need to be addressed. The Labour relations environment needs to be addressed. Trade unions too must play a role in changing the mind-set of the employers in this sector. This sector easily employ on less favourable terms like short term jobs that will result in the incumbent unemployed after 3 months or be a permanent casual. There need to be a meeting of minds. Trade unions must be alive to the fact that not everything needs to be formally addressed on labour courts, that strategy has a potential of making on the other hand negativity and hostility permanent. While contradictions are permanent between capitalists and the working class, trade unions must as well be alive to the fact that ours as unionists isn't to sharpen those contradictions but to manage their sharpness to an extent that it doesn't result in unemployment as such is costing the unions members.

The rest of the world views the South African Labour force as being overprotected by Legislation. They are also viewed as Strike Active. The favourable opportunities in the Sector as viewed by the Unions which can improve skills and training include internships, bursaries and in-service training.

**11.5 Interview Summary: School Principals and Teachers (Dept. of Education)**

The general consensus amongst all educators was that the current Youth Unemployment problem is indeed a serious problem as many of our learners leave school with a matric certificate and struggle to find employment. While it may seem that most learners are adequately equipped with skills when they leave school, the transition from high school to tertiary is at most times a difficult one as they do not have specific employable skills which the Retail Industry requires.

The subjects which educators find in which learners most struggle with include Mathematics, Sciences, Business Studies, Economics and Accounting. Gender biases for specific subjects cannot clearly be distinguished in schools. The main problems experienced by learners would include a lack of poverty, parental guidance, social challenges like alcohol and drugs in the home environments and a lack of self-respect, confidence and self-esteem. These problems then overflow as obstacles to entrepreneurship opportunities where learners have a lack of discipline and a lack of vision as well as the lack of self-confidence to try new things. Young learners do not have mentors and role models in the community who mould and develop them. Schools do not encourage learners to become Entrepreneurs, as there is a very large focus on academic excellence. The subjects that would best prepare and nurture students to become entrepreneurs would be Accounting, Economics, Business Studies, and Mathematics as well as trade subjects which develop a practical skill like woodwork, food technology, hospitality, plumbing etc.

Learning institutions have a very important role to play in providing the necessary skills for learners to enter the workforce or the become entrepreneurs. They need to be encouraged to read the business time and financial magazines and listen to the news on financial matters, partake in competitions run by SARS, JSE, and Reserve bank. Critical or scarce skills in the education sector would include adequately qualified or equipped Mathematics, Physical Science and Accounting teachers. There are not sufficient partnerships between Corporates and SSME’s who need to adopt schools where their Senior Executives can mentor and coach the future business leaders. Corporates need to inject funding to subsidise learners who have serious financial constraints. There is a need to look at avenues where schools can create employment and entrepreneurship opportunities for unemployment Matriculants instead of schools using external service providers.

**11.6 Interview Summary: Entrepreneurs**

The summary is based on interviews conducted on 7 entrepreneurs that own and run their own business. They have been in business for an average of 8 years with an average age of 35. These people were chosen because they are young entrepreneurs who could give us an insight on youth entrepreneurship, employing young people and the difficulty of being a young business person.

Some of the causes of Youth Unemployment identified by the participants are lack of skill and quality education, laziness and not willing to work hard, not realistic about their value when it comes to remuneration . According to Mandla Mkhwanazi, “We produce workers and not students who answer social problems”. Most of the interviewees said yes when asked if youth are interested in entrepreneurship. The reasons given were due to the love of money and the idea of running a business. Those who said no were of the opinion that the youth are clueless about business, they want things done for them and they don’t have exposure to running a business beyond spazas.

All but 2 interviewees mentioned access to funding being the number one obstacle to becoming an Entrepreneur. The other reasons were exposure to knowledge on what it took to start or run business. In some sectors gender and race was an issue but their resilience to want to achieve a goal came out in all the interviews and that’s what made them achieve their goals of running businesses.

The interviewees are aware that government has programmes but they are not targeting the youth in telling them about these programmes and these programmes are not run by people who have business knowledge. Government policies also make it difficult to access funding and assistance. In order to encourage youth entrepreneurship, government should create environments that enable youth to participate in projects that appeal to them, appoint business people to run business development structures and act as mentors, teach entrepreneurship at school level and inform youth about entrepreneurship programmes. Mandla Mkhwanazi proposed that government should reserve a certain percent of its buying budget to develop local supply and production. This development would either be for youth business development or youth employment projects for the supply of goods to government. The government could be flexible with their grant requirements and make the process to access grants and projects that could help youth easier.

These businesses didn’t want to be in partnership with government because of corruption, although two of the companies were involved. In the case of Mandla’s company, his partnership with The National Research Foundation enables him to get a grant to employ university students for his copper tailings research lab. A few solutions to alleviate youth unemployment are apprenticeship and artisan training, early education on entrepreneurship, employ business people in government institutions that are meant to help businesses and stop producing workers in learning institutions but people who solve problems.

**11.7 Interview summary: Government Departments:**

Interviews were conducted with a number of executives from government and/or state owned entities to source information and insights into the role played by government and/or state owned entities in the mainstreaming of the youth into meaningful employment and initiatives around entrepreneurial development. Summarised are some of the key comments and inputs received from respondents regarding government’s role in policy development, regulatory and legislative initiatives developed to positively influence the youth economic mainstreaming in South Africa.

* We are sitting on a time-bomb. We need to change the way we implement these interventions. We are not making significant headway. We have failed to successfully implement. We spend too much time planning and everyone is responsible, with no clear accountability for implementation. Sometimes budget allocations are not even coordinated or available. Unless we do something urgently, we are going to regret it. Our youth employment interventions don’t seem to work. Government must play a much more leading role. We have serious challenges but not all is lost. More than anything, greater focus is required. I believe we can beat this. Only if we work together.
* **The following suggestions were put forward for Government do to resolve the question of youth unemployment and entrepreneurial apathy:**

Give more teeth to the policy, legislative and regulatory framework for the mainstreaming of the youth into the South African environment. The major challenge seems to be the poor implementation of these policies by implementing authorities in both the public and private sector. Most of the youth has limited access to information, which could assist them to access all these opportunities that government afford to young people .It is imperative that all key stakeholders collaborate much more robustly to implement these initiatives so as to combat youth unemployment. All these programmes and initiatives by government require steadfast and robust implementation plans, skills and competencies in the right government entities and the financial resources required to make it happen.

**11.8 Interview Summary: Students**

The 50 students interviewed all reside in urban areas and are between 18 and 20 years old. The information was obtained from the following institutes: Varsity College, University of Johannesburg, University of Cape Town, University of Pretoria, Nelson Mandela University, University of South Africa and the University Of Kwazulu Natal. Of the 50 students 40% were male and 60% female, 12% that are employed are all females. All the students interviewed studied in semi-private schools, when categorised in race groups: 74% Black, 12% coloured, 6% Indian and 8% White.

* Of the 50 students 33 (66%) of them are first year students and have been unemployed for 6 months and 11 (22%) of them were second year students.
* The reason for unemployment was that they were focusing on their studies for now. There are 4(8%) who say there are not enough jobs, 2(4%) say they don’t have the right skills for the job.
* About 12(24%) of them feel they don’t have the adequate level of education.
* 2 (4%) feel they don’t have work experience that employers are looking for.
* About 8(16%) of them say they have a transport problem as the jobs available require them to finish very late at night. 58% of them blame themselves for not being successful, 24% of them blame the Government, and 6% blame the foreigners. They all being supported by their parents including the 6% who are employed.
* 94 % are considering starting their own business and being their own boss.
* While 6% would rather be employed by the government and these are mainly the black females.
* The 6% of females who would rather work for government believe that there is less pressure involved and are afraid to take the risk of opening a business.

Despite the above points, considering the fact that only 12% of the 50 students are employed, surprisingly they all talked about how they would like to open up their own businesses one day rather than working for someone else. The biggest problem they faced was HOW, they are clueless about where to start and lack guidance as well as funds. On the bright side it is quite evident that the youth of today is interested in venturing into the entrepreneurial sector but this proves difficult because they lack motivation and also the major concern of foreign business, this somehow discourages the youth instead of encouraging them to get up and make a life for themselves. In closing the youth of today is not completely blaming the government for being unemployed but are blaming them, because they have the ability to get up and make a difference but do not have enough confidence or courage to get up and seek the information needed to make their dreams a reality.

**11.9 Summary of Facebook Forum feedback:**

The following question was posted on Facebook: “Youth unemployment is at 55%...why aren’t youth starting business or getting jobs...solutions please”. The discussion took place between 21 people who gave their opinion on what the causes were and what the possible solutions could be. The chat was with individuals between the age of 28 to 44, of which 8 participants were male and 12 were female.

Our conclusion on this discussion is that the question of youth unemployment and entrepreneurship is complex with all stakeholders needing to work together in the interest of the country to solve the issue. There’s a strong feeling that the youth have many odds stacked up against them, such as lack of good education, mentorship, information and an enabling environment for youth to be absorbed into the economy. The government and its institutions were faulted for red tape, corruption and inefficiency. Youth were also found to be a contributor to this problem due to their lack of ambition and drive to take matters into their own hands.

Solutions offered were for:

* Government having a political environment that fostered positive economic growth i.e. tenders that are not awarded to friends or family of politicians.
* Apprenticeships
* Improved education of youth and support by the Department of Higher Education.

**11.10 Survey monkey with unemployed youth**

* A total of 359 Youth between the ages of 16-34 years were interviewed.
* 50 % had dependants and 50% had no dependants
* 19% of these youth lived in the rural areas and 81 % of them lived in the urban suburbs.
* The three main reason cited for not finding jobs were that there were not enough jobs ( 30%),that unemployed youth did not have the relevant experience that was required by employers( 16%) and that the information about the available jobs was not easily accessible.
* Youth blamed mainly themselves (37.05%) and the Government (33.43% ) for not finding employment.
* From all the Youth interviewed, 51.6 % of them considered starting their own businesses but did not do so due to a lack of capital
* Entrepreneurial activities cited by the Youth as potential businesses included the following businesses: Catering, Selling, Transport, Salons, Day Care, Events Planning, Carpentry and Spaza shop businesses.
* Unemployed Youth relied mainly on Family (74.3%) or government support 12%) to source money to survive.
* 24% of these youth were unemployed for at least 6 months. 57 % of these youth were unemployed for -5years.
* 13% of these unemployed youth had completed their Matric.

**12. Evaluation of Current Government Initiatives:**

They have had limited success mainly because of the structure of the economy. The South African economy to a greater extend is output drive, i.e. pushing the numbers that contribute to the bottom-line. In other economies of the world mainly Germany and the Asian Five, the structures of their economy are conducive to Work Integrated Learning (WIL) initiatives where young people are employed from Universities and Colleges and are put through a rigorous programme that will prepare them to be qualified artisans or professional. These young people will have one thing in mind, that is to qualify at the end of the period and approximated 98% of those young people are absorbed by those companies as permanent staffers. The South African economy on the other hand is faced with a double whammy of being profits driven and therefore they don’t have time to train newbies, secondly the South African youth as opposed to their counterparts in Germany and Asia, already staff on the back footing. They want money because they want to improve the lives of their families hence they will hop from one job to another and don’t even finish their probations let alone their training in the form of learnerships or artisan training. So these two challenges render any effort of government ineffective.

**12.1 Measurement of the effectiveness of Government Strategies:**

There are two main instruments I know of the government have put in place to measure the effectiveness of this policies and strategies:

* **Performance Evaluation Minister**: The President has established the Performance Evaluation Ministry to deal with issues of strategy and policy effectiveness within various government departments.
* **NEDLAC**: The government has established a body called NEDLAC which is made up of Government, Business and Labour to discuss all issues of economic policy.

According to the National Development Policy 2030, the Government has taken a holistic view of the economy, and the main factor is entrepreneurship. The policy says, by 2030, 90% of the South African economy will be driven by SMMEs. It is my considered view that if this objective is realized, unemployed in the country will be reduced from the current 26% to about 5%. Private business and community leadership should be the main partners in addressing this problem .However, these partnerships are not successful hence we still have the challenges. Each partner has a difference focal point; government is concerned about service delivery of basic issues such as water, electricity, housing and employment. The private Sector is concerned about the bottom-line, whilst the community is concerned about improving their lifestyle. The issue youth skilling which will result in employment often falls through the cracks.

The main challenges to entrepreneurship in South Africa are four fold:

* **Access to Funding**: the requirements by commercial banks and other developmental institutions such as the IDC, NEF, NYDA, etc. are so onerous that they put the potential entrepreneur off.
* **Access to Information**: research information about the developments in the market, changes in the consumer patterns and other important information that will help grow small business is hard to find.
* **Access to Markets**: once the enterprise has been established, it becomes hard if not impossible to access markets to sell their products. Existing businesses have long-term contracts with trusted suppliers and therefore newcomers find it hard to breakthrough.
* **Lack of Training**: skill is everything; and is bedrock for entrepreneurship. If the emerging entrepreneurs are skilled in their trade they will learn how to manage their business and thus lead to sustainable businesses and potential to employ more people.

Specific programmes which are designed to promote Entrepreneurship opportunities for the Youth:

* **National Youth Development Agency (NYDA)**: Funding of small businesses
* **Industrial Development Corporation (IDC)**: A special fund has been set aside by the IDC for youth entrepreneurship
* **New Venture Creation (NVC) Initiatives**: a number of or government institutions such as Small Enterprise Finance Agency (SEFA), Small Enterprise Development Agency (SEDA), National Empowerment Fund (NEF), and a number of government institutions have set aside funds to stimulate youth entrepreneurship;
* **Enterprise Development Initiatives**: Organizations such as ESKOM and Transnet have set aside billions of rands to develop and promote youth businesses that do business with them.

The Sector is already vibrant. It is the fourth largest contributor to the GDP. I think the question should rather be what can government do to stimulate the Wholesale and Retail Sector in the Second Economy i.e. township business. Approximately R60 billions of retail takes place in the second economy but still little or nothing is done to stimulate this economy. Informal Traders and small scale retailers are left at their own devise to fend for themselves. Banking houses and developmental financiers are not prepared to pump money into the second economy because they see it as risky. The government should therefore put in place measure that will stimulate the retail sector in the second economy. Such measures can include the sector must have a BEE Charter as well as the Transformation Charter. These Charters will serve as a springboard for the development of township businesses. For instance if a major retailer is established in the township, there should be a way of making this retailer plough back to the community by assisting emerging traders.

The government influences the performance of the economy, including the Wholesale and Retail Sector, in three ways:

* **Fiscal Policy**: In 2014, the government publish to missive, some call it an austerity measure, in which it was instructing all government departments, agencies and public entities to cut down on the spending. This spending affected the Wholesale and Retail Sector because these government bodies were now barred from buying goods such as corporate clothing and food and beverage products. The government normally spends billions of rands in the W&R Sector but this instruction curtailed the government spending in the W&R Sector. Sot the Government’s Fiscal Policy does have an impact on the Wholesale and Retail Sector.
* **Monetary Policy**: In the 2015 budget speech, the Minister of Finance promulgated that the personal income tax will increase by 1%. The ripple effect of this is that the disposable income of the consumers has been reduced by 1% which means consumer consumption and expenditure has reduced by 1%. The W&R Sector has experienced the brunt of this as many consumers have scaled down on their purchases. The government impacts Wholesale and Retail Sector through taxes which are announced by the Reserve Bank of South Africa.
* **Trade Policy**: The government’s trader policy is central to the economic activity of the country. The Government can stimulate the economic through what is called sound trade policies that lead to increased exports by South African companies to foreign markets as well as retail companies importing products from foreign countries. The government, conversely, stifles the economy of the country through what is called unsound trade policy which leads to stagnation.
* **Critical Skills**: these are skills needed for a person to function optimally within the company; they are normally referred to as top-up skill. Over and above and Accounted having a B. Com degree, they need presentation and communication skills to be able to function optimally; these are critical skills.
* **Scarce Skills**: these are skills the company needs to be able to meet is strategic objectives and to grow and become sustainable. For a retail shop to be successful, there has to be a Cashier, a shelf Packer, a Driver, a Store Manager, etc. these are scarce skills are they are viewed as the lifeblood of the business.

13. POSSIBLE SOLUTIONS AND OPPORTUNITIES FOR YOUTH EMPLOYABILITY:

DBSA (2011) suggests a number of interventions that could amongst others enhance youth employability. These include amongst others the following;

* The provision of interventions to keep young people in school;
* The implementation of second-chance learning programmes;
* The development of soft skills linked to vocational and skills programmes;
* The development of transitioning skills, and the provision of job intermediation and counselling centres;
* The mentoring of new and emerging businesses by existing businesses;
* The need for employment creation programmes, such as the EPWP, which are tailored to meet the specific needs of young people;
* The promotion of “socially useful jobs” (even stipend-based) beyond the constraints of the budget envelope as a way for the youth to attain workplace experience;
* The need for a clear occupational framework that signals the value of different qualifications;
* The need for tailored support programmes and options for rural youth.

In addition to the above, the following recommendations are made;

* Although the legislative and regulatory framework and policies are in place to address youth unemployment and entrepreneurial development, greater focus needs to be placed on operationalization and implementation of these policies.
* Government must place great attention on keeping the 88% children who start school in primary education in order to develop basic educational skills in order for them to be able to take advantage of the after high school programmes and internships that are provided by the government and private sector.
* The W&RSETA and retail sector must increase programmes that are specifically aimed at youth. The current W&RSETA programmes only target about 1555 young people
* Entrepreneurship should be taught in high schools in order to develop basic entrepreneurship in young people.
* The wholesale and retail sector must play a part in introducing careers in the wholesale and retail sector to high school children in order for the youth to develop an interest in the sector.
* In developing small businesses in their supplier development programmes the wholesale and retail sector should also involve young entrepreneurs in their programmes.
* The integration of stakeholders’ efforts, dedication and commitment to the requirements of the National Youth Accord is required from all stakeholders.

**14. FINDINGS:**

In order for more job and business opportunities to be created, it is important for all stakeholders to create an employment and investor friendly environment. Red tape, cumbersome application processes for start-up businesses, limited office hours (weekdays only) and a protracted decision making process may limit a new business access to available incentives for Entrepreneurship. All South Africans must be willing to accept their responsibility to expand the economy. Job creation through Public Work programmes must be supported, although they only address the short term employment issue. The urgent need is to create more Permanent sustainable employment .This can be achieved by Government initiatives which stimulate the SMME sector.

Internationally it has been proven that the SMME sector forms the growth driver of the world’s largest economies and is driving much of the world’s global job creation efforts. In the United States, Japan and Germany Small business contributes substantially to the GDP in each of these economies. For every investment in an entrepreneurial business, an average of 15 jobs is created.

The handling of Government expenditure at Central, Provincial and local levels must be such that corruption is prevented at all levels, and that a conducive environment is created for big, medium and small business to do business, make profit and employ more people.

The Government needs to establish a sound financial policy and crime fighting strategy which will attract overseas investments in South Africa resulting in the creation of local job opportunities where new enterprises are set up or existing ones are expanded. A competitive environment needs to be maintained so that monopolies, where in the Private or Public Sector will be competitive in local and international markets

The underperformance of SMME’s toward economic growth and job creation in South Africa compared to other developing countries can be attributed to an over regulated labour environment forced upon the informal sector by big business and Labour. There is an urgent need for Partnerships between government and the Private Sector to embark on stimulating small businesses which will accelerate growth in the small business sector.

The Government needs to institute an employment grant that would enable emerging Entrepreneurs to employ more unemployed people. The Private Sector, in addition to its contribution to learnerships needs to develop a mentoring programme for new SMME’s. This has to be supported by attractive tax incentives by Government. New SMME’s should be exempted from rigid labour legislation especially in the first year of the company being established. The mentality needs to shift from Social grants to Empowerment Grants .This Empowerment grant will assist the SMME owner to pay the salaries for the first few months until the new company can afford the remuneration package of the worker.

Financial institutions must help to administer the programmes at grass roots level. One of the common complaints of emerging Entrepreneurs was that access to Capital for start-ups was a problem. Emerging Entrepreneurs must be assisted with business plans and Financial Management advice. Mentorship programmes by Financial Institutions would address this concern. Experience local business people through a mentorship programme should be involved to guide emerging entrepreneurs towards success. Obtaining funding is the biggest challenge to any SMME .Interventions likely to have a positive effect on access to finance for SMME’s would include a long term solution by initiating a comprehensive review of existing legislation e.g. The Usury and Credit Agreement Act).

Mentorship Programmes from Private Retail Companies need to be incentivised in order to encourage Companies to play a bigger role in not only the Education and Training Sector but SMME’s as well. More CEO’s and Senior Management need to visits Schools and Universities to expose young people to the Retail Sector.

One of the biggest interventions required to address the opportunity to create employment and promote the Entrepreneurship culture in the Country is amendments to the Curricula at Foundation Phase and Tertiary level. Entrepreneurship must be taught as a compulsory school subject where learners are encouraged to start up and create their own businesses. Introducing Entrepreneurship only at University level is too late.

Most importantly, there is a need to promote a culture of innovation and creativity amongst the people of South Africa. The culture of dependency on the State where people wait for the government to create opportunities for employment needs to be amended. This was clearly evident in the international visits to India, China and Ghana, where people are encouraged to find ways of supporting themselves and creating wealth. The eradication of Government grants is almost impossible as there is a very large percentage of the population who depend on this money as their sole source of survival. However, the receiving of these grants needs to be tied up with some sort of service or pay back to the local community in the form of cleaning up the environment, the painting of schools, gardening services, local scholar patrols etc.

**15. Identification of the Key stakeholders which would make the biggest Impact:**

The Wholesale and Retail Sector in South Africa is a major employer, particularly of the youth, representing 26% of the total youth employed in the country (IDC 2015). In 2014, total youth employment stood at nearly 1.6 million, with the largest number of young people between the ages of 15 and 34 years employed in the retail trade segment”. It concluded that “this sector registered the highest rate of youth employment of all broad sectors of the South African Economy, at 48.8% in 2014. Therefore, when preparing possible recommendations for the Business case, it was decided that Retailers could make the biggest impact on this Youth Unemployment

This fact is better illustrated and further confirmed in Figure 2 below, in which the employment profile of two of South Africa’s Top Retailers are tabulated.



***Table 1: Employment Statistics: Top South African Retailers***

From Table 1 above, it can be concluded that both retailers employ more females than males. Youth between the ages of 15-34years represent over 65% of the total number employed and the majority in this age group is female. Also, retailer 1 employs more permanent staff in this age group, (98%), while Retailer 2 employs more part time employees (74%).

**16. Analysis of Recommendations in order to develop the Business case:**

The Group has identified the following recommendations which need to be evaluated by Retailers in the Wholesale and Retail Sector in an attempt to formalise the Business case:

**Recommendation 1: The Establishment of a Dedicated Employment Creation Department by Retailers**

**Advantages of this option:**

* Access to a confirmed/continuous supplier base, with strong supplier relationships which would lead to superior products, continuous supply, exclusivity of product;
* Talent pipeline created into the business in respect of youth in school or tertiary institutions wanting to establish businesses or retail jobs. Use this to increase/confirm supplier of scarce products and resources.
* Establish strong working relationships and networks within government departments
* CSI achievements – BEE scorecard targets being met
* Actively addressing the issue of youth unemployment and challenges with entrepreneurial opportunities in South Africa.
* Existing Retail programmes could be redeveloped or even new programmes could be introduced, eg. The development of Technical skills which ordinarily get outsourced.

**Disadvantages:**

* Additional costs and resources required to establish these departments;
* Significant effort and time required from all areas of the Retailers business;
* Resources need to be appropriately skilled and have adequate knowledge of current government policies, initiatives, plans, etc.
* Administration and system requirements in order to provide updates on scorecard and reporting
* Financial risk if initiatives are not successful.

**Recommendation 2: To Develop an Entrepreneurship Mentorship Programme involving a Partnership with the SETA and Retailers**

Educational and other training institutions have been primarily responsible for entrepreneurial tutorship and this is too often detached from practical applications in the workplace. We propose an Entrepreneurship Mentorship Programme which is a partnership between W&RSETA and Retailers. This program requires retailers to identify a certain number of candidates (internally or externally such as school and or university students) and pair them with experienced retail store managers for a period of 3 to 6 months. They are given a stipend which is shared between the retailer and W&RSETA. The candidates are then taught on all aspects of the running of a business which includes buying, receiving, budgeting, marketing and people management. These programmes are structured and assessed. They must be demand driven; preparing individuals for entrepreneurship and targeting specific needs In order for these programs to work the following should be taken into consideration (Erich and Hansford, 1999):

* Proper articulation of goals, objectives and purpose.
* Allocation of adequate resources.
* Support from senior management.
* Monitoring and evaluating and ongoing improvement.
* Clear exposition of roles, expectations and responsibilities.
* Establish selection criteria for mentors and developing a training program for mentors.
* Establish a timeline.
* Appoint a coordinator of program.
* Provide visible recognition and rewards.
* Develop criteria for matching mentors and mentees.

**Advantages:**

Companies need take a calculated risk, and invest time and effort to develop and train these young people, and to make the long-term commitment to develop both general workplace competencies and specific enterprise skills.

**Disadvantages:**

* Lack of organisational support from top management.
* There are costs incurred and resources have to be utilised.
* The mentorship program if not structured properly could become a futile exercise.
* Candidates could have negative moral and ethical experiences if mentors are not disciplined.
* Conflicts could arise between mentor and candidate and or mentor could resent the candidate.
* Mentors may not have the time to properly coach candidates.

Mentors could lack the skills required for the mentoring role. ( Ehrich and Hansford,1999)

**Recommendation 3:** The Initiation of a Youth Entrepreneurship of the Year Award for the Wholesale and Retail Sector. This could be set up to recognise, reward and incentivise Youth Entrepreneurship Excellence and Innovation.

Method of Implementation:

* W&R Seta takes responsibility for the coordination and management of the Annual Awards Sessions;
* Wholesale and Retail Sector become premium sponsors of the  Awards Sessions;
* A panel of experts is nominated from within and outside of the industry to evaluate nominations;
* Emerging youth entrepreneurial and innovative companies can be nominated for the awards;
* The Wholesale and Retail Industry will be involved in the identification, selection and approval of deserving nominees.
* Nominees will be interviewed by the panel of judges and a shortlist will be created.
* Shortlisted nominees will be published on the W&R Seta website for further selection by the public.
* Mass Media (digital, print, etc.), will be utilised to market and advertise the event;
* The final winners will be determined by the aggregate score of the voting public and judges score.
* Prize will include Cash Injection into the business and a 24 months enterprise development contract, linked to a particular retailer.
* Other initiatives which would promote Entrepreneurship could be competitions initiated by The Dpt of Small Business in conjunction with the DTI . They could host a “National Youth Business Competition” and the top 5 businesses in each province can be taken into a year’s incubation programme to develop the business in conjunction with the wholesale and retail sector companies to be a supplier or standalone business. As an innovation the WRSETA can set up an online portal and mobile app to assist youth with career information. The retailers who have a presence in semi urban and rural areas can host yearly career information drives for the schools and businesses in the areas they serve about youth initiatives.

**Advantages:**

* Credits for retailers on Enterprise Development and improvement in the BEE Scorecard;
* Free marketing and advertising of sponsors;
* Exposure in the media for all retailers;
* Better Corporate Social Investment recognition for the companies;
* Contribution to enterprise development and skills development in the country;
* Creation of a new pipeline for retailers for new suppliers of goods and services;
* Further opportunities to contribute to job creation through SMMEs;

**Disadvantages:**

* This award is issued on an Annual basis and therefore cannot have far reaching effects into the Wholesale and Retail Sector.

Conclusion: All three recommendations above were evaluated and Recommendation 1 was chosen as the Best Recommendation for the Business Case to be built around.

**17. Business Need and Current Situation:**

South Africa as an emerging economy needs to encourage youth entrepreneurship as it creates new technologies, products, services, new markets and employment.Mahadea (2012) states that entrepreneurship is a long-term solution to South Africa’s unemployment and growth problems and it is only through the creation of entrepreneurship and lasting enterprises that we can create millions of sustainable jobs and economic growth.

We have assessed all three recommendations and concluded that recommendations that will deliver the most benefits in terms of addressing the problem of youth unemployment and the creation of Entrepreneurship opportunities for Retailers in the Wholesale and Retail Sector. The business case presented below will provide the information that the Retailer will need in deciding to establish an Employment Creation department within their organisation.

**Business Case developed by Team Apex ILDP 2015**

**18. Executive Summary:**

There have been numerous policies, plans, initiatives and funding developed by government and its agencies in attempting to address the issue of youth unemployment and challenges in entrepreneurial opportunities for youth. This has been a clear theme identified throughout our research that was conducted. The biggest gap identified was the lack of execution and implementation of these initiatives and it was found to be the main reason why all initiatives and interventions thus far have not made significant inroads in addressing the issue of youth unemployment in South Africa. Review of literature has highlighted serious challenges facing South Africa in attempting to address youth unemployment. However, the review has pointed out significant opportunities in skills development, entrepreneurship, education, work experience and partnerships that the Wholesale and Retail sector can explore in addressing youth unemployment in South Africa.

One of the most important threads which emerged from the research conducted was that all Stakeholders need to play their part and be active in job creation. Exclusive reliance on the Government who is already struggling with constrained resources to create jobs in an unrealistic one. It became apparent during our research that Government has attempted to be proactive in getting the policies and plan developed; however there is a clear need that was identified for the Wholesale and Retail Sector to take accountability and responsibility for executing and implementing the plans and initiatives developed Government effectively address the issue of youth unemployment.

A partnership needs to be formed between government and Wholesale & Retail sector, where each party will have clear roles and responsibilities:

Government role and responsibility:-

* Identify a governmental department (i.e. NYA) who will be accountable to deliver the responsibilities of government. This department will:-
  + Implement Key performance indicators , targets and incentives to monitor execution by Retailers and report on these;
  + Govern the policies and procedures by setting clear mandates;
  + Provide funding or facilitate funding with other institutions for entrepreneurial initiatives identified by Retailers;
  + Assist Retailers in developing networks amongst government departments and funding organisations;
  + Provide some of the infrastructure and platforms for Retailers to use in executing.

Our business case focuses on the Wholesale and Retailer sector and the considerations that need to be considered in executing the above recommendation. We have assessed all three recommendations and concluded that recommendation 3 will deliver the most benefits in terms of addressing the problem of youth unemployment and the Wholesale and Retail Sector. The business case presented below will provide the information that the Wholesale and Retail Sector will need in deciding to establish an Employment Creation department within their organisations.

In order to determine the specific programmes which would be available in the Employment Creation Department, the current initiatives present in the Wholesale and Retail Sector were evaluated:

The private sector in general and the Wholesale and Retailer Sector in particular have an important role to play in the development of opportunities for youth employment as well as fostering entrepreneurial skills. United Nations (2011) recognised that “private sector entities are not only actors in society, but also stakeholders with the capacity and responsibility to contribute to social and economic development”. Research conducted on selected South African Retailers have highlighted that the private sector is a keen partner in contributing towards the resolution of challenges facing the youth.

**18.1.1. Woolworth Pty Ltd**

Woolworths (WW) Pty Ltd has launched various programmes in trying to assist with the upskilling of youth and increasing youth employment in South Africa. Some of these are:

* **The graduate recruitment programme:** WW partners with various learning institutions where practical work experience is offered to 3rd year graduates.
* **Inside Retail course: “**Inside Retail gives lecturers current industry insight and first-hand experience they can’t get from a textbook. It allows them to pass on current commercially relevant information to their studies and exposes them to the range of career opportunities available in the sector”.
* **Student job shadowing:** As part of career counselling and guidance at high schools, WW allows students to attend job shadowing sessions in their head office environment.
* **Enterprise Development initiatives:** The Woolworths Enterprise Development (ED) strategy has been designed to support emerging black-owned organisations in the Woolworths supply chain.

**18.1.2 Pick and Pay Pty Ltd**

Pick and Pay Pty Ltd has also implemented a number of initiatives geared towards fostering entrepreneurial development and youth upskilling. The three key initiatives are the following;

* **Support for Small Business and Suppliers:** Pick n Pay supports small businesses and small suppliers by integrating them into their supply chain which allows entrepreneurs the chance of having their products displayed on their shelves.
* **Enterprise Development Scheme:** The Enterprise Development Scheme provides mentorship and business development advice to small and medium businesses who are interested in making a difference. Pick n Pays aim is to make sure that these small businesses remain long-sustainable suppliers to them. These small businesses have access to Pick n Pay’s internal corporate experts to assist with business management processes such as marketing and advertising techniques, buying and negotiating skills cash flow and basic business skills and principles.
* **Raymond Ackerman Academy:** The Raymond Ackerman Academy is a school that provides post matric graduates an inspiring and innovative six month programme in entrepreneurial development.

**18.1.3 Joburg Market SOC Limited**

The Joburg Market SOC Limited was found to have implemented the following programmes;

* A **Learnership Programme** has been rolled out to expose learners to work-based experiential learning. These learners were deployed in Electrical Engineering, Human Resources, Financial and Management Accounting, Legal as well as Marketing and Communication departments.
* An **Expanded Public Works Programme (EPWP)** has also been implemented at the Joburg Market. A total of 185 young people have been provided an opportunity to acquire work experiences. These were in Security Services, Electrical Services, Repairs and Maintenance, Cleaning and Garden Services, etc.
* ***Jozi@Work Programme.*** The City of Johannesburg, together with its municipal owned entities such as Joburg Market, is piloting a project in which the more entrepreneurial EPWPs and community based entities are grouped into cooperatives to which municipal work can be contracted. To ensure a greater chance of success, the cooperatives are linked with experts called Capability Support Agents, who provide not only training but also assistance in running the cooperatives.
* To encourage the mainstreaming of ***young entrepreneurs***, the City of Johannesburg, together with its entities have reserved at least 2% of procurement spend, to target companies owned by the youth. These companies are provided with preferential procurement incentives to make it easier for young entrepreneurs to access business opportunities in the City of Johannesburg Metropolitan Municipality.

**18.1.4 Shoprite Checkers Group:**

* **Learnerships**: At various levels and qualifications, including an E Deaf project for deaf unemployed youth to upskill them and provide them with a qualification so they can become productive members of society.
* **Bakery & Deli Skills Program** is dependent on what the SETA regards as scarce skills. Unemployed learners are trained for one year with skills based work experience so that they can be employable in our Deli’s and Bakeries.
* **Bursaries funding for various positions within the business, i.e. Chefs, accountants, managers, etc.**

**18.1.5 Wholesale & Retail SETA**

The Wholesale & Retail SETA currently has programmes that are directed at assisting 1555 unemployed young people. The programmes listed below are focused specifically on youth.

**Northern Cape: Learnership Programme:** NQF Level 2 Leanership programme for 500 unemployed learners from rural areas of the Northern Cape

**Free State: Office of the Premier Internships for FET Graduates:** Placement of 100 TVET College graduates in companies in the Free State

**Free State: TVET Placement Project:** Placement of 700 students within the Free State Provincial Department

**Western Cape: Bakers for Youth Development and Sustainability:** A youth development initiative funding the training of 15 young people on confectionery baking.

**Western Cape: Youth Focus Project:** 240 unemployed youth are funded to complete a bridging programme to be enrolled on a National Certificate.

**19. Current Business Needs:**

* Recruits who have a thorough understanding of the culture of Retail ( Long working hours, fast paced , low paying, repetitive tasks)
* Potential employees need to have the specific critical and scarce skills required by the Retail Industry
* Employees need to have specific skills e.g. Be able to operate a cash register, be able to bake bread, have skills to understand sophisticated analytical data generated from BI Store Portal reports.
* If the current situation remains unchanged, we will to incur exorbitant costs to continuously rehire and retrain people instead of growing and developing our own talent.
* We need to develop fresh, new ideas to combat high electricity and unreliable water costs.
* We need to develop functional efficiencies to not only retain but grow Market share in a highly competitive environment.
* To promote the longevity of new start-ups so as to ensure that they do not fail. These new businesses will bring new products and services which would enhance the current offering of Retailers and give them an edge to retain Market share.
* Although most companies are involved in partnerships with the Government via the Wholesale and Retail SETA, there are very little or no specific programmes which target the youth exclusively, nor are there any programmes which promote Entrepreneurship.
* It is clear that most stakeholders are addressing this problem in silos. There needs to be a concerted and integrated effort from all stakeholders to network and form collaborative partnerships.
* Companies need to be more involved with learning institutions and provide learners with access to career guidance in terms of specific Retail careers that would be available to them when they leave school.
* There is a need to re-introduce casual work for Matriculants in Retail stores so that the youth can gain workplace experience.
* A number of large corporates are currently running several learnership and work skills based programmes which specifically target the youth, there are opportunities to replicate these in other retailers.
* The youth employment retention rate in corporates is very low as most entry level jobs are low paying and the hours require flexibility which includes late work as well as night work. However, the current transport infrastructure does not support this. This is exacerbated by the high crime rate where staff who are required to get home with no late transport available often become victims of crime.
* Unemployed youth are not adequately prepared for the world of work when they leave school. Youth in rural schools are on the back foot where they do not receive the foundation required in Mathematical and commerce subjects which Retailers may require.
* Most Youth interviewed do not understand the concept of Entrepreneurship.

20. Project Overview:

The establishment of an Employment Creation department which will focus on developing sustainable Partnerships with new vendors, new suppliers, young upcoming Entrepreneurs. To investigate Youth employment and entrepreneurial opportunities for a South African Retailer to create employment in the wholesale and Retail Sector.

**20.1 Objectives:**

* To explore, identify and understand the major avenues where job creation can be nurtured and developed. To create 100 jobs per Financial year. If each Retailer started up a similar project , there could be a 1000 extra jobs created each year.
* To create partnerships with all Stakeholders in the Wholesale and Retail Sector where job creation activities are managed.
* To reduce the recruitment time from 3 weeks to 3 days as the Entrepreneurship creation department will source candidates for the Pool.
* To have suitable replacements for any existing vacancies within 24 hours.
* To provide a platform for new, innovative product ideas to be tested on site.
* To reduce Outsource costs from 27 million to 10 million. The Entrepreneurship department will provide suitable candidates for all new vacancies.
* To identify the current gaps in the Retailers employment and procurement
* To establish innovative and creative methods of creating sustainable jobs
* To make recommendations to the Employment Creation Department.

**20.2 Scope of the Business Case:**

The following is deemed to be within and out of scope for our business case

**20.2.1 In Scope:**

* Job creation for youth between the ages of 5-34 years.
* The creation of sustainable Entrepreneurship programmes
* Exploring current youth employment programmes in the Wholesale & Retail Sector and entrepreneurial initiatives;
* Focus within the South African Context of the Wholesale and Retail sector;
* Learning from other Retailers
* Establishing partnerships with other Retailers.
* Stakeholders: Government, Educational Institutions, All South African Retailers, Unemployed Youth, The Wholesale and Retail SETA
* Propose recommendations and or solutions.

**20.2.2 Out of Scope:**

* Proposing recommendations and or solutions for youth employment and entrepreneurship outside of our Company.
* Unemployment and lack of entrepreneurship initiatives impacting people above 35 years;

**20.3 Assumptions**

Our research will be based on the following assumptions:

* The creation of a Job Creation Academy will have a major positive socio – economic impact on our Company, the Retail Industry and the South African economy.
* Increased Youth Entrepreneurial opportunities will greatly assist in filling existing vacancies as well as reducing the cost of employment and recruitment
* Students at the Entrepreneurship Academy will be more innovative and be able to come up with ne innovative products for our Company.

**22. Stakeholders:**

The Gauteng Provincial Treasury (2012) identified some of the “major” industry players in the country: Edcon Pty (Ltd), Pick n Pay Holdings Ltd, Shoprite Holdings Ltd, Spar Group Ltd, Woolworths Holdings Ltd and Massmart Holdings Ltd. Most of these retailers belong to a number of Retailers Associations, who look after their collective interests. It is this sector that forms the basis of our investigation in terms of opportunities for youth employability and entrepreneurial development. This business case would be applicable to any of the South African Retailers above.

The following Stakeholders would require to partner in order for this Employment Creation Department to succeed:

* The Wand R Seta
* Educational Institutions ( Universities, Schools, Colleges, Technikons)
* Suppliers currently doing business with the Retailer
* The Government
* The Retailer

**21. Deliverables:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Specific Measurable Deliverables of the Project** | **Estimated Time Period required for Completion** | **Cost/Month or Person** | **Cost per Annum** |
| Recruitment of Entrepreneurship Development Manager | 1 month | R 10,000 | R 120,000 |
| Recruitment of 2 Assistant staff | 1 month | R 6,000 | R 72,000 |
| Development of Learning Material | 6 months | R 500 | R 50,000 |
| ~~Recruitment of Entrepreneurship Trainees¹~~ | ~~1 month~~ | ~~R 500~~ | ~~R 50,000~~ |
| Evaluation and selection of Potential Candidates | 1 month | R 250 | R 25,000 |
| No of Potential Candidates |  | 100 |  |
| Outsourced Recruitment Cost per employee |  | R 2,500 | R 250,000 |

*Note 1 : Exclude cost of recruitment as Labour Dept. database of unemployed youth will be utilised.*

**Calculation of ROI on Entreneurship Job Creation Project:**

|  |  |  |  |
| --- | --- | --- | --- |
| Total Cost Entrepreneurship Project |  |  | R 267,000 |
| Total Cost of Outsourcing |  |  | R 325,000 |
| ROI |  |  | 22% |

Summary:

The above indicates that the Job creation project will generate a 22% Financial Return for the Company



**Summary:**

The calculated Retention ROI indicates that there will be a 556% Return based on the above assumptions.

**23. Implementation Strategy:**

Retailers need to establish a dedicated employment creation department, here after referred to as Dept. X, within its organisation that will be responsible to drive the following:

-Establish a partnership with tertiary learning institutions to develop curricula that will aid in teaching entrepreneurial skills and business acumen.

-Work with HR department and SETA to implement roadshows/career days at schools to promote entrepreneurial spirit and retail jobs amongst youth.

-Engage with all areas of the business, both product and service areas to identify business opportunities whereby youth can provide goods/services to the business. These can either be sold in stores or used within the business.

-Establish a fund that will assist youth to establish or expand their businesses in order to become a supplier to the retailer. Business cases needs to be completed and funding could be from allocated government funds or Retailer supplier development funds.

-Partner with various departments within its organisation, eg. Tax, corporate governance, legal, finance and marketing departments to provide the necessary expertise to assist these young in establishing these areas within their business. This can be driven as part of the Corporate Social Initiatives of the Retailer.

**24. Project Review and Approval Process:**

* The recruitment Hub Manager will have to report weekly to the Employment Creation Team leader and the Personnel Manager.
* The Divisional Personnel Manager will have to submit monthly reports to the HR Director.
* The Progress of this project will be reviewed Quarterly by the Operations Manager.
* The progress and impact of this Department will be evaluated and Audited Quarterly for the first 3 years.
* The Financial Manager will review the Financial Statements on a Monthly basis.( These include the Income Statement and ROI Statements.
* All expenditure higher than R5000-00must be approved by the Divisional Financial Manager.
* We are of the view that this department needs to report directly to the CEO/COO within the organisation as this will ensure that there is sufficient momentum and buy - in from all leadership and their teams. It will also ensure that it forms part of the strategic focus of the organisation.

**25. Recommendations:**

In order for this Programme to be effective and sustainable, the Retailer has to see a Return on Investment on its bottom line, as outlined above. Reduced recruitment and selection costs, partnerships with service providers who are attuned to your business needs, as well as preferential product offerings would be the spin off of such a project. Unlike Learnerships which are mostly conducted firstly as a tick box exercise and secondly in order to receive tax rebates without resulting sustainable jobs, jobs created by the Employment Creation department would be specific to the needs of the Retailer.

This department would be an add -on to the existing HR department where resources such as Recruitment Personnel, Recruitment Hubs, Testing Venues, Training Centres which are currently being used would be expanded.

The Employment Creation department needs to partner with an existing Government Department who could give them access to unemployed Youth, especially Matrciulants and Graduates currently on the Government data base. Together with this Government Department, the Retailer can develop networks with funding organisations in order to enable this project to be successful.

The Employment Creation department needs to conduct a thorough analysis of its specific needs and identify areas in the business which would be served by employees recruited in the Employee Creation Department. Once the various positions are identified, the recruitment department needs to develop a data base of individuals who could be contacted whenever additional staff are required. Here a few examples:

1) Retail Stores require goods in trolleys to be transported from the Retail Store to the neighbouring Taxi rank where customers need to take their goods to the Taxi’s. Each Retail store would require a minimum of 4-6 Trolley collectors. Currently, homeless individuals take it upon themselves to create employment and receive tips for these trips. The Employment Creation department could register these individuals on a formal basis where a uniform would be provided to them. They could be trained on specific customer service practises. The replacement of stolen trolleys is often a very costly one( with each trolley costing R400-00).By formalising this trolley collection process, the Retailer is guaranteeing that their trolleys would not be lost or stolen, the upkeep and cleaning of their parking lots is allocated to these trolley collectors who receive a weekly wage for this task.

Retailers are then guaranteed that their customers are not harassed or inconvenienced as the same individuals are allocated to a specific store. These individuals are trained on merchandising and waste removal as well. If staff are absent, these trolley collectors can then be utilised within the store. The Retailer would save money on the recruitment of outsource relief staff who are often provided by Outsource companies at exorbitant rates.

2) Almost all Retailers now offer on-line shopping to their customers. Unemployed Individuals with motorised transport (cars, motor bikes or even bakkies) could be added to the data base and be available to either transport elderly shoppers home or even deliver on-line shopping as and when needed by the customers. The delivery of small orders from the DC to stores when stores run out of stock could be explored as a job creation option. In this way, instead of the Retailer incurring costs of having their own transport, they then provide the opportunity for unemployed individuals to network with a large retailer and create their own employment. One of the important learnings from the India immersion was that Home Delivery at relatively low prices was one of the methods to ensure that your customer can get goods without leaving their home. This is still an untapped market in South Africa. Deliveries of goods to old age homes and hospitals with a cash payment system can be introduced where individuals cannot come themselves to the Retail store.

3) Almost all Food Retailers have large service departments (Deli’s, Bakeries, Fruit and Veg Departments, Butcheries and Fish Shops). Policy needs to dictate that at least 25% of these suppliers need to be allocated Home Industries which produce locally made products. By doing this the Retailer then provides an avenue for a small, newly established business to get access to a larger market. The employment creation department can also provide training in product development and testing, Marketing, Pricing with experts currently employed in the business that would nurture and develop these individuals.

4) The Introduction of Mentorship Programmes at this Employment Creation Department is one of the Key requirements in ensuring this Department is a success. Senior Execs needs to avail themselves to individuals who are linked on this Employment Creation Programme by giving short seminars at least one a month on Personal Development, Managing Finance, Relationship Management, and Pitfalls that they experience in the Industry so that suppliers of home Industries can network with individuals who have been in business and can guide them. Other examples of Mentorship opportunities could be when HR Execs visit Academic Institutions, and expose the Retail Sector to University Graduates and High school students. Students who are interested could join a work shadowing programme where if selected, they get to spend one day a week with a Senior Manager and then get exposed to the Retail Industry. In this way, they will have a better understanding of the demands of the Sector and in turn, the turnover and retention rate of Trainee Managers will improve. There is also a need to establish a partnership with tertiary learning institutions to develop curricula that will aid in teaching entrepreneurial skills and business acumen.

5) The W&RSETA established the Wholesale and Retail Leadership Chair at the Cape Peninsula University of Technology (CPUT) 2012. The objective of the Retail Leadership Chair is to contribute towards research and the development of W&R qualifications from NQF 5 -10 through collaboration between the Sector, labour and institutions of higher learning. The collaboration between the key role players will ensure a pool with suitably qualified and experienced entrants for the Sector and that the skills levels of the current workforce are improved. Bursaries have also been awarded to 7 post-graduate students who are enrolled in Masters and Doctoral studies with a specific focus on Retail. The Chair of Retail also provides support to the post-graduate students. The Chair is currently facilitating international collaborative networks and exchange programmes in an attempt to determine best practice in research and in particular the provision of retail learning programmes. The project will be implemented over a three-year period at a cost of R 17,4m.Stakeholder participation is of critical importance in this process and is encouraged. The SETA engages stakeholders to solicit input to the SSP through various forums including the regional structures and desktop research. Retailers, through this Employment creation Department need to contribute towards Curriculum development so that the content of what is taught is relevant to the working Retail Industry.

6) Most Retail Centres have large parking lots which are unoccupied during the middle of the month. Retailers can avail these sites to unemployed Youth to start up flea Markets at no cost, where they need to sell products which have been made at Home Industries. I this way, these unemployed individuals get access to a market without the cost of extensive advertising. The individuals at these Flea Markets could attend classes at the employment Creation department where they are trained on Marketing, Customer Service and Selling skills.

7) Incubation Programmes need to be expanded by the Employment Creation department. Often, access to Finance and Expertise is difficult for new entrepreneurs. The “Big Brother “system where a giant Retailer with a vast network can provide support to a new Business owner will ensure that the business would be successful.

**26. Business Case Sign Off:**

We humbly request the Retailers present to consider the above recommendations and approve the business case which will have long standing positive effects not only on the Retailer, but on the general population of South Africa. Job Creation and providing opportunities for Youth who are citizen of this country is the responsibility of every individual who has access to this knowledge. We all need to play a part in contributing to the Future of this country.

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**Appendices : A. RESEARCH PLAN**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **RESEARCH METHOD** | **RESEARCH AUDIENCE AND SAMPLE SIZE** | **RESEARCH OBJECTIVES** | **RESPONSIBLE PERSON** | **DELIVERY DATE** |
| Documents | * Statistics South Africa; * National Developmental Plan * Academic Research (2010-2015) * W&R Seta | * To establish the current extent of Youth Unemployment problem in South Africa and to identify barriers to entrepreneurial development * Contributors and barriers to Youth Entrepreneurial development * To evaluate current entrepreneurship initiatives that are being implemented in the W and Retail Sector | * Saarah * Cassim | 4 May 2015 |
| Interviews | * Senior Retail Executives (8) * Academia (2) * School Educators and Principals (16) * W&R Seta Executives(4) * Unions (5) * Entrepreneurs (10) * International Immersion * Youth Organizations (tbc) * NYDA (1) * Department of Trade and Industry ( 1) * Departments of Public Works(1), Education and Labour (1) | * To obtain qualitative feedback from senior executives, Academia, Union Officials and Entrepreneurs in the Retail sector in order to understand causal factors of and identified sector interventions strategies for youth unemployment; * To establish the factors that contribute towards youth unemployment in the retail sector; * To obtain qualitative feedback from senior executives in the Retail sector in order to understand causal factors of and identified sector interventions strategies for youth unemployment; | * Joe * Fatima * Thabo * Zoobeida | 20 May 2015 |
| Focus Groups | * Facebook * Twitter feeds | * To establish why youth unemployment is at 55%. * To establish why youth are not starting their own businesses or getting jobs. * To garner possible solutions from respondents. | * Thabo | 20 May 2015 |
| Survey using Survey Monkey | * Matriculants (50) * Unemployed Youth (300) * University Students (50) * Retail Students (50) * College (TVET) Students (50) | * To obtain direct feedback from unemployed youth and students on their perceptions/ experiences/ expectations /problems contributing to their unemployment | * Fatima * Zoobeida * Saarah * Cassim | 20 May 2015 |

**B. SUMMARY OF RESEARCH FINDINGS**

**B.1 Interview Summary: Retail Executives**

The following Senior Management involved in Executive Management, Strategy, Operations, Enterprise Development and Training at local South African Retailers were interviewed in order to obtain qualitative feedback sector as well as to understand the causal factors of youth unemployment in the Sector.

|  |  |
| --- | --- |
| **NAME** | **POSITION** |
| Sibongile Antoni; | National Learning & Development Manager, Woolworth Pty Ltd |
| Litha Kutta, | Enterprise Development specialist, Woolworths Pty Limited |
| Ridwan Peer | Chief Executive Officer, The Blinds Syndicate CC |
| Janine Truter, | Group Resource Manager, Shoprite Group |
| Moga Pillay, | National Training Manager, Shoprite Checkers |
| Thulisiwe Nkosi, | Human Capital Executive, Joburg Market SOC Limited |
| Kevin Goosen | General Manager Pick and Pay |
| Thabo Dladla | Operations Manager, Megaphase Safety |

All concurred that the Youth Unemployment problem needs to be addressed by all Stakeholders in the Wholesale and Retail Sector. The need to address Educational inequalities came through very strongly. Although most Companies are involved in partnerships with the Government via the Wholesale and Retail SETA, there are very little or no specific programmes which target the Youth exclusively, nor are there any programmes which promote Entrepreneurship. The sustainability of these programmes needs to be looked at as well.

It was contended that while there is a need for Corporates to provide opportunities for employment and entrepreneurship through practical work skills based programmes, there is also a need for youth to take ownership and make they available to be included in the work environment. Government institutions also need to lead by example when recruiting youth in their own institutions.

**B.2 Interview Summary: W&R SETA Executives**

|  |  |
| --- | --- |
| **NAME** | **POSITION** |
| Lana Van Der Westhuizen | Senior Regional Manager for Coastal Regions W&R SETA |
| Andile Sipengane | Chief Officer Qualifications and Research W&R SETA |
| Joel Digkole | Chief Executive Officer W&RSETA |
| Sindiso Malaku | SME Executive Manager W&R SETA |

W&R SETA Executives all agree that the Youth Unemployment problem and lack of Entrepreneurship opportunities is one of the most important problems which need to be resolved by Government and business. Youth are angry and frustrated and it is only a matter of time before this problem may spiral out of control. The question of youth unemployment remains a concerning one as the youth form the core of our country going in to the future. The worry is that, when this youth remain unemployed, unskilled and inexperienced it will cause a problem in the next 10 to 20 years because when the current crop of leaders and managers retire, there will be a serious gap as there will be very few people available to takeover. This applies to all sectors of the economy.

There is a serious gap between employment and the academia. The education system is not teaching the young ones the skills needed by the economy or to be entrepreneurial. The current curriculum teaches the youth to leave the system only for them to be unemployed. This is across the value chain of the educations system, from high school, to TVET College right through to university. Unless the education system is thoroughly addressed, youth unemployment will remain a challenge. Companies want to employ skilled and knowledgeable people who will add value to the bottom-line of the company. The country’s poor education system was cited as one of the primary causes of high Youth unemployment. The Education system does not equip youth with Critical Mathematical, Financial, IT, Communication, Customer Care, Buying and Planning Skills.

The government has tried to introduce a few measures to alleviate youth unemployment but frankly this has had little or no success. The government recently promulgated the youth employment incentive scheme where companies are encouraged to employ young people and they receive certain incentives from government. The government has also, through the SETAs, established learnerships and artisans initiatives for your people. This has not gained the necessary traction as youth unemployment remains stubborn.

In impoverished areas, teachers are demotivated; they have to contend with large numbers in classrooms with insufficient access to resources. Subjects are sometimes taught by teachers who are unqualified. Learners who may pass Grade 12 have very poor grades .this results in them being unable to secure work in HETI or TVET colleges. While Government initiatives like the Skills Development Plan provides incentives for business owners to employ unemployed youth, these are insufficient to address the core of the problem.

There needs to be more youth offered Permanent employment once their artisanship/ learnerships have been completed. Government Departments nationally have come on board to place unemployed graduates as interns with the help of Seta’s. The funding available for bursaries has also grown substantially. This funding is sourced largely from the skills levies through the Seta’s and the National Skills Development Fund. Business was commended for playing a crucial role through paying their skills levies and opening their doors to the unemployed. There was room to create more opportunities for the Youth through their CSI initiatives.

Youth perceive the Retail Sector jobs as unattractive and low paying. Successful retailers need to mentor and motivate learners from school level by making the time share knowledge of what the Sector has to offer them. Youth are not knowledgeable of the various careers that are available in the Retail Sector. None of the executives could explain how Government measures the effectiveness of its strategies.

They were however optimistic that by creating effective partnerships with all stakeholders, the high Youth Unemployment problem could be addressed. Prospects for the future creation of entrepreneurship opportunities would have to come from the SMME sector and not big business. One of the greatest obstacles for entrepreneurship was that young people lack the life skills required. They do not have a strong support network available both from Government as well as big business. It is often difficult to source seed funding for a start-up business.

The Government plays a vanguard role in addressing issues of youth unemployment. Through the National Youth Development Agency, the government sets aside large sums of monies annually for youth businesses. The government has established a number of initiatives targeted at youth employment, such as:

* **National Youth Development Agency**: to fund youth businesses thus stimulating the entrepreneurial spirit among the youth;
* **Youth Employment Incentive**: aimed at private companies to employ more young people; and
* **SETA Learnerships and Artisan Programmes**: aimed at creating the skills base for the economy.

Success of current Government initiatives: They have had limited success mainly because of the structure of the economy. The South African economy to a greater extend is output drive, i.e. pushing the numbers that contribute to the bottom-line. In other economies of the world mainly Germany and the Asian Five, the structures of their economy are conducive to Work Integrated Learning (WIL) initiatives where young people are employed from Universities and Colleges and are put through a rigorous programme that will prepare them to be qualified artisans or professional. These young people will have one thing in mind, that is to qualify at the end of the period and approximated 98% of those young people are absorbed by those companies as permanent staffers. The South African economy on the other hand is faced with a double whammy of being profits driven and therefore they don’t have time to train newbies, secondly the South African youth as opposed to their counterparts in Germany and Asia, already staff on the back footing. They want money because they want to improve the lives of their families hence they will hop from one job to another and don’t even finish their probations let alone their training in the form of learnerships or artisan training. So these two challenges render any effort of government ineffective.

Measurement of the effectiveness of Government Strategies: There are two main instruments I know of the government have put in place to measure the effectiveness of this policies and strategies:

* **Performance Evaluation Minister**: The President has established the Performance Evaluation Ministry to deal with issues of strategy and policy effectiveness within various government departments.
* **NEDLAC**: The government has established a body called NEDLAC which is made up of Government, Business and Labour to discuss all issues of economic policy.

According to the National Development Policy 2030, the Government has taken a holistic view of the economy, and the main factor is entrepreneurship. The policy says, by 2030, 90% of the South African economy will be driven by SMMEs. It is my considered view that if this objective is realized, unemployed in the country will be reduced from the current 26% to about 5%. Private business and community leadership should be the main partners in addressing this problem .However, these partnerships are not successful hence we still have the challenges. Each partner has a difference focal point; government is concerned about service delivery of basic issues such as water, electricity, housing and employment. The private Sector is concerned about the bottom-line, whilst the community is concerned about improving their lifestyle. The issue youth skilling which will result in employment often falls through the cracks.

The main challenges to entrepreneurship in South Africa are four fold:

* **Access to Funding**: the requirements by commercial banks and other developmental institutions such as the IDC, NEF, NYDA, etc. are so onerous that they put the potential entrepreneur off.
* **Access to Information**: research information about the developments in the market, changes in the consumer patterns and other important information that will help grow small business is hard to find.
* **Access to Markets**: once the enterprise has been established, it becomes hard if not impossible to access markets to sell their products. Existing businesses have long-term contracts with trusted suppliers and therefore newcomers find it hard to breakthrough.
* **Lack of Training**: skill is everything; and is bedrock for entrepreneurship. If the emerging entrepreneurs are skilled in their trade they will learn how to manage their business and thus lead to sustainable businesses and potential to employ more people.

Specific programmes which are designed to promote Entrepreneurship opportunities for the Youth:

* **National Youth Development Agency (NYDA)**: Funding of small businesses
* **Industrial Development Corporation (IDC)**: A special fund has been set aside by the IDC for youth entrepreneurship
* **New Venture Creation (NVC) Initiatives**: a number of or government institutions such as Small Enterprise Finance Agency (SEFA), Small Enterprise Development Agency (SEDA), National Empowerment Fund (NEF), and a number of government institutions have set aside funds to stimulate youth entrepreneurship;
* **Enterprise Development Initiatives**: Organizations such as ESKOM and Transnet have set aside billions of rands to develop and promote youth businesses that do business with them.

The Sector is already vibrant. It is the fourth largest contributor to the GDP. I think the question should rather be what can government do to stimulate the Wholesale and Retail Sector in the Second Economy i.e. township business. Approximately R60 billions of retail takes place in the second economy but still little or nothing is done to stimulate this economy. Informal Traders and small scale retailers are left at their own devise to fend for themselves. Banking houses and developmental financiers are not prepared to pump money into the second economy because they see it as risky. The government should therefore put in place measure that will stimulate the retail sector in the second economy. Such measures can include the sector must have a BEE Charter as well as the Transformation Charter. These Charters will serve as a springboard for the development of township businesses. For instance if a major retailer is established in the township, there should be a way of making this retailer plough back to the community by assisting emerging traders.

The government influences the performance of the economy, including the Wholesale and Retail Sector, in three ways:

* **Fiscal Policy**: In 2014, the government publish to missive, some call it an austerity measure, in which it was instructing all government departments, agencies and public entities to cut down on the spending. This spending affected the Wholesale and Retail Sector because these government bodies were now barred from buying goods such as corporate clothing and food and beverage products. The government normally spends billions of rands in the W&R Sector but this instruction curtailed the government spending in the W&R Sector. Sot the Government’s Fiscal Policy does have an impact on the Wholesale and Retail Sector.
* **Monetary Policy**: In the 2015 budget speech, the Minister of Finance promulgated that the personal income tax will increase by 1%. The ripple effect of this is that the disposable income of the consumers has been reduced by 1% which means consumer consumption and expenditure has reduced by 1%. The W&R Sector has experienced the brunt of this as many consumers have scaled down on their purchases. The government impacts Wholesale and Retail Sector through taxes which are announced by the Reserve Bank of South Africa.
* **Trade Policy**: The government’s trader policy is central to the economic activity of the country. The Government can stimulate the economic through what is called sound trade policies that lead to increased exports by South African companies to foreign markets as well as retail companies importing products from foreign countries. The government, conversely, stifles the economy of the country through what is called unsound trade policy which leads to stagnation.
* **Critical Skills**: these are skills needed for a person to function optimally within the company; they are normally referred to as top-up skill. Over and above and Accounted having a B. Com degree, they need presentation and communication skills to be able to function optimally; these are critical skills.
* **Scarce Skills**: these are skills the company needs to be able to meet is strategic objectives and to grow and become sustainable. For a retail shop to be successful, there has to be a Cashier, a shelf Packer, a Driver, a Store Manager, etc. these are scarce skills are they are viewed as the lifeblood of the business.

**B.3 Interview Summary: University Lecturers**

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| **NAME** | **POSITION** |
| Dhanashree Pillay | Audiology Lecturer University of Johannesburg |
| Abdul Majid Mohammed | Executive Director Unisa |

There was a general consensus that the Youth Unemployment was an issue of serious concern. Not all students are adequately equipped with the required academic skills when they leave school and enter University. There is a very large discrepancy in skills from those learners who come from urban and rural schools. Learners struggle mostly with English and Maths .At Unisa, the average age was 23, whereas at the University of Johannesburg, the average age was 20 years. At Unisa, the genders were fairly balanced whereas at UJ, there were more female than male students. The aim for students when they leave Universities is that they should be ready for the world of work; however this is not always the case. The main problem cited by Lecturers at both Institutions for students not completing their studies were mainly a lack of access to funds as well as self-discipline. It was strongly felt that schools do not adequately lay the foundation for success at University.

Bureaucratic red tape, onerous compliance, regulatory frameworks and lack of capital were cited as the main obstacles to successful entrepreneurship ventures. Poor Government planning was rated as the main cause for this problem. Commerce related subjects, the MBA, the Engineering and Agricultural faculties were recommended courses that would most nurture and develop students to become entrepreneurs. However, there is a need for more mentoring and incubation programmes as well as the creation of partnerships between Academic Institutions, Government and Big business. Poor career guidance while learners were still at school results in them making poor subject choices which hinder their future careers. There is too much focus on academic subjects and too little importance given to practical, hands on trade subjects which wold make learners skilled and more employable. There is also a need for more community based initiatives where communities take ownership of the problem and not expect hand-outs from Government. Several partnerships do exist between the academic institutions and Corporates as well as SME’s. However there is a need for more funding and focused Project Management.

**B.4 Interview Summary: Unions**

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| --- | --- |
| **NAME** | **POSITION** |
| Michael Dreyer | National Negotiator and Office Bearer SACCAWU |
| Hamilton Motaung | Union Official and Office Bearer SACCAWU |

According to the Union Officials, the NDP only addresses Youth Unemployment and Entrepreneurship to a certain extent. This is so because amongst other things of consultation while the plan was designed, those in youth and entrepreneurs might have not been consulted to an extent of having the plan be explicit in their specific challenges. One needs to appreciate the fact that this sector in our country has existed under two different systems of government and under two different material conditions. Prior 1994, due to apartheid and subsequently sanctions, this sector relied and was mainly depending only on the internal (SA), meaning therefore it suffered foreign investment due to sanctions. After 1994 things changed in the Government. There no more sanctions now and SA became part of BRICS that talks to something positive done by our government to the benefit of this sector. Foreign investments started flowing into retail equities as foreign portfolio managers took a liking to this sector. These positive conditions were created by government.

Also what working together with our government has done is to increase the infrastructure spending programs, attract tourists, grow urbanization and increase the number of economically active individuals. Programs like BEE is also boosting this sector. Research by Financial Mail has amongst other things shown that the more you have more. Africans in the middle class is the more spending capacity increases in favour of Retail and Wholesale. The surgery has shown that African middle class are far more fashion-conscious than their white counterparts.20% of the middle class blacks spend 3.5% of their income on clothing compared to 1.5% by whites. Since AA and BEE Truworths, Massmart and Shoprite are cashing in on this trend. This is so because as people’s financial status changes, so does the demand for sophisticated appliances like washing machines, other forms of food and clothing. This then says transformation in employment has spoken stability and boosting news to this sector.  
  
Urbanization does help this sector as well as big shops will not be mostly in towns but as well where people are. Evidence to this is the opening of the Maponya Mall in Soweto in 2007 by former president Mandela. That kind of industrialized Soweto and at the same time made as still is making this sector grow even further.  
  
The current educational system does not empower our youth with the skills to enter the labour market. Evidence to this is the shortage in critical skills like Artisans, Engineers, CAs and others .The current economic climate within the Retail sector is not impacting Youth Unemployment positively and this increases the weight on the unemployment scale. Two important things need to be addressed. The Labour relations environment needs to be addressed. Trade unions too must play a role in changing the mind-set of the employers in this sector. This sector easily employ on less favourable terms like short term jobs that will result in the incumbent unemployed after 3 months or be a permanent casual. There need to be a meeting of minds. Trade unions must be alive to the fact that not everything needs to be formally addressed on labour courts, that strategy has a potential of making on the other hand negativity and hostility permanent. While contradictions are permanent between capitalists and the working class, trade unions must as well be alive to the fact that ours as unionists isn't to sharpen those contradictions but to manage their sharpness to an extent that it doesn't result in unemployment as such is costing the unions members.  
  
What can assist is the ability to influence hardened managers to be able to sort out other issues with the trade union leaders on site instead of always dismissing employees and the parties engage in CCMA or other forums. Such must be a last resort, strategies have to be designed that talk into business and labour leaders being able to sort out even those appearing to be serious questions. This will assist us in preventing job losses and as well not increasing the army of unemployed.  
  
The rest of the world views the South African Labour force as being overprotected by Legislation. They are also viewed as Strike Active. The favourable opportunities in the Sector as viewed by the Unions which can improve skills and training include internships, bursaries and in-service training.

**B.5 Interview Summary: School Principals and Teachers (Dept. of Education)**

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| **NAME** | **POSITION** |
| Ahmed Aslam | Principal Lenasia Muslim School |
| Kushyall Singh | Drama Educator SBSM Independent School |
| Nishal Dhanjee | Level 1 Educator SBSM Independent School |
| Janita Patel | Life Skills and Creative Arts Educator SBSM Independent School |
| Ishwarlal Reggie | Principal SBSM Independent School |
| Shahana Sujee | Senior Head of Department Lenasia High School |
| Serena Singh | Life Sciences Educator SBSM Independent School |
| Jateen Nana | Head of Department SBSM Independent School |
| Kashika Nana | Educator SBSM Independent School |
| Prega Thandrind | Head of Department Business Studies SBSM Independent School |
| Versha Ranchod | Educator SBSM Independent High School |
| Aarti Haripersad | Educator SBSM Independent High School |
| Farhanah Sayed | Educator Zakariyyah Park Secondary School |
| Abdul Hamid | Deputy Principal M.H. Joosub Technical High School |
| Eva Matlejoane | Principal Olifantsvlei Mission School |
| Trevor Masher | Principal Zakariyyah Park Secondary School |

The general consensus amongst all educators was that the current Youth Unemployment problem is indeed a serious problem as many of our learners leave school with a matric certificate and struggle to find employment. While it may seem that most learners are adequately equipped with skills when they leave school, the transition from high school to tertiary is at most times a difficult one as they do not have specific employable skills which the Retail Industry requires.

The subjects which educators find in which learners most struggle with include Mathematics, Sciences, Business Studies, Economics and Accounting. Gender biases for specific subjects cannot clearly be distinguished in schools. The main problems experienced by learners would include a lack of poverty, parental guidance, social challenges like alcohol and drugs in the home environments and a lack of self-respect, confidence and self-esteem. These problems then overflow as obstacles to entrepreneurship opportunities where learners have a lack of discipline and a lack of vision as well as the lack of self-confidence to try new things. Young learners do not have mentors and role models in the community who mould and develop them. Schools do not encourage learners to become Entrepreneurs, as there is a very large focus on academic excellence. The subjects that would best prepare and nurture students to become entrepreneurs would be Accounting, Economics, Business Studies, and Mathematics as well as trade subjects which develop a practical skill like woodwork, food technology, hospitality, plumbing etc.

Learning institutions have a very important role to play in providing the necessary skills for learners to enter the workforce or the become entrepreneurs. They need to be encouraged to read the business time and financial magazines and listen to the news on financial matters, partake in competitions run by SARS, JSE, and Reserve bank. Critical or scarce skills in the education sector would include adequately qualified or equipped Mathematics, Physical Science and Accounting teachers. There are not sufficient partnerships between Corporates and SSME’s who need to adopt schools where their Senior Executives can mentor and coach the future business leaders. Corporates need to inject funding to subsidise learners who have serious financial constraints. There is a need to look at avenues where schools can create employment and entrepreneurship opportunities for unemployment Matriculants instead of schools using external service providers.

**B.6 Interview Summary: Entrepreneurs**

The summary is based on interviews conducted on 7 entrepreneurs that own and run their own business. They have been in business for an average of 8 years with an average age of 35. These people were chosen because they are young entrepreneurs who could give us an insight on youth entrepreneurship, employing young people and the difficulty of being a young business person. The interviews were conducted over the phone with the interviewees all being black individuals.

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| Name | Gender | Age | Nature of Business | Experience |
| Dumi Tsobo | Male | 32 | Clothing Manufacturing | 6 years |
| Gcinile Mamba | Female | 36 | Civil Construction | 8 years |
| Edith Leeta | Female | 36 | HR Consultant & Recruitment | 10 years |
| Sello Letsoalo | Male | 37 | Office Removal | 10 years |
| Zoleka Ngema | Female | 34 | Clothing Wholesale Trade | 5 years |
| Nurse Waka Mathontsi | Female | 35 | School Uniform Manufacturing | 15 years |
| Mandla Mkhwanazi | Male | 36 | Metal Extraction (Mining) | 11 years |

They employ a total of 91 permanent and 130 temporary employees and 80% of these are under the age of 35 years. Some of the causes of Youth Unemployment identified by the participants are lack of skill and quality education, laziness and not willing to work hard, not realistic about their value when it comes to remuneration and according to Mandla Mkhwanazi, “We produce workers and not students who answer social problems”. Most of the interviewees said yes when asked if youth are interested in entrepreneurship. The reasons given were due to the love of money and the idea of running a business. Those who said no were of the opinion that the youth are clueless about business, they want things done for them and they don’t have exposure to running a business beyond spazas.

All but 2 interviewees mentioned access to funding being the number one obstacle to becoming an Entrepreneur. The other reasons were exposure to knowledge on what it took to start or run business. In some sectors gender and race was an issue but their resilience to want to achieve a goal came out in all the interviews and that’s what made them achieve their goals of running businesses.

The interviewees are aware that government has programmes but they are not targeting the youth in telling them about these programmes and these programmes are not run by people who have business knowledge. Government policies also make it difficult to access funding and assistance. In order to encourage youth entrepreneurship, government should create environments that enable youth to participate in projects that appeal to them, appoint business people to run business development structures and act as mentors, teach entrepreneurship at school level and inform youth about entrepreneurship programmes. Mandla Mkhwanazi proposed that government should reserve a certain percent of its buying budget to develop local supply and production. This development would either be for youth business development or youth employment projects for the supply of goods to government. The government could be flexible with their grant requirements and make the process to access grants and projects that could help youth easier.

These businesses didn’t want to be in partnership with government because of corruption, although two of the companies were involved. In the case of Mandla’s company, his partnership with The National Research Foundation enables him to get a grant to employ university students for his copper tailings research lab. A few solutions to alleviate youth unemployment are apprenticeship and artisan training, early education on entrepreneurship, employ business people in government institutions that are meant to help businesses and stop producing workers in learning institutions but people who solve problems.

**B.7 Interview summary: Government Departments:**

Interviews were conducted over a two weeks period with a number of executives from government and/or state owned entities to source information and insights into the role played by government and/or state owned entities in the mainstreaming of the youth into meaningful employment and initiatives around entrepreneurial development. Interviews were in particular conducted with the following senior executives:

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| **NAME** | **POSITION** |
| Mr Conrad Sebego | Senior Manager: Monitoring and Evaluation: Research and Policy Division: National Youth Development Agency (NYDA). |
| Mr Norbit Williams | Director: SMME Development at the Department of Trade and Industry (DTI) |
| Mr Tebogo Mashabela | Industry Analyst, Industrial Development Corporation (IDC) |
| Mr Thapelo Maleke | President of the South African Youth Chamber of Commerce (SAYCC) |

Summarised are some of the key comments and inputs received from respondents regarding government’s role in policy development, regulatory and legislative initiatives developed to positively influence the youth economic mainstreaming in South Africa.

**QUESTION: What are your thoughts on the Youth Unemployment situation currently facing the country and the Retail Sector?**

* **Respondent 1:** We are sitting on a time-bomb. We need to change the way we implement these interventions. We are not making significant headway;
* **Respondent 2:** We have failed to successfully implement. We spend too much time planning and everyone is responsible, with no clear accountability for implementation. Sometimes budget allocations are not even coordinated or available;
* **Respondent 3:** Unless we do something urgently, we are going to regret it. Our youth employment interventions don’t seem to work. Government must play a much more leading role; and
* **Respondent 4:** We have serious challenges but not all is lost. More than anything, greater focus is required. I believe we can beat this. Only if we work together

**QUESTION: What could Government do to resolve the question of youth unemployment and entrepreneurial apathy?**

* Give more teeth to the policy, legislative and regulatory framework for the mainstreaming of the youth into the South African environment;
* The major challenge seems to be the poor implementation of these policies by implementing authorities in both the public and private sector;
* Most of the youth has limited access to information, which could assist them to access all these opportunities that government afford to young people;
* It is imperative that all key stakeholders collaborate much more robustly to implement these initiatives so as to combat youth unemployment; and
* All these programmes and initiatives by government require steadfast and robust implementation plans, skills and competencies in the right government entities and the financial resources required to make it happen.

**B.8 Interview Summary: Students**

The 50 students interviewed all reside in urban areas and are between 18 and 20 years old. The information was obtained from the following institutes: Varsity College, University of Johannesburg, University of Cape Town, University of Pretoria, Nelson Mandela University, University of South Africa and the University Of Kwazulu Natal. Of the 50 students 40% were male and 60% female, 12% that are employed are all females. All the students interviewed studied in semi-private schools, when categorised in race groups: 74% Black, 12% coloured, 6% Indian and 8% White.

* Of the 50 students 33 (66%) of them are first year students and have been unemployed for 6 months and 11 (22%) of them were second year students.
* The reason for unemployment was that they were focusing on their studies for now. There are 4(8%) who say there are not enough jobs, 2(4%) say they don’t have the right skills for the job.
* About 12(24%) of them feel they don’t have the adequate level of education.
* 2 (4%) feel they don’t have work experience that employers are looking for.
* About 8(16%) of them say they have a transport problem as the jobs available require them to finish very late at night. 58% of them blame themselves for not being successful, 24% of them blame the Government, and 6% blame the foreigners. They all being supported by their parents including the 6% who are employed.
* 94 % are considering starting their own business and being their own boss.
* While 6% would rather be employed by the government and these are mainly the black females.
* The 6% of females who would rather work for government believe that there is less pressure involved and are afraid to take the risk of opening a business.

Despite the above points, considering the fact that only 12% of the 50 students are employed, surprisingly they all talked about how they would like to open up their own businesses one day rather than working for someone else. The biggest problem they faced was HOW, they are clueless about where to start and lack guidance as well as funds. On the bright side it is quite evident that the youth of today is interested in venturing into the entrepreneurial sector but this proves difficult because they lack motivation and also the major concern of foreign business, this somehow discourages the youth instead of encouraging them to get up and make a life for themselves. In closing the youth of today is not completely blaming the government for being unemployed but are blaming themselves, because they have the ability to get up and make a difference but do not have enough confidence or courage to get up and seek the information needed to make their dreams a reality.

**B.9 Summary of Facebook Forum feedback:**

The following question was posted on Facebook: “Youth unemployment is at 55%...why aren’t youth starting business or getting jobs...solutions please”. The discussion took place between 21 people who gave their opinion on what the causes were and what the possible solutions could be. The chat was with individuals between the age of 28 to 44, of which 8 participants were male and 12 were female.

Our conclusion on this discussion is that the question of youth unemployment and entrepreneurship is complex with all stakeholders needing to work together in the interest of the country to solve the issue. There’s a strong feeling that the youth have many odds stacked up against them, such as lack of good education, mentorship, information and an enabling environment for youth to be absorbed into the economy. The government and its institutions were faulted for red tape, corruption and inefficiency. Youth were also found to be a contributor to this problem due to their lack of ambition and drive to take matters into their own hands.

Solutions offered were for:

* Government having a political environment that fostered positive economic growth i.e. tenders that are not awarded to friends or family of politicians.
* Apprenticeships
* Improved education of youth and support by the Department of Higher Education.

**B.10 Survey monkey with unemployed youth**

A total of 359 Youth between the ages of 16-34 years were interviewed. Of these, 50 % had dependants and 50% had no dependants. 19% of these youth lived in the rural areas and 81 % of them lived in the urban suburbs.

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| Age Breakdown | <15 yrs. | 16-19yrs. | 20-24yrs. | 25-34yrs. | TOTAL |
| No. | **0** | **59** | **146** | **154** | **359** |

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| PERIOD UNEMPLOYED | | | | | |
| < 3 months | **Up to 6 months** | **Up to 1 yr.** | **Up to 2 yrs.** | **Up to 5 yrs.** | **>5 yrs.** |
| 18% | **24%** | **22%** | **21%** | **8%** | **7%** |

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| HOW THESE YOUTH SUPPORT THEMSELVES | | | | |
| Parents, spouse, Family support | **No financial support, they beg** | **Government Grants** | **Assistance from the Church/ Welfare** | **Friends & Neighbour** |
| 74.3% | **6.69%** | **11.98%** | **1.39%** | **5.64%** |

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| EDUCATIONAL QUALIFICATION | | | | | |
| University Degree or higher | **Technikon Diploma** | **Grade 12** | **Grade 11** | **Grade 10** | **Grade 9 or less** |
| 70 % | **14%** | **53%** | **18%** | **5%** | **3%** |

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| MAIN REASONS FOR BEING UNSUCCESSFUL IN FINDING A JOB | |
| 4% | **They say I’m over qualified** |
| 30% | **There are not enough jobs** |
| 16% | **There are jobs but I don’t have the information about where I can find a job** |
| 10% | **I don’t know the right people. Employers seem to hire through their network** |
| 3% | **I don’t have the right skills** |
| 7% | **I don’t have the adequate level of education** |
| 16% | **I don’t have the work experience that employers want** |
| 1% | **I don’t have transport. It is too far** |
| 3% | **The wages are too low** |
| 6% | **There are no Permanent jobs** |
| 3% | **I don’t do well in the interviews** |
| 1% | **Others** |

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| WHOM DO THE YOUTH BLAME FOR NOT BEING ABLE TO FIND A JOB | | | | |
| Myself | **Education** | **Government** | **Big Businesses** | **Foreigners** |
| 37.05% | **18.66%** | **33.43%** | **5.85%** | **5.01%** |

**From all the Youth interviewed, 51.6 % of them considered starting their own businesses but did not do so due to a lack of capital:**

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| ENTREPRENEURIAL ENTERPRISES THAT YOUTH WOULD WANT TO ENGAGE IN TO CREATE EMPLOYMENT OPPORTUNITIES | |
| Restaurant, Catering & Take Away Business | **Sewing** |
| Selling Groceries, Fruit & Veg | **Hair Salon** |
| Mechanic | **Franchisee** |
| Car Wash | **Law Firm** |
| Spaza Shop | **Carpentry** |
| Transport Business | **Decorating** |
| Physiotherapy | **Kiddies parties** |
| Beauty and Allied Products | **Events Planning** |
| HR Consultancy | **Day Care** |

Addendum C: **Interview Guide**

Interview Question Guide for: Government Entities, Academic Institutions, Retail Companies, Educational Institutions, the International Immersion, Communities, Youth, Students, Unions as well as Academic Research.

Notes to Interviewer: Amend this document to retain questions related to the specific stakeholder being interviewed.

**Government (W& R SETA, DTI, Dept. of PW, NYDA, Dept. of Labour):**

* Please state your name and position.
* How long have you been in your current role?
* What are your thoughts on the Youth Unemployment situation currently facing our Country and the Retail Sector?
* What in your opinion are the causes of Youth Unemployment?
* What is Government’s policy with regards to the employment of Youth?
* What role does Government play in addressing youth unemployment problem?
* Tell us about initiatives that are currently being undertaken by the Government which specifically target the recruitment of Youth.
* Would you say that these initiatives are effective and why?
* What is Government’s Youth Employment strategy in the next 5 years?
* How does Government measure the effectiveness of its Strategies?
* Would you say that the Draft National Policy 2014- 2019 would suitably address the Youth Unemployment problem in South Africa?
* Who are the stakeholders that partner with Government to address this problem?
* Would you say that these partnerships are successful, and if not, then why?
* What are obstacles to entrepreneurship?
* Are there specific programmes which are designed to promote Entrepreneurship opportunities for the Youth?
* What can Government do to stimulate the Wholesale and Retail Sector?
* Are our Economic policies stifling the Wholesale and Retail Sector?
* What are critical or scarce skills in the Wholesale and Retail Sector?
* How does youth unemployment impact the economy?
* What could Government do differently to address the high youth unemployment levels in the country? What impact does retail centres in Township have towards addressing Youth unemployment?
* Are there any employment / entrepreneurship opportunities for Youth in Government offices?
* What degree of consultation is there between various departments with regards to job creation and entrepreneurship an initiative?

**International Immersion:**

* What is the state of Youth Unemployment in Ghana/China and India?
* Compare Youth unemployment in SA vs. the international country.
* How is youth unemployment being addressed internationally? What are the similarities and differences?
* What is working internationally and why?
* Are there any programmes that cater specifically for the recruitment of unemployed youth?
* What role does the Government play in the international country to stimulate the Wholesale and Retail Sector?
* What are the economic policies in the international country? Do these policies stifle/ enable Youth employment in the Retail Sector?
* What is the standard of Education in the country? Does the current educational system empower their Youth with the skills to enter the Labour Market?
* How does youth unemployment impact the economy? How does the current economic climate within retail impact youth unemployment? If so what impact is that having on unemployment as a whole? How do the rest of the world/investors view South Africa in terms of the workforce?
* What opportunities are available to improve the skills training in the Retail Sector
* What learnings can be taken back to South Africa which will alleviate our high youth unemployment problem?

**Academic Institutions (Principles, Teachers, Deans, Rectors, Lecturers):**

* Please state your name and position.
* How long have you been in your current role?
* What are your thoughts on the Youth Unemployment situation currently facing our Country?
* Are the students/learners adequately equipped with academic skills when they leave school and enter this institution?
* Which subjects/ courses do they mostly struggle with?
* What is the average age of individuals in this institution?
* What is the gender allocation in this institution?
* Do different genders have different biases to enrolling for certain courses?
* Are the students adequately prepared to be ready for the world of work when they leave your institution?
* What are the main problems as well as challenges experienced by the Youth in this institution
* What are obstacles to entrepreneurship?
* What would you attribute the cause of this problem to be?
* What courses do you offer that would prepare, nurture and develop students to become entrepreneurs?
* What role must your Institution play in addressing the Youth Unemployment problem and provide necessary skills to enter the workforce or to become entrepreneurs?
* What are critical or scarce skills in the Wholesale and Retail Sector?
* Does the current educational system empower our Youth with the skills to enter the Labour Market? If not, what can be done to educate our youth to become Entrepreneurs?
* What opportunities are available to improve the skills training in the Retail Sector?
* Do the qualifications received by students at this institution enable them to be more readily absorbed into the world of work?
* Does this institution partner with any Corporate, SMME to get practical work skills which would prepare them for the world of work?
* If yes, are these partnerships successful?
* What can be done to make these partnerships more effective?
* Are there any employment / entrepreneurship opportunities for Youth in this institution?
* What level of involvement is your institution engaging in to offer community initiatives or CSR?
* What initiatives can be identified to cater for developing countries?

**Internal Companies (Retail Sector, CEO’s, Senior Execs and Management)**

* Please state your name and position.
* How long have you been in your current role?
* What are your thoughts on the Youth Unemployment situation currently facing our Country and Sector?
* What is the role of Retail Companies in addressing youth unemployment?
* What is the minimum age for employment of youth in your organization?
* What are youth perceptions of retail sector employment opportunities and why?
* What can retailers do to change these perceptions?
* What is your Companies internal Retail Strategy in addressing Youth employment & Youth entrepreneurship)
* If the current strategy used is not working for you, what worked and what did not work?
* What obstacles do Companies face when employing and developing Youth?
* Are there any programmes that cater specifically for the recruitment of unemployed youth?
* Does our company provide any opportunities to promote youth entrepreneurship?
* What role do you think our Company should play in addressing this problem?
* How can our company use Corporate Social Responsibility programmes to educate our youth and provide necessary skills to enter the workforce or to become entrepreneurs?
* Is your Company currently engaged in any partnerships with Government and any of the educational institutions which target the development of Youth?
* Do these partnerships work and if not, what can be done to improve them?
* Are our Economic policies stifling the Wholesale and Retail Sector?
* What are critical or scarce skills in the Wholesale and Retail Sector?
* Does the current educational system empower our Youth with the skills to enter the Labour Market? If not, what can be done by your Company to educate our youth to become Entrepreneurs?
* Does your Company engage in specific skills training interventions which target the Youth?
* What impact does retail centres in Township have towards addressing Youth unemployment?
* Does your company have a budget for CSR initiatives to develop youth in rural areas?

**Unions**

* Please state your name and position.
* How long have you been in your current role?
* Looking at the National Development Plan for the country. Does it address Youth Unemployment / Entrepreneurship?
* What would you attribute the cause of this problem to be?
* Are there any programmes that cater specifically for the recruitment of unemployed youth in the Union?
* What can all the stakeholders (Government and The Wholesale Retail Sector) do to stimulate the Wholesale and Retail Sector?
* Are our Economic policies stifling the Wholesale and Retail Sector?
* What are critical or scarce skills in the Wholesale and Retail Sector?
* Does the current educational system empower our Youth with the skills to enter the Labour Market?
* How does the current economic climate within retail impact youth unemployment? If so what impact is that having on unemployment as a whole? How do the rest of the world/investors view South Africa in terms of the workforce?
* What opportunities are available to improve the skills training in the Retail Sector?
* What is the role of the Union is assisting in finding solutions to the problem?

**Communities, Youths, Learners and Students (these will be covered by the Survey Monkey below)**

* How do race, gender and location impact youth unemployment?
* What are the current challenges facing youth?
* What are youth perceptions of retail sector employment opportunities and why?
* What would you attribute the cause of this problem to be?
* How do race, gender and location impact on Youth unemployment?
* Does the above also have an impact of Youth Entrepreneurship opportunities?
* What is our Company’s stand with regards to the employment of Youth?
* Are there any programmes that cater specifically for the recruitment of unemployed youth?
* Does our company provide any opportunities to promote youth entrepreneurship? If yes, list some of them.
* What role do you think our Company should play in addressing this problem?
* How can our company use Corporate Social Responsibility programmes to educate our youth and provide necessary skills to enter the workforce or to become entrepreneurs?
* What can Government do to stimulate the Wholesale and Retail Sector?
* Are our Economic policies stifling the Wholesale and Retail Sector?
* What are critical or scarce skills in the Wholesale and Retail Sector?
* Does the current educational system empower our Youth with the skills to enter the Labour Market? If not, what can be done to educate our youth to become Entrepreneurs?
* We are currently researching the above topic for our Action Learning Project. What do you suggest are important aspects that we should consider?
* How does youth unemployment impact the economy? (All)
* If so what impact is that having on unemployment as a whole?
* How do the rest of the world/investors view South Africa in terms of the workforce?
* How does this above perception affect foreign direct investment into South Africa? (Rating agencies)
* What opportunities are available to improve the skills training in the Retail Sector? (W& R Seta, DTI)

**Available Academic Research, Stats SA**

* Why does youth unemployment exist?
* How do race, gender and location impact youth unemployment?
* What are the current youth unemployment levels?
* Youth unemployment in SA vs. internationally?
* Why do youth prefer employment to entrepreneurship?
* What are the barriers to Youth Entrepreneurship?
* What is working internationally and why?
* What are youth perceptions of retail sector employment opportunities and why?
* What are the other industries best practices for addressing youth unemployment?
* Draft National Youth Policy 2014-2019?
* Looking at the National Development Plan for the country. Does it address Youth Unemployment / Entrepreneurship?
* Does the above also have an impact of Youth Entrepreneurship opportunities?
* What is our Company’s stand with regards to the employment of Youth?
* Are there any programmes that cater specifically for the recruitment of unemployed youth?
* Are our Economic policies stifling the Wholesale and Retail Sector?
* What are critical or scarce skills in the Wholesale and Retail Sector?
* Does the current educational system empower our Youth with the skills to enter the Labour Market? If not, what can be done to educate our youth to become Entrepreneurs?
* How does youth unemployment impact the economy?
* How does the current economic climate within retail impact youth unemployment?
* If so what impact is that having on unemployment as a whole? How do the rest of the world/investors view South Africa in terms of the workforce?
* How does this above perception affect foreign direct investment into South Africa? (Rating agencies
* What opportunities are available to improve the skills training in the Retail Sector?
* Is there a distinguishable difference in terms of percentage i.e. before and after the Retail centres moved into the townships?

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| Survey on youth unemployment (for individuals not currently in employment) |

The Apex Team is currently completing an Action Learning Project in order to complete their International Leadership Development Program at the Gibs School of Business Science. We are investigating opportunities in addressing the youth unemployment problem in S.A.

As part of our investigation into the current youth unemployment situation in South Africa, we would like to get to know your thoughts on the issue.

We would thus appreciate it if you could give us two to five minutes of your time to fill out our short anonymous survey. This will give us a better understanding of your thoughts on the challenges, problems, possibilities and possible solutions to the problem.

Thank you for your participation!

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| Please tick all that apply: | | | | | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 1) Gender : | | | Male | |  |  |  | Female | | |  |  |  | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 2) Your Age | |  | Younger than 15 years | | | | | | |  |  |  |  | |  |  |  |  |  |  |  |
|  |  |  | 15- 20 years | | | | | | |  |  |  |  | |  |  |  |  |  |  |  |
|  |  |  | 20-24 years | | | | | | |  |  |  |  | |  |  |  |  |  |  |  |
|  |  |  | 25-34 years | | | | | | |  |  |  |  | |  |  |  |  |  |  |  |
|  |  |  | Older than 35 years | | | | | | |  |  |  |  | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 3) Do you have dependents? If yes, how many. | | | | | | | | |  |  | No |  |  | | Yes |  | How many | | |  | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 4) Do you live in a rural or urban area? | | | | | | | | |  | Rural | |  |  | | Urban | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 5) What is your highest educational qualification? | | | | | | | | |  |  | University Degree or higher | | | | | | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | University or Technikon Diploma | | | | | | | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | Grade 12 | | |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | Grade 11 | | |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | Grade 10 | | |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | Grade 9 or less | | | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 6) Are you employed or unemployed? | | | | | | | |  | Employed | | |  |  | |  | | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 7) How long have you been unemployed and seeking work? | | | | | | | | | | |  |  |  | | Less than 3 months | | | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | | Up to 6 months | | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | | Up to 1 year | | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | | Up to 2 years | | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | | Up to 5 years | | |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | | More than 5 years | | | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 8) How have you been supporting yourself if you didn’t have a job? | | | | | | | | | | | |  |  | |  |  |  |  |  |  |  |
|  |  | Support from Parents , spouse or family members | | | | | | | | | | | | |  |  |  |  |  |  |  |
|  |  | Support from Friends | | | | | | | | | | | | |  |  |  |  |  |  |  |
|  |  | Support from Government Grants | | | | | | | | | | | | |  |  |  |  |  |  |  |
|  |  | Borrowing from Friends / Neighbours | | | | | | | | | | | | |  |  |  |  |  |  |  |
|  |  | Support from my Welfare or Religious Bodies | | | | | | | | | | | | |  |  |  |  |  |  |  |
|  |  | No support, I beg | | | | | | | | | | | | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 9) Why do you think you have been unsuccessful in finding a job? | | | | | | | | | | | |  |  | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  | They say I’m over qualified | | | | | |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  | There are not enough jobs | | | | |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  | There are jobs but I don’t have the information about where I can find a job. | | | | | | | | | | | | | | |  |  |  |  |  |
|  |  | I don’t know the right people. Employers seem to hire through their network | | | | | | | | | | | | | | |  |  |  |  |  |
|  |  | I don’t have the right skills | | | | |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  | I don’t have the adequate level of education | | | | | | | | |  |  |  | |  |  |  |  |  |  |  |
|  |  | I don’t have the work experience that employers want | | | | | | | | | |  |  | |  |  |  |  |  |  |  |
|  |  | I don’t have transport. It is too far | | | | | | |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  | The wages are too low | | | | |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  | There are no Permanent jobs | | | | | |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  | I don’t do well in the interviews | | | | | |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  | Other | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 10) Who do you blame for not having a job | | | | | | | | | |  |  | Myself | | | | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | My Education | | | | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | The Government | | | | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | Big Businesses | | | | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | The Foreigners | | | | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| 11) Have you thought of starting your own business? If yes, what type of business? | | | | | | | | | | | | | | | |  |  |  |  |  |  |
|  |  |  |  |  |  |  | No |  |  |  |  |  |  | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | Yes |  |  |  | TYPE: | |  | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| If no, why not?  ………………………………………................  If yes, why have you not started the business?  …………………………………………………… | | | | | | | | |  |  |  |  |  | |  |  |  |  |  |  |  |