Enabling a generation of social entrepreneurs:

A study to establish if the practice of social entrepreneurship offers inclusive self-employment opportunities for disenfranchised South African youth.

University of Cape Town
Graduate School of Business
Commerce Facility

MPhil in Inclusive Innovation

Presented by Janine Carpenter
Supervised by: Dr Elanca Shelley

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Enabling a Generation of Social Entrepreneurs

Abstract

This study is concerned with contributing to solutions that address the problems of youth unemployment, inequality and poverty in South Africa, specifically among those youth who are being marginalised from participating equally in mainstream economic activities. It argues that financial and digital exclusion, as well as poor access to a quality education, are factors which are currently limiting these youths' economic potential and perpetuating a cycle of unemployment, inequality and poverty in South Africa.

The literature and theory of social entrepreneurship presents a strong case to address unemployment, inequality and poverty, as well as to stimulate economic growth by creating new business and self-employment opportunities for the youth. This qualitative grounded theory study evaluates the theory of social entrepreneurship in practice, by comparing the theory to the lived realities of some disenfranchised youths in Cape Town. The study also provides an analysis of the systems of privilege and the dual economy that exist in South Africa. Through feedback received during interviews with a representative sample of the target group, the study offers new insights into the challenges faced when young people are seeking employment or want to start a business in the South African economy.

Youth social entrepreneurship development and start-up incubation programmes arguably perform a critical function in facilitating inclusive economic participation among the youth. Developing new insights, concepts and recommendations to maximise these programmes' social impact is a critical function of this study, which ultimately hopes to contribute to the creation of more inclusive entrepreneurial opportunities for disadvantaged South African youth.

Keywords: Excluded youth, youth entrepreneurship, social entrepreneurship, inclusive economic growth, youth unemployment, social entrepreneurship development, born frees, inclusive innovation and youth development programmes.

Chapter One

1.1 Introduction

'Our youth are our future' are the words that have been drummed into our heads by just about every political leader since South Africa's democratic independence. On independence day, the 27th of April, 1994, the fate of all South Africans supposedly changed, marking a clear turning point in our history—a point in time when all South Africans, especially our youth, could start to believe in a future of political freedom, liberty, and equality.

Mr Nelson Mandela, South Africa's first post-apartheid President, and iconic leader, famously said, 'Our children are the rock on which our future will be built, our greatest asset as a nation. They will be the leaders of our country, the creators of our national wealth who care for and protect our people (Mandela, 1995). Mr Oliver Reginald Tambo, a leader of the apartheid struggle and liberation movement, is often cited as having said 'The children of any nation are its future. A country, a movement, a person that does not value its youth and children does not deserve its future' Mbete (2017). Our current President, Mr Jacob Zuma, believes that 'young people occupy a very significant and strategic place in society and communities' (Zuma, 2011). These views are a few of the countless instances where our political leadership has reinforced the significance of the next generation of South African youth and their role in advancing the agenda of inclusive, transformative economic development.

Post-apartheid, the notion that 'our youth are our future' for many South Africans, became their 'reason to believe'. Essentially, this notion was a 'promise' from our leadership that meaningful economic and social justice for South Africa, will ultimately be realised by her youth—the generation of 'born free' South Africans. This promise describes the period in South African history that has been commonly referred to as the 'Rainbow Nation Era' or the 'Mandela Era.' A message of hope, which promotes an ideology of a non-racial, non-sexist, equal society for all her citizens, and has reservedly served as a means to unite all South Africans towards a shared and unified vision for our Country. It is an era synonymous with 'moving on and forgetting our past' through Mandela's profound spirit of forgiveness, and has arguably served its intended purpose of the time—to keep peace and economic stability post-independence. However, this narrative is evolving, specifically among our youth who are rightfully questioning 'Sixole Kanjani,' a Xhosa phrase translated to mean 'How must we forgive?' There is a new emerging generation who is questioning the impact of our complicated past of racial discrimination and oppression, as well as the current lived realities (the status quo) of many young South Africans in abject poverty. These voices contribute a level of understanding of the complex social issues, the wicked problems that are afflicting our youth and, to a large extent, limiting their lifetime potential. This wasted potential manifests as an 'opportunity cost' for South Africa, which should not

be ignored considering our widely profiled political agenda: to create a vibrant and diverse society that provides equal opportunities to all her people within a prosperous economy—in précis an inclusive South Africa.

1.2 Background

The following chapters will explore the demographic, political, and social context of the 'subjects' of this study—young South Africans, aged 18–24—with a particular focus on youth who are being marginalised from mainstream economic activities.

Specifically, the discussions will introduce topics concerning the complexities associated to or related to the high levels of youth unemployment, inequality, and poverty experienced by this group in South Africa. This narrative aims to develop a case that demonstrates the pre-existing levels of exclusion and articulates the applicability of creating an ecosystem, which is inclusive by nature. This will be achieved by discussing some of the pertinent contributing factors that have perpetuated and, in most instances, continue to erode the youth unemployment rates and extreme levels of inequality experienced by this vulnerable generation of future leaders.

1.2.1 Demographic Profile

These young South Africans belong to the generational group that are globally branded as Generation Z and locally referred to as the 'Born-Frees' or the Mandela generations. More explicitly, many of these youth are often portrayed as being discriminated against, disadvantaged, disenfranchised youth or belonging to the base of the pyramid (BOP) (Ansari, S., Munir, K., Gregg, T., 2012). All of these descriptions have varying degrees of historical ambiguity, implied meanings, and/or negative connotations. As such, the author believes it is important to use her words cautiously when describing the participants in this group, in order to create a controlled and mindful framing of their narrative, by using precise language that does not in any way prejudice or undermine their agency (Barker, 2003). As such, for this master's research on inclusive innovation - which by its nature prescribes a process of transition, from exclusion, to a state of inclusion - this group of marginalised young South African citizens, aged 18–24, will from hereon be referred to as the excluded youth.

1.2.1.1 Global View: Generation Z

The excluded youth group previously described belongs to a global generation group called Generation Z, also known as the iGeneration, Post-Millennials, and Digital Natives, which broadly categorises the demographic profile of youth following the controversial Millennial (Strauss & Howe, 1991) cohort. Members of Generation Z were born from the mid-1990s to the early 2010s and are often described as the first generation who cannot recall a world without the Internet and can rarely remember a time

when the mobile phone, and in later years the smartphone, was not a critical life tool (broadly speaking) in most households. (Strauss & Howe, 1991)

This generation, which is universally recognised and celebrated as passionate, innovative, and entrepreneurial by nature, represents an encouraging vision of a generation of potential entrepreneurs, innovators, and inventors who are assumed to be deeply invested in creating alternative approaches to address the increasing social and environmental challenges we are experiencing worldwide. This very broadly describes the characteristics and principles of social entrepreneurship and innovation. To ensure absolute clarity in reference to the use of the terms 'social innovation' and 'social entrepreneurship,' we adopt the definitions provided by Westley and Antadze (2010) and Seelos and Mair (2005), respectively, whereby the phrase 'social innovation' is interpreted as an 'initiative, product or process or programme that profoundly changes the basic routines, resource and authority flows or beliefs of any social system' (Westley & Antadze, 2010, p. 2), and 'social entrepreneurship' describes the activity that 'combines the resourcefulness of traditional entrepreneurship with a mission to change society' (Seelos & Mair, 2005, p 241).

1.2.1.2 Local Context: Generation Z

While it is pertinent to recognise the global classification of the Generation Z profile discussed previously, it is more relevant to consider the Generation Z within our localised South African context when introducing the broad characteristics of this generation. In that context, a large proportion of our Generation Z population comprises excluded youth, who are in general known to have insufficient access to smartphone technologies and the internet, and, most importantly, they are not exposed to a well-supported and accessible curriculum. At a simplistic level, these are the primary factors supporting the digital advancement of this generation globally. It can be argued that these restrictive factors (lack of access to the internet, technology, and quality education) are marginalising the excluded youth from participating in related economic activities. The absence of such access – and all it encompasses, such as economic development and advancement, including job creation, business innovation, the development of new services and industries, and a positive contribution to gross domestic product (GDP) growth– illustrates a developing theory that links the level of financial access to a respective level of inclusion or exclusion. For example, where poor access to technology is prevalent, one could expect to find it is prohibited in some way by an individual's ability to afford better access, as poor financial access further marginalises and excludes youth. This is demonstrated by the widening technological gap between South African youth, where those who are privileged enough to afford such technologies, as well as the extortionate data costs in South Africa, would have an obvious and significant advantage in comparison to those who cannot—our excluded youth.

1.2.1.3 The 'Born Free' Generation

Further to this synopsis of the localised context of the Generation Z profile, there is an additional layer of complexity that warrants discussion with regard to the future leaders commonly known in South

Africa as the 'born free' or Mandela Generation. The 'born free' generation refers to the generation of youth who were born in or after 1990. At most, they would have been four years old when South Africa became democratically independent and are theoretically unable to recall life under the apartheid regime (Mattes, 2012). The apartheid system was a legalised political and social system designed to maintain a position of power and privilege under the then white minority government. It lasted forty-six years, from 1948 to 1994, and is discussed in greater detail in 'The Historical Context,' (refer to 1.2.2) a sub-chapter of this study.

The textbook description of the 'born free' generation maintains that all South Africans born after 1990, regardless of their ethnicity, race, or social class, who were hypothetically born into a life of freedom from the oppressive apartheid state (Mattes, 2012) are considered to be 'born frees'. Under this definition, and according to the 2016 Statistics South Africa Community Survey, a conservative estimate would see at least 48% of the South African population falling into this age category.

That being said, there is a strong case to be argued that South African youths who were not directly oppressed by the apartheid system—namely young white South Africans who have in theory benefited from the institutionalised system of apartheid over time—cannot technically be described as being born free of said oppression and, as such, should not be included in the purest classification of the 'born frees'. It is an important academic argument that certainly deserves extensive scholarly debate within our precarious current political climate, but for the purpose of this study, the author has opted to use the term as it is commonly used in the vernacular by the youth, and that rather describes the emerging post-apartheid generation whose parents were directly subjugated by the apartheid system.

A youth named Sipho Mpongo, a 'born free' photographic journalist, was born in a rural village in the Eastern Cape in 1993, one year before independence. Mpongo documented his experiences in a provocative photographic series titled, The *'Born-Free' Generation*. As such, Mpongo contributed the idea that in 'South Africa, a country marked by linguistic, cultural and racial diversity, the ideologies of freedom are not singular, but rather multiple.' Mpongo further shared that 'when he reflects on his childhood experiences, when he thinks about the environment where he grew up and the problems he faced, he finds it hard to describe himself as free' (Mpongo, 2016). He also describes a common narrative among many 'born frees' who have become increasingly disillusioned by the promise of a 'rainbow nation.' They are justifiably challenging their status quo, which is burdened by excessive youth unemployment, inequality, and poverty. These testaments have been further validated by Robert Mattes, who found in his research *The 'Born Frees': The Prospects for Generational Change in Post-apartheid South Africa* (2012), that 'in many respects, many if not most the 'born frees' face the same levels of enduring unemployment, poverty, inequality, and hopelessness – if not worse so – as their parents.' Mattes went on to claim that 'whatever advantages might have accrued from the new political experiences of freedom, liberty and self-government seem to have been neutralized by the disadvantages of enduring unemployment, poverty, and corruption' (Mattes, 2012, p.151). These

senses of hopelessness and dissatisfaction with the status quo are arguably contributing to the establishment of various youth social movements. Examples of such are the #FeesMustFall, #RhodesMustFall, #DecolonizeEducation, and #ReclaimTheCity social media protest movements through which the 'born frees' are expressing their desire for genuine freedom for their generation.

According to a thought-provoking opinion piece by Johann Redelinghuys discussing the lived realities of this 'born free' generation, he suggests that 'they and their parents want the best for them and their ambition and hopes for the future know no bounds. They want to be doctors and lawyers and business entrepreneurs. They want jobs and income stability to build their lives and flourish in this bounteous country. For most of them it's just not happening.' Redelinghuys further building a case for why they are excluded by arguing that 'the single most damaging loss of freedom is the freedom that comes with financial independence' (Redelinghuys, 2013). The concept of financial independence is a consistent and resonating theme, one which has emerged throughout the full scope of this study.

1.2.2 Historical Context

Discussing this generation of excluded youth without formulating this dialogue within a historical framework would be negligent. A detailed framing and historical account should not ignore the model of colonialism introduced by the Dutch in 1652, the slave trade between 1653 and 1822 or the British colonial era, when the British assumed political power from the Dutch in 1814 to 1934 - a period lasting a total of 120 years. Combined, these historical influences have undeniably had a long-term impact on our modern society. However, it is more relevant to this study to provide an overview of more recent historical instances of mass exclusion and to develop a growing understanding of the racial injustices that have perpetually marginalised the youth, specifically the recent history of apartheid control in South Africa.

1.2.2.1 The South African Apartheid Regime

The South African apartheid system implemented by the National Party (NP), the South African Government between 1948 and 1994, refers to the legalised regime that created deliberate socio-economic exclusion based on racial profiling, affecting an institutionalised legal method of racism, discrimination and oppression, against the general (majority) South African population.

This strategically cruel system essentially and deliberately prevented non-white South Africans (Africans, Coloureds and Indians) from being included in any positions of authority or 'desirable' economic activities that included, but were not limited to, land ownership, inhabiting economically active urban areas and access to quality education. These privileges were exclusively reserved for the 'superior' white South African population of this historical period. In précis, this apartheid strategy was devised to ensure that all positions of power where legally retained for the white minority population.

1.2.2.2 Apartheid Segregation

The Group Areas Act of 1950 and the Native Urban Areas Act simplistically mandated that economic centres be divided into racially segregated areas, which prevented non-white South Africans from residing in the most developed urban zones. In effect, this geographically separated the economic development of races in South Africa by forcibly removing and relocating non-white citizens from their homes to designated areas and townships, based on designated racial profile (Black, Coloured, or Indian) and, in doing so, giving economic preference to white South Africans at the expense of the majority of our population.

Although the Group Areas Act of 1950 was officially revoked on 5 June 1991, the effects of this apartheid policy in particular are still visually evident in many of South Africa's economic centres, especially in the Cape Town Metropolitan Area, the location of this study. While there has been some progress of reintegration, it would be hard to argue that the city of Cape Town, more than most cities in South Africa, is not still largely geographically segregated and populated based on these two long-enduring apartheid strategies. As such, many residents who still live in these designated apartheid areas or townships are still excluded from participating in economic activities equitably. The high costs associated with commuting to commercial centres for employment and the underdeveloped infrastructure in these areas, compared to other, majority white, suburbs in Cape Town, are two of the many examples of how this apartheid act is still perpetuating the division of race and class, sixty-seven years post-policy inception.

Robert Mattes aptly describes the current state of affairs in comparison to these acts by stating that although 'official segregation has been replaced by class segregation, the vast majority of poor and working-class blacks still live in former townships and Bantustans.' (Mattes, 2012, p. 141). This highlights, in part, the problematic impact that our apartheid past has had on the lives of many who were outcast at the time, but also on the generations that follow, and who, in the author's opinion, are still being marginalised as a result of these racist laws.

1.2.2.3 Apartheid and Education

Furthermore, in 1953, the South African apartheid government, led by Dr Hendrik Verwoerd, who had previously been the Minister of Native Affairs, passed the Bantu Education Act No 4, which was later renamed and referred to as the Black Education Act of 1953. The overall purpose of this Act was to further legalise and enforce the segregation of the young non-white South Africans by extending the apartheid control to the education system. This Act fundamentally denied young non-white South Africans the right to an education equal to that afforded to their white South African counterparts, further elevating the apartheid regime's ambitions for white supremacy. According to South African History Online (2011), the Act's stated aim was 'to prevent Africans receiving an education that would lead them to aspire to positions they wouldn't be allowed to hold in society. Instead, Africans were to

receive an education designed to provide them with skills to serve their own people in the Bantustan 'homelands' or to work in manual labour jobs under white control.'

Without understating the progress that has been made in the last twenty-four years of democracy since 1994, the consequences of this Act have had a broadly agreed upon, devastating, and lasting effect on the South African education system and, therefore, our economy (Fiske & Ladd, 2004 and Spaull, 2015). While there are an increasing number of excluded youth who escape from the system to attend formerly white primary, secondary, and tertiary educational institutes of privilege, these instances unfortunately represent a small sample of exceptions and in no way represents the normative behaviour or the general population, who are still largely afflicted by dysfunctional schools and an inferior educational based Ecosystem (Mates, 2011). Thus, a problematic situation of mass exclusion is created that has become synonymous with our apartheid past. In summation, the apartheid regime in general, and specifically the Bantu Education Act, in conjunction with The Group Areas Acts, cumulatively ensured that all learners of colour were excluded from mainstream equitable economic activities, both from a geo-location perspective and access to 'quality education'.

1.2.3 The Current Situation

These legacies of apartheid regarding mindsets, policies and strategies have each in their own right influenced the compounding social and economic challenges that burden many of our excluded young today, specifically those who were supposedly born free of our past. There is a need to question 'how free are these excluded youth in South Africans today?' Moreover, when questioning this notion, we must challenge our inherent institutionalised understanding of freedom in today's society regarding the lived realities of far too many young South Africans who are burdened by high unemployment, inequality, and poverty.

1.2.3.1 Unemployment Among Youth

The performance of the South African labour market has been performing poorly. This poor performance, according to Statistics South Africa's Q2 2017 results, sees the South African unemployment rate as having hit a nine-year high of 27.7% (Statistics South Africa, 2017b).

The Western Cape reported the lowest provincial unemployment rate nationally at 20.7%, which is still unacceptably high, while the highest prevalence of unemployment was reported in the provinces of the Eastern Cape and the Free State at a very undesirable high of 34.4%, as illustrated in Appendix A.1 (Statistics South Africa, 2017b).

More relevant to this study are the number of youth aged 15–24 who are not in education, employment, or training (NEET). The NEET indicator, which accounts for 32.2% of the total population and includes approximately 18 million young citizens who are currently not consequentially economically active, is an economic indicator which demonstrates the scale of the current youth unemployment problem in South Africa. In addition, when the 2017 Q2 by-population-group results are

compared to the same period in 2017, as illustrated in Appendix A.2, they indicate an overall percentage increase to the NEET rates. In this case, all population groups, except for the white population (which declined slightly), observed a troubling increase according to this empirical data.

These NEET rates over time, as illustrated in Appendix A.3, indicate a sluggish labour market that has been unable to support the increasing number of young citizens annually. The sluggish labour market leads to weak job absorption rates, but even more importantly, the discrepancies between job seekers' skills versus the industry demands and the lack of emerging business development are both relevant concepts and valid concerns for this study.

Overall, the labour market is not responding favourably in order to accommodate the growing population of graduating youth. This unemployment problem is continuing to trend upward, as illustrated in Appendix A.4, and shortly, if indeed not already the case, we will have an unmanageable youth unemployment crisis on our hands. It is no secret that urgent large-scale intervention is needed to address this foreseeable predicament.

1.2.3.2 Inequality and Poverty Among Youth

Along with the unsatisfactory unemployment statistics, an interpretation of the NEET statistics, in conjunction with the *Vulnerable Groups Series 1* (Statistics South Africa, 2016b) analysis of NEET by gender and race, further illustrates an apparent disparity between black population (African, Coloured, and Indian) and white population where youth trajectories are massively unbalanced. These statistics indicate that the white youth, in general, have a favourable dispensation in comparison. This analysis again demonstrates the social and racial inequality experienced by many excluded youth in South Africa. The interpretation and presentation of said data does not favourably support an argument that our government is achieving its mandate of 'equal opportunities for all South African's'.

According to the Poverty Trends in South Africa report (2015), released by Statistics SA, utilising the (UBPL) Upper-Bound Poverty Line of R992 per person per month indicated that 55.5% of South Africans were classified under this metric to be poor, equating to just over 30 million South Africans. Even more concerning is the poverty by headcount ratio for the excluded youth age group (18–24), which was 70.3% for this population group at the time, meaning that 70% of youth aged 18–24 were living on R992 or less, as illustrated in Appendix A.5.

This could be combined with the World Bank's Gini coefficient index (2015), a method that measures national income inequality and provides a universally-recognised framework for measuring the extent to which a country's income is unevenly distributed compared to other countries. This index is commonly used as a benchmark measure to discuss complex issues such as levels of inequality and poverty in society at both localised and global levels. According to this model of measurement, South Africa is reported as having one of the highest inequality indexes globally, meaning that we are ranked as one of the most unequal societies in the world. Notably, high levels of unemployment and poverty are some of the most important contributing factors to the inequalities described in these reports.

1.2.3.3 Access to Quality Education

Spaull (2015) further expands on this developing theory, and provides a persuasive argument and outline in his paper *How Low-Quality Education Becomes a Poverty Trap*, which disseminates the perpetuating cycle of poverty experienced in South Africa as it relates to the impact on the education system, describing a highly complex, wicked problem (Rittel & Webber, 1973). It demonstrates a systematic dialogue that links the apartheid-based South African education system (Bantu Education Act No 47, 1953) to poor access to quality education today, whereby he defines quality education as being 'the acquisition of the knowledge, skill, and values that society deems valuable' (Spaull, 2015, p. 34). He argues that access to quality education is largely conditional on how much a learner's guardians can afford to pay, whereby many poor South Africans, who are primarily Black or Coloured in this context (Taylor, van der Berg & Mabogoane, 2013.), receive a lower quality of education by default. Spaull states that 'the poor quality of education that learners receive helps drive an intergenerational cycle of poverty where children inherit the social standing of their parents or caregivers, irrespective of their own abilities or effort.' (Spaull, 2015, p. 20).

Furthermore, Herrington, Kew, and Mwanga conclude that it is 'imperative to address the structural problems that continue to deprive young people of a good educational foundation. Even with the huge amounts of funding allocated to education, South Africa is plagued with a continued shortage of textbooks, poor quality infrastructure in many schools and high teacher absenteeism' (Herrington, Kew, & Mwanga, 2017, p. 72).

This describes a type of institutionalised education-based exclusion which, in combination with the lack of access to technology discussed in the 'born free' chapter (refer to 1.2.1.3), serves to reinforce a case that the growing inequality and potential employability of this generation of excluded youths is deeply rooted in their inability to essentially 'buy their freedom'.

1.2.3.4 Financial Independence

It has been previously stated that financial independence is of critical importance to the 'born free' generation of excluded youths, and it makes sense that this aspiration would be directly linked to their sense of self-worth and dignity. In a situation where we have 18 million NEET youths who are not economically active and their ability to afford a 'quality education' is consequentially limited, it is understandable that many young exclude youths are feeling a sense of hopelessness. This is further problematised by the potential ongoing dependence on their families and/or the state to provide for them financially.

These excluded youths, who were potentially unrealistically promised a future that was more hopeful — a future that created financial independence and inclusion and that was unlike that of their parents — are largely feeling grossly disappointed. While the full extent of this disappointment and frustration will manifest, it is clear that youth social movements, such as #FeesMustFall, etc., are signs that these youths are taking seriously their 'born free' right to protest their status quo and demand a more hopeful

future of financial independence for themselves, their families, and broadly speaking also their communities.

1.2.4 Consolidated Analysis of the Problem

So far, this paper has served to represent the demographic profile, the historical relevance of the apartheid state, and the current lived realities of the participant group (excluded youth) in South Africa. It narrates the story and describes the overall extent of the wicked exclusionary problems that our future leaders face in relation to the fulfilment of financial independence and inclusive economic participation. The author is extremely concerned about the high prevalence of unemployment, inequality, and poverty that this group of excluded youth is exposed to. These three concerns have underpinned the overall scope of the research, which seeks to provide solutions and ideas that will hopefully over time bring this generation closer to improved prospects of inclusion.

1. 3. A Case for Youth Entrepreneurship

1.3.1 Preliminary Analysis of Youth Entrepreneurship in South Africa

The following sub-chapters will introduce a discussion examining entrepreneurship. They will specifically delineate the practice of social entrepreneurship as a prospect for excluded youth to pursue. Furthermore, evaluating entrepreneurship as a viable career alternative and investigating the importance of an entrepreneurial culture in South Africa, are key topics to explore in this study.

1.3.1.1 Definitions of Key Terms and Concepts

Three key terms (or concepts) require definition at this time to ensure clarity in interpretation: entrepreneur, entrepreneurship, and inclusive growth.

The definitions provided by Bolton and Thompson and quoted by Bachenheimer have been adopted for interpretation in this study are utilised to describe the terms ‘entrepreneur’ and ‘entrepreneurship’ respectively. The term ‘entrepreneur’ is used to mean ‘a person who habitually creates and innovates to build something of recognized value around perceived opportunities’ (Bolton & Thompson, 2000, p. 16). Meanwhile, ‘entrepreneurship’ infers the sense of being ‘much broader than the creation of a new business venture. At its core, it is a mind-set — a way of thinking and acting. It is about imagining new ways to solve problems and create value’ (Bachenheimer, 2016).

The use of the phrase ‘inclusive growth’ should be interpreted according to the theory developed by George, McGahan, and Prabhu (2012). They see inclusive growth defined as ‘the core principle that organisations can and do engage in social innovation activities to connect disenfranchised individuals and communities with opportunities’ (George, McGahan & Prabhu, 2012, p. 661).

1.3.1.2 The Strategic Importance of Youth Entrepreneurship Development

The importance of entrepreneurship in practice is recognised through the extensive empirical research in the field of economic development globally, as a key economic contributor to a country's ability to demonstrate positive economic growth over time (Mill, 1848; Schumpeter, 1949; Baumol, 1993).

Furthermore, the *South African Economic Development Strategic Plan, 2011/12 to 2015/16 (2011)*, developed by the Department of Economic Development, recognises inclusive and sustainable growth as strategic imperatives towards addressing the high levels of unemployment and poverty in South Africa. It states that youth entrepreneurship development is a critical function towards achieving this goal. When evaluating growing concerns about unemployment in South Africa, a sentiment also expressed in *Entrepreneurship Education in South Africa: A Nationwide Survey* (2006), established that there was 'an urgent need for young people to be trained and educated in the field of entrepreneurship' (Co & Mitchell, 2006, p. 348). The *Social Profile of Youth, 2009–2014* report (2016b) also stated that of the total number of unemployed residents living in South Africa, the youth population persistently accounts for 70%, and that this negatively impacts the 'high prevalence of poverty.' Empowering young South Africans to start businesses will create 'new employment opportunities and contribute to the growth of the country's economy' (Statistics South Africa, 2016b). This is further supported by the Global Entrepreneurship Monitor (GEM) 2016/2017 annual report, which finds that 'a key focus in South Africa's development strategies is to facilitate growth that is sustainable and inclusive in order to generate widespread employment and to reduce poverty. The potential of the SME sector to create job opportunities is thus a crucial factor' (Herrington et al., 2017, p. 34). All these subject matter experts agree that entrepreneurship development, especially for youth, offers a credible approach to tackle unemployment and poverty in South Africa, as well as contribute to economic growth.

1.3.1.3 Youth Entrepreneurship as a Viable Career Opportunity in South Africa

An exploratory study of grade 12 students attending rural, non-rural, private, or public schools in the Stellenbosch area of the Western Cape conducted by Burger, Mahadea, and O'Neil (2004) investigated the perception of entrepreneurship as a career option for these learners. The study claimed that the entrepreneurial perception of young South Africans at the time of the study had improved considerably since 'independence' in 1994, and it provided a persuasive argument that the participants in the study demonstrated an overall 'positive disposition towards self-employment' (Burger, Mahadea & O'Neil, 2004, p. 203) as a potential career preference.

In a more recent study, Mahadea et al. conducted a comparable study among a similar demographic of learners in a different geographic location, namely Pietermaritzburg in KwaZulu-Natal (Mahadea, Ramroop, and Zewotir, 2011). This study, which is built on the findings of Burger et al. (2004), further analyses the probability of high school learners becoming entrepreneurs, as well as the socioeconomic characteristics exhibited by these learners, through the assessment of the students' perceptions and propensity toward entrepreneurship. The authors of this paper stated, 'the development of an

entrepreneurial spirit among the youth is vital to pushing back the frontiers of poverty and generating employment opportunities in South Africa' (Mahadea, Ramroop, and Zewotir, 2011, p. 67).

Both of these studies indicate that the participating youth may feel encouraged towards entrepreneurship as a potentially viable career choice. However, the expert opinions provided in the Global Entrepreneurship Monitor (GEM) South Africa 2015/2016 annual report, authored by Herrington and Kew (2016), highlight important disparities in the authors' view between the perception and the adoption of entrepreneurship as a viable career option. Thus, further analysis for developing a deeper understanding of the topic is required. This report indicated that South Africans in general received a below-average score when measuring the degree to which a country 'encourages entrepreneurial risk-taking,' a characteristic claimed to be critical to the development of entrepreneurship in the majority of the selected literature. That provides probable cause for 'low levels of entrepreneurial intention despite fairly positive opportunity perceptions.' Furthermore, the report emphasises the significance of creating an 'enabling environment' that provides the necessary entrepreneurial skills in conjunction with nurturing a positive mindset throughout the South African education system — including primary, secondary as well as tertiary education — as a strategic imperative to promote entrepreneurship as an attractive career option for South African youth, and as a means to stimulate entrepreneurial activity and inclusive economic growth.

This concept is further validated when analysing and reviewing the most recent Global Entrepreneurship Monitor (GEM) annual report published in 2017. The report, which highlights a significant finding when discussing the tendency of youth aged 18–24 years to participate in entrepreneurial activities, affirms that 'the low prevalence of entrepreneurial activity in the 18–24 age cohort is in line with general GEM trends. However, the percentage of 18–24 year-olds in South Africa involved in early-stage entrepreneurial activity is considerably lower than the average for Africa, which is 2.4 times the South African figure for this age group' (Herrington et al., 2017, p. 7). As such, it is strategically important to proactively promote entrepreneurship as an attractive career option for South African youth. In addition to this, it is crucial to develop new ways to foster a culture and Ecosystems that are inclusive by nature. This will support large-scale entrepreneurial development and expansion amongst excluded youth.

1.3.1.4 Fostering a Culture of Youth Entrepreneurship

Mahadea et al. (2011) suggested that 'harnessing the creative talents' of young South Africans and 'promoting a culture of entrepreneurship,' specifically post-matriculation, are essential in ensuring that youth participate in the economy and, as such, contribute to economic growth. Stating that 'young people need to be able to think of self-employment as a route to self-empowerment rather than seeking wage employment,' Mahadea, Ramroop, and Zewotir (2011, p. 67) have proposed that exposure to basic entrepreneurial-based, business acumen training, now in theory offered broadly at

most secondary institutes of learning, has been shown to improve awareness and learners' propensity toward pursuing such careers.

However, according to Steenekamp, van der Merwe, and Athayde (2011), an analysis of entrepreneurship teaching in the schools showed that entrepreneurship education 'was largely infrequent and without depth or focus.' Steenekamp et al. (2011) provide an agenda for discussion which shifts the general approach in Mahadea et al. (2011) of exposure to entrepreneurship at secondary schools to promote a culture of entrepreneurship among youth, towards an emphasis on the quality and value of these programmes as being significant indicators of the level to which this exposure would foster a youth entrepreneurship culture in South Africa. This suggests that well-designed programmes that create value, in theory would produce an increased cultural adoption among South African youth.

Furthermore, if it is assumed that an individual's ability to take risks is a key factor and characteristic that distinguishes an entrepreneur (Mill, 1884), according to the Global Entrepreneurship Monitor (2017), an area in which South Africans are performing poorly. As outlined previously, then how can a propensity towards risk-taking be encouraged among South African youth to develop a culture that embraces entrepreneurship? One theory provided by Rabbior maintains 'that in many instances people are indeed born with ambition, motivation, and a willingness to take risks, but encounter barriers that erode this spirit of adventure' (Rabbior, 1990, p. 53).

As such, investigating these obstacles is necessary to create an enabling environment in which 'valuable' entrepreneurial training and education occurs, and that not only imparts critical skills and knowledge but also builds self-awareness and confidence among the potential young. Especially considering the unfavourable findings presented in the GEM 2016/2017 report, which highlights that the South African entrepreneurial ecosystem 'is one of conservatism and risk avoidance,' and that furthermore states that 'we need to change the perception of failure in this country. In countries where entrepreneurship is booming, failure is seen as part of the process – in fact, the feeling is that if you never experience failure, you are not being innovative enough' (Herrington et al., 2017, p. 67). These attitudes and perceptions advance an agenda to promote entrepreneurship among other sought-after youth career options—not just as an alternative to employment—that will require intervention at every level of the education system and associated communities to facilitate the desired cultural shift.

1.3.2 Expanded Case for Youth Social Entrepreneurship

It is applicable to restate the preferred definition of social entrepreneurship: 'social entrepreneurship combines the resourcefulness of traditional entrepreneurship with a mission to change society' (Seelos & Mair, 2005, p. 241). This description of the term provides a bridging text between the literature and research discussed and the chapters that follow. These chapters will discuss the practice and theory of social entrepreneurship as a potentially enhanced approach to address unemployment and poverty, and inspire the much-discussed concept of inclusive economic activity among excluded youth.

Thus, the definition adds a level of abstraction to the discussion, developing a concept that builds on the nature of youth entrepreneurship as previously outlined, with a specific emphasis on the objective of social entrepreneurship as being social innovation and having a social impact. This purpose and mission to positively change society will be the key focus topic driving the field research implementation portion of this study.

In theory, the practice of youth social entrepreneurship and the development thereof offers credible channels to empower excluded young people to create employment and, at the same time, address positive socio-economic challenges in society. The theory of social entrepreneurship strongly advocates a case for its adoption in a broad, globalised context. However, this study seeks to discuss the disparity between the theory and its applicability, specifically in relation to our local context and how this disparity may be affecting inclusive economic development among South African youth.

In summary this introductory chapter has served to evaluate the excluded youth profile and the historical events which are believed to still be impacting the excluded youth group negatively. It has also illustrated some of the key contributing factors which are perpetuating the high unemployment rates, the growing gap of inequality, and the prevalence of poverty in South Africa. Furthermore, the introduction has presented a case to support the hypothesis that youth entrepreneurship can offer needed employment opportunities for excluded youth, in a way that is aligned with our national leadership mandate to create inclusive and sustainable opportunities for all.

1.4 The Research Objectives

To ensure that the complexity of this topic does not over shadow the intent of this study, it is important to clarify that the overall intended purpose of this exploratory study is to establish if, in practice, youth social entrepreneurship development offers an improved opportunity to empower youth in a way that positively addresses socio-economic challenges in their societies and grows the South African economy.

As such, the goal of inclusive socio-economic growth for excluded youth will be integrated at every stage of this study. Essentially exploring opportunities to innovate and advance the research agenda of youth social entrepreneurial development toward inclusive economic activities is a critical function of this research. As such special attention will be given to existing youth development programmes to evaluate their perceptions and understanding of the subject, to build a case and provide recommendations for improvement. In addition to this, this exploratory research project investigates if on-going youth social entrepreneurship development and training have the desired social impact within our local entrepreneurial ecosystem.

1.4.1 Importance of the Study

Youth entrepreneurship development, in general, has already been argued and is widely accepted as being a key strategic imperative towards inclusive economic development and growth in South Africa (Herrington & Kew, 2016) and has been recognised as a priority, at a national level, as being an important transformation strategy.

That said, in the last five years (2013 – 2018) there has been a noticeable increase in entrepreneurial skills development programmes at secondary and tertiary education institutes, as well as a number of 'bridging' programmes initiated by the government, the private sector, and social enterprises. This increased activity and awareness is certainly encouraging. Despite some issues relating to varying levels of quality and consistency to which these programmes are implemented, measured, and reported, it is pertinent to acknowledge that the intent to develop a generation of youth who have the skills and character to start their own business is visible in most sectors of our economy. Although largely uncoordinated and fragmented, the positive intent of such programmes is acknowledged.

The researcher was curious to investigate whether firstly, the discipline of social entrepreneurship development versus traditional entrepreneurship development offered an enhanced opportunity for relevant stakeholders to stimulate economic growth. Secondly if the discipline of social entrepreneurship towards addressing socio-economic issues would be a more strategically aligned and focused approach to realise our national economic and social development objectives.

Considering that the disciplines of social innovation and entrepreneurship are relatively new fields of research in South Africa, the intention is to contribute academically in a way that builds on the existing literature in this exciting and emerging field of study. While the research in the social entrepreneurship space is gaining momentum, there is still an urgent need to contribute knowledge and research that is directly relevant to South Africans. The vast majority of the existing literature and research has in general originated from international sources and often takes an outside-in approach that does not specifically engage with the contextualised problems we face in Africa and South Africa broadly, and specifically in Cape Town. As such, there is a recognised need locally to develop relevant content about youth social entrepreneurship, specifically as it applies to the participating excluded youth. The desired intention is that this academic input may contribute positively to advance the field of social entrepreneurship in Cape Town but also to share new perspectives towards the agenda of equitable participation and long-term inclusive economic growth in South Africa. All of these objectives are strategically important to the successful implementation of this study.

1.4.2 Research Questions

The primary research question that this study sought to address was 'how can youth social entrepreneurship development programmes be utilised to create inclusive self-employment opportunities for disenfranchised urban youth residing in Cape Town?'

In addition to the primary research question, the following sub-questions apply:

- What factors do or do not motivate youths to participate in social entrepreneurship development programmes?
- How does social entrepreneurship offer an improved opportunity in comparison to traditional entrepreneurial programmes to create employment for excluded youths participating in the study?
- What are the youths' perceptions and propensity toward social entrepreneurship as being an attractive career option?
- Are entrepreneurial activities adequately supported in the current high school curriculum?
- What characteristics are perceived to be associated with social entrepreneurs?
- Are the challenges related to youth unemployment potential drivers for social entrepreneurship development?

1.4.3 Participants and Research Setting

This study focuses on youths between the ages of 18–24 years old, who are referred to as excluded youths. These excluded youths reside in the urbanised regions within the Cape Town metropolitan area–mainly in the suburban areas and townships of Athlone, Langa, Guguletu, Khayelitsha, Mitchells Plain and Philippi. Refer to Appendix A.6 for a full illustration of the suburb distribution of the participants. They are South African citizens who have recently entered the job market and are currently seeking employment or have ambitions to start a business or social enterprise.

Some of these youths have enrolled in youth development programmes (leadership or entrepreneurial based) or have participated in job readiness programmes. They are all hopeful that these programmes will support their ambitions to gain employment or start businesses. The experts and managers who are responsible for the day-to-day facilitation of these initiatives were also consulted to include their perspectives in this study. A breakdown of the six participant groups (the research sample) and definitions that govern these groups can be viewed in table 1.1, as well as the number of participants interviewed until saturation occurred per participant category type. A visual representation of how these groups interact helps to provide a holistic perspective to the subject.

Table 1.1 Participant Categories per Group

Participant Group Categories	Participation
Youth Not in Education, Employment or Training (NEET) Participant Group	
South African citizens between the ages of 18 and 24 years old, who are not formally employed, attending secondary or tertiary educational institutes, or participating in any training and development programmes at the time of the study.	6
Youth in Training Participant Group	
South African citizens between the ages of 18 and 24 years old, who are currently participating in entrepreneurial or social entrepreneurship development programmes.	16
Entrepreneurs Participant Group	
South African citizens between the ages of 18 and 24, who have taken part in entrepreneurial, social entrepreneurship development programmes or who have proactively started a business in the last 6 months.	11
Employed Youth Participant Group	
South African citizens between the ages of 18 and 24, who have participated in entrepreneurial or social entrepreneurship development programmes and are currently employed by a company as a direct result of participation in such programmes	1
Participating Companies	
Private companies or social enterprises that provide entrepreneurial, social entrepreneurship or general youth development programmes to excluded youth in South Africa.	4
Academics and Specialists Group	
Individuals who specialise in the fields of entrepreneurship, social entrepreneurship, inclusive innovation, or general youth development in South Africa.	7
Total	**44**

1.4.4 Research Assumptions

The key assumptions which required testing going into the research phase of this study, included but were not limited to following five assumptions:

- That unemployed excluded youth will view entrepreneurship as a viable opportunity to create self-employment,
- That the participating youth understand what social entrepreneurship means,
- That the participating youth are genuinely interested in starting social impact businesses that address social problems in their communities and/or society in general,
- The participants in this study would be open, honest, and willing to share their stories and perspectives transparently that will result in a high-quality qualitative data collection, analysis, and conceptualization process, and
- That the findings and recommendations would be easily transferable to other regions with similar demographic and socio-economic profiles within South Africa.

The grounded theory methodology utilised in this study is designed to develop concepts and theories that emerge from the data (Corbin and Strauss, 2015) in a reiterative process versus testing a predetermined hypothesis in the field. As such, assuming (and trusting) in advance of the study that

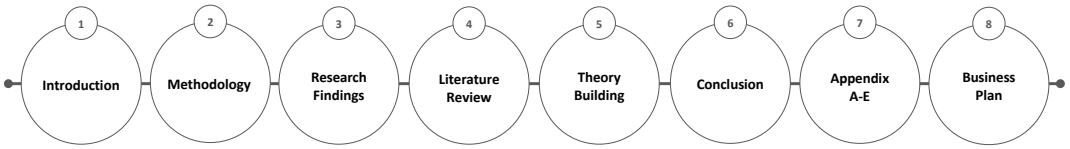
the prescribed process would, in fact, produce a sufficiently rich dataset and insights from which new concepts and theories could emerge was an additional assumption to consider. So, although the process was designed and controlled from the onset, the lack of immediate foresight and predictability of outcomes was a state of uncertainty that needed to be carefully managed throughout the process. That said, the grounded theory method has been very conducive to easily testing assumptions as they are raised, and at every stage of the research process. The methodology as used in this instance to consistently test assumptions in the field, has positively contributed to the overall credibility and validity of the study.

1.4.5 Dissertation Chapter Structure

It is important to note that because this study uses grounded theory, the chapter structure intentionally deviates from the standard dissertation format. In grounded theory, the literature is not used to create a theoretical background to a study, but instead, it is treated as an essential data source during the data collection and analysis phase.

For this reason, the literature review is positioned after the research findings chapter (Chapter 3) and before the theory building chapter (Chapter 5) to represent its overall contribution to the data analysis process in the grounded theory methodology.

Figure. 1.2 Illustrated Dissertation Chapter Structure



1.4.6 Ethical Considerations

A commitment to conducting the research in line with the University of Cape Town (UCT) Commerce Faculty Ethics in Research Policy is acknowledged, as well as the terms provided and accepted by both parties during the ethical clearance approval process, which was obtained on the 20th of July, 2016.

The research was approached in a respectful and mindful manner to ensure that all participants were made well aware of their rights as volunteers and participants in the study, as outlined in the participant consent form (Appendix A.7), which was signed and agreed to by every person and participating organisation. This was achieved by personally explaining the full interview process in advance of the scheduled interview and discussing in detail the following two–but not limited to those two–ethical interview conditions included to ensure that each participant's agency (capacity to act independently) and identity was protected at all times:

The first was that participation and involvement in this study were voluntary, and that all participants were within their rights to ask questions, decline to answer any specific questions or withdraw from the study at any given time without penalty.

The second was that all information and data collected during the interview process would be treated as strictly confidential and that participants would not be requested to supply any identifiable information, thereby ensuring the anonymity regarding their responses at all times.

In addition to this, the researcher applied the two ethical testing methods to the study; the common good and virtue approaches developed by Velásquez (1992) which were applied to create a framework to interrogate the potential ethical implications and unintended consequences of the study in advance of the interviews. This enabled any foreseeable risks to be proactively managed and mitigated in advance of the participant interviews. An overview of the problem identification process, including the ethical considerations, can be found in Appendix A.8. This workflow was implemented to evaluate the scope of the research problem and to develop a research question that took the potential ethical implications of this study into account at all times.

In conclusion, every reasonable effort has been taken to achieve a high ethical standard in this study. This was undertaken to ensure that the research in its entirety was conducted in a transparent, ethical and inclusive manner, as required by the UCT Commerce Ethical Clearance Committee and the UCT Graduate School of Business.

Chapter Two

2.1 Research Methodology

2.1.1 Introduction to Qualitative Grounded Theory

The founders of grounded theory, Glaser & Strauss (1967), developed their innovative methodology in response to a growing need for social sciences researchers at the time 'to generate theory which arises from social research,' and they believed that these theories would be 'more successful than theories logically deduced from a priori assumptions' (Glaser & Strauss, 1967, p. 6). Describing an alternative research methodology that supported the development of new theories and rejected the testing of pre-determined hypotheses, known as a hypothetico-deductive approach, would better serve the objectives and principles of social science research. Furthermore, they claimed that their newly-developed methodology bridged the 'embarrassing gap between theory and empirical research' (Glaser & Strauss, 1967, p. vii). In the early 1990s, when Strauss partnered with Corbin to write *The Basics of Qualitative Research*, Glaser and Strauss had come to an irreconcilable disagreement as to how grounded theory methodology should continue to evolve. They parted ways and developed independent methodological approaches based on grounded theory.

This study follows the approach of Corbin & Strauss (1990), as well as their later adaptation Corbin & Strauss (2015). In addition to this, the research process makes use of specific frameworks and processes developed by Lehmann (2001) and Fernández (2004). These processes were used as a base to collect and analyse the data in this study, with the overall intended objective of developing an in-depth understanding of the participants' behaviour, their underlying motives as well as the social constructs that guide or influence said behaviour. This served to develop emerging concepts (interoperate meaning) and theories (suppositions) while in the field.

Furthermore, the author was attracted to this methodology because it does not automatically assume that her opinions, as well as the opinions of the academic scholars that came before her, are more relevant, but rather offers an inclusive research environment where the opinions and narratives of the participants (the excluded youth) are equally critical to develop new concepts and theories in the field. The participants were not just merely the subjects and providers of data, but active contributors, according to the criteria in the ladder of inclusive innovation (Heeks, Amalia, Kintu & Shah, 2013). As such, this particular method (grounded theory) offers an enhanced opportunity for inclusion and innovation compared to other quantitative, qualitative, inductive and deductive methodologies which the author evaluated and reviewed at the time.

2.1.2 Strategic Approach to Research

The qualitative grounded theory is its essence is a theory development method that supports the researchers in examining their research topic and the associated behaviours in relation to the topic. In this case, that is researching how to enhance social entrepreneurship development from a multitude of different perspectives (Corbin & Strauss, 2015), including the researcher's own perspective. The following sections discuss two of the key strategies implemented in this study, namely a strategy of self-awareness and the strategic approach to theory development.

2.1.2.1 Self-Awareness Strategy

An inductive method of research, meaning that the theory emerges from the data collection and analysis process that are both open and flexible in nature, views the researcher as an active contributor to the data collection and analysis thereof. It claims that the researcher's participation in the study is of equal importance to that of the research participants' role and the data contributed (Corbin & Strauss, 2015). The researcher's active participation in the data collection and analysis process as prescribed in the grounded theory is often criticised — both in both qualitative research and in grounded theory literature — as a potential disadvantage, because of the 'subjective' nature of the data collection. It is claimed that this method makes it difficult to demonstrate the validity of conclusions and mitigate researcher bias.

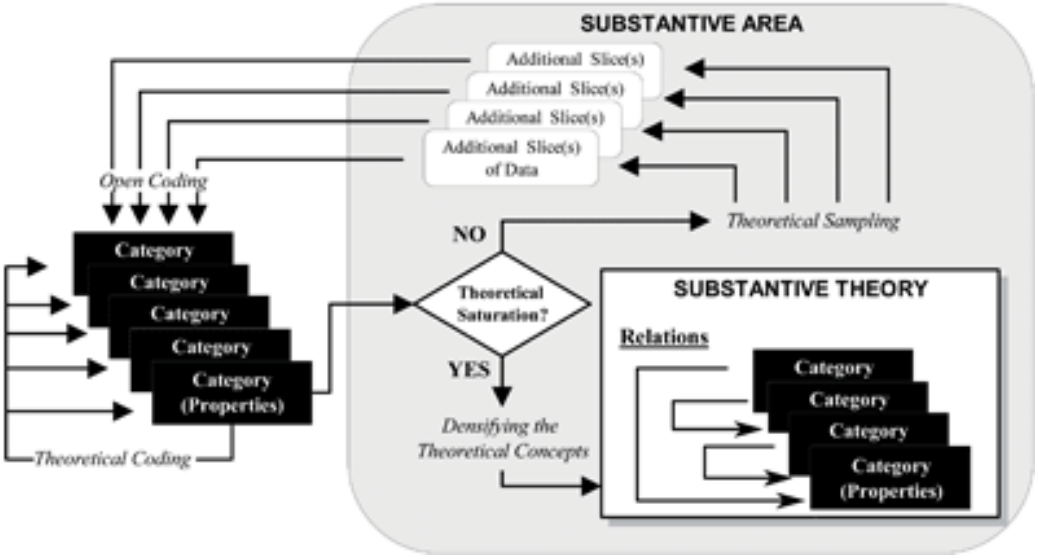
However, grounded theory methodology does have proven checks and balances built into it, including techniques such as constant comparison, journaling, and analytical strategies (Corbin & Strauss, 2015) that support and minimise researcher bias. All of these strategies were adopted. These integrated checks and balances provide an established framework to guide and challenge the researcher's worldview (ontology), biases, and perspectives in a regulated way. As such, the methodology advocates acquiring an in-depth knowledge of oneself (self-awareness) before the interpretation of the verbal and non-verbal data the participants provide. The researcher understood these tactics to be of critical importance in demonstrating credibility and trustworthiness (validity criteria) by ensuring that potential researcher biases are controlled as much as possible at every stage of the process. For this reason, the author also focused on self-awareness (personal development) as a strategic imperative in her research approach — a conscious method to identify, challenge, and reflect on her own perspectives, biases, social constructs and worldview. Doing this was valuable exercise throughout the research process.

2.1.2.2 Theory Building Strategic Approach to Research

It was important to adopt a systematic and robust data collection and analysis method to achieve research rigour (validity). To this end, the author used Lehmann's (2001) and Fernández's (2004) grounded theory models to guide the overarching strategic approach during the implementation

and analysis phase of the study, and, as such, the development of her theory as illustrated in Figure 2.1 and the expanded model in Figure 2.2.

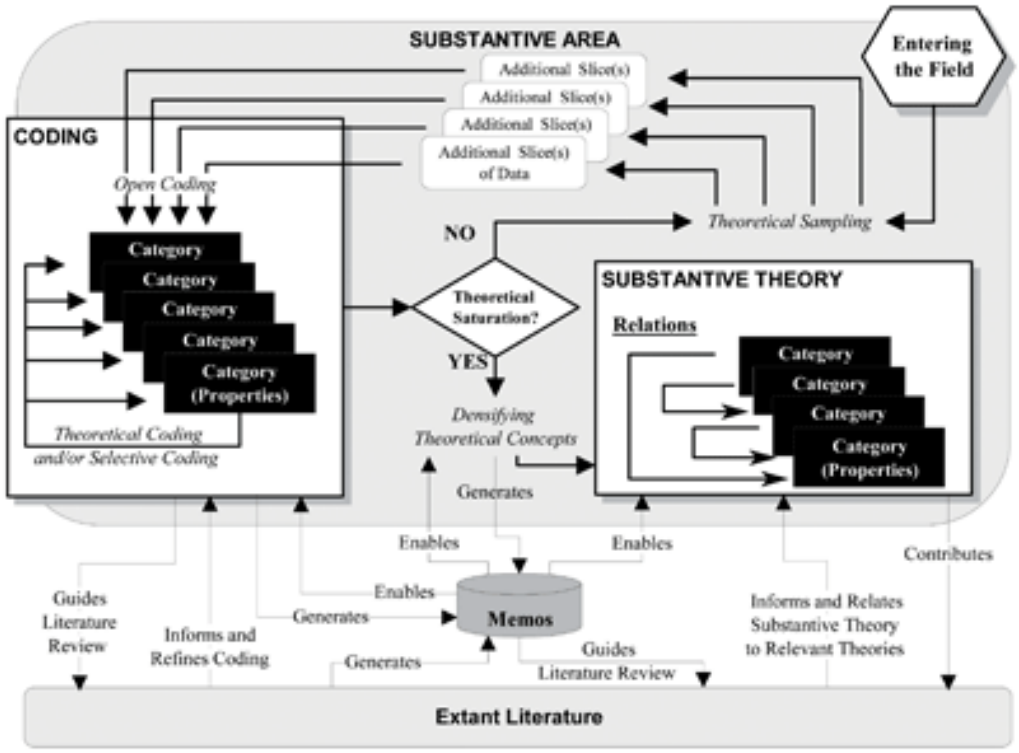
Figure 2.1 Grounded Theory's Building Process (Lehmann 2001)



Source: Fernandez, W.D., & Lehmann, H.P. (2005). Achieving rigour and relevance in information systems studies.

These models, which were developed by Lehmann (2001) and improved by Fernández (2004), demonstrate the iterative nature of the data collection process and the coding and categorisation of the data, which occur in a continuous cycle until data saturation is achieved.

Figure 2.2. Expanded Lehmann's Research Model



Source: Fernandez, W.D., & Lehmann, H.P. (2005). Achieving rigour and relevance in information systems studies.

The model (2.1) was enhanced by Fernández (2004) to include elements of Eisenhardt's (1989) work that drew on simultaneous literature review processes and memo writing. Overall, the model demonstrates the relationship between enquiry and data (Fernández, 2004) to facilitate the emergence of theories from the data (primary and secondary sources).

2.1.2.3 Strategic Relevance

Grounded theory is defined to mean 'the systematic discovery of theory from the data of social research' (Glaser & Strauss, 1967, p. 3). This exploratory method of research was specifically designed to be used in the social science field of research, describing a broad academic discipline dedicated to understanding individual relationships within a society (Charmaz, 2011). The research for this paper specifically pertains to a social science study within the historical context in South Africa exploring the social behaviours of individuals within an empirical historical context of our society. The specific field of study and the author's own objectives were discussed in depth in Chapter 1.4.

DePoy and Gitlin (2016), claim in their book titled *Introduction to Research* (1996) that 'the theory that emerges is intimately linked to each datum of daily life experience that it seeks to explain' (DePoy and Gitlin 2016, p. 169). Also, Potter (1998) claimed that 'grounded theory has proved particularly appropriate for studying people's understandings of the world and how these are related to their social context.' (Potter, 1998, pg. 124) as well as Charmaz and Bryant, (2010) who stated that 'grounded theory can make ethnography more analytic, interview research more in-depth, and content analysis more focused' (Charmaz & Bryant, 2010, p. 411). DePoy and Gitlin, 2016; Potter, 1998; Charmaz and Bryant, 2010; and Corbin and Strauss, 2015 described the overarching research principles that the author hoped to achieve at the onset of this project. These were aligned with the nature of her study to interrogate the individual relationships within the social context of excluded youths in relation to social entrepreneurial activities.

As such, the implementation of this qualitative grounded theory approach was aligned to the author's objectives when investigating the underlying motives, characteristics, values, and social systems that trigger certain actions among the participants in her study. This was done to explore a theoretical explanation that is not only built on the existing body of knowledge in this field (inclusive social entrepreneurship), but also to build a case that resonates with the research participants, the excluded youth who this study serves to support.

2.1.3 The Research Process

The author adopted Lehmann's model (2001) and expanded model Fernandez (2004) for her preferred theory development process. This process, combined with a deliberate strategy to develop her own worldviews and perspectives, were incorporated into the overarching strategic areas of focus when designing the research plan and process for implementation.

2.1.3.1 Research Design and Process

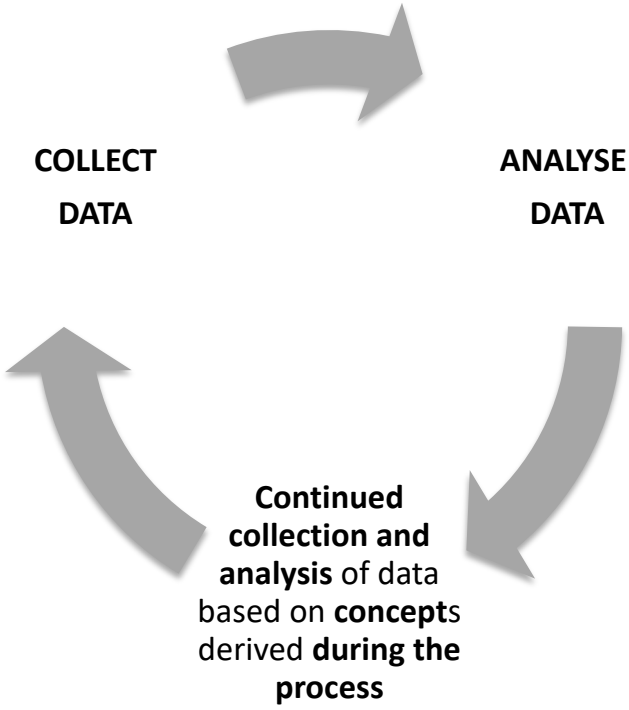
The research design was based on a case research approach, defined as 'an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used' (Yin, 1984).

As such, this current case research is rooted in the social phenomena among excluded youths participating or wishing to participate in social entrepreneurship activities in Cape Town, South Africa. It sought an in-depth understanding of the social entrepreneurship ecosystem in order to develop a theory that offered enhanced opportunities for inclusion in this sector of our economy.

2.1.4 Data Collection and Analysis

In grounded theory, the data collection and data analysis processes happen simultaneously within an iterative (continuous) cycle until data saturation occurs. This is illustrated by Corbin and Strauss's (2015) simplified interrelationship in Diagram 2.3, as well as in Figure 2.4, which demonstrates the overall process. Figure 2.4 describes a cycle of the constant comparison (optimisation) of the data collection and analysis process built into the method by design. This optimisation through constant comparison — whereby the researcher compares various sets of data against each other to identify similarities, variants, or points of differentiation to establish if the two data sets are conceptually identical or diverse (Glaser & Strauss, 1967; Corbin & Strauss, 2015) — allows the theoretical concepts to emerge from the data and evolve 'naturally'.

Figure 2.3 Interrelationships Between Data Collection and Analysis

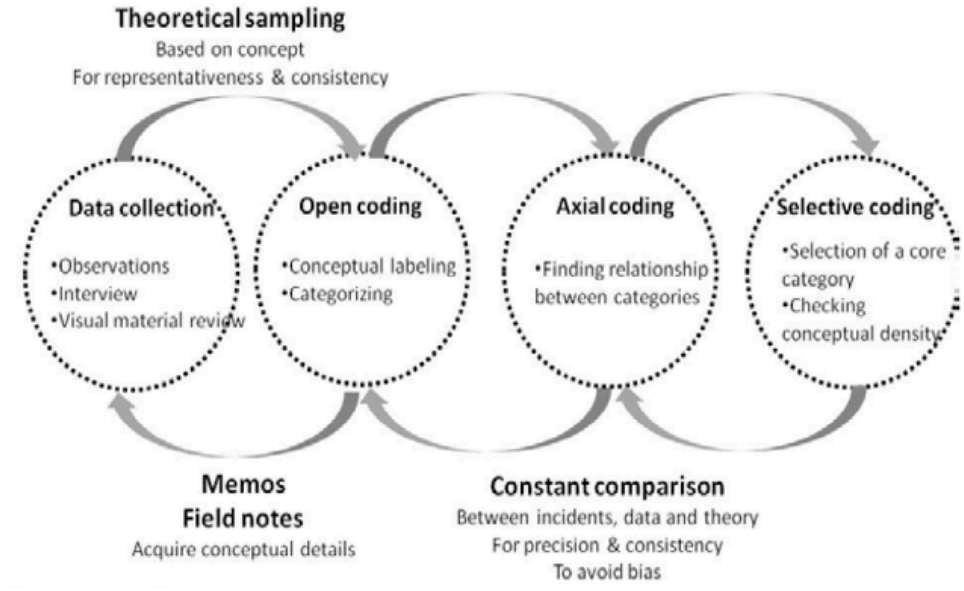


Source: Basics of qualitative research. (Corbin & Strauss, 2015, pg. 9)

2.1.4.1 Data Collection Methods

This study made use of theoretical sampling: a method of data collection that is unique to grounded theory (Corbin and Strauss, 2015) and is explained in the first two cycles in Figure 2.4.

Figure 2.4. Data Analysis Process



Source: Reducing confusion about grounded theory and qualitative content analysis. (Cho and Lee, 2014, pg. 9)

This theoretical sampling method provides the researcher with an 'open and flexible' (Corbin and Strauss, 2015) method of sampling data, one in which the researcher acts as an investigator, uncovering clues and discovering new information from multiple sources while building a case. In this case, however, it is the concepts and theories that emerge from the data. The data may come from a multitude of traditional (academic) and non-traditional sources, as we will discuss next.

2.1.4.2 Participant Interviews

For this study, the author utilised semi-structured (Corbin & Strauss, 2015) and, in some instances, unstructured (Corbin & Morse, 2013) interviews in combination with observation methods to gather the data. The interview type (semi-structured versus unstructured) was largely dependent on the participant group being interviewed, as well as the research objectives. The audio of all the interviews was recorded to ensure the accuracy of the data. The use of a recording device allowed the author to focus on the participants' body language and non-verbal behaviours rather than note-taking. The recordings were manually transcribed and coded (see examples in Appendix B.1. – B.6 and C.1 – C. 3), immediately after the interview.

2.1.4.3 Observations, Memo Writing and Journals

The interview observations were documented in the form of memos and were often included in the author's research journal (self-awareness strategy) as a way to challenge her views and perceptions on the topics, concepts and data gathered as well as the participants and data sources.

The observation technique served to assist the interpretation of the data and the practice of memo writing (including illustrations when relevant) in this study served not only as a written interpretation of the interview (the researchers' understanding and analysis thereof), but also as a means to capture and document the important concepts, behaviour, insights, and themes witnessed during participant interviews. Memo writing supported data collection and allowed the researcher to capture non-verbal data without compromising the overall integrity of multiple data sources. These data sources included interviews, academic literature, lectures, presentations, videos, government documents and policies, journals, historical papers, and thought leadership pieces published in credible online publications. All of them contributed to the interrelation of data collection, analysis, and the constant comparison process to advance emerging concepts.

An example of this method in practice would include a panel discussion that the researcher attended and documented as a memo about the 'entrepreneurial ecosystem in South Africa'. The attitude and perception in the room were observed to be 'celebrating' a thriving ecosystem in South Africa. This perception, and the behaviours exhibited by the attendees were observed and documented to compare against studies such as the GEM report (2017) and GEDI report (2017), which were far more critical of the ecosystem in contrast. A comparison between this perception (the 'thriving' ecosystem) and the statistical data in these reports (GEM and GEDI) to the interview data, illustrated in Appendix B.9 was made. Based on this specific data analysis method when reviewing the Cape Town entrepreneurial ecosystem an interesting data variance was observed. From this observation a new concept emerged from the data that warranted a further review of the literature to develop an understanding of the phenomena according to new sources. The concept under review was that the participating excluded youth, in general, did not feel that the entrepreneurial ecosystem in Cape Town supported their specific context and or needs, in précis, they did not feel like they 'belonged'. This data analysis, using memo writing and observation techniques, added a new literature topic to explore in the study as an example of how these methods were explicitly used to advance the research enquiry.

2.1.4.4 Data Collection Sample Size

The research sample in this study was selected by identifying 6 participant groups, as described in table 1.1. This research sample represents the participants who played an active role in the researched phenomenon towards establishing how youth social entrepreneurship development programmes could potentially be utilised to create inclusive self-employment opportunities for excluded youth.

Compared to quantitative research, qualitative research requires a significantly smaller sample size, with varying best practice recommendations of between 6 and 30 interviews (Glaser & Strauss, 1967;

Creswell, 1998; Morse, 1994) at this level of academic study. While there is no set minimum or maximum number, recommendations are largely dependent on the research scope, timeframes, resources, and objectives of any particular study (Patton, 1990).

In grounded theory the primary objective is to reach saturation rather than to achieve a predetermined set number of interviews. The notion of saturation, which happens when no new information or insights emerge, is fundamental to the process. As such, a sample size can only be determined to be sufficient when the data collection and analysis phase has been completed. In this study the author was satisfied that saturation occurred after 44 interviews (table 1.1). Therefore, the total sample size is 44 (participants and participating organisations).

2.1.4.5 Data Analysis Methods

The data analysis process starts when the first datum is collected in the field. It is important now to discuss further some of the tactics and techniques used in this study in addition to theoretical sampling and constant comparison. These included questioning, making comparisons, defining words, looking at language and the interpretation of emotion (observation) as additional means of categorising concepts — bearing in mind that all data, not only interviews and observations, affect the conclusion of a study. These techniques were used to analyse the data — all of which are recommended by Corbin & Strauss (2015). We will expand on them in the following section.

2.1.4.6 Questioning

The development of the semi-structured interview guidelines for participant interviews made use of the questioning technique. These guidelines were developed with the intended purpose of exploring relevant topics without leading the conversation. Carefully crafted questions were designed to probe a particular topic and allow the participants to share their stories openly within a structure to maintain relevance. Also, this questioning technique extended beyond the interview preparation and implementation, and was also used extensively to analyse the data by questioning the meaning of the data (sensitizing), the processes related to the data (theoretical), and the theories emerging in an ongoing iterative cycle to its saturated conclusion. (Corbin & Strauss, 2015). An example of this interview schedule questioning method can be seen in Appendix B.12.

2.1.4.7 Making Comparisons

This technique of comparative analysis, common in the field of social science research, essentially uses constant comparison and theoretical comparison methods to compare data, similarities or difference generally. In this study this technique was mainly used to analyse the ecosystems of excluded youth comparable to privileged youth (see Appendix B.9.) and the analysis of the theory (social entrepreneurship) versus the data collected (lived realities) of the excluded youth participant groups.

The data illustration (Appendix B.9) highlights the documented disparities according to the excluded youth and illustrates the system variants against six ecosystem pillars, namely policy, finance, culture,

support, human capital, and markets. For example, the finance pillar that analyses the excluded youth entrepreneurial ecosystem highlighted that financial access and financial inclusion were essential data themes to explore compared to the literature. Another example relating to both the culture and support pillars is that excluded youth did not feel that their families and communities supported their desires to start a business, compared to the 'privileged' system where it was in general actively encouraged. Based on this comparison, investigating the role that families and communities play in developing an entrepreneurial culture among excluded youth also became a critical topic of enquiry for the duration of the study.

2.1.4.8 Word Meaning

The word meaning technique was widely used to collect the meanings of words or phrases in the context in which they were spoken and appeared in the data. This tactic is designed to ensure that researchers don't immediately assume they understand the exact meanings of words or phrases without intentionally exploring other possibilities and implications for clarity. As such, this approach was very useful when developing a set of characteristics (behaviours, values, and skills) that participants in the study valued to be important traits of social entrepreneurs. Challenging the meaning attached to their words opened up an opportunity to explore new concepts, ideas, and theories before consolidating and coding these categories for further analysis. See the Appendix B.11.

2.1.4.9 Looking at Language

A very important element of this research analysis process consisted of investigating the use of language. Since the author has a completely different demographic profile to the youths interviewed in her study, there were many instances where the participants were interviewed in English, which was their second language after Afrikaans or isiXhosa. There too were instances where age-relevant and cultural-specific jargon was used with which the author was either not familiar, or where such expressions needed to be explored, questioned, and challenged to ensure absolute clarity when analysing the data and testing her own assumptions and perceptions. An example of this would be the term 'hustler,' which was used broadly by excluded youth in reference to a township entrepreneur. However, in practice in this study, it was most often used to describe a male entrepreneur or certain characteristics of an entrepreneur. Some of the participants used this term positively. Others used it to describe a style of entrepreneurship that they did not hold in high regard as referring to someone who might take advantage of them, or someone who was not a role model in their community. This example and others warranted exploration to understand the exact intentions expressed by excluded youth when certain terms were present in the data.

2.1.4.10 Research Instruments

The author utilised NVivo (11.4.0) for the study. NVivo is a reputable qualitative data analysis software tool designed to help organise, analyse, and develop concepts within a structured framework. The author found this tool to be very valuable to make sense of the large, complex volume of qualitative

data and to keep track of on-going emerging ideas. This software offers an easy-to-use coding system; refer to Appendix B.1 – B.6. It employs nodes to categorise concepts when using internal interview data, external literature, and memos as data sources. However, the concept and theory development capabilities of this software were found to be restrictive since the author prefers to use images rather than text-based aids to support analysis. For example, conceptual mapping (Appendix B.7 & B.8), mind maps, and relationship mapping techniques were completed outside of the NVivo software. The author made use of software tools such as PowerPoint, Excel, and Cmap to advance the coded categories (in NVivo) into substantive theories.

2.1.5 Conclusion

In summary, this chapter has served to demonstrate the author's commitment to and respect for the qualitative grounded theory methodology and the associated approaches, strategies, tactics and techniques utilised to conduct such research in the social science discipline. Grounded theory is often avoided in research because of its complexities and non-traditional (theory development versus hypothesis testing) way of working. However, the author believes that this methodology served to take this research in directions that could not have been imagined at the onset of the project. It takes those who choose to adopt its principles on a journey of self-discovery while also getting to the heart of the phenomena they are exploring.

Chapter Three

3.1 Research Results

In implementing the research methodology and data categorisation process, the author identified six core data themes to explore in this study.

These data themes describe individual bodies of knowledge that emerged either in the preliminary literature (Chapter 1) by academic scholars or, in some instances, by thought leaders in the industry. These themes also have an understood influence and/or impact on the outcomes of social entrepreneurial development among the South African youth relevant to the context of this research.

3.1.1 Data Categorisation Process

The process of coding and categorising the participant and literature data is illustrated in figure 3.1 This demonstrates the iterative process that the researcher followed to manage her data, but also represents how this process flows through the chapters of this paper.

The Categorisation Process:

- The interview data was collected, transcribed, and entered into NVivo after each participant interview along with the memo document pertaining to the interview.
- The participant data was then reviewed in full, where relevant insights were selected and data nodes (codes) were applied to these insights.
- Once there were sufficient data notes in Nvivo, the researcher created subcategories to further refine and consolidate the emerging data concepts.
- Once these subcategories had been established, they were analysed and then grouped into six data themes.
- Simultaneously, these subcategories and the data themes were compared to the existing literature, which served to build these concepts further.
- In the final analysis phase, theory building, these concepts were applied to a system thinking archetype model to map and then conduct a full systems analysis to build theory and ultimately provide recommendations in line with the research question.

Additional evidence of this process has been included in Appendix C.1 - C.3 and data theme models have been incorporated in the following subchapters. The literature review categorisation models are in Chapter 4, and the causal system archetype models can be found in Chapter 5, as illustrated in figure 3.2.

Figure. 3.1 Data Categorisation Process Example

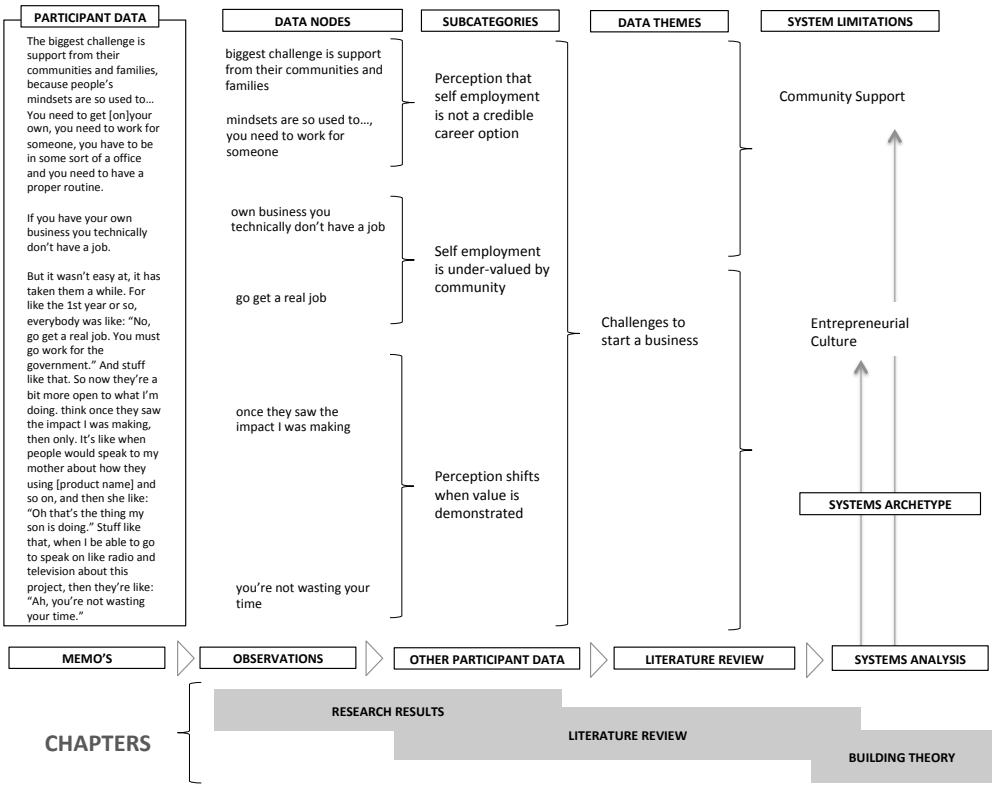
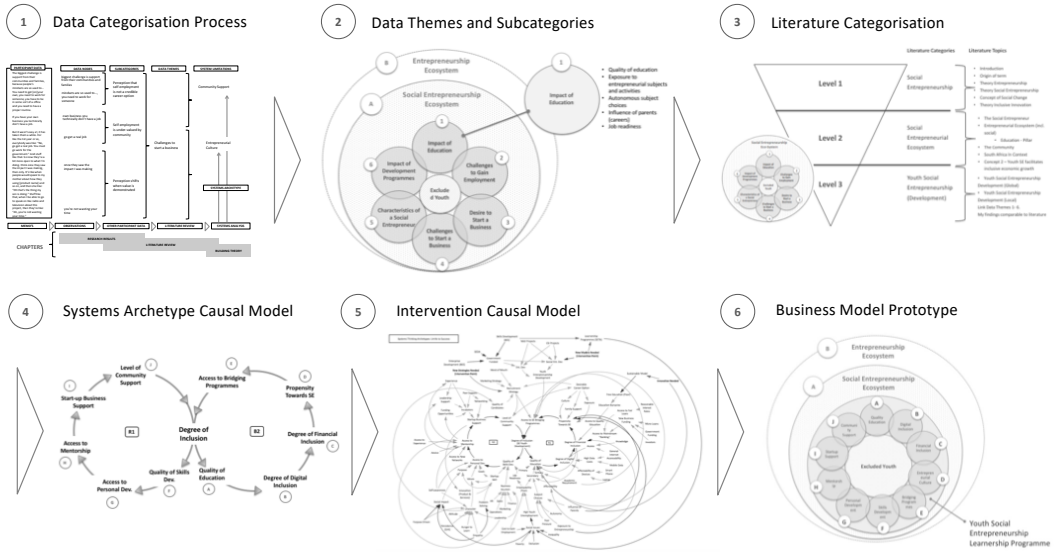


Figure. 3.2 Data Categorisation Models

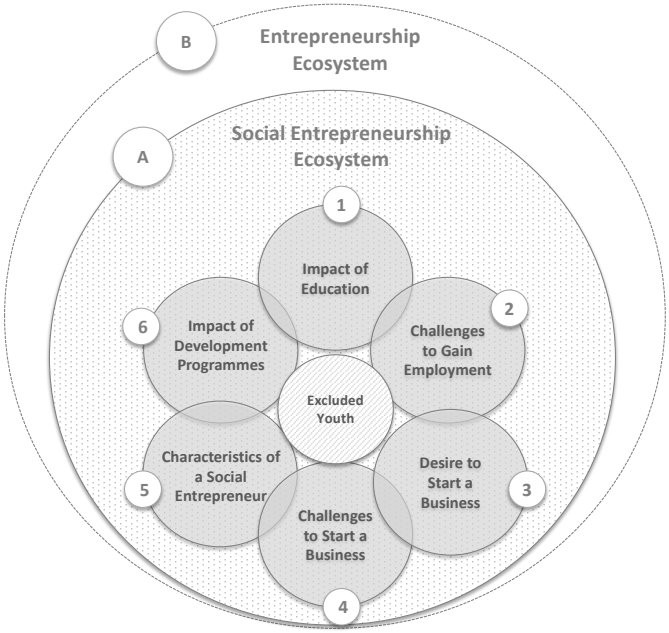


3.1.2 Research Data Themes

Based on the outcomes of the data categorisation process, the researcher sought to assess the social entrepreneurship ecosystem in which the excluded youth actively participate. This perspective is illustrated in Figure 3.3 and shows that the excluded youth in this study sit at the centre of six

predominant data themes (Figure 3.3, labelled 1-6) within the social entrepreneurial ecosystem (labelled A), which are found within the greater entrepreneurial ecosystem (labelled B). These represented data themes are viewed as individual systems that potentially influence (positively or negatively) the ability of the excluded youth to participate equitably within the social entrepreneurship ecosystem under investigation. This diagram serves to illustrate the author's approach not only to gaining a perspective of the individual systems within the ecosystem, but also to developing an in-depth understanding of the relationship between these interconnected systems of the participating excluded youth at the time of the study.

Figure 3.3 Research Data Themes Illustrated



The following sub-chapters will discuss these data themes, their subcategories and the research findings in more detail - their associated relevance, how they relate to the research question, and why they were selected to investigate the overall perspective of the participants towards social entrepreneurship development. This discussion introduces the literature review chapter systematically by demonstrating how the literature review categories and their associated concepts and theories developed and evolved from the six guiding subjects, namely the impact of education, challenges to gaining employment, the desire to start a business, barriers to starting a business, characteristics of a social entrepreneur, and the impact of youth development programmes. All of these were reviewed in relation to the excluded youths participating within the said social entrepreneurial ecosystem and, as such, the greater entrepreneurial ecosystem. This method of enquiry included the data collection and analysis project phases, categorisation of the data, the analysis of the participant narratives compared to the academic literature, and documenting the research findings — all of which will be expanded on in the proceeding chapters.

3.1.3 Impact of Secondary Education on Entrepreneurship

The first data theme investigated the potential impact that interventions related to high school subjects have had on the participating youth in terms of entrepreneurial skills development. It also served to review how these interventions promote entrepreneurship—not only as an alternative to traditional employment, but also as a career of choice for those youth who have the ambition to start their own businesses.

Entrepreneurship subjects were introduced into the national education curriculum at a secondary education level in 2005, with the intended purpose of developing valuable entrepreneurial skills and promoting a culture of entrepreneurship among school-going young South Africans (Gouws, 2002). However, according to the author's interpretation of the statistics presented in the latest Global Entrepreneurial Monitor report (2017) we have arguably not yet seen a significant increase in youth entrepreneurial activity since the implementation of the curriculum.

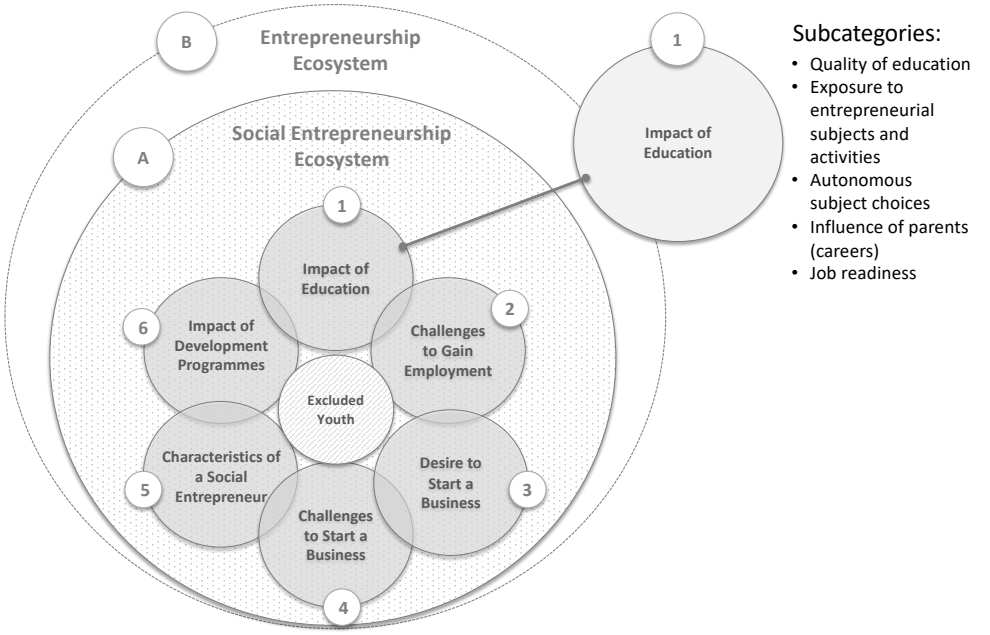
The author is aware of the fact that such initiatives take time — and because these methods are still relatively new, a longer-term evaluation would better serve the assessment of their overall impact. However, the excluded youth who are hoping to become economically active in the current market, do not have the luxury of time. As such, it was important to assess how excluded youth are currently responding to this intervention. Exploring the participants' high school experiences, primarily as they relate to entrepreneurial skills' development, was a critical area of inquiry during the participant interviews with excluded youth. These meetings and conversations focused on discussions about the curriculum, as well as about the extent to which the excluded youth were exposed to entrepreneurial subjects. This data theme was also utilised initially not only to test the findings of Burger et al. (2004), but also to examine the impact of the potential exposure to entrepreneurial skills compared to the propensity or desire to start a business.

Thus, understanding the excluded youths' opinions of whether or not we are genuinely fostering a culture of entrepreneurship within the secondary education system was a critical perspective to explore. In addition to this, it was essential to investigate whether exposure to entrepreneurship at this level was valued by the excluded youth and supported their short and long-term career ambitions in relation to the overall study.

3.1.3.1 Research Findings

The first question during the semi-structured interviews to the participating excluded youth was to discuss their high school experiences. This open discussion was, by design, an opportunity for the participating youth to share their stories and it started the dialogue for them to express what aspects of their high school experience they valued and what they perceived to be memorable, as well as to share their overall — both positive and negative —experiences.

Figure 3.4 Impact of Secondary Education on Entrepreneurship Summary



Whilst all the stories were unique, a number of correlating themes emerged from this inquiry. For example, of the 32 participating youth, 27 referenced an individual teacher who took special interest in their wellbeing and/or academic performance during their high school careers, and who had a meaningful impact on their high school experience as whole. They emphasised the importance of having a role model in this environment, but most importantly, they valued that someone 'had their backs,' 'believed in them,' and 'pushed them to do better and be better.' However, they also described the majority of their teachers as being disengaged and/or uninterested in their academic performance or personal wellbeing, and stated that they believed that the general quality of teaching they were exposed to was below an acceptable standard.

When asked to discuss entrepreneurial exposure within the secondary level curriculum, the participating youth acknowledged that there were general attempts to introduce basic entrepreneurial activities into the curriculum. However, only two of the participants (see an example below) said they would be comfortable writing a business plan, and none of the participants felt comfortable enough actively to pursue entrepreneurial ventures with the 'skills' they had acquired in high school.

> 'I did business and economics, and they focus on entrepreneurship also, and how to start your own business, and how to make a business plan as well,' (Participant 14, 2017).

Generally, the participants claimed that they felt they needed additional exposure to skills development programmes which offer subjects such as finance, how to write a business plan, human resources management, and general business acumen, before they could realistically consider starting their own businesses. In addition to this, the lack of autonomy around subject choice, meaning freedom from external control, and their ability to independently select their preferred subjects at high school had a

significant impact on their responses. Many of the participants stated that they had been interested in taking 'business subjects' in high school, but were unfortunately unable to pursue these subjects for two predominant reasons, namely capacity (the school's ability to accommodate the number of students interested in a particular subject was limited), and pressure from their parents to pursue certain careers and therefore subjects to which they (the parents) ascribed value. Many of the participants felt that they had little to no control over their subject choices at the high school level and, as a result, did not feel that they had full autonomy when selecting the right career path based on these school subject choices, and as such, it was found that these factors negatively impacted the overall perceived value that their secondary education provided in general.

When the participating excluded youths discussed the social aspects of their high school experience, they described the camaraderie and support received from their peers in general, along with the high school community, as something they really appreciated and valued. However, in contrast, many of the participants mentioned that the high prevalence of bullying, peer pressure, and, in some instances gang violence, were social aspects that had a profoundly negative impact on their overall experience and ability to perform in the environment.

A vast majority of participating youths were not in a position, either from an academic or financial perspective, to continue their studies post matric. As a result, the inquiry looked to establish whether or not the participating youths believed that the secondary education they had received adequately prepared them for the job market and/or to start their own businesses. Their overwhelming response, with the exception of one participant, was an unequivocal 'no' — they did not believe it adequately prepared them for employment or self-employment. In their own words, they stated:

> 'When I left school, I did not even know how to make a CV,' (Participant 14, 2017).
>
> 'Nothing I learnt in school prepared me for what I experienced in the workplace,' (Participant 2, 2017).
>
> 'There's nothing really that I use from high school in my current working environment,' (Participant 3, 2017).
>
> 'High school equips you to go to college or some sort of tertiary education, and then the workplace. It fails when you go from high school straight into the work environment,' (Participant 25, 2017).
>
> 'Not really. I think it was just a basic education or knowledge that they gave us for us to continue with our studies. Just after matric, it was not resourceful at all,' (Participant 5, 2017).
>
> 'When you're applying for work, everybody wants you to have this degree or some sort of certificate, evidence that you know what you're talking about as opposed to just a matric certificate from high school,' (Participant 3, 2017).

The overall perception of the participating youth was that they did not believe their high school education had adequately equipped them actively to participate in economic activities without intervention and/or without continued educational opportunities at tertiary institutions. They described a potential failure in the education system in that it does not recognise and accommodate the increasing percentage of school graduates who are unable to attend tertiary institutes for a multitude of reasons.

Accordingly, there appears to be an emerging need for skills development and intervention during this period to bridge the gap between high school graduation and the workplace. This action could ensure that the excluded youth become economically active and financially independent after their secondary education. Furthermore, the excluded youth expressed the view that although there are potential opportunities to explore in the call centre and retail sector, they rather have ambitions to become accountants, engineers, psychologists, photographers, chefs, and entrepreneurs. While most are prepared to 'do what it takes' and 'work their way up,' they appeared to be disillusioned by the system, in general. This, and an apparent lack of opportunities, has left them feeling disappointed that their dreams are not supported by reality. Many participating excluded youth described working in the retail and call centre industries as their 'only options'. Hence, they view these potential opportunities as settling and compromising their potential. In addition to this, the high costs—mainly the travel costs—of working in these positions, often mean that it is not 'worthwhile' or viable to hold such positions for long periods of time. They say that after travel costs to and from the workplace, their remaining salary is often not sufficient to warrant their ongoing interest or participation in these positions.

3.1.4 Challenges to Gain Employment

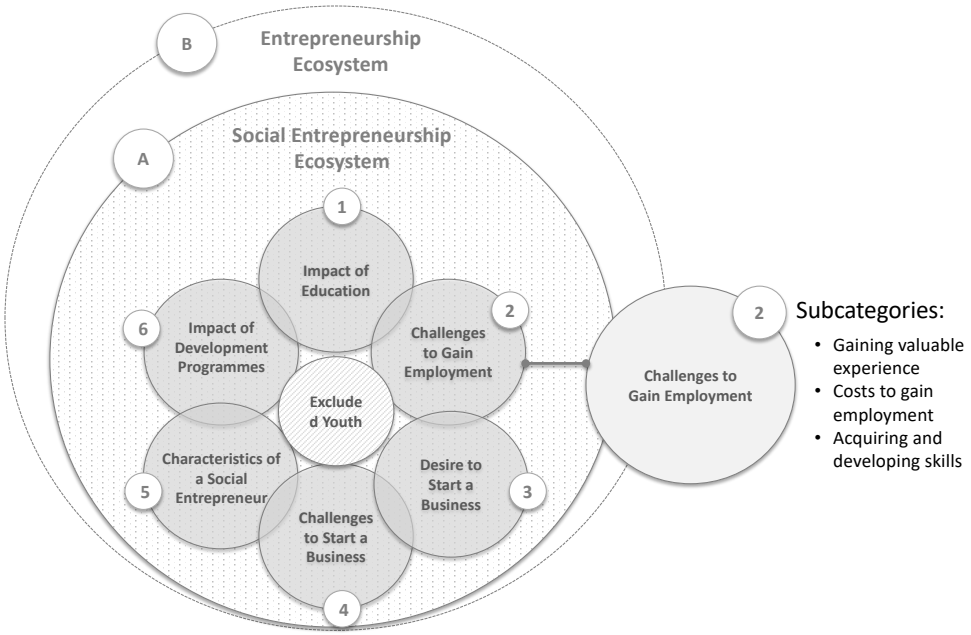
Theme Two reviewed the challenges (lived realities) the participating excluded youths face in terms of gaining employment in the underperforming South African labour market. It is commonly known that our labour market is unable to accommodate the compounding number of young South Africans who hope to become economically active post matric and also that our high youth unemployment rate is perpetuating the cycle of poverty and inequalities. For this reason, it became increasingly important to understand the excluded youths' perspectives on the unemployment problem, and to ensure a balanced approach was adopted before attempting to formulate potential solutions to address the issue.

The preliminary literature (primary and secondary sources) pertaining to youth unemployment and its associated challenges offers a multitude of complex reasons for high unemployment rates among excluded youth. In the author's opinion, the voices of these youths seem to get lost in the many discussions and debates. Often, thought leaders on these topics continuously debate the economic, political, and social conditions that lead to the prevalence of unemployment among youth, but they do not get to the heart of the narratives and lived realities of the excluded youth. They interpret the problems from their own point of view. While the author respects and values the perspectives of the

leaders in this field, she wanted further to investigate the perspective of the excluded youth on the problem of unemployment. The questions of how they framed the issue, and what they believed the problems were, made for crucial conversations. Their perspectives offer potential alternative viewpoints as to what factors they believe are perpetuating the problem.

The author believes that the stories and perspectives shared by the excluded youth need to be heard and considered in order to create innovative ways to tackle problems, devise an inclusive approach to research, and enhance problem solving. Furthermore, unemployed excluded youth are the experts concerning their own experience of youth unemployment and have a wealth of knowledge to contribute to the youth unemployment discussion. This idea is supported by data research in the field.

Figure 3.5 Challenges to Gain Employment Summary



3.1.4.1 Research Findings

During the interview phase the participants in this study were asked the following question: 'What do you believe is the most significant barrier or challenge to successfully gain employment in the current employment market?'

In evaluating their responses, three themes emerged: experience, the associated costs of gaining employment, and the need for youth skills development.

Approximately 75% of the participants claimed that their lack of experience in the workplace was their primary challenge in pursuing potential career opportunities. They went on to describe that when they had applied for desirable junior positions, it quickly became evident that they did not have the required work experience to meet the minimum requirements of the position. Although this situation is not unique to excluded youth and many young job seekers experience the same challenges, the target

group relayed how frustrating it was to be unable to secure their first job solely because of their lack of experience. They rightfully questioned how they would ever gain any experience if they were never given the opportunity to be employed in the workplace in the first place. The following are some of their shared frustrations:

> 'It is the experience they are asking for. It is very difficult when they ask you for a qualification, like knowledge from school or a university, and then, they ask you for five years of experience or seven years of experience; that is what's stopping us from getting jobs. Experience; they ask for it a lot,' (Participant 5, 2017)

> 'If you do not have experience, they will reject you because they say they need someone with experience, but… if you do not have experience, you keep asking yourself where am I going to get experience because I am coming from school,' (Participant 6, 2017).

> 'People definitely want degrees, and a lot of the requirements are like three to five years' experience for a junior position, which doesn't make sense because how would you still be a junior if you have got three to five years' experience?' (Participant 14, 2017).

The excluded youth expressed that this continued request for experience was causing them to become despondent, and creating a sense of hopelessness among their peers and in their communities.

When they discussed their unemployed peers and themselves, they described themselves as lazy. Articulating a common narrative that has emerged in the data, one of the participants had this to say:

> 'Young people are lazy. They are extremely lazy; some people just don't even get out of bed. People are saying: 'I want to drop out of school, I can't do this, I can't do that.' That's what I'm hearing most of the time. I have a friend, he's, like, really lazy, I myself am lazy, I struggle,' (Participant 35, 2017).

However, when this issue was unpacked—the perception that the youth are lazy—in more detail with the participants, a more concerning pattern emerged. It was that this perceived laziness actually appeared to be fear. The participating youth were scared of being rejected; they were scared of failing; they were scared of disappointing their families; and, in some instances, they developed a fear of applying for positions generally because they assumed they would be rejected because they lacked the relevant skills and experience actively to pursue desirable opportunities. This fear and the associated sense of hopelessness manifests as procrastination and inaction, which, in many instances, was often being misunderstood as laziness by their peers, families and communities.

However, the participating youth did offer potential ideas to create opportunities for youth to gain experience while attending secondary institutes and after graduation. These ideas brought new topics to investigate when sharing some of the following insights and potential interventions. Some of these ideas included compulsory work, such as work shadow programmes at all schools, vacation work experience, and potential learnership programmes to support youth to proactively gain work

experience before they formally enter the job market post matric. These are all ideas that need to be investigated further:

> 'I never had job shadowing experiences when I was in high school, where some high schools have [job shadow projects]. I think they should be included at a younger age. Give people experience. Ask questions, such as what are the five things you want to do? Get them [the youth] into these industries at a younger age,' (Participant 9, 2017).

> 'People must be more aware in schools to prepare the young teenagers on how the working world is. Do job shadowing in matric and gain experience during that year. In the June holidays or even in December, take a week or two weeks off, then you know you've got job experience in the field you want to be in next year,' (Participant 14, 2017).

> 'I think during high school maybe we should have lessons where they take kids to certain places, so they can see. Maybe it should be more like a learnership instead of having holidays and sitting at home. They should take kids to certain places where they would be trained maybe for two weeks or a month,' (Participant 28, 2017).

The second theme that emerged from this questioning is 'the cost to gain employment for excluded youth'. When asked to discuss their challenges in order to gain employment, they stated that the financial burden of acquiring and retaining employment are prohibitive. Some of these costs relate to transport, accessing computers, applying online, creating a resume, or purchasing clothes to wear during interviews, with the most significant the cost of travel to interviews.

> 'As young people, if you're not working and your parents are not working, you don't even have enough money to fax your CV or go to an Internet café to email your CV. This is a big problem for us,' (Participant 13, 2017).

> 'Some of us are coming from disadvantaged backgrounds, so we don't have access to the Internet. We can only try to get work when we can get enough money together,' (Participant 6, 2017).

Some of the excluded youths stated that they, their peers, and their families are often faced with a choice between spending money on trying to find a job and having a meal at dinner time. Essentially, in some instances they cannot attend an interview if invited. Furthermore, if they did manage to overcome all of these financial barriers by raising the funds needed to apply for work, and if they were successful in their application, then the associated financial support they would need to travel to work for a full month before they received their first salary is another overwhelming barrier to gaining employment. This 'cost of employment' is a phenomenon which is arguably perpetuating the cycle of poverty and further marginalising (excluding) these youth from actively participating in economic activities. In the author's opinion this phenomenon should be addressed with urgency and critical

intervention is required to reduce these barriers at the national level if we take equality and inclusion seriously.

A third theme emerged when interrogating the challenges that excluded youth face when attending tertiary institutes, applying for positions, or creating self-employment opportunities. It relates to their qualifications and/or skills level. Many of the jobs perceived as being desirable, require a tertiary or similar qualification as a minimum requirement.

In addition to this, the excluded youth also stated that as an alternative to employment, they did not feel confident to start their own businesses. They said that the primary reason for this was that they still did not believe that they had the right skills to be successful.

These desired skills, or the lack thereof, varied in scope and range among the participants. These included the basic computer literacy skills, general financial acumen, leadership skills, sales and marketing experience to having a solid understanding of the legal implications of starting a business. Such views were articulated as follows by participants:

> 'Challenges that I have encountered are commonly known in education; if you're not educated, then you cannot be employed,' (Participant 21, 2017).
>
> 'You have never used a computer, but now you get to the first week [college]; there is computer assignment stuff, and by that time... In the end, I was spending a lot of stuff trying to learn how to use the resources [computer and software] which you need to use for your assignment rather than actually doing the assignment,' (Participant 30, 2017).
>
> 'The way you have to structure e-mails and the way you have to communicate with people and the formalities of things, so that's also something that I didn't really have and, then, overall qualifications,' (Participant 3, 2017)
>
> 'I lack skills in terms of how to run an effective organisation.' (Participant 28, 2017)

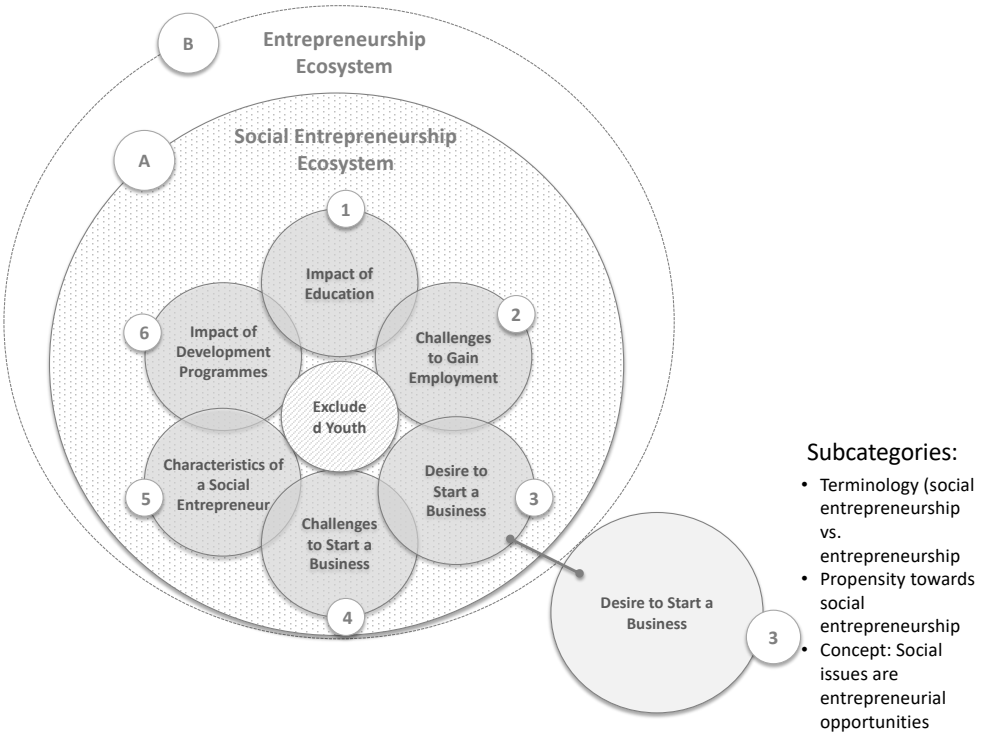
The overall finding and primary concern was that the youth participants essentially did not believe that their skills at the time of the study were sufficient to support short or long-term career goals, to gain desirable employment, or to start their own business. This challenge not only affects the excluded group seeking employment or wishing to start a business, and is a common challenge among many South African youth, however it is particularly hard for the excluded youth to overcome these challenges due to their socio-economic circumstances. As such the curriculum at school level needs to be addressed urgently to ensure that all school leavers have some basic work based skills, as well as entrepreneurial skills, including basic computer skills, post graduation, as a matter of national importance.

3.1.5 Desire to Start a Social Business

In the methodology chapter, when discussing the research assumptions, noting that testing the assumption that youth have a genuine desire to make a difference in their communities, and in society generally was critical to framing a valid agreement in this study.

Evaluating whether youth, and excluded youth in particular, have a genuine desire to create new social businesses in practice was strategically important to ensure that the proposed approach and proposed solution (youth social entrepreneurship development) was, in fact, a viable and valid method of intervention in this sector of our economy, and could have the desired impact of increased employment opportunities.

Figure 3.6 Desire to Start a Social Business Summary



Furthermore, the examination and inclusion of the viewpoints of the excluded youth to develop concepts, theories, interventions, and business models to support this case, also became strategically aligned to the study objectives and critical to the process in its entirety. Without a deep understanding of the participating youth's propensity towards social entrepreneurship as a viable career option, this study would arguably not offer value.

3.1.5.1 Research Findings

During the semi-structured interviews, the participating excluded youth were asked if they had heard about the terms ‘social entrepreneur’ or ‘social entrepreneurship’ (terms used interchangeably). If yes,

they were also asked to explain what these terms meant to them. Only two of the participating excluded youth had been exposed to specific social entrepreneurship development programmes and were able to explain in general what they had learnt on these programmes. One of them described the overall sentiment and meaning of social entrepreneurship as such:

> 'Social entrepreneurship is all about community. It's about addressing real issues and then building a business around that. It is all about the community and how we can change the status quo in our community. How people can start seeing not only the problems, but seeing the opportunity to start businesses that contribute to the economy and at the same time address a real social issue' (Participant 10, 2017).

The remaining participants, in general, had not heard of the specific term 'social entrepreneurship'. And in most instances, they were unable to accurately articulate or even guess a meaning that adequately described the practice of social entrepreneurship.

However, when the participants were asked to share their understanding of the terms 'entrepreneur' and 'entrepreneurship,' approximately 70% of the participating youth provided definitions or explanations that were more appropriately aligned and relevant to the practice of for-purpose (social) entrepreneurial activities compared to for-profit (traditional entrepreneurial) activities. A sample description of this would be as follows:

> 'I see entrepreneurship as somebody, [who is] starting up a business and trying to make a change. It is someone who wants to do good in the world [positive social impact],' (Participant 12, 2017).

In addition to this, the participating youth consistently described business activities that would have a positive impact in their communities. For the majority of the participating excluded youth, community impact was a predominant topic that emerged during this inquiry. Their desire to start businesses was linked to two key desires: firstly to create employment opportunities for themselves, and secondly to 'give back' or positively impact by creating new employment or addressing social challenges in their communities. These motives emerged as the primary incentives and driving forces to start businesses in both the short and long term. One of the participants described the general sentiment and desire as follows:

> 'It's hard to find a job, so starting my own business will make sure that I provide for my family, and I get to help another person to provide for their family and create employment in my community,' (Participant 34, 2017).

These ambitions, their natural propensity, and the passion expressed during the interviews to start businesses that would create social value, address unemployment, inequality, and poverty, were encouraging findings at the time.

Furthermore, this enquiry questioned the relevance of the terms 'social entrepreneurship' versus 'entrepreneurship' for the excluded youth. They were not at all concerned about what words were used to describe the practice of social entrepreneurship, but rather the intentions and impact of the activity, which became a critical method of enquiry to investigate the lived realities of the excluded youth to whom the semantic difference is irrelevant, comparable to the academic literature, where semantics becomes critical to distinguishing between the two entrepreneurial disciplines; for purpose versus profit, as discussed in Chapter 4.

Also noteworthy is this fascinating insight:

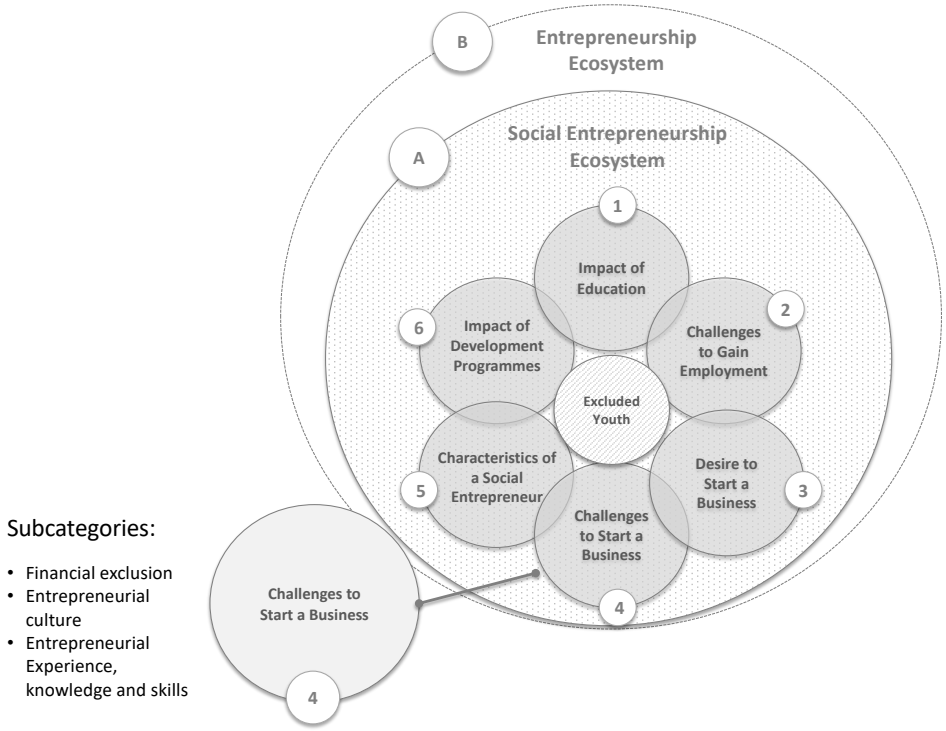
> 'There's so much opportunity in South Africa. If you wake up in the morning and you look out of your windows, you just see problems [social]. These are opportunities, especially for entrepreneurs,' (Participant 34, 2017).

This ability to recognise societal issues as entrepreneurial opportunities (albeit technically social entrepreneurship opportunities), was an additional emerging concept to explore during the analysis and theoretical sampling phase of this project, and shall be examined in further detail in the literature review and the final research analysis chapters.

3.1.6 Challenges to Start a Business

This theme was identified to assess some of the drivers or restraints and the motivators or demotivating factors that were potentially enabling (or not) the excluded youth to start businesses. Similar to Theme Two (challenges to gain employment), it served as a framework to investigate the excluded youth's perceived barriers to either start a business, enter the market, or continue to participate in this economic sector, generally referred to in South Africa as the small business development sector or the start-up ecosystem. This investigation allowed the youth to share openly their ambitions to 'be their own boss' and 'leaders in their communities,' but also, provided a channel for them to express the genuine challenges and risks they face when considering or starting a social enterprise in their community. In addition to this, this theme allowed the author to further explore conversations with excluded youth to investigate their explanation of social entrepreneurship compared to traditional entrepreneurship, in order to perform the theoretical sampling previously discussed. This data theme supported the categorisation of potential challenges, which either supported or perpetuated the excluded youths' ability, desires, or means to start a business. It provided a useful analysis tool and method to systematically review the literature, develop ideas, interrogate the ideas, offer new insights, and propose recommendations for improvement.

Figure 3.7 Challenges to Start a Business Summary



3.1.6.1 Research Findings

The participating excluded youth and the managers of youth development programmes were asked to share from their experience, what challenges and/or barriers prevent excluded youth from starting businesses. Three distinct categories emerged from this inquiry, namely financial inclusion, entrepreneurial culture and entrepreneurial skills.

The first category, financial inclusion, consolidates the multitude of financial challenges that are currently disempowering these potential entrepreneurs from starting businesses. These challenges range from access to start-up capital, access to the Internet and technology (based on affordability) and their and their families' financial literacy levels. Also the lack of financial security, a safety net or support system, that would typically support the risk-taking behaviour of an entrepreneur, as well as the overwhelming pressure for many excluded youth to gain employment and provide financially for their families and siblings as quickly as possible post-graduation, were examples of some of the financial challenges raised by the participants.

For example, participants 9 and 10 shared the following examples:

> 'I feel like background [where you come from] is the biggest challenge for entrepreneurs in South Africa. Say, for example, someone coming from a poorer background; they have more pressure on them to start getting an income at an early age to assist with running the household as well as with food and school fees,' (Participant 9, 2017)
>
> 'The difference between entrepreneurs who take a risk to start a business and others who don't is that the ones who can take the risk have a safety net.' 'The others don't have a safety

net, unfortunately. How can I risk not feeding my family, or if I'm the oldest son in the house and I have this business idea, I can't take a risk and leave my job because I have to feed my parents, and I have siblings at school, and school fees need to be paid, and so on. I have to do what I have to do. So there's that thing about the challenges that we are faced with, even with just the pressures of everyday life and not having a choice,' (Participant 10, 2017)

The second category, entrepreneurial culture, describes whether or not entrepreneurship is encouraged and celebrated as a respectable career option by the participating youth, parents, families, and communities. The preliminary findings of this study showed that, in most instances, youth were proactively encouraged to get a job rather than start a business. Some of the participants shared the following insights into this culturally based challenge.

> 'Biggest challenge is support from their communities and families because people's mindsets are so used to… you need to get out on your own, you need to work for someone, you have to be in an office, and you need to have a proper routine, you must get a job,' (Participant 3, 2017)

> 'Society pressures of – you went to school you went to study, what's the next step? You go and get a job. So, even though I knew at the back of my mind I wanted to start a business, it was so ingrained and trained [mindset], you have to go and work, get a job, and so I am going to work,' (Participant 9, 2017)

It became increasingly apparent that entrepreneurship was not proactively encouraged or valued in general as being a respected career choice by the excluded youths' families. As such, without family and community support, many had partly given up their own 'dreams' of starting a business to pursue their families' wishes for financial security, which is perceived to come from gaining employment versus the perceived financial insecurity associated with starting a business or being an entrepreneur. That said, two of the participants—both founders of separate active social enterprises at the time of the study— stated their parents and families eventually 'came around' and now fully support their business ventures. However, both said that this turnaround took approximately twelve months, and often, their failures during this period were met with 'I told you so' and 'Go get a real job!' The two young social entrepreneurs noted such statements as being very demotivating.

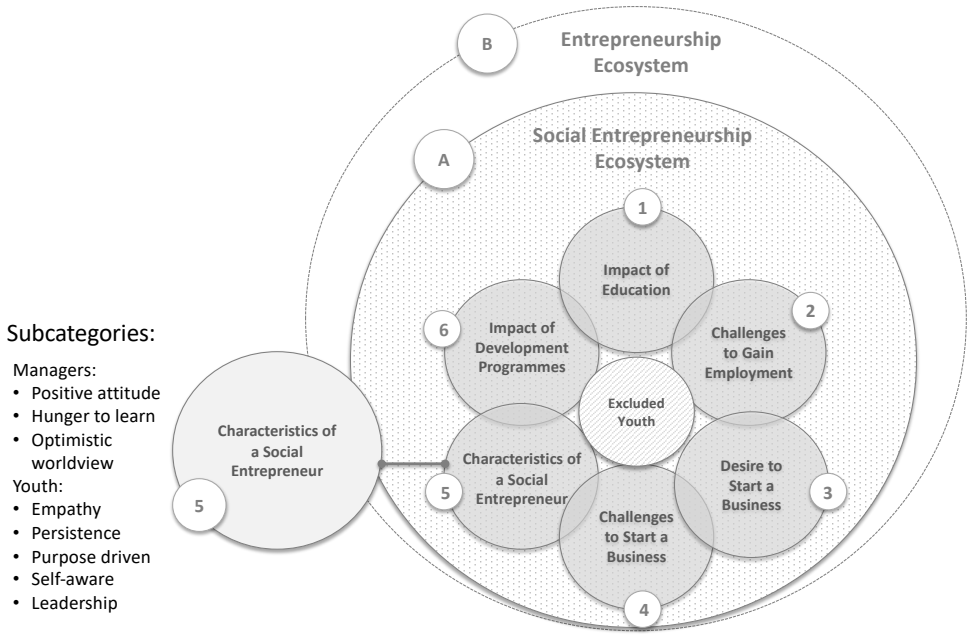
The third category, entrepreneurial skills, included the types of skills the excluded youths felt they needed to develop before they could be confident enough in their own abilities to start and or run a business. These skills ranged from financial literacy (hard skill) to understanding their purpose and values (soft skills). They mentioned hard and soft skills in equal amounts as gaps in their current skill set preventing them from becoming self-employed entrepreneurs or social entrepreneurs. They also emphasised that confidence was playing a major role in their decision making.

3.1.7 Characteristics of a Social Entrepreneur

The study of entrepreneurial traits and characteristics has gained much traction in the last twenty years. Many brilliant academic scholars and industry leaders have invested major efforts into establishing and defining the characteristics that make for the 'perfect' entrepreneur and/or social entrepreneurs. These studies often pursue the development of an entrepreneurial profile by listing essential personality traits to try and predict an increased propensity for entrepreneurial success. However, questioning if these entrepreneurial 'profiles' are adequate in isolation or are they potentially suppressed in specific social contexts and environments was important to ensure that the localised context was effectively represented. For example, a willingness to take risks is a common entrepreneurial characteristic that is held in high regard, but in the reality of this study, excluded youths' abilities to take risks are often impacted by their level of financial inclusion, their support system, and financial dependencies.

For this reason, it became essential to develop a unique profile of characteristics specifically for the context of excluded young social entrepreneur, to compare against more general best practice entrepreneurial profiles. Furthermore, establishing which of these characteristics are valued (or not) by the participating excluded youth, as well as by the managers of the participating social entrepreneurship programmes offered a new perspective to consider.

Figure 3.8 Characteristics of a Social Entrepreneur Summary



This led to a comparative analysis of the literature versus the actual perceptions of the youth and programme managers in this study. This allowed the author to evaluate the best practice characteristics such as, risk-taking, bravery, and leadership qualities advocated in the theory of entrepreneurship and social entrepreneurship in general, and compare those to the characterisation and qualities that the excluded youths valued as significant. This assessment offered further insights into the potential

improvement of the secondary curriculum (Theme One) as well as possible ideas for improving the social entrepreneurial development programmes represented by some of the participants in this research study.

3.1.7.1 Research findings

The participating youth development organisations and their programme managers were asked to discuss which individual characteristics they most valued when recruiting and screening potential excluded youths for their programmes, which included social entrepreneurship, leadership, and learnership programmes.

From the perspective of the managers at the organisation, they were most interested in finding candidates that exhibited positive attitudes, a hunger to learn and an optimistic worldview as being the most important personality traits when recruiting excluded youths to join their development programmes. They also shared some of the following valuable insights during the interviews in direct response to this line of questioning:

> 'The right attitude; anyone who loves to learn who is positive and works hard. We find that the students that have the 'right attitude' are far more successful than those who don't,' (Participant 33, 2017).

> 'Attitude of willingness to show up and work and learn. You want someone who's going to show up, someone who's going to use the opportunity. We want someone with a positive attitude because their [social] circumstances are often not great,' (Participant 13, 2017).

> 'You look for optimism; you look for hope; you look for a sense of wanting to, I said, break the cycle but wanting to step up, wanting to do different, something different. I don't want to say they need to be prepared to change their lives, but there must be a sense of 'I need to, like, do something right and enhance my way of life,' (Participant 41, 2017).

In addition to these characteristics, the programme managers unanimously agreed that a sense of entitlement was not a desired characteristic or conducive to their learning environments and actively screened against this, as discussed with Participant 41. The majority of the participating managers stated that they preferred to select candidates who were grateful and humble in contrast to being entitled, and believe that a sense of entitlement was toxic and counterproductive to achieving their organisational objectives.

> 'One of the things we look for that we actually don't tolerate is a sense of entitlement; that's very important in our selection processes—we try and understand why the person is here, do they feel that the world owes them something? Because that we can't work with,' (Participant 41, 2017).

From an excluded youth's perspective, they also valued a positive attitude and a willingness to learn as being critical entrepreneurial characteristics:

'It's about your mindset and attitude,' (Participant 24, 2017).

The excluded youths also valued empathetic behaviour (social awareness/awareness of other), persistence, self-awareness, and leadership as being important entrepreneurial characteristics.

Three interview examples that indicated empathy as a valued characteristic, emphasised the excluded youths' natural propensity and desire to have a positive impact on their communities:

> 'Because I know my neighbourhood; I have seen the environment; I grew up in it. I just want to make a change in the world. That's my biggest dream: I just want to make a change, and it's good for me when I'm helping someone else because there was nobody to help me except for [anonymous organisation]. I just want to be there for kids and the up-and-coming generation, just saying, 'I'm here; I could help you what do you need'; then, I assist them in the right direction,' (Participant 21, 2017).

> 'The kind of people who want to make a change in the community and want to take up the initiative to do something meaningful,' (Participant 11, 2017).

> 'Finding my purpose in life and try to give back and help those in the world, because I have this thing: I feel empathy very deeply.' (Participant 12, 2017)

Persistence was a strong additional theme that emerged when engaging with the youths. Participant 9 summarised this overall sentiment:

> 'I am very driven, so even though I come from humble beginnings, I come from the Cape Flats, I never let that influence me.' (Participant 9, 2017)

The youths also often mentioned that it was important to understand and work towards your life purpose.

> 'Find my purpose in life and try to give back and help those in the world.' (Participant 12, 2017)

The 'finding my purpose' statement was used by many of the youths in many different contexts. Initially, the feedback from this inquiry was not clear, but through ongoing discussions, this concept was understood to mean being self-aware and understanding what is important to them. There is, however, one important caveat here. During the evaluation it appeared that, while valued as a key characteristic of the youths, the 'finding my purpose' construct is also often used as an 'excuse', whereby many claimed that they could not get a job or start a business because they did not have an understanding of what their 'life's purpose' may be.

The final characteristic that emerged was leadership. It was valued by both the youths and youth social entrepreneurial development programmes as being a strategically important entrepreneurial characteristic to possess or acquire. They commonly view entrepreneurs (including social entrepreneurs) as being inspiring leaders in their communities (Participants 31, 11, and 41). As such,

they have assigned leadership talent and skills as being a highly valued and regarded characteristic for entrepreneurial success.

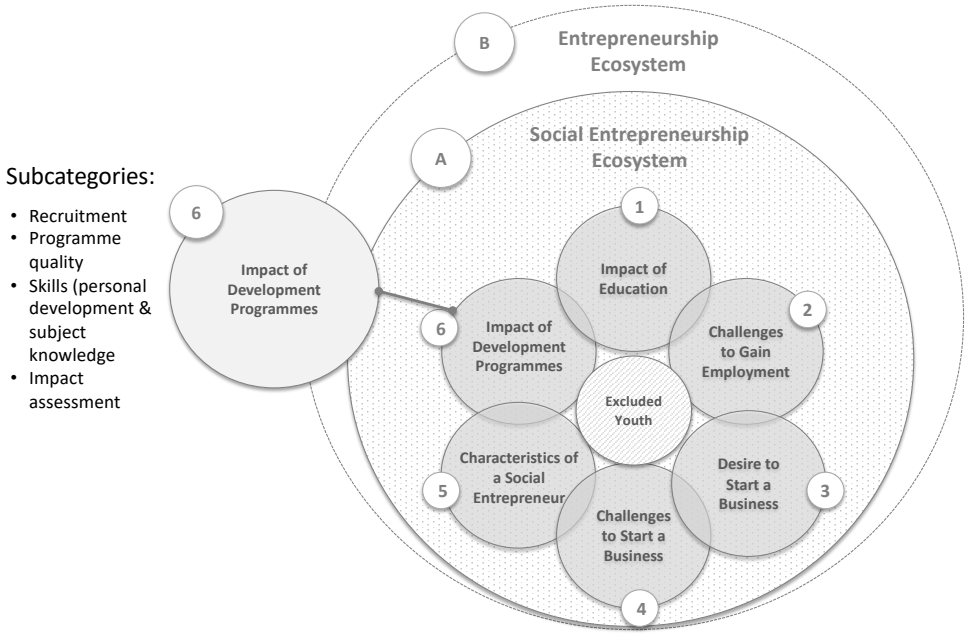
3.1.8 Role of Entrepreneurial Training and Development

Theme Six was designed and introduced to investigate the primary research question directly: How can youth development programmes be utilised to create inclusive self-employment opportunities for excluded youths residing in Cape Town? It also investigates the secondary questions related to this enquiry.

This data theme was essential to assessing the overall impact of youth development programmes, specifically youth social entrepreneurship development programmes.

In addition, this data theme served as a method for evaluating the quality of training and other hard and soft skills development provided by the participating organisations, in view of the characteristics, challenges, and desires of the youths discussed in Themes 1 through 5. This was done to ensure an in-depth understanding of the social entrepreneurial ecosystem and the greater entrepreneurial ecosystem in their entirety.

Figure 3.9 Role of Entrepreneurial Training and Development Summary



This emerging knowledge also served to examine the role of youth development agencies in enabling inclusive social entrepreneurship activities and behaviour. This was important to gain an appreciation of the scope of the solutions needed to scale these youth development agencies' efforts towards increased levels of inclusion.

3.1.8.1 Research Findings

During this stage of enquiry, four dominant categories emerged from the interview data, namely the challenge to recruit, programme curriculums, quality of the programmes, and their impact and measurement. These became relevant findings to pursue further.

Regarding the recruitment of students for these youth development programmes, all of the participating organisations and their managers noted that acquiring potential students was one of their biggest challenges.

Most of the participating organisations primarily relied on word-of-mouth strategies as the most effective method to attract prospective students to their bespoke programmes. For long-established programmes—of which there were two in this study—this approach was generally effective and attracted sufficient students to screen. Quality candidates were shortlisted and then recruited for the programmes. However, organisations also acknowledged that there was definite room for improvement in this area.

In contrast to the well-established programmes, newer programmes stated that they struggled to attract 'quality' students into their programmes: they viewed accessing and recruiting suitable excluded youth for their programmes as a major challenge. When tasked to screen and match candidates to the desired characteristics and the admissions criteria for their specific programmes, they were often faced with either accepting students who did not necessarily meet their requirements fully—thus potentially compromising the quality of their programmes—or alternatively selecting fewer students for the programmes—which potentially compromised the impact they wish to facilitate.

Thus, while there appears to be an overwhelming need for a youth development programme to bridge the gap between secondary education and the workplace, and to support youths to start businesses, accessing these unemployed excluded youths in general proved difficult. Furthermore, the author believes more general conclusions could also be made as to similar organisations in the Cape and possibly in the rest of the country regarding the recruitment of suitable candidates for their programmes. This suggests that there is a potential need to develop systems and processes to improve collaboration between youth development agencies to facilitate a network and pool of potential candidates.

In terms of the second emerging topic, the programme curriculum, the input from the participants offered an insight into what the programme managers and students valued the most. In general, while there was a definite interest in the subject choices on offer, the majority of the data in this enquiry suggested that personal development was by far the most appreciated aspect of these programmes. There was a sense that developing the individual comes first, and imparting valuable skills and knowledge came second. Both of these were important concepts to continue to investigate in order to evaluate the programmes' overall ability to support the participating excluded youth's future career ambitions. The data included statements such as:

> ‘We have this value of you grow the person in the business, so we understand we’ve got a lot of work to do around discovering who you are, discovering your vision, mission and purpose, developing yourself, leading yourself and others,’ (Participant 4, 2017).

In addition, more emphasis was placed on actions that inspired the youth, created hope, and built confidence, than on the actual quality of the knowledge and skills taught. For example, participant 19 stated that, when students start their social entrepreneurial development programme, they are fairly risk averse, but as their programme progresses, they become more confident and open to taking risks over time. When they said that ‘In the beginning, they are not bold, and they're not risk takers, but we do find as the programme progresses that they do become bold,’(Participant 19, 2017).

Both programme managers and students suggested that developing the person first as a strategic approach to youth development ensured that the knowledge and skills they acquired during the programme would be utilised more successfully. Furthermore this insight provided a narrative that suggested that if you develop the person, build confidence, and inspire hope, the excluded youth would be self-confident enough to source the skills and knowledge they need when they need it.

The fourth category of enquiry served to establish what impact these youth development programmes have immediately post-completion as well as over time. The outcome of this inquiry found that while all programmes had objectives and key performance indicators in place proactively to evaluate the general success of their programme, only one of the four participating organisations were effectively measuring their impact after the programme was completed. This finding could be a promising opportunity for youth development programmes and agencies to develop impact assessment models and tools to improve their programmes over time, and in addition to ensure that their overall organisational vision and social impact is being realised through such assessment. Evaluating the best practice methods to achieve this, according to the academic literature, served as an additional method of analysis for the author to develop new concepts and, make a recommendation for improvement.

3.1.9 Conclusion

In summary, this chapter served to evaluate the entrepreneurial ecosystem in the context of the participating excluded youth. The emerging data themes and their subcategories (Appendix C.4) were used to present the research findings and to further develop an understanding of the subject in order to systematically introduce the proceeding Literature Review and Theory Building chapters, which continue to build on these findings.

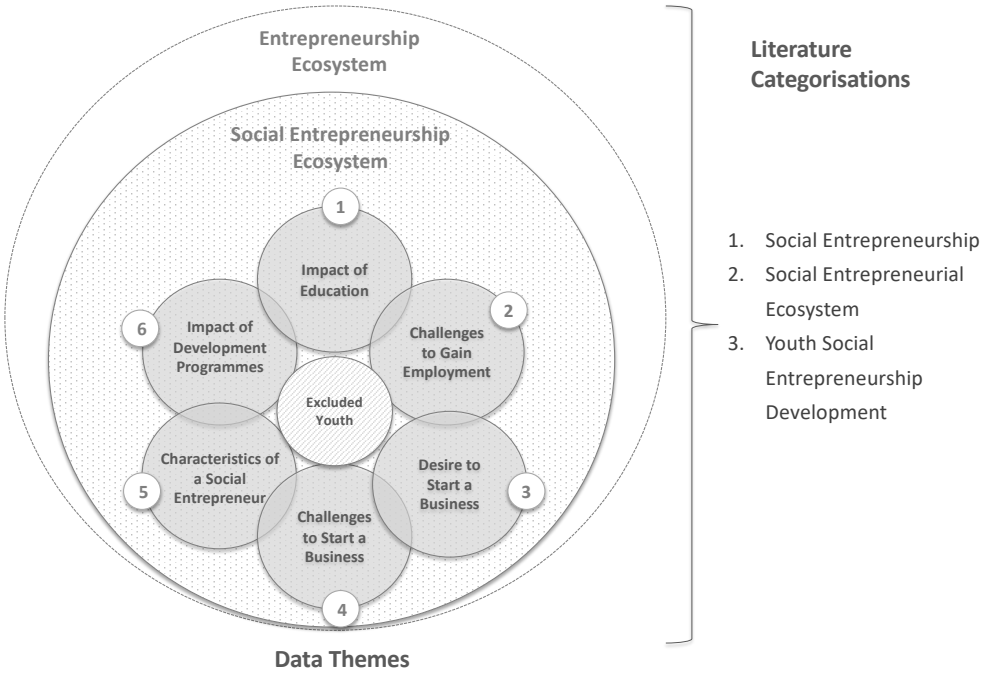
Chapter Four

4.1 Literature Review

The six data themes discussed in Chapter 3, in conjunction with the qualitative grounded theory methods, provided a framework for further data analysis that compares findings with the leading academic literature relevant to this subject. The literature under review examines the entrepreneurial ecosystem in general, the specific social entrepreneurial ecosystem of participating excluded youth and the multitude of emerging ideas, concepts and hypotheses that the author has discussed.

The analysis, consolidation and categorisation of the six data themes and their associated findings resulted in three primary literature categories: social entrepreneurship, the social entrepreneurial ecosystem, and youth social entrepreneurial development, as illustrated in the expanded data theme diagram in Figure 4.1.

Figure 4.1. Expanded Data Themes and Literature Review Categories



These literature categories have served to evaluate prior research that is relevant to this field of study concerning youth social entrepreneurship development in South Africa. They have been used to ask the question, 'How can youth social entrepreneurship programmes be utilised to create inclusive self-employment opportunities for excluded youth residing in Cape Town?'.

The overall intended purpose of this study is to develop new ideas and concepts to reduce youth unemployment in South Africa. The literature review presents a theoretical overview that explores the existing literature generated in this field of academic research.

The literature categories illustrated in Figure 4.2, and their associated subcategories in Figure 4.3, demonstrate the research problem (youth unemployment) in relation to the research objective (stimulating inclusive economic activity) among excluded youth with youth social entrepreneurship development being the selected channel to achieve these aims. In order to develop and expand the narrative, the primary literature categories (social entrepreneurship, the social entrepreneurial ecosystem, and youth social entrepreneurial development), will be reviewed initially from a broad and generalised context, the macro topics. Provided is a historical review of leading entrepreneurial and social entrepreneurial theories (Figure 4.3, level 1), and as the review progresses, the scope of the literature will become more focused on the micro topics which emerged from the data themes in chapter 3 (Figure 4.3, level 2 and 3). This provides a theoretical overview of the literature, which in grounded theory methodology is used as an additional data source to collect and analyse the continuous emergence of concepts and theories from said data.

Figure 4.2. Literature Review Categories and Research Objectives Illustrated

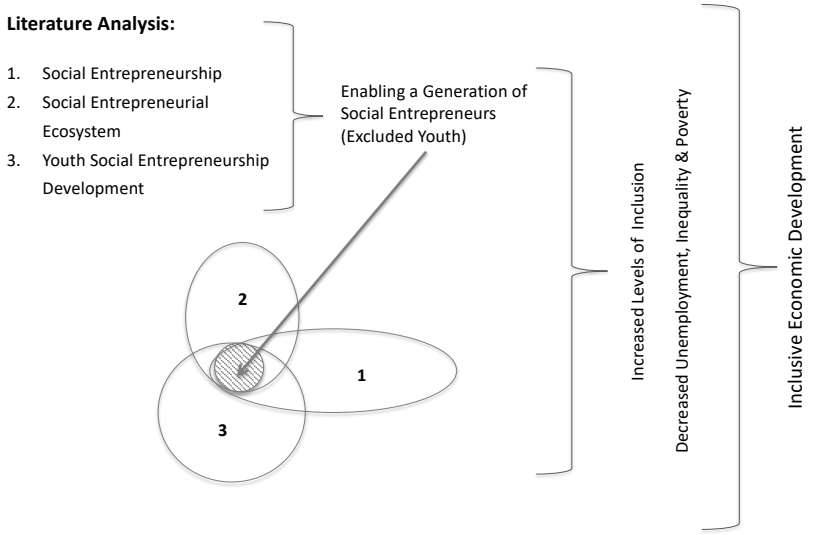
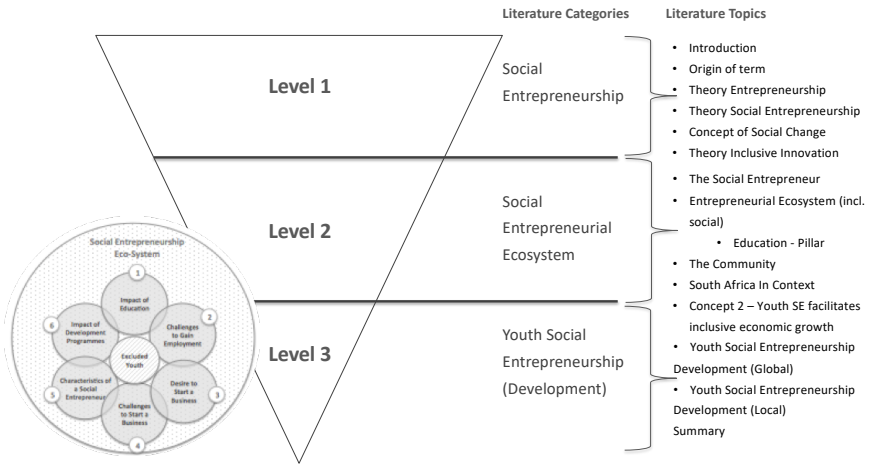


Figure 4.3. Literature Review Categories and Sub Categories



4.1.1 Social Entrepreneurship

This category will discuss the phenomenon of this specific field of entrepreneurship and how the theory and practice developed over time. In his paper titled *The Meaning of Social Entrepreneurship*, author Gregory Dees (1998) states, 'the language of social entrepreneurship may be new, but the phenomenon is not'. He continues: 'We have always had social entrepreneurs, even if we did not call them that,' (Dees, 1998, p. 1). While the academic literature and theory in this field is relatively new, the practice of social entrepreneurship in general, albeit in many instances not formally recognised as such, shares a common, purpose-driven agenda with the not-for-profit sector. Importantly in this study, it shares a rich history with the entrepreneurship theory. The analysis of grounded theory data will provide the reader with a theoretical background and foundation of this review.

The terms 'social entrepreneur' and 'social entrepreneurship' first appeared in literature in Howard Bowen's book titled *Social Responsibilities of a Business* in 1953. Bowen discussed the moral obligations of business in society.

However, the use of these terms only gained in popularity in 1997, when Charles Leadbeater—generally credited to have popularised the term 'social entrepreneurship'—published one of the first official reports dedicated to the subject. This paper, titled *The Rise of the Social Entrepreneur* (1997), discusses five remarkable case studies of social entrepreneurship in practice. Leadbeater compares the entrepreneurial nature of these social businesses to the traditional method of supporting social wellness via the welfare state or the welfare system, which was essentially formed to 'protect' its citizens and society in general. Leadbeater (1997) maintained that the welfare state 'was designed for a world of male full-employment and stable families that no longer exists,' (Leadbeater, 1997, p. 1)—highlighting a point of view that this popular approach to addressing socio-economic challenges in society was potentially problematic. He consolidated his findings, which included the characteristics and potential of this newly defined entrepreneur and added that 'social entrepreneurs will help us address our most pressing social problems' (Leadbeater, 1997, p. 8). He also stated that the practice of social entrepreneurship offers a more efficient, effective, and innovative approach to 'social work' in the private, public, and volunteer sectors.

While it has been stated that the practice of social entrepreneurship is not a new phenomenon in its entirety, and there have been a multitude of examples of this type of entrepreneurial activity since before the mid 1990s, the terminology, academic research, and general understanding of this practice are still being developed and arguably have a long way to go before we could claim to have a robust, well-researched, and, most importantly to this study, a common understanding of what it means to be a social entrepreneur.

This study uses Seelos and Mair's (2005) description of a social entrepreneur to be an individual who 'combines the resourcefulness of traditional entrepreneurship with a mission to change society' (Seelos & Mair, 2005, p. 241). While it is generally accepted that social entrepreneurship is an entrepreneurial

discipline in its own right, under this adopted definition social entrepreneurship shares many overarching principals, theories, and activities with traditional entrepreneurship. For this reason, it is beneficial to present a historiographical account of the literature relating to entrepreneurship—considering the perspective that social entrepreneurship functions within the entrepreneurial ecosystem—to discuss the origins of the term and the dominant theories in this specific field of research before we consider the literature as it pertains to the individual practice of social entrepreneurship.

4.1.1.1 Historical Review of Entrepreneurship

The term 'entrepreneur' originated in the 17th and 18th centuries in French economies, when it first appeared in the literature. In 1723, the word entrepreneur was first published in a French dictionary, *Dictionnaire Universal de Commerce*, and acknowledged and thus legitimised the word entrepreneur as a newly-defined phenomenon in the field of economics and business.

More specifically, French economist Jean Baptiste Say is often attributed with coining the word 'entrepreneur' in the 1800s, but in fact, it would be more appropriate to state that Says defined and then popularised the word entrepreneur. As such, the first recorded instance in the literature apparently appeared in a book titled the *Nature of Trade in General* (1775) written by a Richard Cantillon, who is considered to be a pioneer in the field of economics. His book is claimed by like-minded economists to be the 'cradle of political economy' (Jevons, 1881) and is recognised as an important contribution to economic theory development.

In Cantillon's book, he conceptualised and described an entrepreneur as being a 'risk-bearing agents of production' (Cantillon, 1775). This definition describes an individual who manages uncertainty. In a modern context, he would be describing an entrepreneurial risk taker. Building on his theory, Say claims that 'the entrepreneur shifts economic resources out of an area of lower and into an area of higher productivity and greater yield.' (Drucker, 1985, p. 21). According to Say this describes the early conceptualisation of entrepreneurial value creation in general; adding that an entrepreneur intentionally plans to create value in their process.

In summary, these pioneers' concepts promoted an entrepreneur to be a risk-bearing agent who creates value in the production process.

4.1.1.2 Leading Theories of Innovation and Opportunity-based Entrepreneurship

The terms 'entrepreneur' and 'entrepreneurship', have been used in economic literature for almost two hundred and fifty years, and embody a widely practised discipline globally. We still do not have a uniformly agreed upon definition for an entrepreneur and/or entrepreneurship.

This is mainly attributed to the diversity of thinking and differing opinions of the thought leaders and academic scholars who have come before to develop theories in this field. These various theories developed in the last two hundred years or more include, but are not limited to, the following: the risk-bearing theory of Frank Knight (1885–1972), Alfred Marshall's theory (1842–1924), the sociological

theory of Max Weber (1864–1920), the economic theory of Mark Casson (1945), Joseph Schumpeter's theory of innovation (1883–1950), the theory of entrepreneurship of Harvey Leibenstein (1922–1994), the theory of achievement motivation of David McClelland (1917–1988), and the theory of entrepreneurship of Peter Drucker (1909–2005). All of these theories have valuable points of differentiation that are comparable to the next, and all offer a level of insight in their approach to defining or prioritising entrepreneurship.

Schumpeter's, Drucker's, and Stevenson's theories, which are recommended by Dees (1998) to be strategically important to social entrepreneurship theory development, all focus on innovation and opportunities as key principles of entrepreneurship. As such their academic contributions have been acknowledged in this study, mainly due to their propensity towards innovation as an important characteristic and behaviour of entrepreneurship and social entrepreneurship. These three theoretical frameworks were also selected as the primary literature on the topic because of their specific alignment and relevance to the inclusive innovation—the overarching subject and purpose of this paper—that would address the findings of the research.

4.1.1.2.1 Joseph Schumpeter's Innovation Theory

In the early to mid-20th century, Joseph Schumpeter established a theory of the entrepreneur, often referred to as 'The Schumpeterian Theory' or 'Joseph Schumpeter's Innovation Theory'. It became an important data source for this study, specifically the Dees (1998), perspective of how these theories had an impact on the development of social entrepreneurship theory.

Schumpeter was an economist and political science professor at Harvard University and arguably one of the most important economists and academic contributors to the field of entrepreneurship. Schumpeter positioned entrepreneurs as innovators who drive 'creative-destruction' (Schumpeter, 1942). Also known as Schumpeter's gale, this is an important economic concept that refers the innovation of products and processes to replace old production methods with new products and processes (Schumpeter, 1942). He expanded on these ideas when he published his then-controversial book on social theory called *Capitalism, Socialism and Democracy* in 1942.

Dees articulated Schumpeter's perspective towards entrepreneurs as being, 'the change agents in the economy. By serving new markets or creating new ways of doing things will drive the economy forward' (Dees, 1998, p. 1), and stated that Schumpeter views entrepreneurs as the 'catalysts and innovators behind economic progress' (Dees, 1998, p. 2). Schumpeter's theory promotes innovation as a critical function of an entrepreneur in the context of driving economic growth, and as disrupting the pre-existing way in which things are done.

While Schumpeter's theories were extremely progressive in the innovation theory field, he is often criticised for his intense focus on innovation and for not sufficiently considering the role of risk-taking and planning as critical aspects of the entrepreneur's role in economic activity. Significant to this particular study, Schumpeter's theory is largely based on the assumption of full employment of

resources in the economy and does not intentionally take into consideration developing economies where unemployment is an expected variable. (Keynes, 1937).

This is comparable to Keynes, another well-known economist at the time, who viewed innovation to be an external factor that belonged outside the system. Keynes' economic theories viewed unemployment to be a norm in any economy (Taylor, 2010) and potentially this perspective in conjunction with Schumpeter's theory offer a more holistic perspective of the innovative entrepreneur in the context of the economy.

Nevertheless, Schumpeter's work in promoting innovation as a critical aspect of entrepreneurship was revolutionary at the time and remains a fundamental theory in which to ground the academic research that developed as consequence of his contribution to the economics and political science disciplines.

4.1.1.2.2 Peter Drucker's Theory of Entrepreneurship:

The second noteworthy entrepreneurship theory was developed by Peter Drucker and is often referred to as opportunity-based theory. Drucker had a successful career as a highly-regarded thought leader in business management. He is the author of 39 management books, is celebrated globally for his contribution to management education, and is recognised by many as the 'founder of modern management' (Denning, 2014). Drucker was said to have been inspired by Schumpeter's innovation theory and by Keynes's alternative viewpoints on commodity behaviours (Drucker, 1934).

According to the Drucker Institute, a key moment for Drucker's theory development is attributed to an 'epiphany' he had when attending a Keynes economics lecture at Cambridge University. He famously wrote: 'I suddenly realized that Keynes and all the brilliant economic students in the room were interested in the behaviour of commodities, while I was interested in the behaviour of people,' (Drucker, 1934).

In 1985, in the book *Innovation and Entrepreneurship*, Drucker contributed a new perspective to entrepreneurship theory, which built Schumpeter and Keynes work, when he proposed a new entrepreneurship theory and wrote: 'Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. It is capable of being presented as a discipline, capable of being learned, capable of being practised. Entrepreneurs need to search purposely for the source of innovation, the changes and their symptoms that indicate opportunities for successful innovation. And they need to know and to apply the principles of successful innovation,' (Drucker, 1985, p. 17).

This divergence of focus from the innovation of product, process and service (Keynes and Schumpeter) theories in economies, to the human behaviour associated with seeking opportunities to innovate facilitated by changes, became a key point of departure in the literature. Drucker's was more concerned with how entrepreneurs utilised opportunities and viewed the role of the entrepreneur to respond to

changes in the ecosystem. Compare this to Schumpeter, who viewed entrepreneurs as change agents that disrupt economic systems through innovation.

Furthermore, Drucker believed that change 'provides the opportunity for the new and different. Systematic innovation therefore consists in the purposeful and organized search for changes, and in the systematic analysis of the opportunities such changes might offer for economic or social innovation.' (Drucker, 1985, p. 31) and he describes an entrepreneur as an individual who 'always searches for change, responds to it, and exploits it as an opportunity.' (Drucker, 1985, p. xiv)

These particular mindsets (changes are opportunities) remained a critical theme and direction of enquiry that was relevant to the context of the participating excluded youths in this study. It possibly links the social entrepreneurs 'purpose' to address social challenges to opportunity-based theories, which emerge during the systematic development and analysis of the data, as an emerging concept which will evolve as this chapter progresses.

4.1.1.2.3 Howard Stevenson's Theoretical Approach

It is also noteworthy to mention Howard Stevenson, a leading entrepreneurial theorist who initiated Harvard University's first 'start-up' entrepreneurial curriculum in his role as Sarofim-Rock Professor of Business Administration. He contributed eight books and approximately one hundred case studies to the field of entrepreneurship during his tenure at Harvard.

Stevenson views entrepreneurship as the pursuit of opportunity beyond the resources you currently control (Stevenson, Roberts, & Grousbeck, 1989) and asserts that a more useful definition of entrepreneur would be 'a process by which individuals—either on their own or inside organizations—pursue opportunities without regard to the resources they currently control' (Stevenson & Jarillo, 1989, p. 23).

Stevenson added that 'opportunity' is defined here as a 'future situation which is deemed desirable and feasible. Thus, opportunity is a relativistic concept; opportunities vary among individuals and for individuals over time because individuals have different desires and 'they perceive themselves with different capabilities' (Stevenson & Jarillo, 1990, p. 23). In addition to this definition, Stevenson promoted a four-pronged approach to educating entrepreneurs (entrepreneur development) as follows: knowledge, skills, alternatives, and attitudes (Cohan, 2011). This model has been adopted, implemented, and tested at Harvard and many other academic institutes globally. As such, it has been recognised as a successful entrepreneurial development framework and an important contribution to opportunity-based entrepreneurship theory.

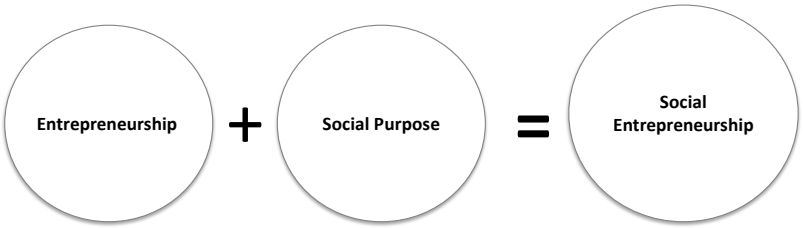
4.1.1.3 Social Entrepreneurship Theory Development

This sub-chapter takes into consideration the definition of social entrepreneurship as defined by Seelos and Mair (2005), and which describes the school of thought where the social entrepreneur embraces the principles of entrepreneurship with an intention to create social change. This understanding is

further supported by Austin, Stevenson, and Wei-Skillern (2006), who describe social entrepreneurship to be: 'entrepreneurial activity with an embedded social purpose' (Austin, Stevenson and Wei-Skillern, 2006, p. 1). Moreover, this is supported by Dees, who contributed this understanding: 'it combines the passion of a social mission with an image of business-like discipline, innovation, and determination' (Dees, 1998, p.1).

An interpretation of all of these academic contributions towards a common and simplified understanding suggests the following 'formula': Entrepreneurship + Social Purpose = Social Entrepreneurship.

Figure 4.4. Illustrated Social Entrepreneurship Formula



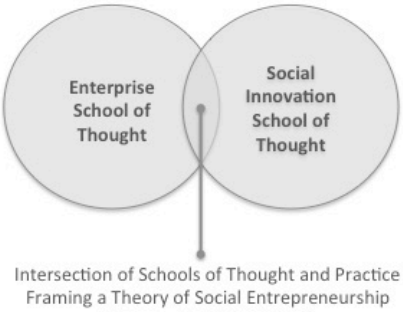
Because this field of academic inquiry is still an emerging one, there is not yet an agreed-upon definition or consensus around the academic theory in its entirety. Given that, discussing the leading schools of thought on the subject first is essential. This supports the need to create a contextual framework and understanding of these definitions in relation to entrepreneurship which has been discussed previously. However, more specifically, there is a need to develop an interpretation of the concepts and literature pertaining to the terms 'social change', 'social impact', and 'social purpose'. This literature enquiry should build on the strong foundation of the entrepreneurship theory, which dates back to the 1800s, as a theoretical framework to develop an understanding of social entrepreneurship in the literature but also in practice. This approach is supported by Dees, who maintained that as academics and thought leaders, 'we should build our understanding of social entrepreneurship on this strong tradition of entrepreneurship theory and research. When Dees refers to social entrepreneurs as 'one species in the genus entrepreneur' (Dees, 1998, p. 2), it supports the author's evaluation of the social entrepreneurial ecosystem, which operates within the greater entrepreneurial ecosystem. This was introduced in the research findings chapters and illustrated in Figures 3.1 to 3.9 and 4.1.

Dees and Anderson (2006) propose an attractive framework in their paper, *Framing a Theory of Social Entrepreneurship,* that suggests that the best approach to framing this new field in academia as well as in practice is to look at the intersection of The Social Enterprise School and The Social Innovation School, as illustrated in Figure 4.5.

The author acknowledges that there is a multitude of other academic opinions, research, and field experts to consider when discussing the theory of social entrepreneurship.

However, in order to gain a broad perspective, the author considered the practices of both the school of enterprise and the school of innovation to be equally important strategies. With an emphasis on the literature pertaining to 'enterprising social innovation' proposed by Dees et al., the collaboration of these two schools of thought, as being the most aligned theoretical approach to the research data. We will continue to discuss this concept as the literature review progresses.

Figure 4.5. Intersection of School of Thoughts: Dees and Anderson Theory (2006)



Source: Based on interpretation of Dees & Anderson (2006). Framing a theory of social entrepreneurship: Building on two schools of practice and thought.

Dees et al. (2006) proposed a combined approach that focused on 'enterprising social innovation' as a leading academic theory emerging from practice, as practical way for the field to move forward.

The two schools of thought, as well as their intersectionality (enterprising social innovation) proposed by Dees et al. (2006) will be reviewed in the following sub-chapters, and will also recognise that the theory of Dees et al. (2006) to be emergent literature most aligned with the research objectives of this study.

Also, in Jeff Boschee's (2017) article *Social innovation and social enterprise: a powerful combination,* he wrote about Dees and Anderson's (2006) proposal to combine these two theories and the potential for convergence, stating, 'we should abandon the typical academic approach of 'building management practice from theory' and adopt one of 'building management theory from practice.' What a breath of fresh air! An academic approach rooted in practical experiences rather than theory!' (Boschee, 2017,p. 1). This is a sentiment shared by the author, and which resonated with the research findings and participants' lived experiences of social entrepreneurship in context.

4.1.1.3.1 The Social Enterprise School of Thought

The first school of thought is the Social Enterprise—or, as it is also commonly referred to in the literature, the 'Earned Income'—School of Thought. As these labels suggest, the primary subject focus is on the enterprise and income strategies. This school has primarily emerged from practice and prioritises non-profit enterprise activity that generates income to sustain the organisation while it pursues a social mission (Bravo, 2016). Dees et al. maintain that the Social Enterprise School views social entrepreneurs as individuals who 'organize and operate businesses that support social objectives, even

if they do it only by making enough money to subsidize more direct social-purpose activities,' (Dees & Anderson, 2006, p. 41).

The development of this school was born out of two primary motivating factors: first, the need for non-profit enterprises to diversify and develop new funding models to complement existing funding channels and second, to support the ambitions of some for-profit business leaders to advertise their contribution to social-impact initiatives. Both are notions that are underpinned by William Norris' (1982) belief that 'social needs provide business opportunities' (Norris, 1982, p. 10).

Furthermore, the Social Enterprise School also consists of two leading separations, namely the Asian Social Enterprise and the Western Social Enterprise. According to Bravo (2016), who noted the scholarship of the Asian Enterprise School of thought: social enterprises must only 'generate revenue to sustain its operation' (Bravo, 2016, p. 6) to be considered social enterprises. This requirement is in contrast to the Western Social Enterprise School of Thought, which highlights 'revenue, replicability, scalability and geographic location' (Bravo, 2016 p. 2) as being the non-negotiable criteria by which to classify any social enterprise (Bravo, 2016).

In summary this school of thought is categorised by commercial activities and earned-income strategies by non-profit organisations to support their social vision and mission (Defourny & Nyssens, 2010). It is articulated as the 'commercial non-profit approach', (Defourny & Nyssens, 2010).

4.1.1.3.2 The Social Innovation School of Thought

The second school, the Social Innovation School of Thought, presents innovation and the individual or organisation that innovates as the primary subject of focus in the social entrepreneur academic field and literature. According to Bravo, this school of thought 'focuses on an individual who tackles social problems and meets social needs in an innovative manner' (Bravo, 2016, p. 6), and in the early days, Drayton described this phenomenon as 'individuals with patterns setting ideas for social change' (Drayton & MacDonald, 1993, as cited by Dees & Anderson, 2006, pg. 44). The foundation for this school of thought is noticeably rooted innovation and opportunity-based theories that promote innovation as a key activity of entrepreneurial behaviour.

In contrast to the Enterprise School, which is framed in terms of income strategies, the Innovation School frames the practice of social entrepreneurship as an organisation or individuals who innovate in the pursuit of social change. This school identifies innovation as being essential to social entrepreneurship—and innovation in this school is derived from the Schumpeterian understanding of the term according to Defourny and Nyssens (2010), whereby social entrepreneurs are change agents in the economy and disrupt pre-existing systems to affect social change through innovation methods.

4.1.1.3.3 Dees and Anderson: Enterprising Social Innovation

In the 'meaning of social entrepreneurship' and 'framing the theory of social entrepreneurship' papers, Dees et al. (2006) propose a new emerging theory. Dees and Anderson recognise the positive tensions

between the two schools as enhancing the field, but argued that neither of these schools in isolation adequately supported or warranted the creation of a new discipline of academic inquiry—because they only adopted 'existing knowledge' and claimed that a merging of the two would 'hold greater promise, both socially and academically' (Dees & Anderson, 2006).

They argued that the Enterprise School without innovation could hardly be considered 'entrepreneurial' and the Innovation School without the development of new business methods to address the social mission, undermined the potential of social entrepreneurship. They discuss that the consolidation of the two schools would potentially justify the creation of a new academic field of inquiry and provide a new, and importantly, a collaborative framework for theory development, as illustrated in Figure 4.6.

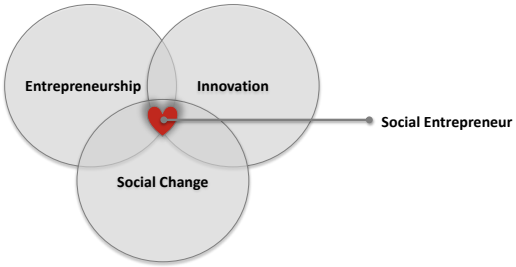
Figure 4.6 Enterprising Social Innovation Theory: Dees and Anderson (2006)

Source: Based on interpretation of Dees & Anderson (2006). Framing a theory of social entrepreneurship: Building on two schools of practice and thought.

4.1.1.4 The Concept of Social Change

If we refer back to the authors initial 'formula' of Entrepreneurship + Social Purpose = Social Entrepreneurship, based on the theoretical sampling outlined in the previous chapter, we can now evolve this concept to become The Enterprise + Entrepreneurship + Innovation = Social Change (or Social Impact). Moreover, we can acknowledge that the role of the social entrepreneur sits at the heart of these three phenomena as demonstrated in Figure 4.7. Perrini and Vurro (2006) describe this as 'an unusual contact point among entrepreneurship, innovation and social change' (Perrini & Vurro, 2006, p. 57) when describing the unique role that social entrepreneurs play in modern society. It is a position that combines the well-established philosophies of business management in the school of enterprise with the opportunity-based innovation practice of the innovation school.

Figure 4.7. The Role of the Social Entrepreneur



Before expanding on the role of the entrepreneur, it is important to discuss the literature and theory pertaining to the terms 'social change' or 'social impact' and 'inclusive innovation'. This would contribute further to developing a holistic theoretical context of social entrepreneurship. This involves explaining the concepts of social change, understood broadly to mean societal change, social mission, social impact, and inclusive innovation theories, as they appear in the literature.

4.1.1.4.1 Social Change in Context

In the reviewed literature, the authors go into great detail when discussing and providing a case for their definitions of social entrepreneurship, social enterprises, and innovation. However, it is the author's opinion that not enough attention is spent on clarifying what they mean when they use the term social change broadly, but also terms such as social mission, social purpose and creating social value.

A textbook definition maintains: 'Social change refers to any significant alteration over time in behaviour patterns and cultural values and norms. By 'significant' alteration, sociologists mean changes yielding profound social consequences' (Zgourides, 2000, p. 227). It is most often assumed in the leading literature that the reader has an in-depth understanding of what this ought to mean in the context of the social enterprise, social entrepreneur, and social entrepreneurship, and most often no scope or theoretical understanding is provided to frame the phenomenon of 'social change' in this research setting. To elaborate, the term 'social change' is a neutral term and could imply a double meaning, with either a positive or negative connotation in its usage. As such there is a need in the literature to qualify the statements used, to narrow the focus and make them less general, within the theoretical frameworks.

For example, it is easy to argue, as the author has done, that apartheid in South Africa changed our society: effectively it created social change. However, it is important to qualify this statement: it caused a negative social change. A change that has been devastating to the citizens whom it oppressed, and the effects of which are still prevalent in our society. However, the apartheid regime certainly believed they had a social purpose, mission and were creating social value – that they were serving their society and their communities.

The author remains concerned that the term social change and its variations are too loosely defined when we discuss social purpose, social change, etc., and at this stage in the leading literature, specifically as it relates to the practice of social entrepreneurship, could benefit from clarifying and qualifying such statement or terms.

To be clear, the author does not maintain that there has been no research in this field of inquiry. In fact, the study of 'social change' in the field of sociology dates back to included scholars such as Darwin (1809-1882), Marx (1818-1883), Durkheim (1858-1917), Parson (1902-1979) and contemporary authors such as Hagen (1963) and Vago (1999), who do provide clarity and content to varying degrees.

As such, the author nevertheless suggests a potential gap in the leading literature. More emphasis could be placed on what social change means in the context of the social entrepreneur. This inclusion would potentially provide a better definition of social entrepreneurship.

How we choose to articulate this makes for a significant narrative that potentially warrants extensive research, exploration, and validation in this research field. Accordingly, the author partly rejects the notion that social change and impact are assumed to mean positive actions in society, and where relevant, she has adapted to include a qualifying description or adjective when she refers to social change. She intends to understand, as far as possible, the impact that youth social entrepreneurship will have on society. With every intention to have a positive and inclusive social impact, where every reasonable care is considered, to affect the kind of change that will uplift the participating societies, communities and specifically the excluded youth associated with this study.

4.1.1.5 Inclusive Innovation

In addition to the theory development and frameworks of entrepreneurship and social entrepreneurship, there is one other academic field of research that has gained momentum and popularity both academically and in practice in the recent years, namely the study and phenomena of inclusive innovation, which is also pertinent to this study. Although the inclusive innovation literature is somewhat abstracted from the social entrepreneurship literature, which has already been discussed, it offers a potential opportunity to clarify and quantify social change, specifically as it relates to serving marginalised groups of people through socio-economic development.

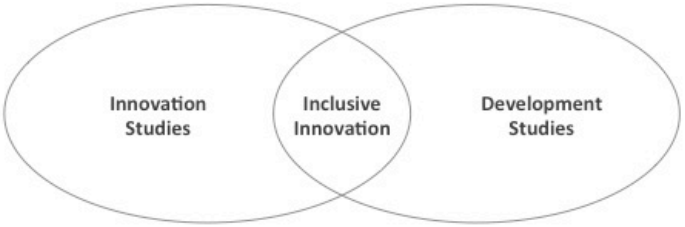
This new field of research, as well as the practice of inclusive innovation, started to gain momentum when Utz and Dahlman (2007) published a chapter; *Promoting Inclusive Innovation, in the World Bank publication called Unleashing India's Innovation* (2007). This report served as a response to the high levels of poverty and inequality experienced in India but has also been developed as a framework that is transferable to other developing countries and economies with similar socio-economic conditions, such as South Africa. This structure offers a considered approach to innovation and therefore the creation of new goods and services specifically designed to address the needs of the marginalised groups and individuals living in poverty in these regions.

Utz and Dahlman (2007) stated 'what is needed is not only to reduce the costs and increase the availability of goods and services needed by the poor, but more importantly, to open up sustainable livelihoods and productive income-generating opportunities for the poor' (Utz & Dahlman, 2007, p. 105). Mashelkar (2013), claims that Inclusive Innovation is a 'global game changer' (Mashelkar, 2013) and offers a formal definition, that has generally been accepted, whereby 'inclusive innovation is any innovation that leads to affordable access to quality goods and services, creating livelihood opportunities for the excluded population, primarily at the base of the pyramid, and on a long-term sustainable basis with a significant outreach' (Mashelkar, 2013). The author analysed this literature data, with a specific agenda to assess how social entrepreneurship could potentially support the

development of new services and products for this market, as well as create inclusive social entrepreneurial opportunities to improve the lives of the many excluded youth living in poverty.

Heeks, Amalia, Kintu, and Shah (2013) in their working paper, *'Inclusive Innovation: Definition, Conceptualisation, and Future Research Priorities*,' articulate that inclusive innovation intersects the disciplines of innovation and development studies, as illustrated in their diagram in Figure 4.8.

Figure 4.8. Intersection of Innovation Studies and Development Studies: Inclusive Innovation (2013)



Source: Heeks, Amalia, Kintu, and Shah (2013). *'Inclusive innovation: Definition, conceptualisation, and future research priorities*. Pg. 8

They state that the 'conventional views of innovation (often implicitly) understanding development as generalised economic growth. By contrast, inclusive innovation explicitly conceives development in terms of active inclusion of those who are excluded from the mainstream of development. Differing in its foundational view of development, inclusive innovation; therefore, refers to the inclusion within some aspect of innovation groups who are currently marginalised' (Foster & Heeks, 2013, p. 336). Furthermore, describing the practice of inclusive innovation, where marginalized groups (the excluded) are the primary focus of any innovation-based activities, in addition to providing future recommendations for research, they also proposed a pioneering model to differentiate the multiple perspectives and potential levels of these innovations. A structured method to clarify the extent or level of inclusion of any intervention or initiative called the 'ladder of inclusive innovation' is illustrated in Appendix D.1, which Heek et al. (2013) claim provides 'a set of steps, with each succeeding step, representing a greater notion of inclusivity in relation to innovation.' While the field is new, this 'tool' has already had a significant impact towards defining, benchmarking, and measuring the inclusive innovation both from an academic and in-practice perspective within the inclusive innovation discipline. In addition to this, the ladder of inclusion (impact measurement and evaluation model), was helpful to evaluate the level of inclusion that the youth development programmes and social enterprise ecosystem supported in the field.

4.1.2 Social Entrepreneurial Ecosystem

Daniel Isenberg (2014), the founder of the Babson Entrepreneurship Ecosystem Project, is credited for mapping a model of the six domains of the entrepreneurial ecosystem (Appendix D.2). Isenberg's model has been adopted in this study, but is also commonly used among academics and practitioners globally as best practice method to evaluate and understand the entrepreneurial ecosystem. Isenberg

emphasises that 'fostering entrepreneurship has become a core component of economic development in cities and countries around the world. The predominant metaphor for fostering entrepreneurship as an economic development strategy, is the entrepreneurship ecosystem' (Isenberg, 2014).

Before we discuss Isenberg's ecosystem model and the characteristics of each domain in further detail as well as the transferability of the model towards the practice of social entrepreneurship, it is important first to frame the role and characteristics of the social entrepreneur or economic actors functioning in this entrepreneurial ecosystem.

4.1.2.1 The Role and Characteristics of a Social Entrepreneur

Most of the literature positions the social entrepreneur as the agent of change, an individual with a mission to create social value through transformative activities. According to Dees, the idealised social entrepreneur should assume the role of a 'change agent in social sector' (Dees, 1998, p. 2). He describes these social entrepreneurs as being a 'rare breed' and motivates the statement by saying that social entrepreneurs are 'reformers and revolutionaries as described by Schumpeter, but with a social mission. They make fundamental changes in the way things are done in the social sector. Their visions are bold. They attack the underlying causes of problems, rather than simply treating symptoms' (Dees, 1998). He lists the following behaviours as being strategically important to the role of a social entrepreneur: 'adopting a mission to create and sustain social value (not just private value), recognizing and relentlessly pursuing new opportunities to serve that mission, engaging in a process of continuous innovation, adaptation, and learning, acting boldly without being limited by resources currently in hand, and exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created' (Dees, 1998, p. 4). In summation, Dees' perspective focuses on innovators who recognise and actualise opportunities that create social value, whereas Desa and Kotha (2016), describe social entrepreneurs' role from an enterprise perspective, suggesting that 'as they attempt to discover and exploit venture opportunities, social entrepreneurs invariably straddle the boundaries between the 'for-profit' business world and the social mission-driven 'nonprofit' organization' (Desa & Kotha, 2016, p. 157). Mair, Robinson & Hockerts (2006) agree and write that social entrepreneurs are 'enterprising individuals devoted to making a difference; social purpose business ventures dedicated to adding for-profit motivations to the non-profit sector; new types of philanthropists supporting venture capital-like 'investment' portfolios; and non-profit organizations that are reinventing themselves by drawing on lessons learned from the business world' (Mair, Robinson & Hockerts, 2006, pg. 1).

These authors view the social entrepreneur's role as being the connectors, individuals who can apply the best practice entrepreneurial acumen promoted by the profit business sector to the non-profit sector to achieve their social objective. Bornstein describes social entrepreneurs as 'transformative forces; people with new ideas to address major problems who are relentless in the pursuit of their visions, people who simply will not take 'no' for an answer, who will not give up until they have spread their ideas as far as they possibly can (Bornstein, 2007, p. 1).

A consolidated interpretation of the leading literature creates an ideology of the social entrepreneur as being a rare human being with extraordinary skills cable of disrupting long-serving institutionalised systems. These 'superhumans' are able to apply sound entrepreneurial skills, innovate, bridge sectors, fight justice, be bold, continually adapt, identify opportunities, create meaningful social value and more. These expectations are obviously exaggerated for effect in the literature—however, they position the expectation for this individual and this role as being exceptional. In the author's opinion, in many instances the combined perspectives create an unachievable expectation, and certainly an expectation that the excluded youth in this study would struggle to meet.

In his popular book *How to change the world: social entrepreneurs and the power of new ideas*, Bornstein made the comforting and grounding statement that 'social entrepreneurship is not about a few extraordinary people saving the day for everyone else. At its deepest level, it is about revealing possibilities that are currently unseen and releasing the capacity within each person to reshape a part of the world' (Bornstein, 2007, p. xvi).

This allows the expectation of the role of the social entrepreneur to become grounded in reality, and suggests that anybody who is capable of pursuing a business opportunity that creates social value, can potentially fulfil the role of a social entrepreneur.

The author acknowledges that this perspective is potentially simplistic, yet this conceptualisation of the role of a social entrepreneur also emerged from the data where participants in the study resonate with an explanation that was inclusive of anyone who wished to participate and have a positive impact in society.

The author recognises that the idealisation of this role in the literature serves to develop consensus towards a consolidated definition, and this idealisation is part of that process. However, for the excluded youth involved in this study, this ideology, ideation or expectation does not serve their social entrepreneurial ambitions and are far removed from their day-to-day realities and abilities. This experience is more closely aligned to Bornstein's (2007) interpretation, whereby excluded youth view social issues as opportunities to create self-employment, while trying to improve their communities by addressing the social challenges in their ecosystem. They see themselves as the change agents, the transformers, the leaders of their communities, and 'leaders who deal in hope' (Participant 40, 2017). These views could conceivably be transferable to South African society in general.

4.1.2.2 The Social Entrepreneurial Ecosystem

Isenberg's entrepreneurial ecosystem model and its six distinct domains, referred to in Appendix D.2, have been adopted in this study. Isenberg maintains that his approach (the entrepreneurial ecosystem model) offers a 'novel and cost-effective strategy for stimulating economic prosperity' (Isenberg, 2011, p. 1). He proposes that, while each entrepreneurial ecosystem is unique, six common domains are relevant to every entrepreneurial ecosystem, namely policy, finance, culture, support, human capital and markets. He further qualifies these domains to emphasise the requirements of each domain as

being ‘a conducive culture, enabling policies and leadership, availability of appropriate finance, quality human capital, venture-friendly markets for products, and a range of institutional and infrastructural supports’ (Isenberg, 2011).

In addition to this, the 2014 World Economic Forum’s (WEF) report *Entrepreneurial Ecosystems Around the Globe and Company Growth Dynamics*, states that ‘entrepreneurs are key drivers of economic and social progress. Rapidly growing entrepreneurial enterprises are often viewed as important sources of innovation, productivity growth and employment,’ as such creating conducive entrepreneurial ecosystems. It is becoming an increasing priority for government as well as the private and the public sectors to stimulate economic growth and create jobs. In this report, the authors propose eight pillars to support a healthy entrepreneurial ecosystem, as illustrated in Appendix D.3. and D.4. These pillars are access to markets, human capital, funding and finance, support systems government and regulatory framework, education and training, major universities as catalysts and cultural support (WEF, 2014). They found that entrepreneurs surveyed in the study selected accessible markets, human capital and funding to be the most important pillars to grow their businesses. These eight components are similar to Isenberg’s (2011) six domains, with the addition of education and training, and universities as catalysts.

However, these models and pillars and their associated literature are particular to the entrepreneurial ecosystem, and do not make specific reference to the role of the social entrepreneur or function of the social enterprise who participate in this entrepreneurial ecosystem. This dynamic begs the question as to how efforts of the social entrepreneur potentially facilitate accelerated economic prosperity. In theory, if a social entrepreneur is proactively addressing social issues—for example, poverty, inequality or unemployment—in a particular environment, the successful impact or actualisation of their work would potentially create new opportunities in this environment, and some of these opportunities may include entrepreneurial activities. However, in reviewing the literature, there is no conclusive evidence to support this claim.

It seemed reasonably logical to assume that a social entrepreneur has the potential to accelerate the entrepreneurial ecosystem and stimulate increased economic growth by solving the social problems that restrain the system. The lack of supporting evidence does not necessarily mean that the claim does not ring true, but instead serves as a reminder of how much work there still is to be done in the academic field of social entrepreneurship. This opinion is supported in a recent journal titled: ‘*Social entrepreneurship and entrepreneurial ecosystems: Complementary or disjoint phenomena?’*, — arguably one of the first peer-reviewed pieces of academic literature to discuss the intersection of social entrepreneurship and the entrepreneurial ecosystem. In this journal, Roundy (2016) points out that in recent years both the fields of social entrepreneurship and entrepreneurial ecosystem have received increased attention in the academic research and literature. However, these areas of interest (social entrepreneurship and entrepreneurial ecosystem) and the associated research have largely occurred in isolation from each other.

Roundy hypothesises— without empirical research to back this at the time—is that 'one 'spill-over' of social entrepreneurs' focus on addressing local social problems is that, if they are successful, it can increase the attractiveness of the ecosystem by reducing the social problems that plague it (e.g. crime, poverty, pollution). Reducing these problems improves the overall quality of life in the ecosystem, which can attract new participants' (Roundy, 2016). This developing theory offers two promising possible outcomes according to Roundy firstly, 'making an ecosystem attractive to social entrepreneurs (e.g. by attracting diverse funders) can have many benefits to the ecosystem, such as increasing the system's entrepreneurial diversity and attractiveness and capturing the attention of the media and other stakeholders'. Secondly, social entrepreneurship should not be viewed as a 'silver bullet' for social problems (or the development of entrepreneurial ecosystems). There are societal problems that cannot be solved through social entrepreneurship and the application of market mechanisms; such problems may be better addressed by traditional non-profit organizations or philanthropy. Thus, social entrepreneurs remain just one type of agent in entrepreneurial ecosystems and the ecosystems surrounding social problems,' (Roundy, 2016, p. 1262).

Roundy motivated in his findings and contributed the following: 'entrepreneurial ecosystems are increasingly viewed as means of revitalizing areas of economic stagnation and decline. At the same time, governments and policymakers are turning to social entrepreneurs to address some of the most significant problems facing society. Thus, although they are distinct phenomena, the creation of entrepreneurial ecosystems and social entrepreneurship represents activities at the confluence of economics and society which overlap in the expectation that, moving forward, they will be critical to economic development and wealth creation,' (Roundy, 2016, p. 1262).

4.1.2.3 Local Entrepreneurial Ecosystem In South Africa

Roundy's theory that the practice of social entrepreneurship offers a probable opportunity for social entrepreneurs to play a critical role in addressing social issues and by doing so stimulating new economic development is a potentially useful concept when applied to the context of South Africa. This theory provides a collaborative narrative that comparable to the opinions of the participants in this study, that in our South African society, that is challenged with a multitude of social issues such as unemployment, inequality and poverty. These socio-economic conditions are arguably having a negative impact on our economies ability to perform in global markets and grow accordingly, and social entrepreneurial activities offer a partial solution and a potential favourable approach to address these social issues and stimulate the economy at the same time.

According to the publication of the Global Entrepreneurship and Development Institute (GEDI): *The Entrepreneurial Ecosystem of South Africa: A strategy for Leadership* (2017), which provides a detailed analysis of the South African ecosystem, as well as structural recommendation for improvement, the authors define entrepreneurship in general as 'the interaction of entrepreneurs (agents) with the entrepreneurial environment (ecosystem) to produce goods and services.'

The report says South Africa is well positioned to be a leader in sub-Saharan Africa, but it also acknowledges that 'knowledge about entrepreneurial environments in less-developed societies like South Africa is limited in the existing literature. This makes it difficult to form an evidence-based understanding of the underlying factors that influence entrepreneurs.' Furthermore, they suggest that this gap in research may be due to a multitude of reasons 'including but not limited to the scarcity of local entrepreneurship scholars, the under-researched nature of the subject, the lack of interest in the subject, or the lack of entrepreneurs to study.' (Global Entrepreneurship and Development Institute, 2017). This correlates with the author's own findings that the entrepreneurial ecosystem in South Africa is limited in its academic literature, research and analysis of such a system.

As such an empirical analysis of the social entrepreneurial ecosystem, within the entrepreneurship ecosystem, is in general non-existent within the context of the academic literature relevant to this study of excluded youth. Specifically, the analysis of the social entrepreneurial ecosystem was conducted to establish the extent to which this system is inclusive, or not, of the excluded youth who are actively participating in it, or those who have ambitions to operate in such entrepreneurial ecosystems. This apparent gap in the literature represents an opportunity for future academic research studies, and as such will be further discussed in Chapters 5 and 6, together with the author's recommendation for such research.

In conclusion, the GEDI report also provides six significant factors which are impacting the South African ecosystem as being the current recession, bureaucracy and red tape, the dominance of large firms, the dual economy, infrastructure and the South African education. Notably, the first influential factor is stated as the 'dual economy', and they elaborate as follows: 'one-third of the working population is effectively excluded from the formal economy. A majority of entrepreneurs from disadvantaged communities tend to suffer from lack of resources due to their communities being underserved. The current market structure is not conducive to new market entrants, as there are structural barriers to market access for new entrants and small businesses, which contribute to their failure,' (Global Entrepreneurship and Development Institute, 2017).

The second dominant factor that presented in the interview data is the impact of the South African education system. This insight reinforces the findings of Spaull (2015), who finds that the current education system does not provide equally for its citizens and is perpetuating the cycle of poverty in South Africa. The GEDI report clearly states that the education system currently does not serve the majority of South Africans, especially citizens who were directly or indirectly oppressed and marginalised by the apartheid laws.

They add that 'in addition to inequality, the structure of the education system doesn't allow for creativity and innovation, which impacts the level of innovative entrepreneurship activity which is needed for growth'—thus highlighting the need for entrepreneurial development interventions to cultivate creative and innovative skills within the South African education system and beyond. They

added that 'South Africa does not necessarily need more entrepreneurs, it needs better, innovative and growth-oriented entrepreneurs that are motivated to grow and prosper within the South African environment and through engagement with the global economy,' (Global Entrepreneurship and Development Institute, 2017).

Both of these factors—the dual economy and education system, as well as the need for better quality entrepreneurs in the ecosystem generally—are concepts that consistently presented in the research data for this study. They will be further reviewed in context in the following subchapter, when we review the role of youth social entrepreneurial development.

4.1.3 Youth Social Entrepreneurship Development

According to the literature mentioned in the introduction, the research findings, and the data presented in this literature review so far, it is reasonable for the author to claim that entrepreneurial and social entrepreneurial activities are recognised as being positive channels for stimulating economic growth, creating employment, and improving socioeconomic conditions such as inequality and poverty, generally, but also in developing economies such as South Africa's.

The demand and justification for entrepreneurial development among youth have been presented and recognised in the literature as part of a strategic imperative to expand South Africa's economy and reduce the high levels of unemployment, inequality, and poverty experienced by excluded youth in the country. This theory is further reinforced in an article published in the African Journal of Business Leadership titled *Youth unemployment: Entrepreneurship development programme as an intervention mechanism* (2010), stating that 'within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people,' (Awogbenle & Iwuamadi, 2010, p. 831).

Awogbenle and Iwuamadi (2010) also provide the following data, affirming the strategic importance of youth development interventions to reduce poverty and decrease unemployment in developing economies: 'Youth development and empowerment are vital stages in life for building the human capital that allows young people to avoid poverty and lead better, and possibly have a more fulfilling life. The human capital formed in youth is thus an important determinant of long-term growth that a nation can invest on. Hence, making sure that youths are well prepared for their future is enormously important to the course of poverty reduction and growth,' (Awogbenle & Iwuamadi, 2010, p. 831). They furthermore suggest, in alignment with the author's findings, that vocational and entrepreneurial training intervention offers a credible approach to achieve these objectives.

One also has to take into consideration the concepts of dual economies and the dysfunctional education system cited by GEDI, as well as the weaknesses listed in the South African ecosystem to

include ‘start-up skills, risk capital, technology absorption, human capital and social capital,’ (Global Entrepreneurship and Development Institute, 2017).

In addition to this, Awogbenle and Iwuamadi (2010) provide seven compelling reasons to promote youth entrepreneurship in South Africa and develop this sector of the economy: ‘creating employment opportunities for self-employed youth as well as the other young people they employ; bringing alienated and marginalized youths back into the economic mainstream and giving them a sense of meaning and belonging; helping to address some of the socio-psychological problems and delinquency that arise from joblessness; helping youths develop new skills and experiences that can then be applied to other challenges in life; promoting innovation and resilience in youth; promoting the revitalisation of the local communities by providing valuable goods and services and capitalising on the fact that young entrepreneurs may be particularly responsive to new economic opportunities and trends,’ (Awogbenle & Iwuamadi, 2010, p. 834).

With these literature references taken into account, the following subchapter serves to evaluate the importance of developing youth social entrepreneurship within the local ecosystem. The intended purpose of this analysis is to discuss emerging themes, concepts, and theories comparable to the literature as they emerged from the participant interviews and other data.

It is important to stress that the literature in the context of grounded theory is treated as a continuation of the data analysis processes towards the development of theories and recommendations. As such, the literature referred to in this sub-chapter reflects the theoretical sampling and comparative analysis of the participant data, highlighting the key concepts and their associated topics based on the excluded youths' perspectives and the participating organisations compared to the opinions of the academics and researchers on such matters. These opinions are presented as data in this section, and as such, each category included here represents an important driver in creating inclusive opportunities for young social entrepreneurs in South Africa.

4.1.3.1 Impact of Education on the Entrepreneurial Ecosystem

According to the 2017 GEDI report, ‘South Africa performs better where it counts: in entrepreneurial aspirations, innovation, high growth, internationalisation and risk capital are the pillars that lead to economic growth.’ However the report also notes that start-up skills in South Africa are the weakest contributing factor when evaluating the entrepreneurial ecosystem, and attribute this weakness to two dominating factors: the poor education system, and skills perception: ‘People think they have the skills to start a business, but the education level suggests that they do not,’ (Global Entrepreneurship and Development Institute, 2017).

In order to create an inclusive entrepreneurial ecosystem, youth entrepreneurial development initiatives need to focus, in the short term, on bridging the start-up skills deficit (potentially outside of the education system), and in the long-term on inclusive education policies that would address

inequalities in the education system and develop a curriculum that also supports imparting valuable start-up skills, creativity and innovation within the education system. These are critical strategies to reduce the negative impact of the current education system on the entrepreneurial ecosystem, especially for excluded youth who are less likely to succeed when they start new businesses due to the compromised quality of their start-up skills.

4.1.3.2 The Role of the Community and Culture

The 2017 GEDI report confirms that when entrepreneurship is 'undervalued, it results in skills and education that do not adequately support the start-up and growth of businesses'. In addition to the lack of start-up skills, an important concept is the influencing role that the entrepreneur's community, family, friends, and support systems play towards encouraging and celebrating entrepreneurship as a viable career option for excluded youth in a 'system that favours employment over entrepreneurship', (Global Entrepreneurship and Development Institute, 2017). This sentiment mirrors the author's research findings that in general, youth are actively encouraged by their communities to pursue employment opportunities and therefore cultivating and fostering a culture of social entrepreneurship among excluded youth's communities can be a critical function of youth social entrepreneurship development.

In a 2002 paper by Susan Davis in the publication *Social entrepreneurship: Towards an entrepreneurial culture for social and economic development*, she states, 'to move from a culture that undervalues entrepreneurship to one that does, involves shifts in attitudes, expectations and perceptions among people of all ages'. She recommends that, in order to foster a culture that values social entrepreneurship in communities, but also in society in general, 'society must nurture and cultivate the values of innovation, catalytic change, opportunity, resourcefulness, creativity, [and] ethics if it wants to produce an 'entrepreneurial culture',' and states that the key challenge when nurturing an entrepreneurial culture among youth 'is figuring out the best ways to unleash the potential of all people to innovate, create, catalyse, be resourceful, solve problems and take advantage of opportunities while being ethical,' (Davis, 2002, p. 3.).

She provides the following insight, which resonates with the participants' perspectives and narratives: 'As role models, social entrepreneurs encourage an entrepreneurial culture by their very existence. As people witness their accomplishments and their stories are told and re-told, they help to light a path in another direction. As children grow up dreaming to become a doctor, lawyer or engineer, with the aid of the spotlight, boys and girls can also dream of becoming a social entrepreneur.' (Davis, 2002, p.29).

Davis advocates in part for the idea that in order to foster a social entrepreneurial culture that celebrates entrepreneurial ventures, the social entrepreneurs themselves must become the change agents in their communities. They must demonstrate, through strong leadership, an ability to share their stories of success and failure as social entrepreneurs in a way that demonstrates the significance of social entrepreneurship as a viable and sought-after career option for youths.

Within this construct, these 'community leaders' become potential catalysts to transform the culture that, in general, undervalues entrepreneurship, innovation, and creativity, towards a culture that celebrates, inspires, and creates hope for unemployed excluded youths to follow in their footsteps. They become the mentors and leaders of their communities that unlock the entrepreneurial opportunities by directly addressing the social challenges that are restricting such potential. They are viewed as the 'heroes' in their communities, and the up-and-coming youth could then aspire to follow their lead. In the author's opinion, this leading-by-example approach offers a promising means to shift the current culture-based reservation relating to entrepreneurship as a career option towards a culture which fosters an authentic appreciation of social entrepreneurial development among excluded youth, as well as their families and communities in South Africa. However, reality dictates that this approach would be a long-term resolution in a situation where short-term fixes are also urgently needed to address unemployment, inequality, and poverty.

4.1.3.3 The Role of Mentorship to Develop Youth

Entrepreneurial mentorship is defined according to Watson as 'the process of nurturing and supporting entrepreneurs. The role of mentors is to provide assistance in the form of professional and social support,' (Watson, 2009, p. 2). Essentially, mentors are experienced individuals who are willing to offer their skills, knowledge, and wisdom as advice to individuals who have less experience than they do. According to this theory, the mentorship of young entrepreneurs offers involves both short- and long-term intervention methods (Sullivan, 2000). These can foster an entrepreneurial culture, impart valuable knowledge and skills, and drive an agenda for social reform in excluded and marginalised communities. This opinion is supported by multiple leading academic pieces of literature and is generally accepted as a critical strategy to improve the success rates of entrepreneurial ventures and, importantly, increase the chances that the entrepreneurs will reach their full potential. Examples of such research include, but are not limited to Sullivan (2000); Kroon, De Klerk and Dippenaar (2003); Watson (2009), Cull (2006); St-Jean and Aude (2009); the GEDI report (2017); and the Global Entrepreneurship Monitor (GEM, 2017).

According to the 2017 GEM findings on the matter, 'many young people, in particular, lack contact with successful entrepreneurial role models whom they can turn to for support and business advice. The youth often do not have workplace experience of their own to draw on, and young entrepreneurs in particular often struggle to build up appropriate professional networks,' (Herrington, Kew & Mwanga, 2017, p. 73). Furthermore, they suggest that entrepreneurial experience and business management among mentors 'is important to provide mentorship programmes where the mentors have practical personal experience of running a business,' (Herrington, Kew & Mwanga, 2017, p. 73). Sullivan (2000) offers an enhancement to this understanding in his finding that a 'mentoring programme may deliver effective support to entrepreneurs when they require it, as they move through a development life-cycle, and that it may be more cost-effective than up-front prescribed training in the long run,'(Sullivan, 2000, p. 173). These opinions and their supporting research findings all strongly advocate for a case for

the experience-based mentorship of young entrepreneurs, especially during the start-up phase of their businesses, to increase the probability of overall success. This is as a critical strategy for youth entrepreneurial development as well as youth social entrepreneurial development.

4.1.3.4 The Dual Economy, Financial Access and Inclusion in South Africa

In an opening statement at the Banking for International Settlement Conference on financial inclusion, Muhammad Yunus talked about the modus operandi of the global banking system: 'This system embodies a kind of financial apartheid; two-thirds of the world's populations are excluded. Unless we bring these people into the financial system, crises will keep recurring,' (Yunus, 2012, p. 7). This statement rings true when compared to the narratives of participating excluded youths in South Africa, who do not have equal access to financial support, according to the author's findings and relevant literature.

The notion of financial exclusion can be broadly defined as 'the lack of access by certain segments of the society to appropriate, low-cost, fair and safe financial products and services from mainstream providers,' (Mohan, 2006, p. 100). Mohan discusses how the lack of mainstream financial access for excluded entrepreneurs can often result in elevated operating costs for these small businesses due to their reliance on high-interest loans and other financial methods to start and sustain their businesses. This implies that those excluded from mainstream financial products and services will typically pay more to start a business compared to those who benefit from the mainstream financial system. This again points to a dual economy scenario in the context of South Africa—similar to that of the education system—of an unequal system that favours the privileged: those 'included' individuals who have the means to receive well-supported access to financial products and services.

Also, according to the 2017 GEDI report analysing structural concerns, in South Africa 'one-third of the working population is effectively excluded from the formal economy.' In addition to this, GEDI elaborates on the problematic consequence for excluded entrepreneurs who find themselves on the wrong side of this dual economy claiming that these entrepreneurs 'tend to suffer from lack of resources due to their communities being underserved. The current market structure is not conducive to new market entrants, as there are structural barriers to market access for new entrants and small businesses, which contribute to their failure,' (Global Entrepreneurship and Development Institute, 2017).

These factors—namely the dual economy and the apparent lack of financial inclusion—were all consistent and problematic themes which emerged from the data analysis. Both of these concepts were directly responsible for many of the participating youths' reservations regarding starting a business, being self-employed and gaining employment, and shifting their social status in general.

According to the World Bank, the meaning of financial inclusion is that 'individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions,

payments, savings, credit and insurance – delivered in a responsible and sustainable way,' (World Bank, 2017).

In most instances, the literature suggests that inclusive financial access should be tackled at a national policy level for long-term sustainability and success. This approach would attempt to address the institutionalised structures which are creating the inequality in the first place. For example, in South Africa the education system, creating equal opportunities and inclusion are important topics covered in the National Development Plan (2012).

That said, there are a multitude of government, private and not-for-profit-sector initiatives in place to financially support excluded youth to start businesses. Examples are, the Small and Medium Enterprises (SME) Development Fund, the Broad-Based Black Economic Empowerment (B-BBEE) Enterprise Development pillar, as well as a multitude of microloan and incubator programmes, all of which are potentially available to excluded youth.

However, in the literature as well as in practice, there is a need to investigate how these support systems can be improved, and also to explore why the participating excluded youth are not sufficiently aware of such financial support system. These financial support systems have in principle been designed to address economic exclusion and inequality directly, but based on the tentative findings of this study, they are mostly unknown to the participating excluded youth they exist to serve. Knowledge and understanding of such financial support systems during the decision-making process—when considering the viability of starting a business—could potentially contribute positively towards their overall propensity towards such economic activities.

Understanding the challenges of communication excluded youth through dedicated academic research could likely offer additional opportunities to innovate and provide new models for financial inclusion and entrepreneurial development in this struggling sector of the South African economy.

4.1.3.5 Digital and Technological Inclusion

The 2014 United Kingdom Digital Inclusion Strategy claims that 'helping more people to go online can also help tackle wider social issues, support economic growth and close equality gaps,' (GOV.UK, 2014). While there is not yet a commonly accepted definition of the term digital inclusion, two definitions resonate specifically with the author's data analysis process. Firstly: 'Digital inclusion is the ability of individuals and groups to access and use information and communication technologies (ICTs). Digital inclusion encompasses not only access to the Internet but also the availability of hardware and software; relevant content and services; and training for the digital literacy skills required for effective use of information and communication technologies,' (Institute of Museum and Library Services 2012, p. 1). Secondly: 'The best use of digital technology, either directly or indirectly, to improve the lives and life chances of all citizens and the places in which they live,' (HM Government, 2008, p. 8).

The concept of digital inclusion is broadly recognised as a robust strategy to address inequality and promote inclusive economic development in society in general, but is specifically relevant in the context of emerging market economies, such as South Africa, to reduce the inequality gap. Where there is equal access to technology (technology absorption), the questionable quality of digital literacy and high data costs are, arguably, key factors that restrain the development of the entrepreneurial ecosystem in South Africa, according to the participants of this study and also supported by the GEDI (2017) report. The report further states that South Africa needs to 'make digital technologies, broadband, smartphones, [and] mobile phones available to the whole population and make [them] available quickly, cheaply and easy to use' to support the entrepreneurial ecosystem equally. The authors also suggest that encouraging digital entrepreneurship, empowering digital users and building digital platforms will further accelerate the development of the entrepreneurial ecosystem in South Africa (Global Entrepreneurship and Development Institute, 2017).

4.1.3.6 The Role of Youth Social Entrepreneurial Development Programmes

The final analysis in this chapter observes the critical function of youth social entrepreneurial development programmes towards an objective of inclusive economic opportunities for excluded youth. This was according to the literature, but also concentrating on the data themes and predominant emerging concepts that have persisted in the data to this point. A leading perspective which represent the evolving participant narratives in the data has been borrowed from the World Bank (2012) to articulate the overall attitudes concerning youth entrepreneurial development programmes. It is as follows:

'An equitable society would not allow circumstances over which the individual has no control to influence her or his basic opportunities after birth. Whether a person is born a boy or a girl, black or white, in a township or leafy suburb, to an educated and well-off parent or otherwise should not be relevant to reaching his or her full potential: ideally, only the person's effort, innate talent, choices in life, and, to an extent, sheer luck, would be the influencing forces. This is at the core of the equality of opportunity principle, which provides a powerful platform for the formulation of social and economic policy - one of the rare policy goals on which a political consensus is easier to achieve,' (World Bank, 2012, p. 38).

This definition, as well as the multitude of contributing data that has already been reviewed, suggests that the participating excluded youth in this study value equal opportunities, taking ownership of themselves, and serving as leaders in their communities; they in general view entrepreneurship and social entrepreneurship programmes as a potential channel to achieve these objectives. As such, the following section will review the role of the youth social entrepreneurial development programmes by discussing four emerging topics: social entrepreneurial skills development, personal development, post programme support structures, and establishing measurements to assess social impact and measure

social value creation. This is a method to introduce the evolved concepts that will be discussed in the final data analysis, discussion, and research recommendations to follow in chapter 5.

4.1.3.6.1 Social Entrepreneurial Skills Development

As already discussed, developing start-up skills, encouraging creativity and innovation, promoting digital literacy, mentorship, and positioning youth social entrepreneurs as aspiring leaders in their communities (Global Entrepreneurship and Development Institute, 2017) will not only support excluded youth to start social enterprises and improve their success rates in general, but also offer a potential channel to promote social entrepreneurship as a viable career option and accelerate the entrepreneurial ecosystem in general. Socio-economic issues hindering the growth of the entrepreneurial ecosystem include factors such as the problematic education system in South Africa, financial exclusion, digital exclusion and unemployment.

As a practical way forward, youth social entrepreneurial programmes would in theory be well served to impart valuable start-up skills, develop creative and innovative leadership potential, and provide a comprehensive programme to impact start-up business acumen skills, with a critical focus on addressing digital inequalities and providing experienced mentorship.

4.1.3.6.2 Social Entrepreneurial Personal Development

Further to the requirements regarding skills development, 'developing the person' is a critical concept to consider for social entrepreneurial development programmes, and should arguably be the primary focus of such programmes. There is a strong emphasis in the relevant literature and participant data on the need for social entrepreneurs to have a deep understanding of purpose, values, and vision, both for themselves as well as their future social enterprises. In addition to this, building confidence, creating hope, and inspiring others are important attributes to develop leaders and promote a culture in which social entrepreneurship is valued and viewed as a viable career option for the youth. Personal development initiatives which support youth to understand and conceptualise their purpose, values, and vision, as well as supporting initiatives which positively promote social entrepreneurship, should also potentially be prioritised by youth social entrepreneurial development agencies.

4.1.3.6.3 Post Social Entrepreneurial Programme Support

Two of the emergent concepts—financial inclusion and mentorship—have already been established to have a significant impact on youth entrepreneurial outcomes in the reviewed literature so far. While they play a critical role during youth social entrepreneurial programmes, there is a strong argument to be made that these concepts in particular should extend beyond the programme's contact phase and should be nurtured on a longer-term basis to increase the excluded youths' likelihood of success.

Individually, the notion of financial inclusion is framed as follows by Davis: 'Access to capital is the single most important barrier to self-employment. As oil is to an engine, capital is the lubricant for a market economy. To be denied access to capital because of material poverty in the world today is tantamount

to being denied access to the means of living. That is why increasing numbers of people have argued that credit for self-employment is a basic human right. In a market economy, it is the means by which other socio-economic rights are realized,' (Davis, 2002, p.13). As such, the author believes that investigating relevant opportunities for long-term access to finance, as well as making such information available to their graduating students, could potentially offer participating organisations an opportunity to enhance their offering and have a larger, long-term impact on the success of those they support.

4.1.3.6.4 Measuring Impact and Value Created by Youth Development Programmes

According to Dees (1998), 'markets do not work as well for social entrepreneurs. In particular, markets do not do a good job of valuing social improvements, public goods and harms, and benefits for people who cannot afford to pay. These elements are often essential to social entrepreneurship. That is what makes it social entrepreneurship. As a result, it is much harder to determine whether a social entrepreneur is creating sufficient social value to justify the resources used in creating that value. The survival or growth of a social enterprise is not proof of its efficiency or effectiveness in improving social conditions. It is only a weak indicator, at best,' (Dees, 1998, p. 4).

This quote summarises the strategic importance of measuring social impact, as well as the findings presented in Chapter 3, where it was mentioned that only 25% of the participating youth development programmes effectively measured their impact. Finding generally acceptable methods to assess the social impact and value of youth entrepreneurial development programmes would go a long way towards improving access to funding. Such methods would clearly illustrate—and quantify—the value of specific programmes. This would also be used to optimise their content using impact data and, importantly, use the data to promote aspirational career options among marginalised South African youth.

4.1.4 Conclusion

In conclusion, this literature review firstly presented an overview of the historical context of entrepreneurship and social entrepreneurship according to the relevant leading academic literature, specifically as it relates to the concepts emerging from the participant data in this qualitative study. Secondly, it elaborated on the concepts and theories pertaining to the entrepreneurial and social entrepreneurial ecosystem from both global and local perspectives. Finally, it examined in detail youth social entrepreneurial development and its associated ideas, insights, concepts and theories. These are further developed in Chapters 5 and 6 in which the author also provides her opinions, makes recommendations, and presents a business plan based on the findings of her research.

Chapter Five

5.1 Theory Building

5.1.1 Research Analysis and Discussion

The answer to the research question 'How can youth social entrepreneurship development programmes be utilised to create inclusive self-employment opportunities for excluded urban youth residing in Cape Town?' has to be supported by a viable business prototype, business plan, or business model that is applicable in the real world. Given that, the research finding in this study focuses on recommendations and solutions that lend themselves to an inclusive and sustainable business plan or model for addressing the research problem of high unemployment among excluded youth in South Africa, through the development of inclusive social entrepreneurship.

The analysis process presented so far, an iterative process in grounded theory, includes the categorisation and development of data themes (Chapter 3) and incorporates new concepts and theories, which emerged from the primary and secondary data. These are then evaluated and reviewed against the applicable academic literature (Chapter 4). The literature review presents a historical perspective of the relevant theories of entrepreneurship and then narrows its focus to the specific theory and practice of social entrepreneurship within the entrepreneurial ecosystem, leading to an in-depth analysis of four specific topics that persist in the data and that have been limiting the efforts of the participating organisations: the role of community and culture, the importance of financial inclusion, the access to technology or digital inclusion, and the role of youth social entrepreneurial development programmes.

At this stage of the process, further analysis of the inclusive nature of youth social entrepreneurship development agencies based on these four literature review topics, was identified as a logical next step in the research analysis process. This has been achieved by using a systems thinking archetype method to map and then conduct a full systems analysis to discover how youth development agencies can create more inclusive environments for young excluded social entrepreneurs.

5.1.1.1 Research Analysis: Systems Archetype Process Explained

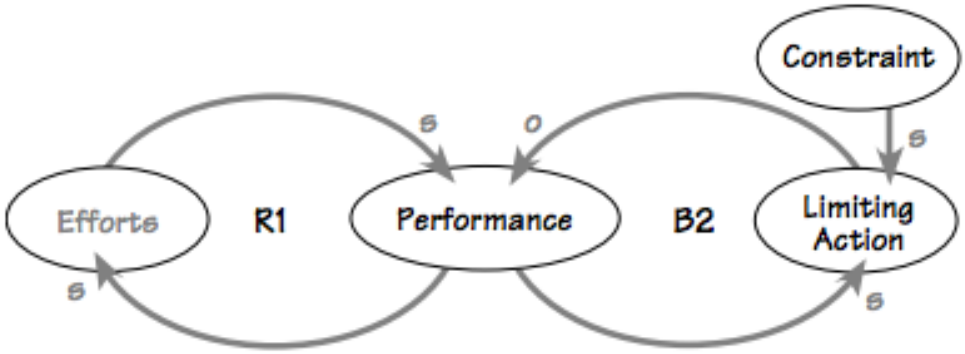
A systems archetype is a diagnostic tool that is typically used to interoperate common behavioural patterns in organisational systems. In this final stage of the research analysis, the author mapped these behaviour patterns as they occur in the system and followed the prescribed archetype assignment process designed to support the creator of the system models—firstly to make sense of the complexity in the system, and then to identify opportunities for improvement.

This approach is supported by Braun (2002) when he states that 'the system archetypes are highly effective tools for gaining insight into patterns of behaviour, themselves reflective of the underlying structure of the system being studied,' (Braun, 2002, p. 1).

The 'limits to success' archetype, also known as the 'limits to growth' archetype, was developed by Meadows, Meadows, Randers and Behrens (1972) and is used to identify and eliminate factors which are limiting a system's growth potential.

The selection criteria to determine a relevant systems archetype considers two standards when applying the limits to a success template (Figure 5.1), namely a review of the concerned behaviour over time by following Goodman and Klein's mapped archetypes and their interactions, and aligning the most relevant systems theory to the observed scenario. In this case, the systems theory states that 'a reinforcing process of accelerating growth (or expansion) [R1] will encounter a balancing process as the limit of that system [B2] is approached. It hypothesises that continuing efforts will produce diminishing returns as one approaches the limits,' (Braun, 2002).

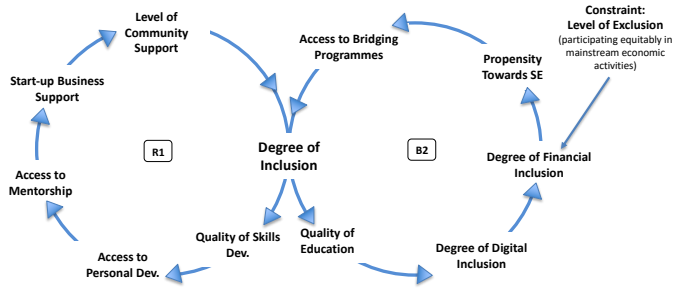
Figure 5.1 Limits to Success Template



Source: Kim. D.H., & Anderson, V. (1998). System archetype basics: From story to structure. Pg. 43

The reinforcing loop in Figure 5.2 labelled (R1) describes the actions that are accelerating growth according to the data in the mapped system, and include these variables: the quality of skills development, access to personal development, mentorship, level of start-up business support, and level of community support. The balancing loop (B2) represents the system variables that were limiting the growth of the system. These variables are: the quality of education, the degree of digital inclusion, the degree of financial inclusion, propensity towards social entrepreneurship (culture), and access to social entrepreneurial bridging programmes. As per the relevant research question, they all have a material impact on how effective youth social entrepreneurial development programmes can be in terms of creating more inclusive self-employment opportunities for the participating excluded youth.

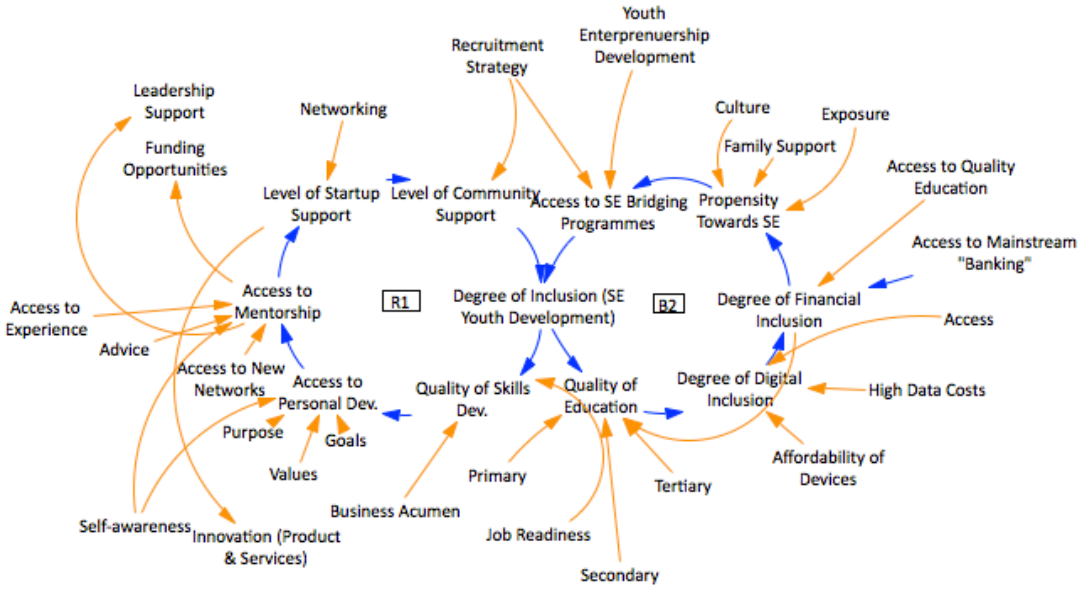
Figure 5.2 Limits to Success Archetype: Causal Model 1



Based on this system-modelling phase, a hypothesis emerged that says social entrepreneurship development could potentially accelerate the entrepreneurial ecosystem by addressing the limiting actions (B2) that were restraining the system. Hence, in theory, if youth social entrepreneurship development agencies focused their efforts (R1) on developing social entrepreneurs who worked on solving social issues which where specifically limiting the system, they could accelerate the growth and success of the system. As such, they could potentially accelerate the entrepreneurial ecosystem in Cape Town if implemented at scale.

The next stage of analysis focused on the key findings in the literature review and mapped these concepts further as illustrated in Figure 5.3 (orange) and 5.4 (green). The process by which to achieve this aim included mapping the insights and topics discussed in the literature review as they relate to one or more of the eleven variables in the causal loops (reinforcing or balancing).

Figure 5.3 Limits to Success Archetype: Causal Model 2



For example, the variable called 'access to mentorship' maps the literature review findings presented in the section titled 'The Role of Mentorship'. Meanwhile, the variable called 'propensity towards social entrepreneurship' illustrates the findings discussed in the

subchapter titled ‘Role of Community and Culture' (refer to 4.1.3.2) . This mapping process was followed for all variables and resulted in a simplified account of the critical factors influencing the system.

Figure 5.4 Limits to Success Archetype: Causal Model 3

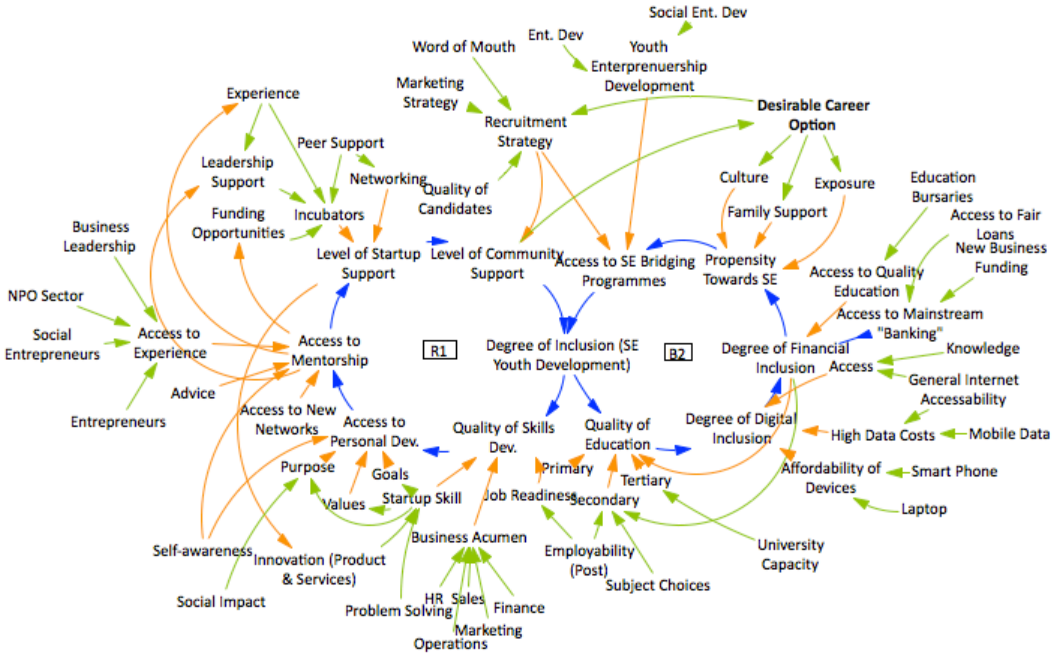
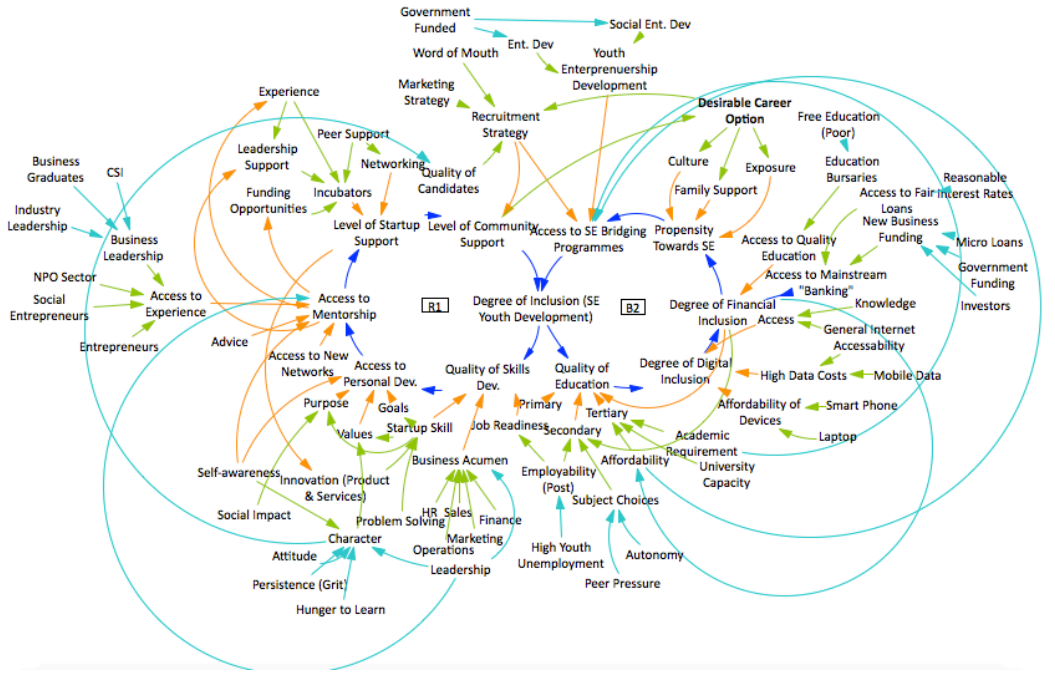


Figure 5.5 Limits to Success Archetype: Causal Model 4

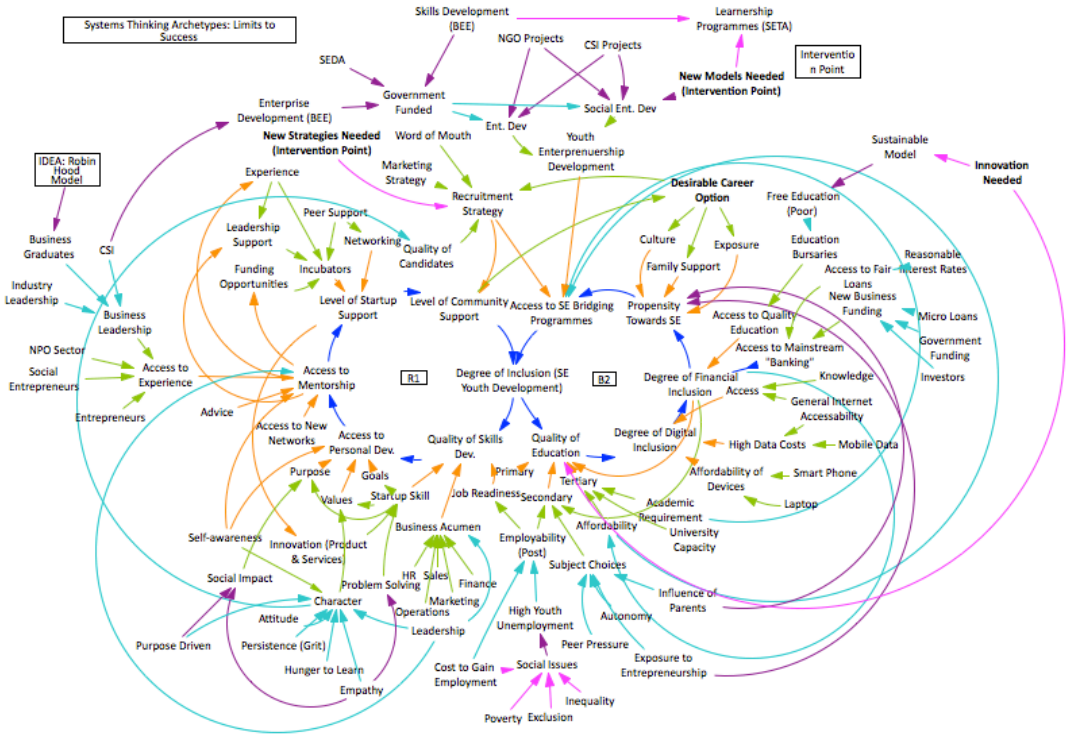


The next step in the process, illustrated in figure 5.5 (light blue), presents the interconnectivity of the relationships between the individual variables, data themes, and topics. For example, access to quality

tertiary education has a connection with the degree of financial inclusion (Spaull, 2015; GEM, 2017, etc.). Mapping these relationships assisted in identifying the opportunities for improvement that have been further expanded upon in figures 5.6 (purple).

The final analysis phase illustrated in figure 5.6 continues the data mapping process until potential intervention points are identified. These intervention points represent opportunities to innovate and develop new models, processes, products, or services which could have a positive effect on the system, and could potentially address the research problem. They will be discussed further in the next chapter when the business plan is introduced as a recommendation.

Figure 5.6 Limits to Success Archetype: Causal Model 5



In summary, this final phase of analysis—the application of the systems archetype 'limits to success'—was a useful diagnostic tool for consolidating and simplifying a complex system as well as identifying the variables and the factors impacting the system positively or limiting its potential growth.

It was through evaluating these criteria and scenarios, based on the participant data and the literature reviewed, that exciting new ideas and opportunities to innovate were able to emerge. Each variable and its influencing factors could be viewed as opportunities to improve the system and/or to innovate. However, given the scope of this project, not all of these possibilities could be explored to their full conclusion. As such, and where relevant, these opportunities have been included for future research in Chapter 6 or 'banked' to investigate independently of this study.

5.1.1.2 Research Analysis: Systems Archetype Research Findings Explained

For youth who are being marginalised from participating in economic activities equitably, it is of critical importance that intervening youth training and development organisations consider enhancing their programmes to create more inclusive opportunities and ecosystems. Creating inclusive environments would help to ensure that their students are provided with the support they need to shift their socio-economic status in society, thus reducing the gap of inequality and limiting the extent to which the youth are being marginalised by factors that are mostly beyond their control. These objectives are essential when addressing the compounding youth unemployment problem, but especially relevant towards creating a more equitable society and stimulating inclusive economic development in South Africa.

These inequalities and the nature of the marginalisation, for example, include but are not limited to, the inequity in the education system, financial and digital exclusion, and persisting apartheid legacies —all of which have been acknowledged to have a negative impact on the excluded youth's ability to gain employment or start businesses. This vicious cycle, which continues to perpetuate poverty and is building frustration among South African youth understandably, requires new intervention strategies given the ongoing extent of the problem.

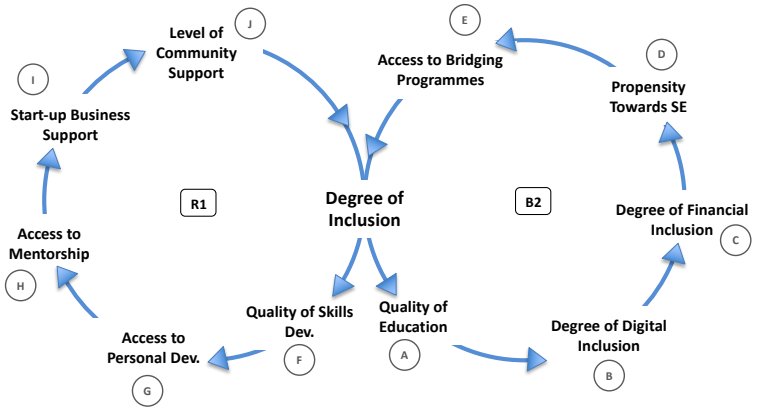
To disrupt this perpetual cycle of inequality and reduce the inequality gap, new approaches to youth development should be considered. Strategies and interventions that are specifically designed to reduce the level of exclusion of the vulnerable youth are of critical importance in moving towards a state of inclusion, where they will be in a position equitably to participate in economic activities. This approach and perspective should focus primarily on social impact objectives, efforts and outcomes that will have positive and measurable social and economic impact. There should be a shift in the expectation that purely training a predetermined number of students is sufficient to address the youth unemployment problem; the new perspective should focus primarily on inclusive participation. Creating improved levels of inclusion and therefore increased equality in the system is an important strategic objective that will effect meaningful social and economic change in this field.

This approach in due course would hopefully be recognised as a holistic and sustainable approach to address the youth unemployment problem in South Africa. Furthermore, creating inclusive opportunities for youth self-employment through focused social entrepreneurship development will have, in theory, three desired outcomes: firstly, creating new opportunities for self-employment (social entrepreneur); secondly, generating new employment opportunities for prospective employees (unemployed youth) to work in these social enterprises; and thirdly, creating social businesses at scale to tackle the multitude of social problems that are marginalising the youth. In due course this would have a positive impact on the entrepreneurial ecosystem as a whole the South African society and economy in general.

5.1.2 Research Findings

To create inclusive employment or self-employment opportunities for the excluded youth, the following findings should be considered, especially when youth social entrepreneurial development agencies have strategic objectives in place to address youth unemployment, and increase the levels of inclusion for their students. The research results are based on the participant interviews and literature review in the context of excluded youth participating in social entrepreneurial development programmes. However, the results are also broadly applicable to youth development programmes in general that seek to create more inclusive environments for their students.

Figure 5.7 Factors Limiting the Degree of Inclusion



The first finding relates to the **Quality of Education** (labelled A in Figure 5.7), referencing the arguments that relate to inequality and the 'poor' quality of education that many excluded youth are still exposed to in the South African educational system. This discussion is focused mainly on the high costs associated with gaining a quality education deemed valuable by society, an education that many South African youth from low-income families are unable to access.

Additionally, this study has found that the participating excluded youth do not believe that the knowledge and skills they acquired at a primary or secondary level of education have adequately equipped them to pursue desirable employment or start businesses, without also obtaining tertiary qualifications.

Youth development agencies arguably have a critical role to play in creating programmes that identify and address the skills deficit between secondary education and the workplace and/or youth entrepreneurial ventures. By identifying these gaps between the workplace or entrepreneurial activities, they are better placed to proactively address these skills deficits and minimise the negative impact that the inequalities in the current education system have on youth unemployment in the short term. It is imperative to recognise that this approach is a quick win or leapfrog approach. In the long term, the institutionalised systems that cause the inequalities and low quality of education should be addressed systematically: new inclusive education policies, fee models, and curriculums should be developed to have a long-term and sustainable impact.

The second key finding, the **Degree of Digital Inclusion** (B), refers to increasing access to digital technologies, hardware and software, and access to the Internet. Improved access will logically have a positive impact on the excluded youth, because it will improve their capacity to start businesses and gain employment by bridging the digital divide that is currently marginalising excluded youth. Youth development agencies should consider strategies to improve access to digital resources during and after their programmes, build these requirements into their budgets, and proactively pursue new funding models and partnerships to sustain the costs associated with supporting digital inclusion within their organisations.

Ideally, digital inclusion should be addressed urgently at a national level, prioritising affordable access for all South Africans. Long-term systemic policies that ensure that access to data is equitably distributed are needed, since the existing access based purely on affordability is not conducive to inclusive economic development.

Thirdly, the case for **Financial Inclusion** (C) is also a macro problem and conversation and, in most instances, not an issue that youth development agencies can impact at a systemic level. However, there are opportunities for these organisations to better support excluded youth, by facilitating access to existing financial products and services that have been developed specifically to assist excluded youth in gaining employment or in starting businesses. Some examples include SEDA funding and business development programmes, social enterprise development initiatives, or microloan facilities.

This study found that many of the participating youth were not adequately aware that such support structures were available and were not taking advantage of the many existing products and services available to them that would, in effect, improve their financial inclusion status. Youth development programmes have an opportunity immediately to address this problem by creating awareness and introducing students to these existing financially based support systems. Increasing awareness about such products or services would likely improve their level of financial inclusion and enhance the probability of accessing financial assistance to grow their businesses.

In addition to this, youth social entrepreneurial development programmes should encourage their social entrepreneurial students to consider innovation in the financial technologies (fintech) space. There is an urgent need in South Africa, but also on the continent of Africa, to disrupt traditional banking models and systems with new products and services that are more financially inclusive. Young, passionate social entrepreneurs are well positioned to get involved and take advantage of this fast-growing market while also addressing financial exclusion, which is currently one of the most pressing social challenges driving unemployment, inequality, and poverty in in South Africa.

The fourth finding, **Propensity Toward Social Entrepreneurship** (D), refers to the situation where the excluded participants and their families do not, in general, favour self-employment or entrepreneurial activities as desirable career options compared to traditional employment paths. Growing the economy in terms of new business development and increasing the propensity towards entrepreneurship rely

heavily upon shifting attitudes. Youth development agencies, specifically entrepreneurial and/or social entrepreneurial programmes, have a strategic role to play in creating cultures that celebrate entrepreneurship as a credible career option for the youth. For example, extending their recruitment efforts to promote entrepreneurship at a secondary level and/or profiling their graduating students as inspiring leaders in their communities, will help to educate and demonstrate that entrepreneurship is a desirable career path worthy of pursuing. Also, creating opportunities for their students' families to participate in their programmes would go a long way in demonstrating the value of entrepreneurial activity, and encouraging the families to provide the support needed to see their business ventures to a viable position.

The fifth research finding, **Access to Bridging Programmes** (F), deals with the discovery that excluded youth need skills development intervention programmes to bridge the gap between their perceived capabilities and the workplace or to start businesses. It also addresses the challenges that the participating organisations have in recruiting suitable excluded youths to their programmes. There is a distinct need for improved communication and talent acquisition strategies to improve alignment between the two parties. To improve access to bridging programmes, unemployed youth need to be aware of the variety of opportunities available to them, and organisations should improve their access to attract high quality candidates to their programmes.

There is a multitude of ways to improve this communication through marketing or educational campaigns, suitable digital platforms, strengthened networking, and referral processes with other youth development enterprises. Youth social entrepreneurial development enterprises should explore such ideas to improve their systems and ensure that they are recruiting youth who are aligned with their programme requirements, as well as their organisational value, vision, and purpose. Such a renewed focus would go a long way towards ensuring that the programmes are better targeted, offer value, and deliver an improved level of social impact.

The sixth finding relates to the **Quality of Skills Development** (G) offered as part of youth development programmes. This research found that the quality of skills development varied among the participating organisations, whereas the literature advocates a case for youth development agencies to provide consistently high-quality skills development training if they are to have an improved impact on programme outcomes. Youth social entrepreneurial development programmes and youth development programmes, need to ensure that the quality of their skills development training is prioritised and continually optimised. This would ensure that youth development programmes are providing skills and knowledge that are not only valuable to the youth, but are also deemed valuable in the market and society in general. This ensures that less of the youth's time is ‘wasted’ on education that they cannot use to improve their social status, gain employment or successfully start a business. Creating value should be a prioritised agenda in this field.

Furthermore, it is becoming increasingly important for youth development programmes to measure their social impact, over and above the typical measurements that are being used to assess their programme performance. Creating systems and assessment tools to measure the social impact of their programmes will provide data that can be used to improve and optimise their skills development offering based on the findings of such social impact assessment reports. This will, in effect, ensure that their skills development remains relevant and creates value.

The seventh finding concerns **Access to Personal Development** (H), which is a programme offering that the participating youth in this study valued highly. The youth development programmes that promote a philosophy of developing the person and then the skills were valued most by the youth.

Youth participating in programmes which encouraged them to understand and focus on what is important to them–for example, their vision, mission, and purpose–were found to be more engaged within the curriculum of the programme and demonstrated a commitment to take charge of shifting their socio-economic situation. This attitude to learning is highly valued by programme managers, and the commitment to self-development is powerful when combined with high-quality skills development. Building the confidence to use the knowledge and skills they have been taught to start businesses or to pursue careers was persistently acknowledged to be a highly valued and desirable quality among the excluded youth and youth development managers alike.

Youth development agencies that offer personal development as a module or subject in their training programmes better equip their students to use the knowledge and skills they acquire to pursue opportunities that are better suited and aligned to their personal goals and values. These students, in theory, have improved chances of finding employment or starting a business that utilises their strengths because they have been exposed to interventions that have encouraged them to question what makes them special, what they stand for, and where they see themselves in five, ten or twenty years from now. Unpacking these types of questions in a facilitated environment helps youth to tackle their dreams with renewed energy and focus. Skills development programmes that do not offer personal development within their curricula miss the opportunity to empower their students with the self-awareness and interpersonal skills to use what they have learnt to their advantage.

The eighth finding is **Access to Mentorship** (I), a well-known programme element to improve entrepreneurial and social entrepreneurial development outcomes and to increase the success rates of start-up businesses by pairing youth who lack experience with mentors who can guide and advise them, based on their own first-hand experience. This concept is not new, and has been proven to be a successful strategy to empower youth, stimulate entrepreneurial activities, and improve success rates of start-up enterprises. Many participating youth development organisations do not have formal programmes in place to match their students with suitable mentors during or after training.

Based on this research, the reasons for this are twofold. Firstly, when organisations are using performance metrics that are not based on social impact criteria, they are not necessarily incentivised

to consider the long-term impact of their programmes. As such, they are not incentivised to ensure that their students have access to mentors who would positively affect the impact of their programmes over time. Secondly, accessing successful and often extremely busy individuals who are willing to invest time to mentor students without compensation is challenging; there simply are not enough mentors to accommodate the growing demand for mentorship in South Africa. Youth development agencies should evaluate whether their incentives drive the right behaviours in their organisation. Also, they should find creative ways to attract suitable mentors for their students and alumni to strengthen their offering and create inclusion.

The ninth finding relates to the **Level of Start-up Support** (J) that excluded social entrepreneurs could potentially access while their enterprises are in the start-up phase. Offering entrepreneurial skills development and training in isolation, without the necessary support to start and grow these businesses, has been found to limit the entrepreneur's potential.

This finding suggests that incubation programmes are essential to strengthen existing entrepreneurial ecosystems and create more inclusive environments for the participating excluded youth. Firstly, they provide excluded youth with the opportunity to gain practical experience running a business—for example, writing a business plan and presenting it to investors provides useful experience-based opportunities. Secondly, good incubation programmes are designed to develop networks and building strong relationships with other entrepreneurs—a peer support system that backs them to succeed. Thirdly, incubation programmes provide opportunities to up and coming businesses and entrepreneurs to access funding and/or investment and, in doing so, provide a much-needed mechanism to support financial inclusion for excluded youth.

While there is a strong argument for youth development programmes to extend their offerings to include incubation programmes, the reality is that in most instances this recommendation is beyond the scope of their mandates, and/or they simply do not have the funding and resources to sustain such programmes.

In these cases, two approaches could be considered. The first is to develop strong partnerships with existing incubation programmes to which their students could apply post completion of their training. The second approach is to extend their existing offering to include incubation programmes, and use it also to engage with existing or new donors or investors.

The tenth finding relates to the **Level of Community Support** (K). Building strong communities and being supporting by their own communities were both persistent themes that emerged from the participant and literature review data. For the participating excluded youth, the support of their communities to engage in entrepreneurial activities is of critical importance. Having support systems beyond the training programmes is vital to ensure that excluded youth are likely to see their ventures through the ‘tough times’. Without this community-based support, one would expect to see a higher drop-out rate, and fewer new businesses entering the market. Thus, supporting excluded youth to

develop and engage with their communities will, in theory, improve their likelihood of successfully starting and running a small business by strengthening the entrepreneurial ecosystem in which they operate.

5.1.3 Research Discussion

These ten research findings, have led to recommendations to enhance the existing efforts of youth development programmes toward creating entrepreneurial learning environments that are inclusive and where excluded youth would have an improved probability of success. Thus, this provides practical ways in which youth social entrepreneurship development programmes can be utilised to create inclusive self-employment opportunities for excluded youth.

In addition to these findings, there are three additional research findings that are noteworthy to include when considering the broader topics of youth social entrepreneurship and unemployment in South Africa.

Firstly, the research findings suggest developing interventions that would allow excluded youth who are unable to attend tertiary institutes to access opportunities to gain practical work experience that would improve their chances of obtaining desired employment or build their confidence to start businesses. Creating new opportunities for excluded youth to get experience is a strategically important development area when considering solutions to address the high level of unemployment, inequality, and poverty in South Africa. Finding new ways that bridge the gap between secondary education—which, this study found, does not provide excluded youth with the skills or experience they deem necessary to start businesses or gain employment—and the market should be explored with rigour and speed to create additional inclusive opportunities for unemployed youth.

Secondly, the findings of this study suggest that the participating youth are not in general concerned with the semantics between entrepreneurship and social entrepreneurship. The excluded youth are concerned with starting businesses that will have a positive impact in their communities, and this is their preferred understanding of social entrepreneurship. While the field is still relatively new and a shared public understanding of what social entrepreneurship entails is still developing, youth development programmes and the industry should use clear communication to qualify the meaning of social entrepreneurship. This will improve the general understanding of this term in the market, and also use language that will appeal to youth who are passionate about making an impact in their communities.

Finally, it is noteworthy to reflect on the idea that if young social entrepreneurs focused their efforts on developing social enterprises that address the ten limiting factors (Figure 5.7, A – K), they could accelerate the growth of the entrepreneurial ecosystem, as well as create an ecosystem that is more inclusive for excluded youth. This idea warrants additional consideration, and as such the proposed

business plan (in Chapter 6 and Appendix F.1) has been developed as a means to pilot a project and test the idea in combination with the other findings that have been explored in this study.

5.1.4 Validity in Research

This sub-chapter will discuss the strategies that have been implemented to establish trustworthiness in the research and to validate the argument, concepts and theories presented in this paper.

Lincoln and Gaba (1985), suggest that to establish trustworthiness in qualitative research, and specifically in the study of social science phenomenon (naturalistic research), researchers should provide evidence to demonstrate the value or worth of their research according to four dimensions of validity, namely: credibility, transferability, dependability, and confirmability.

These validity dimensions and their associated criteria have been adopted in this study to instil confidence that every effort to observe and report the phenomenon and their context, as they occurred, has been carefully considered and measured. This framework (Appendix E.1) adapted from Lincoln and Gaba (1985) ensures the reader is able to make an informed validity/trustworthiness judgement about the arguments and evidence provided. To illustrate this, refer to Appendix E.1 —the dimensions of validity research assessment criteria—which outlines the validity dimensions, validity criteria, research strategies, implementation, as well as the extent to which these individual standards were proven or not in this study.

5.1.4.1 Credibility

Lincoln and Gaba encourage researchers to question, 'Does it 'ring true'?' and 'Is there compatibility between the constructed realities that exist in the minds of the inquiry's respondents and those that are attributed to them?' (Lincoln & Gaba, 1985), when assessing credibility as a dimension of validity.

For credibility, five out of the six Lincoln and Gaba strategies were applied and had been proven to varying extents. These strategies included prolonged engagement, persistent observation, triangulation, referential adequacy, and peer debriefing methods. A significant amount of time was invested in understanding the scope of culture and the specific context of the excluded youth participating in the study to ensure that any preconception of the subject could be addressed. Also, this prolonged engagement supported the research objectives to develop strong relationships and build trust among the participating organisations to ensure that a broad understanding of the context could be observed and accurately represented.

In addition to this, the persistent observation method was applied to enable a detailed and in-depth understanding of the multitude of characteristics and factors influencing the studied phenomenon.

Triangulation and comparative analysis methods were used extensively to ensure the research considered multiple perspectives, opinions and data sources when producing a well-developed understanding of the subject. These understandings were tested in informal peer review sessions with

managers of youth development programmes and industry leaders. This served as an opportunity to challenge assumptions and test ideas, concepts, and theories with peers, whose feedback added new insights and ideas for consideration. This iterative cycle of feedback in informal sessions provided extremely valuable contributions to the grounded theory data collection and analysis process, and also offered value when developing the business prototype and plan that will be discussed in Chapter 6.

Member checks, the sixth credibility strategy encouraged by the framework creators, were not pursued or proven in this study as the interpretation of the data at no time required additional participant feedback for clarification.

Overall, the five credibility criteria and the extent to which they have been individually proven (detailed in Appendix E.1) demonstrate the considered and rigorous approach adopted in this study, specifically as it relates to the interpretation of the data, the communication of the findings, and the presentation of a perspective that is well considered and rings true.

5.1.4.2 Transferability

According to Lincoln and Gaba, the 'transferability' of a study 'measures the extent to which the findings can be applied in other contexts or with other respondents' (Lincoln & Gaba, 1985). They also claim that by 'describing a phenomenon in sufficient detail one can begin to evaluate the extent to which the conclusions drawn are transferable to other times, settings, situations, and people.' (Lincoln & Gaba, 1985). The very nature of qualitative research, and specifically that of grounded (non-hypothetical) theory, makes it hard to prove that the study would yield the same results if it were replicated. The dimension of transferability relies on a method called 'thick description' to provide sufficient evidence for the reader to imagine how the arguments, concepts, theories, and research findings could be applied in another setting with similar contexts and participants and yield the same results. As such, this validity method (thick description) was used and measured (see Appendix E.1) and moderately proven.

While the researcher is relatively confident that the findings are broadly applicable and transferable to other regions within South Africa, she actively advocates additional research in this area of study to develop a better understanding of the subject and applicability of the findings to an extended sample of excluded youth in South Africa.

5.1.4.3 Dependability

The dependability criteria proposed by Lincoln and Gaba measures the extent to which an inquiry 'provides its audience with evidence that if it were replicated with the same or similar respondents (subjects) in the same (or a similar) context, it's finding would be repeated,' (Lincoln & Gaba, 1985). Grounded theory methodology uses the theoretical saturation method to demonstrate both the credibility and dependability validity dimensions. Theoretical sampling describes the data collection

and analysis processes whereby a sufficient quantity (breadth of data) and quality (depth of data) have been reviewed to ensure that the research question can be answered.

According to Seale, this is achieved when 'researchers reach a point in their analysis of data that sampling more data will not lead to more information related to their research questions,' (Seale, 1999, p. 92). At this stage, saturation occurs, and the researcher concludes the data collection and analysis process. Based on this method in conjunction with the proven credibility criteria (prolonged engagement, persistent observation, triangulation, referential adequacy, and peer debriefing methods), the researcher is confident that dependability in this study is established, because credibility has been proven, and an audit inquiry is therefore not required.

5.1.4.4 Confirmability

The final validity criterion, confirmability, measures 'the degree to which the findings are the product of the focus of the inquiry and not of the biases of the researcher,' (Lincoln & Gaba, 1985). Six strategies—raw data, data reduction and analysis products, data reconstruction and synthesis products, process notes, material relating to intentions and dispositions, and instrument development information—are used to enhance confirmability in this study as outlined and detailed in Appendix E.1. These methods, which were either proven or moderately proven, were implemented and measured to ensure that research bias was managed and mitigated, where possible, throughout the full scope of this research project.

In summation, these four validity dimensions—credibility, transferability, dependability, and confirmability—as well as their associated criteria (detailed in Appendix E.1) provided a framework to evaluate the overall trustworthiness of this study.

5.1.5 Research Limitations

The potential of this research project has been limited entirely by its scope, meaning that the time and resources allocated to this research could not enable the investigation of all of the valuable insights, ideas, and knowledge that the excluded youth had to share.

The study of the development of youth social entrepreneurship towards inclusion, offers endless opportunities to conduct additional research and drive innovation in this field.

- One example of such would be to conduct a full and dedicated study on the importance of fostering a culture of social entrepreneurship in the primary and secondary education systems.
- A second would be to conduct a specialised study that would evaluate the individual challenges that excluded youth face when starting a business.
- A third would be to conduct quantitative research to determine the average cost for excluded South African youth to gain employment in South Africa.

- A fourth would be to undertake a study which would test recruitment strategies and provide recommendations for improving effectiveness in this area.
- A fifth would be to make a detailed assessment to identify a personality profile based on the characteristics of an 'ideal' social entrepreneur to support recruitment and improve start-up success rates.
- A sixth would be to conduct a research project to assess and recommend a standardised impact assessment model for youth development programmes.

The opportunities for research and innovation in this field are numerous and present an exciting opening for both academia and business: there is ample potential to innovate, disrupt, and create new products and services. Excluded youth have a wealth of insights that are just waiting to be documented and used to advance the field of youth social entrepreneurship development in South Africa.

In addition to the limiting scope, empirical evidence to assess how the practice of social entrepreneurship affects the entrepreneurial ecosystem both locally and internationally, was limited in the literature. Consequently, the literature review was unable to support or deny the emerging hypothesis that social entrepreneurial development has the potential to accelerate the entrepreneurial ecosystem by removing the social problems that are restraining it. Recommendations for additional research relating to this hypothesis have been included in the relevant sections in Chapter 6.

Chapter Six

6.1 Research Conclusion

The recommendations provided in Chapter 5 specifically focused on action that youth development agencies could take to improve their levels of inclusion when providing social entrepreneurial development support to excluded youth to create self-employment. Further to these recommendations, identifying opportunities that could potentially have a broad impact, address youth unemployment, and encourage social entrepreneurial development among excluded youth in South Africa was a fundamental vision for this paper.

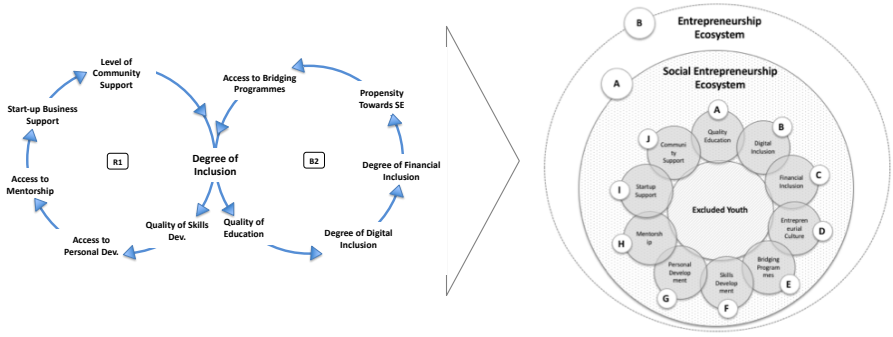
Considering that there are approximately 18 million young (15–24 years of age) South Africans who are not actively participating in economic activities (Statistics South Africa, 2017b), there is an urgent need to improve capacity to train and develop unemployed youth to have valuable skills and practical experience. This would enable them to start businesses or gain employment successfully at an affordable and accelerated rate, and needs to be executed at scale without compromising the quality of such education. Idealistically, we need to build capacity to upskill 18 million South African youth, as well as grow the economy and labour market exponentially to accommodate these educated youth. From a national affordability perspective alone, it is not a realistic ambition. However, from a purely humanitarian point of view, there is an urgent need to do as much as possible for as many people as possible if we take transformation and inclusive economic development seriously in South Africa. Innovating new ways to build capacity at scale to empower young South Africans to participate equitably should be a priority at every level of education, business, and government if we ever hope to positively impact the inequality, poverty, and unemployment that perpetually burden our excluded South African youths.

The following section will present the final recommendations in the form of a business plan as one of the many interventions needed to deliver high-quality skills development training to excluded youths to increase the capacity. The proposal suggests launching a broad-based inclusive youth social entrepreneurship pilot project in Cape Town with the intention to scale a refined model to other urban centres over time.

The purpose of this proposed model is to create an entrepreneurial ecosystem that is inclusive, sustainable, and scalable. This would be a learning environment explicitly designed around creating inclusive self-employment opportunities for marginalised youths who dream about being their own bosses, aspire to be leaders in their communities, are purpose-driven, and have a burning passion for affecting change in their communities. These young social entrepreneurs are our future leaders and are desperately needed to tackle the multitude of social issues limiting South Africa's potential. They are the new generation of leaders who can drive an agenda of inclusive socio-economic development in

South Africa, and as a collective, they offer renewed hope to reduce the gap of inequality and social injustice that burdens our society.

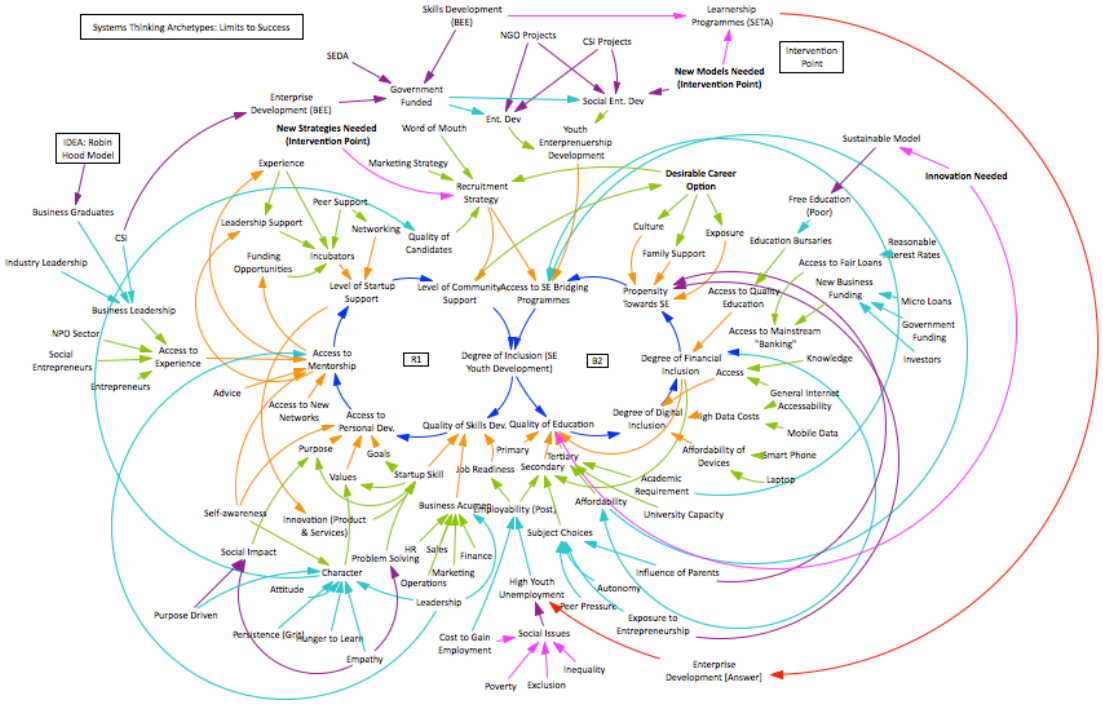
Figure 6.1 Development of Limiting Factors to Business Model



6.1.1 Additional Recommendations

When designing and brainstorming potential inclusive business innovation models, five non-negotiable business requirements were considered, namely: the solutions needed to be inclusive in nature, to address the high levels of youth unemployment and inequality, to provide practical experience for the youth to participate in the economy equitably, to empower a generation of social entrepreneurs and have the potential to be upscaled.

Figure 6.2 Inclusive Innovation Intervention Points



To address these requirements, the 'limits to success' system archetype model in Chapter 5, Figure 5.6, was expanded to explore new intervention methods as illustrated in Figure 6.2. It was critical to extend the notion that reducing limiting factors in the system offers valuable mechanisms on how to create more inclusive social entrepreneurial ecosystems for the excluded youth. Building on the ten findings

and their associated recommendations in Chapter 5 plus the above-mentioned requirement, facilitated the development of the proposed inclusive business innovation plan within the system's archetype modelling.

6.1.2 Inclusive Innovation

The proposed business plan not only presents an opportunity to expand the efforts of the existing youth development agencies, but also offers platforms for new youth social entrepreneurial development. Additionally, it provides opportunities for the private sector to maximise B-BBEE (broad-based economic empowerment) scorecard compliance, and to implement learnership programmes (B-BBEE skills development) efficiently—while continuing to address the training and development needs of excluded youth wishing to work for 'start-ups' (creating employment) and, ultimately, youth who want to start their own businesses (creating self-employment).

The proposal utilises the existing skills education training authorities (SETA) learnership model to fund the training and development of young excluded social entrepreneurs. Typically, the SETA learnership model uses skills development levies paid by businesses to fund accredited training and development, so that disadvantaged youth who are unable to access tertiary education can acquire skills and practical experience needed to gain employment in various sectors of the economy.

For example, the insurance SETA funds develop skills in the insurance sector. The author's proposed model applies the same principles, but focuses on developing young talent to work in social enterprises or start-ups, to gain valuable first-hand experience working for a social business before they start their own social enterprises. The SETA learnership model is a well-designed empowerment initiative that, where appropriately implemented, has been proven to deliver value.

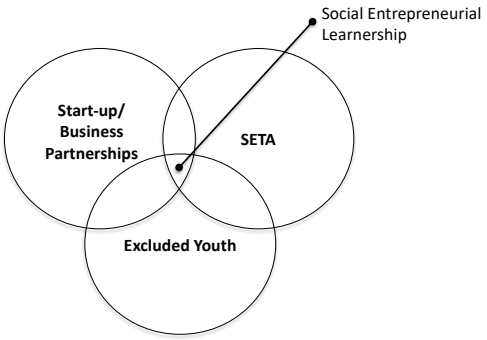
This proposal assumes that the relevant sector SETAs would value self-employment as a viable approach to address unemployment, as a slight shift from their standard operating models.

Working in partnership with SETA with prospective partners in Cape Town to pilot a learnership programme to develop specialised talent for the entrepreneurial ecosystem would create value for all parties involved:

- The participating organisations (the partners) would achieve an improved rating on their B-BBEE scorecards. They would also have access to specialised trained youth qualified in the unique skills that the start-up environment demands to work as interns in their business while the youth complete the six months practical experiential training required by the programme structure.
- The excluded youth who successfully complete a social entrepreneurial learnership would receive a SETA qualification (certificate) in social entrepreneurship, as well as the six months of much-needed practical experience working in a start-up enterprise.

- The SETA would benefit from successful partnerships that create employment and self-employment opportunities for youth to achieve their targets and mandates.

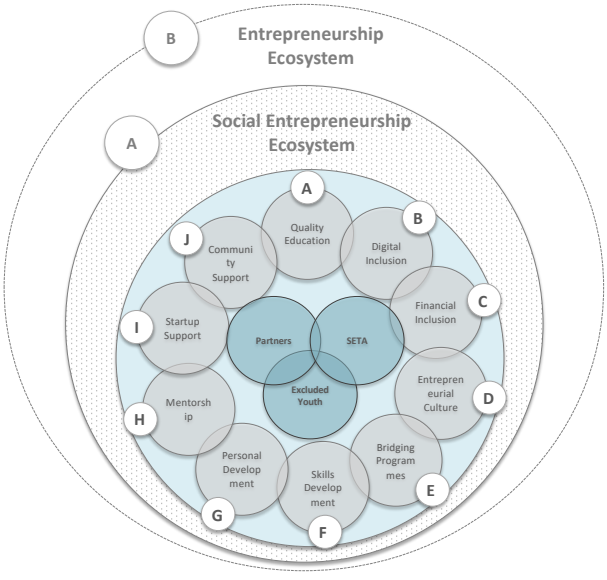
Figure 6. 3 Illustrated Learnership Partnership Model



This proposal to start a learnership programme in itself is not a true innovation in the true Schumpeterian sense of the word. The model already exists and is being implemented across many industry sectors already. The opportunity to innovate in this space is shifting the SETA organisational focus of learnerships to create employment, and to include self-employment as a critical strategy to grow the economy.

Additionally, designing social entrepreneurial development learnership programmes that offer enhanced levels of inclusion based on the ten recommendations in this study, presents a multitude of opportunities to innovate. Creating learning environments for excluded youth to learn how to innovate by identifying social problems and coming up with new business ideas to address these social challenges, will deepen the overall social impact of the programme further. Designing a conducive culture based on a specific set of values, and a curriculum to support such inclusive social innovation would be where the true social transformation could occur.

Figure 6.4 Entrepreneurial Ecosystems: Inclusive Social Entrepreneurial Learnership Model



6.1.3 The Proposal

The proposal is to create a SETA-funded pilot as a twelve-month project in Cape Town. It would launch an accredited social entrepreneurial learnership programme for promising social entrepreneurs, with the view to refine the model and curriculum during those twelve months with the intention to implement an optimised social entrepreneurship leadership model in other urban centres thereafter.

A conceptual business plan on how this could be potentially structured is included in Appendix F.

6.1.4 Future Research Recommendations

Three key opportunities to conduct additional research in the field of youth social entrepreneurial development have emerged from this study.

- **The first recommendation** would be to expand the initial findings in this report relating to the concept that could be referred to as the cost of gaining employment. This means that when excluded youth are seeking employment, there are tangible expenses associated with finding employment. Examples of such costs are the cost of travelling to interviews, the costs involved in preparing and posting or e-mailing CVs to prospective employers, and the cost of suitable interview attire.

  Observing and understanding the overall impact of the combined costs required for gaining employment would furnish empirical data which demonstrate the extent and scale of the problem. In theory, this data will provide new opportunities to innovate and support excluded youth.

  These associated costs are often included in literature and research reports and are being addressed by the 'NGO (Non-governmental Organisation) sector' and in some instances the local government. However, the recommendation would be to conduct a quantitative study to determine the average value per person seeking employment. Understanding the full extent of the cost of gaining employment would potentially allow the government as well as the private and NGO sector' to give better support to the youth.

- **The second recommendation** relates to gaining a deeper understanding of individual population groups and cultural propensity for self-employment. South Africa has a rich and diverse culture, and while its diversity should be celebrated, it also presents added complexity to the study of specific areas, mainly the impact of culture on the phenomena of social entrepreneurship. General studies such as this one that look at a demographic profile (excluded youth aged 18–24) within a specific geographical location and observe specific phenomena (cultural propensity towards social entrepreneurship) are inherently limited because, by design, they generalise across cultures.

The field could also benefit from studies focusing on a single population group in specific locations; for example, a study in Athlone Cape Town might yield very different results from a study conducted in Guguletu, Cape Town. They are only 7,5 km apart, but have very different cultures and may embrace entrepreneurship from different and unique perspectives. Understanding the drivers and limiting factors within these specific environments would offer valuable insights for developing interventions that could address culturally-based attitudes which are arguably discouraging youth from considering entrepreneurship, social entrepreneurship, and self-employment as prestigious career options.

- **The third recommendation** would be to conduct an academic, privately funded or government-funded qualitative and quantitative research project that would observe and measure the impact that social entrepreneurial initiative projects and start-up enterprises have on the entrepreneurial ecosystem. The objective of the research would be to determine if addressing social issues through business development would grow the SME sector of the South African economy at an accelerated rate. The hypothesis is that, addressing—through social entrepreneurship—some of the issues (quality of education, poverty, inequality, etc.) that are currently affecting the youth of South Africa, could have a long-term positive impact on the economy and society.

6.1.5 Paper Conclusion

In summation, this paper is concerned primarily with the complex problem of youth unemployment, inequality, and poverty in South Africa. Specifically, it examines the negative impact that these socio-economic factors have on those young South African citizens who continue to be marginalised from equitable participation in the economy.

Finding new ways to enable young entrepreneurs—specifically, social entrepreneurs—to start businesses and create new employment opportunities would be an important strategy towards reducing the gap of inequality and reducing the levels of poverty that burden many excluded youths in South Africa. Youth social entrepreneurial development agencies already perform a critical function towards enabling youth to start businesses. However this research study aimed to provide these organisations with recommendations on how their offerings could be enhanced to contribute towards greater inclusion in the entrepreneurial ecosystem.

A multitude of ideas, concepts and recommendations have emerged from the data gathered through qualitative grounded theory methods to observe the phenomenon of youth social entrepreneurial development within a targeted group in the Western Cape.

Especially important are the ten factors which were found to be limiting the participating excluded youths' entrepreneurial potential, as well as the practical recommendations provided to address these

limiting factors and move towards creating more inclusive self-employment opportunities for excluded youth.

In conclusion, this MPhil in Inclusive Innovation research study is aimed at contributing towards the development of a new social impact business approach that could lead to inclusive innovation, and that actively seeks to create inclusive self-employment opportunities for currently excluded youth and enable a new generation of social entrepreneurs in South Africa.

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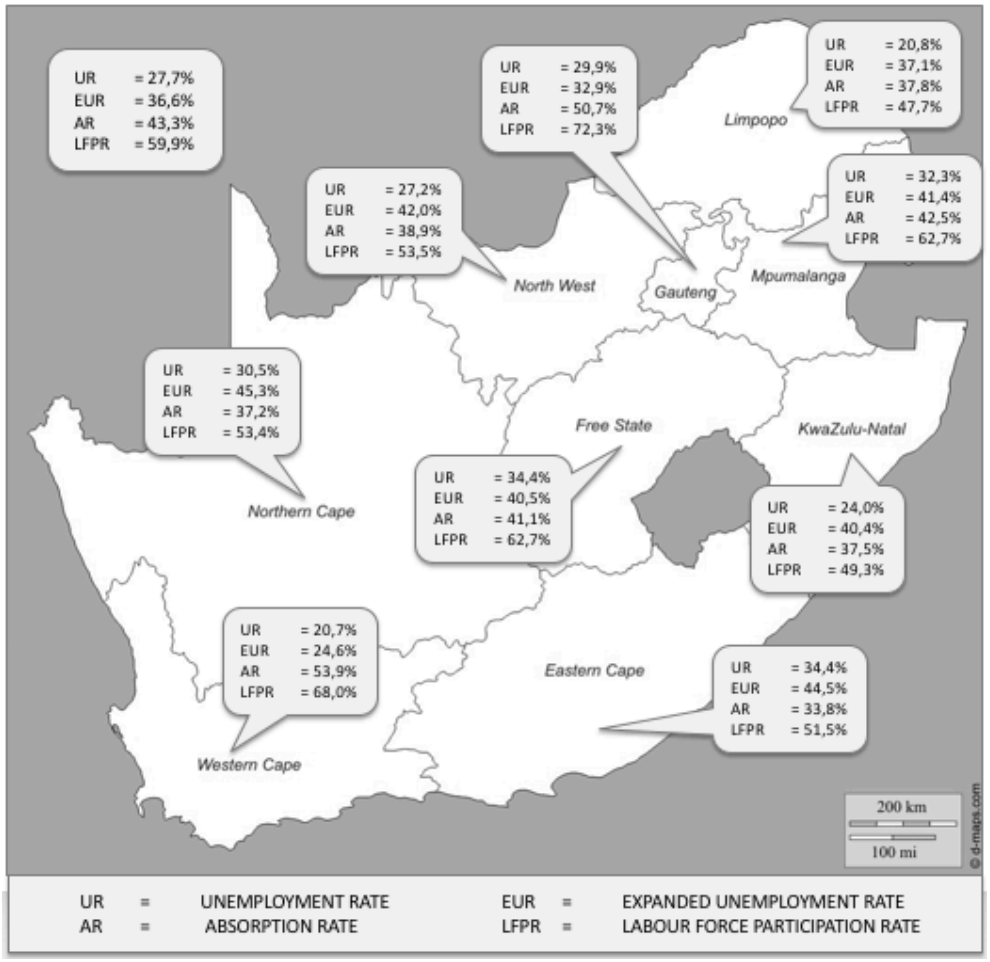
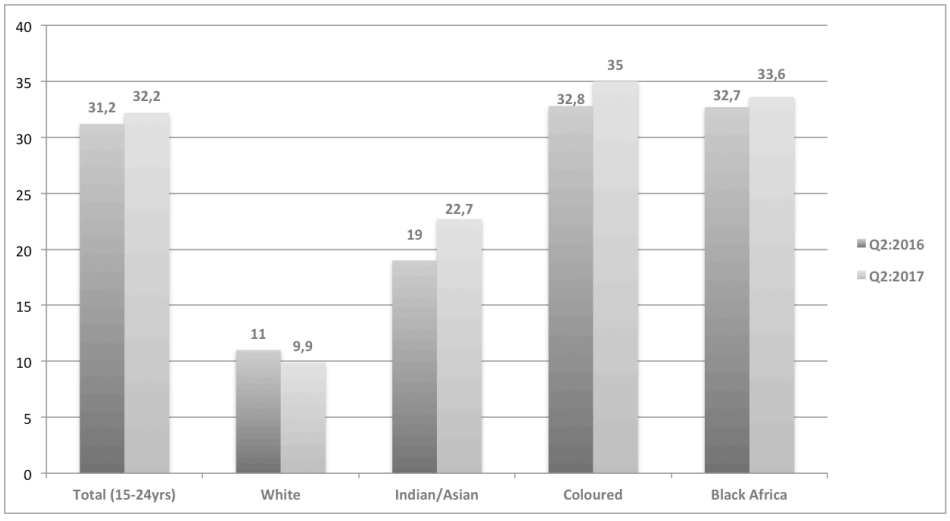
APPENDIX A

A.1 SA Labour Market Summary Q2: 2017



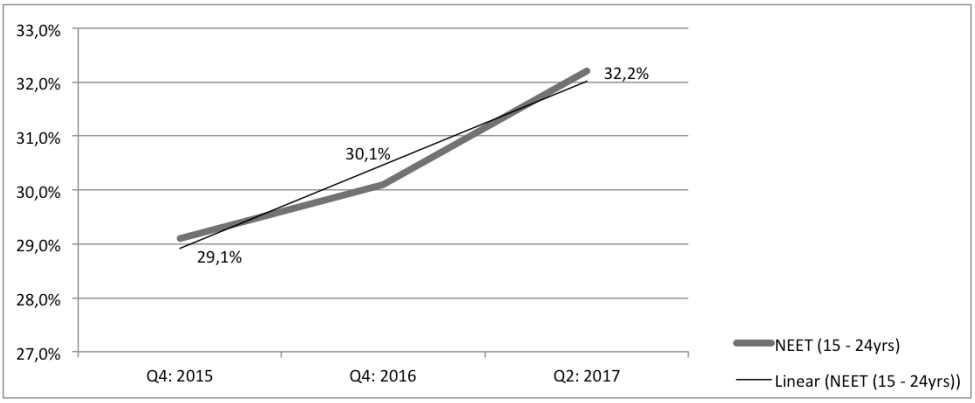
Source data provided by Statistics SA (2017b).

A.2 Youth (18 -24 years) NEET rates by Population Group, Q2: 2017



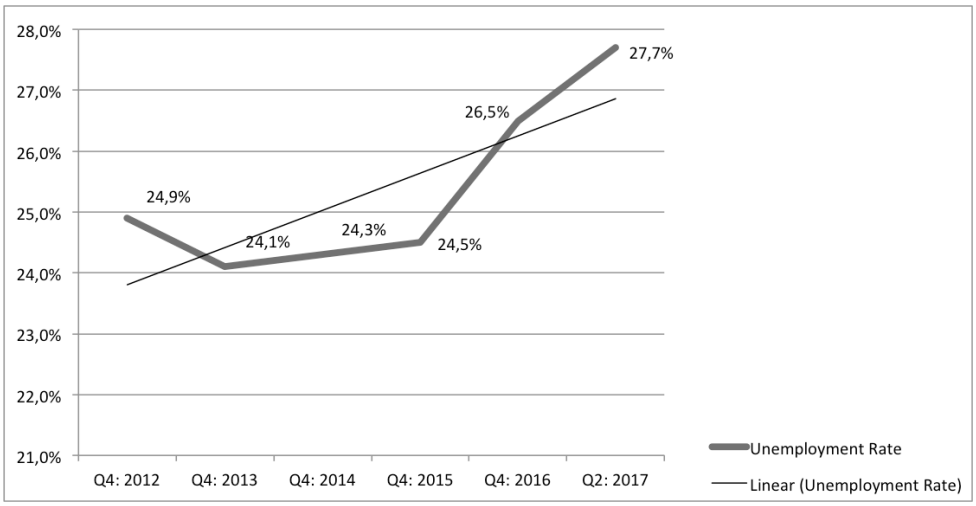
Source data provided by Statistics SA (2017b).

A.3 CBOT: Youth (15 -24 years) NEET Rates over Time 2015 – Q2: 2017



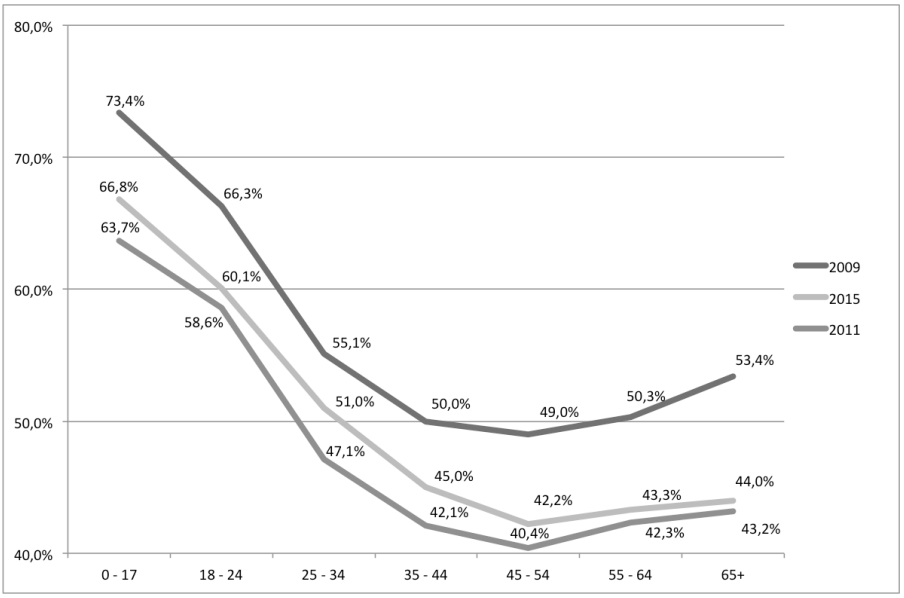
Source data provided by Statistics SA (2015, 2016, 2017). ***CBOT: Concern Behaviour over Time**

A.4 CBOT: Unemployment Rates over Time 2012 – Q2: 2017



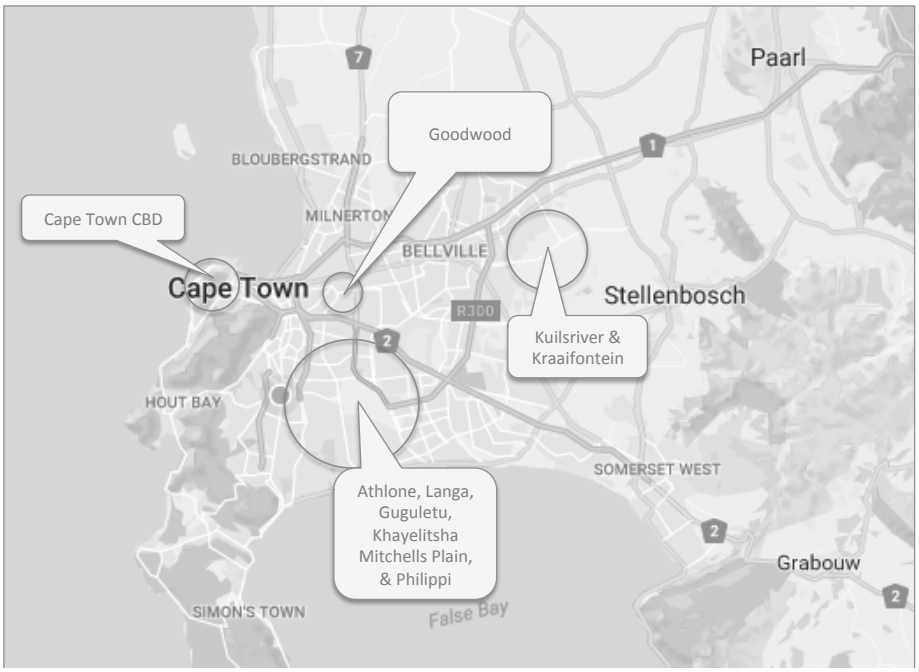
Source data provided by Statistics SA (2017b).

A.5 CBOT Poverty Headcount by Age: 2015



Source: Poverty Trends in South Africa, data provided by Statistics SA (2017a).

A.6 Participant Geo-Location Map



Source: Google Maps. Map Data AfriGIS (Pty) Ltd, Google (2017).

A.7 Participant Consent Form Example

CONSENT FORM FOR PARTICIPATION IN RESEARCH

Project Title:	**Enabling a Generation of Social Entrepreneurs**
Full Name of Researcher:	Janine Lynn Carpenter
Title of Researcher:	Masters in Philosophy in Inclusive Innovation Student UCT Graduate School of Business
Contact Details:	4 Lionel Road Wynberg Cape Town 083 3198 194 janine.carpenter@gmail.com

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Dear [name and surmane]

This letter serves to confirm that you have been selected to participate in a research study, titled: Enabling a Generation of Entrepreneurs. This study is being conducted by Janine Carpenter, a Masters in Philosophy in Inclusive Innovation student, and has been approved by the Commerce Facility Ethics in Research Committee and the University of Cape Town's Graduate School of Business.

The Purpose of the Study

The goal of the proposed study is to determine if, in practice, social entrepreneurs of youth development programmes offer a credible channel to empower youth to create employment and positively address socio-economic challenges in their own communities. The theory of social entrepreneurship strongly advocates a case for its adoption in a broad globalised context; however, this study seeks to evaluate the disparity between the theory and its applicability, specifically in relation to the localised context, and how it is affecting inclusive economic growth among South African youth.

Furthermore, the study serves to evaluate the attitudes, perception, and propensity of the youth participating in the study toward social entrepreneurship as being an attractive and viable career option, in contrast to seeking employment in a labour market that is currently unable to support the compounding number of secondary and tertiary graduates entering the job market annually.

The Process

If you agree to participate in this study, the researcher will ask you to complete the following process:

1. You will be asked to read this consent form.
2. You will be given an opportunity to ask questions relating to the research topic and terms of this form.
3. You will be asked to sign the consent form when your queries have been addressed.
4. You will be invited to participate in a face-to-face interview with the researcher, where you will be asked 20 to 30 predetermined questions. The duration of this meeting may vary depending on your answers, but is likely to take approximately one hour to complete.
5. The researcher may be in contact with you after the interview to clarify specific answers, but no follow-up interviews will be required.
6. The researcher will provide you with her contact details, and you may contact her at any time.
7. The researcher will provide you with a copy of her research findings if you are interested to see the results of your participation in this study.

Participation involvement in this study is voluntary, and the participant is within their right to ask questions, decline to answer specific questions, or withdraw from the study at any given time without penalty.

A.7 Participant Consent Form Example Continued

Confidentiality of Research Information

All information and data collected during the interview process will be treated as confidential, and you will not be requested to supply any identifiable information, ensuring anonymity of your responses at all times.

Ethics in Research Policy

The researcher has committed to conducting her research in accordance with the University of Cape Towns Ethics in Research Policy, which will be explained or provided to the participant on request at any given time.

The researcher declaration

I, Janine Lynn Carpenter declare that I have explained the information, as outlined in this document and have addressed all questions and concerns that **[name and surname]** has raised, as they relate to this study and associated process thereof.

Signature:_____

Janine Carpenter **Date:** _____

The participant declaration

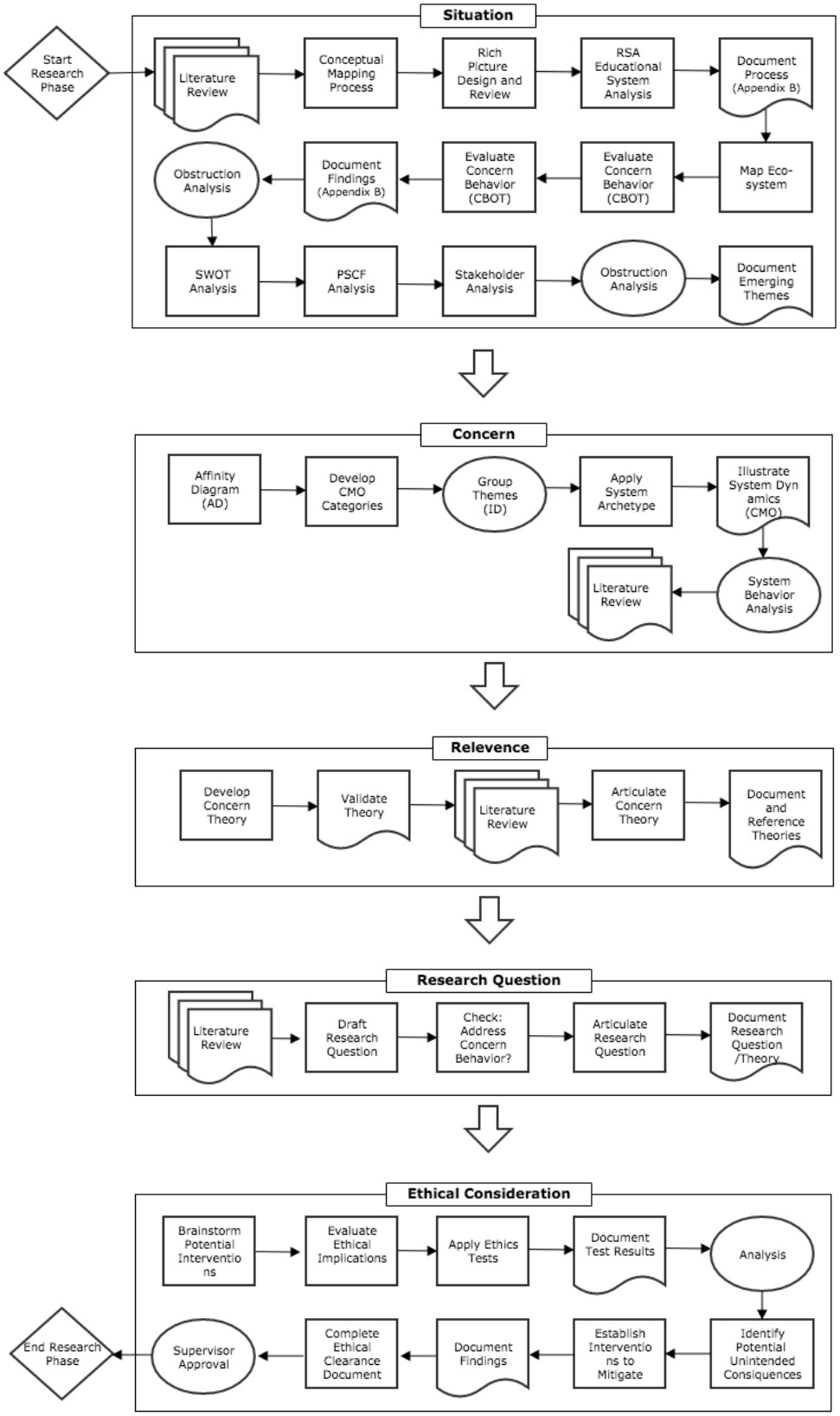
I, **[name and surname]** declare that Janine Carpenter (the researcher) has explained the following to me, and by signing this document I confirm the following:

- I understand the purpose of this study.
- I understand what is expected of me.
- I appreciate that I am a volunteer and can withdraw from the study at any time.
- I agree that my personal information and identity will not be published in this study.
- I agree to participate in this study as explained to me.

Signature:_____

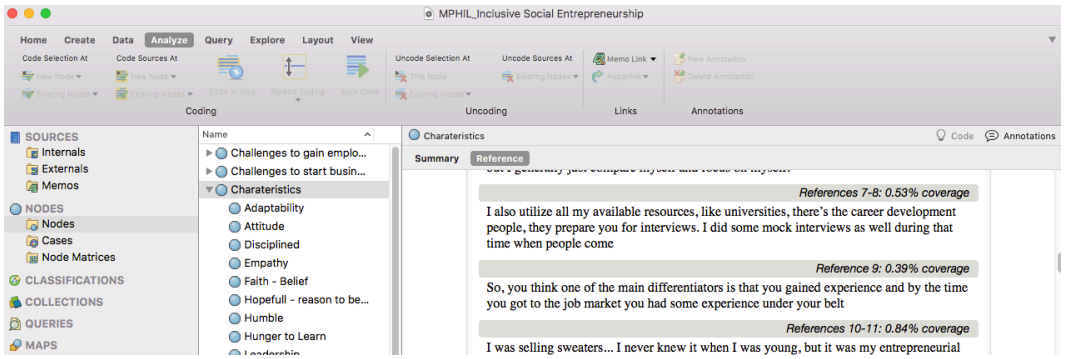
Full name: [name and surname] **Date:** _____

A.8 Process to Investigate the Research Problem

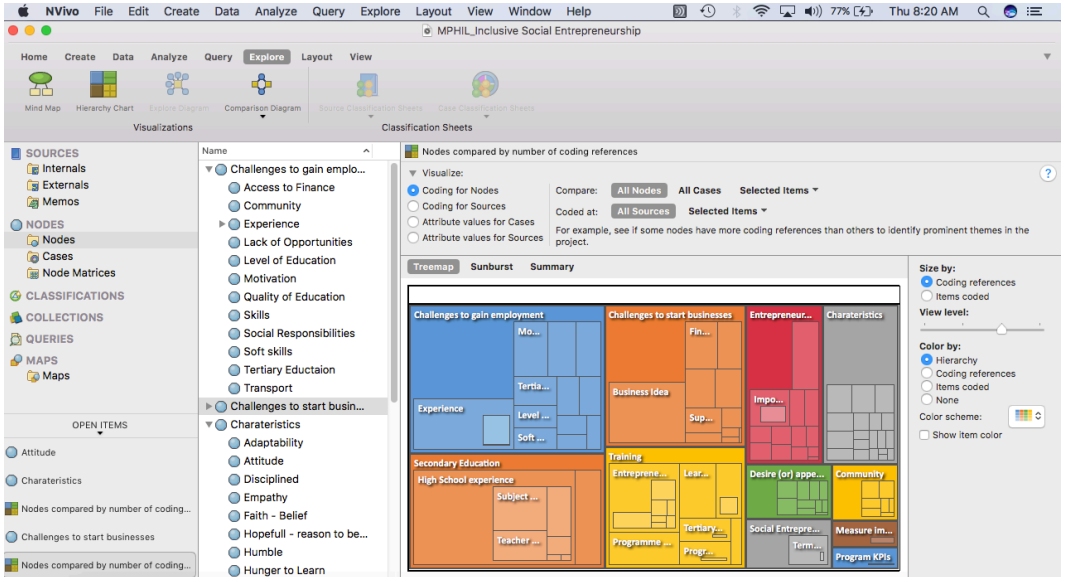


APPENDIX B

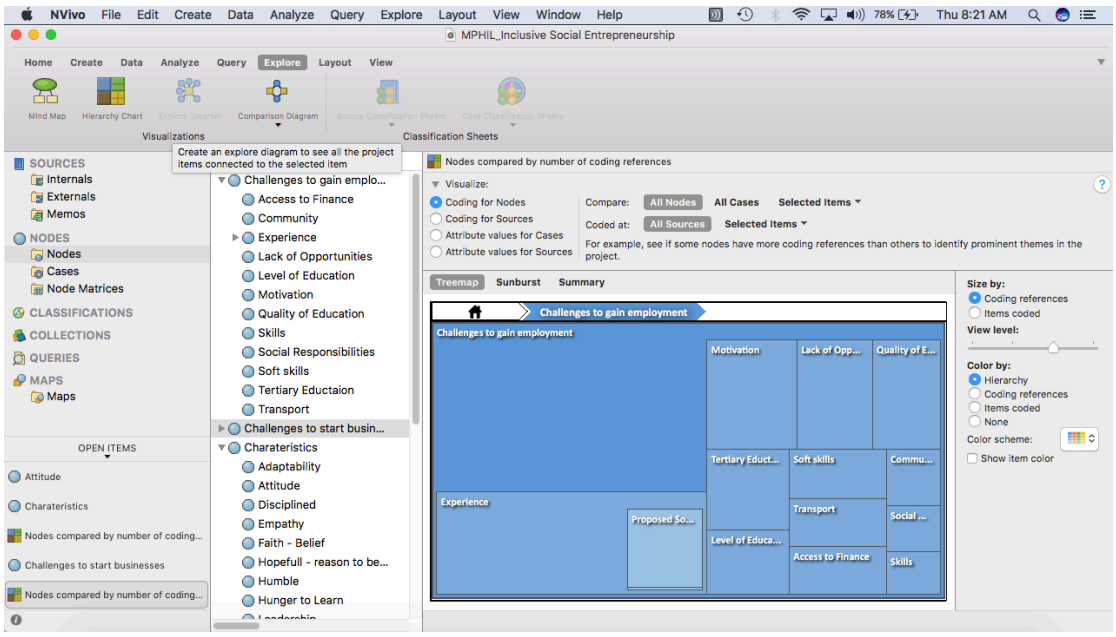
B.1 NVivo: Interview Transcriptions – Initial Coding



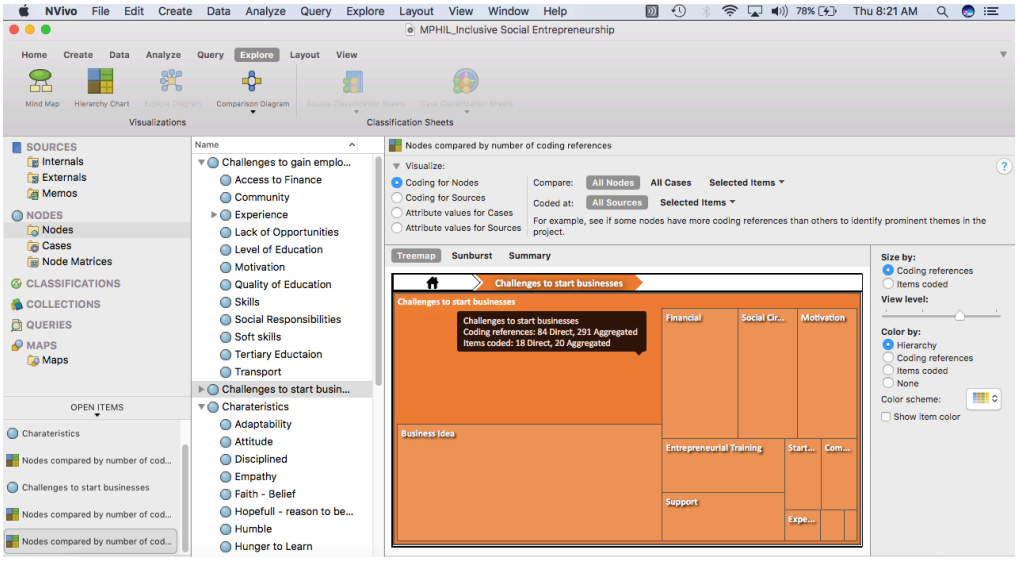
B.2 NVivo: Coding Categorisations – All Categories



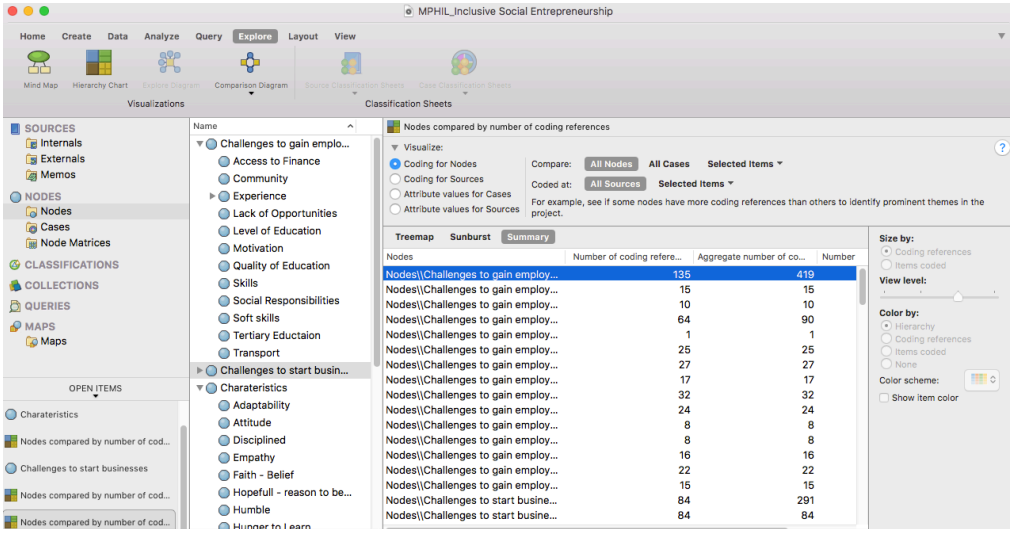
B.3 NVivo: Coding Categorisations – Challenges to Gain Employment Category



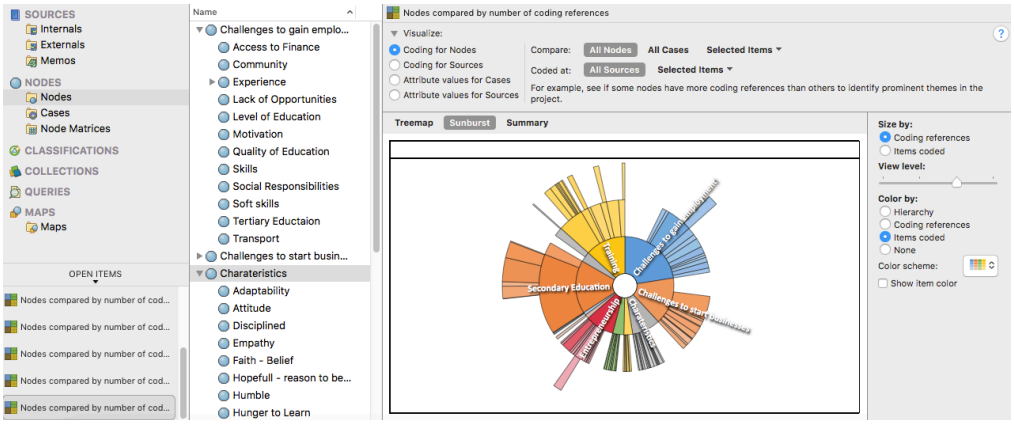
B.4 NVivo: Coding Categorisations – Challenges to Start a Business Category



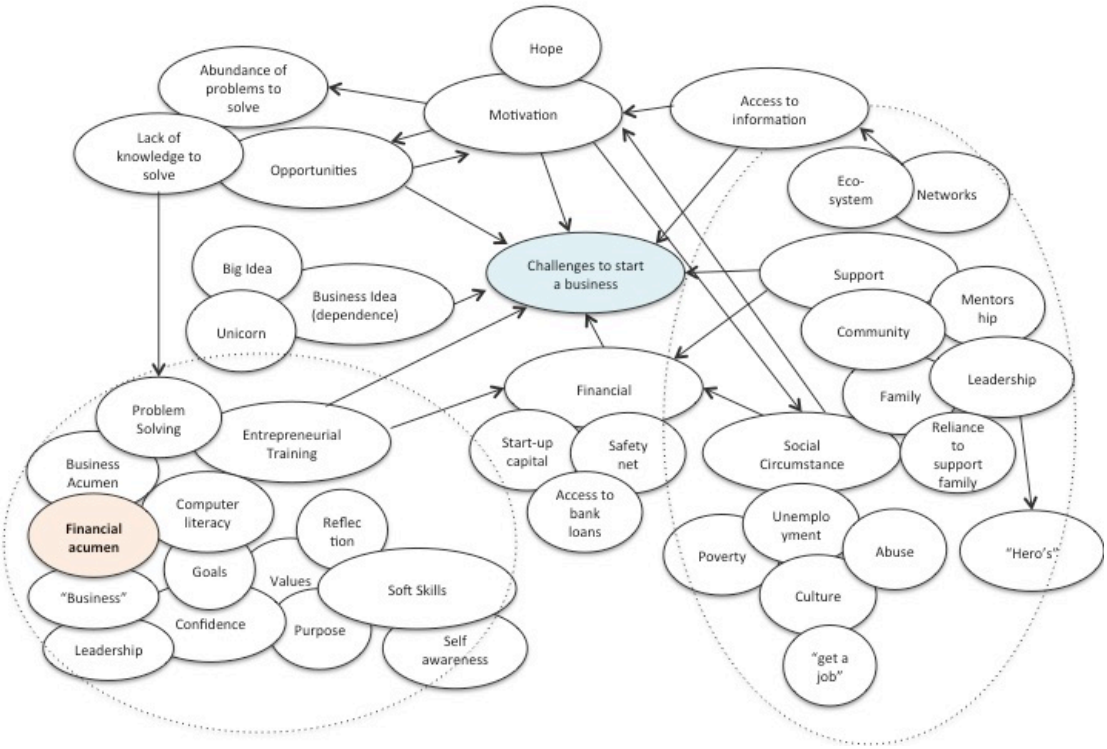
B.5 NVivo: Coding, Node References – Challenges to Gain Employment Category



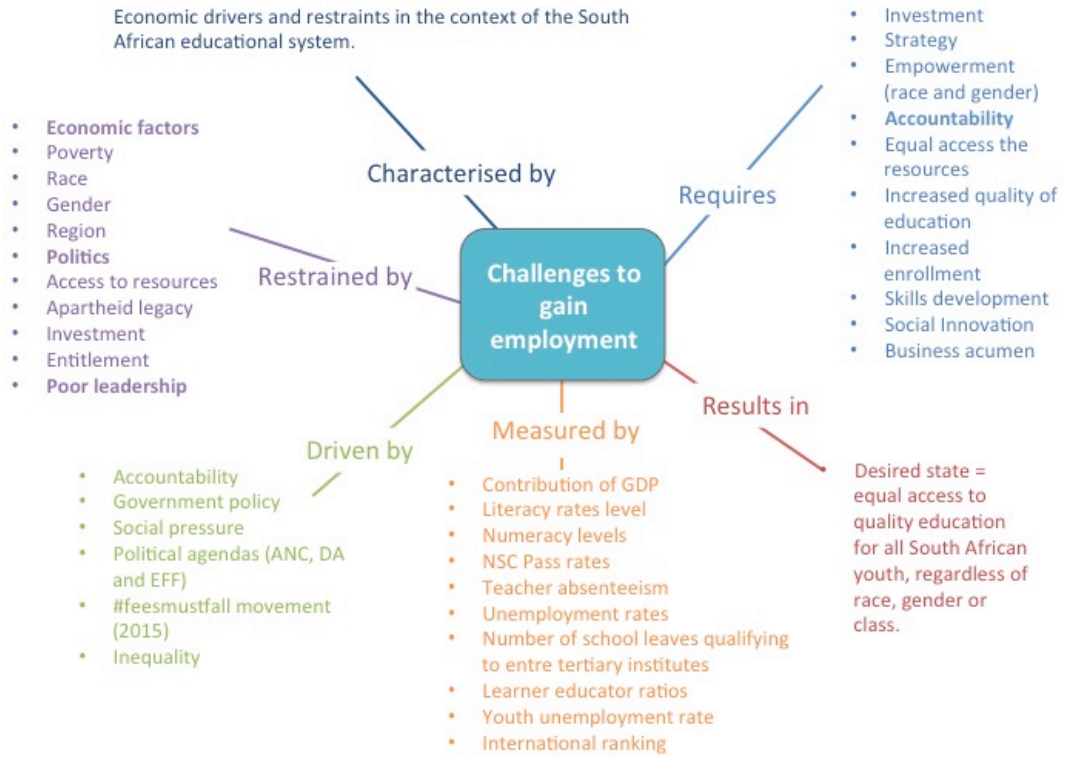
B.6 NVivo: Coding, Node Reference Summary – All Nodes & Sources Data Summary



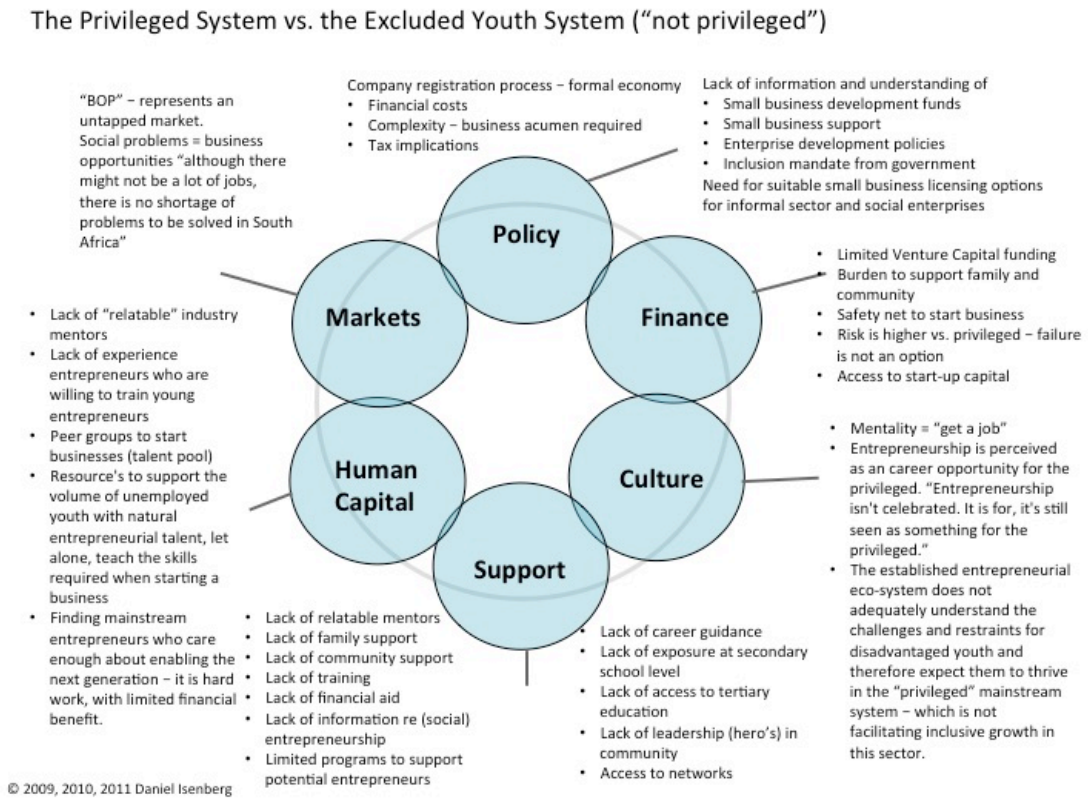
B.7 Concept Mapping Challenges to Start a Business – Data Relationships



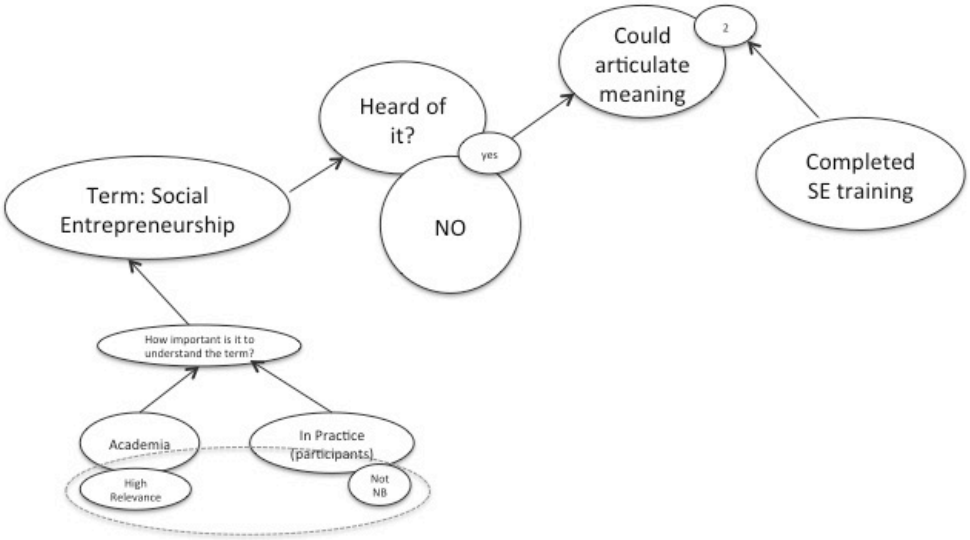
B.8 Concept Mapping – Challenges to Gain Employment



B.9 The Entrepreneurial Ecosystem in Cape Town – Constant Comparison



B.10 Word Meaning – Term Social Entrepreneurship Analysis



*Many described entrepreneurship to mean social entrepreneurship – business with social impact (community)

B.11 Word Meaning – Entrepreneur's Characteristics

CHARACTERISTICS VALUED BY PARTICIPANTS (YOUTH AND PROGRAM MANAGERS)

SOCIAL ENTREPRENEUR CHARACTERISTIC: MEANING DEFINED

Charateristics	
Adaptability	Ability to learn from experience
Attitude	Feelings, values, beliefs and disposition
Disciplined	Showing a controlled form of behaviour or way of working
Empathy	The ability to understand and share the feelings of another
Faith - Belief	Trust or confidence in someone or something
Hopefull - reason to	Feeling or inspiring optimism about a future event
Humble	Having a modest estimate of one's importance
Hunger to Learn	The ability to lead a group of people
Leadership	Committed to transparency
Legacy	Having strong feelings or beliefs
Openness	Continuing firmly in an opinion or action in spite of difficulty
Passionate	Creating a situation rather than responding after the fact
Persistance	Good thinkers
Proactive	Focused on the reasons for which something is done, created or exists
Problem Solvers	A person who takes risks
Purpose Driven or Va	Conscious knowledge of one's character and feelings
Risk Takers	A shared consciousness by individuals within a society
Self Awareness	
Socially Conscious	

B.12 Participant Interview Schedule Example

INTERVIEW SCHEDULE [redacted]

Program Manager Participant Group: Includes individuals who specialise in the fields of entrepreneurship, social entrepreneurship, inclusive innovation, or general youth development in South Africa.

Project Title:	**Enabling a Generation of Social Innovators and Entrepreneurs**
Full Name of Researcher:	Janine Lynn Carpenter
Title of Researcher:	Masters in Philosophy Student UCT Graduate School of Business
Contact Details:	4 Lionel Road Wynberg Cape Town Janine.carpenter@gmail.com

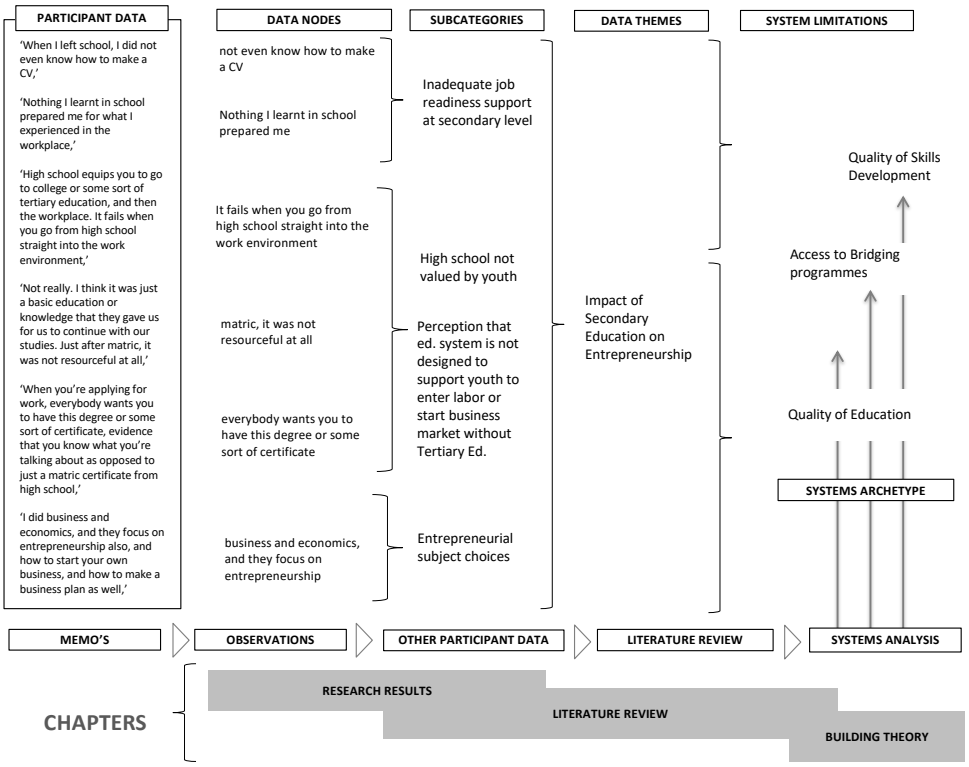
Semi Structured Interview Guideline

1. Please provide an overview of the [redacted] entrepreneurial programme
2. Why is the programme strategically important to [redacted] Vision, Mission and Values?
3. Describe the programme design and curriculum e.g. Program outline, subjects etc.
4. What requirements are in place to screen potential candidates? i.e., your recruitment process (skill and character/values perspective)
5. What specific characteristics do you look for when recruiting students for your programme?
6. Where do you recruit the majority of your students from? i.e. gain access to candidates
7. What are the key challenges you experience working in the youth development field?
8. How are you trying to addressing these challenges?
9. Describe [redacted] perspective on youth social entrepreneurial development.
10. Are students actively encouraged to start their own businesses, post completion of the programme? If so how, if not why?
11. Are students provided the relevant training, support and funding opportunities to start their own businesses, post completion of the programme? If so how, if not why?
12. To what extent, are students exposed to social entrepreneurship theory during their time on the programme?
13. How do you measure the success of your programme? i.e. KPI's or programme objectives etc.
14. How do you gauge or monitor the overall impact of the [redacted] programme? Both short term and long term.

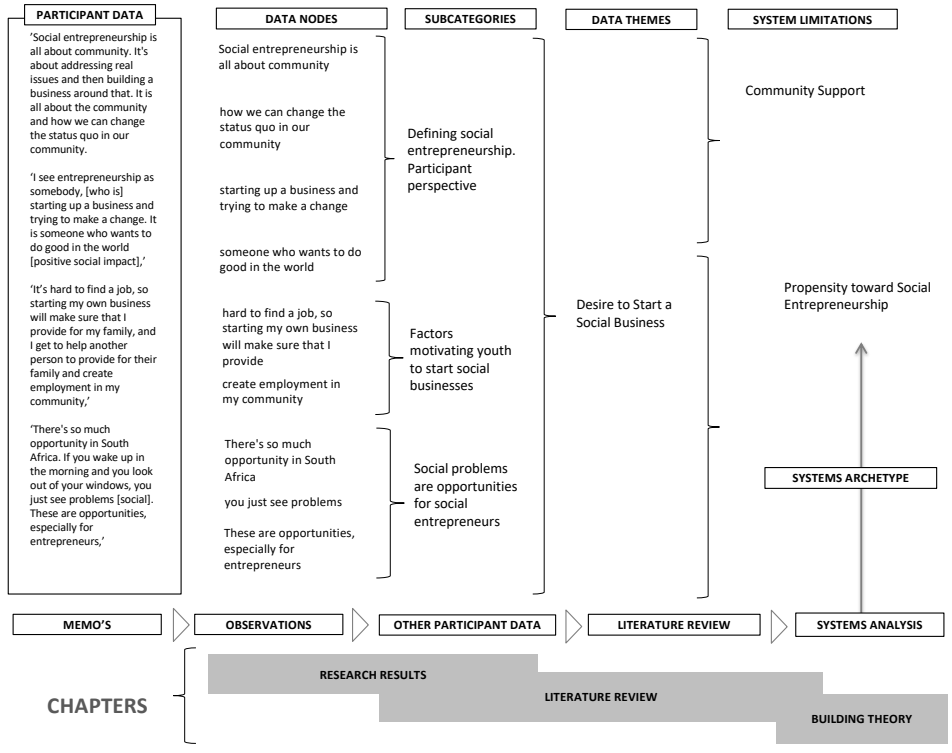
Name	Time Start	Signed form	Organisation

APPENDIX C

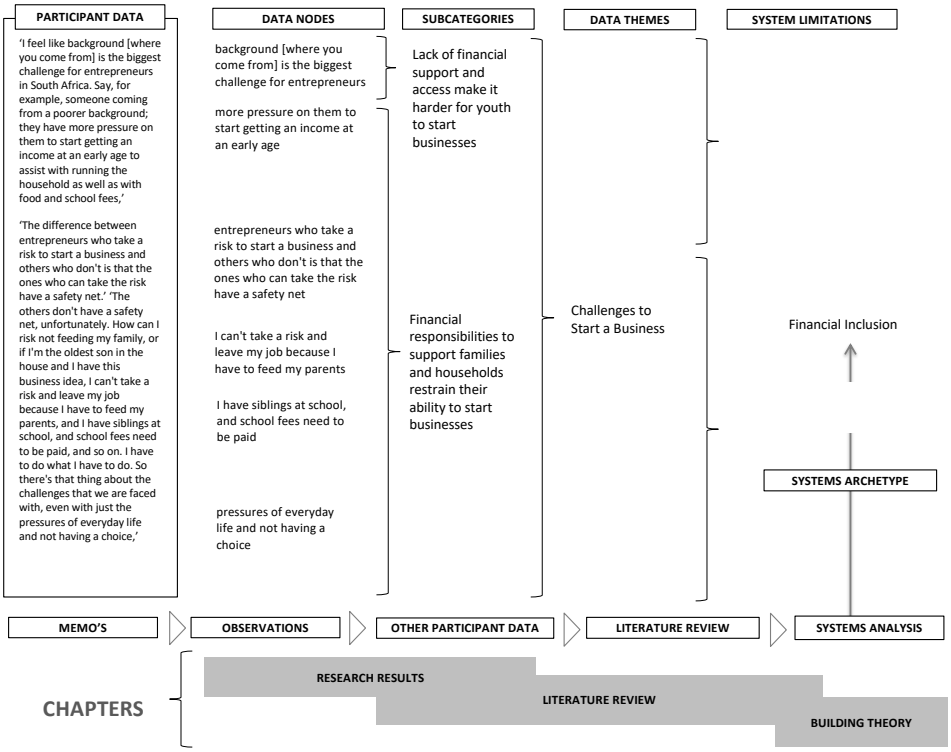
C.1 Data Categorisation Evidence – Example 2



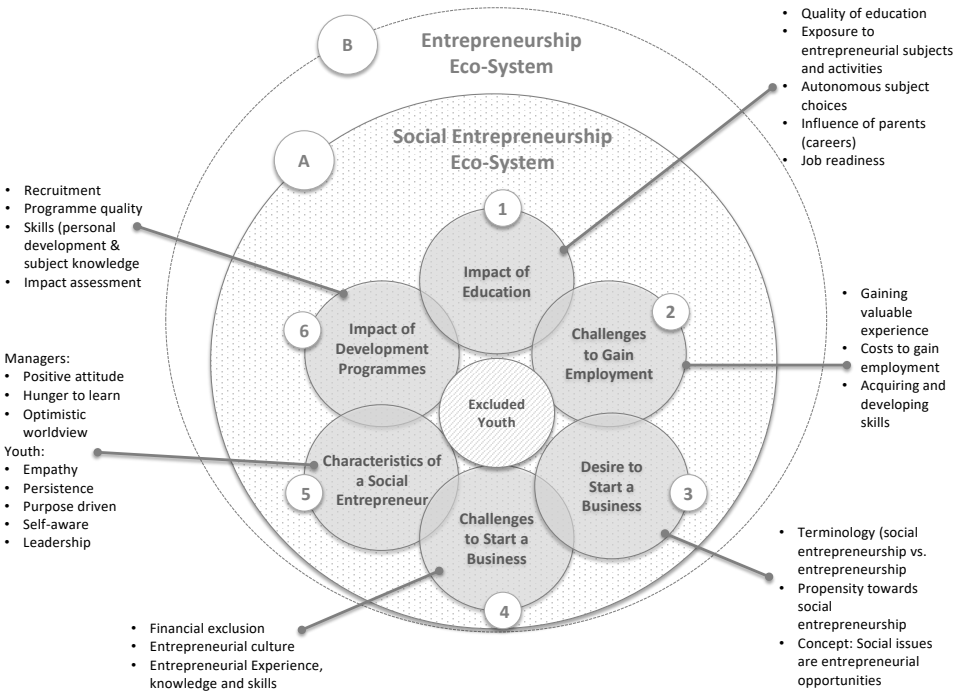
C.2 Data Categorisation Evidence - Example 3



C.3 Data Categorisation Evidence - Example 4



C.4 All Data Themes and Subcategories



APPENDIX D

D.1 Ladder of Inclusive Innovation (2013)

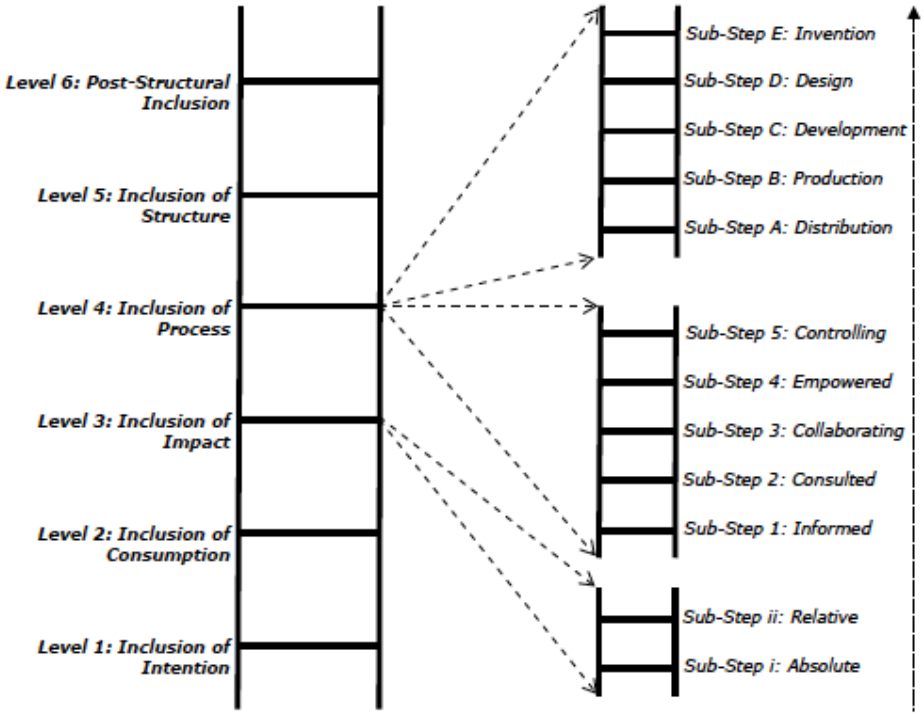
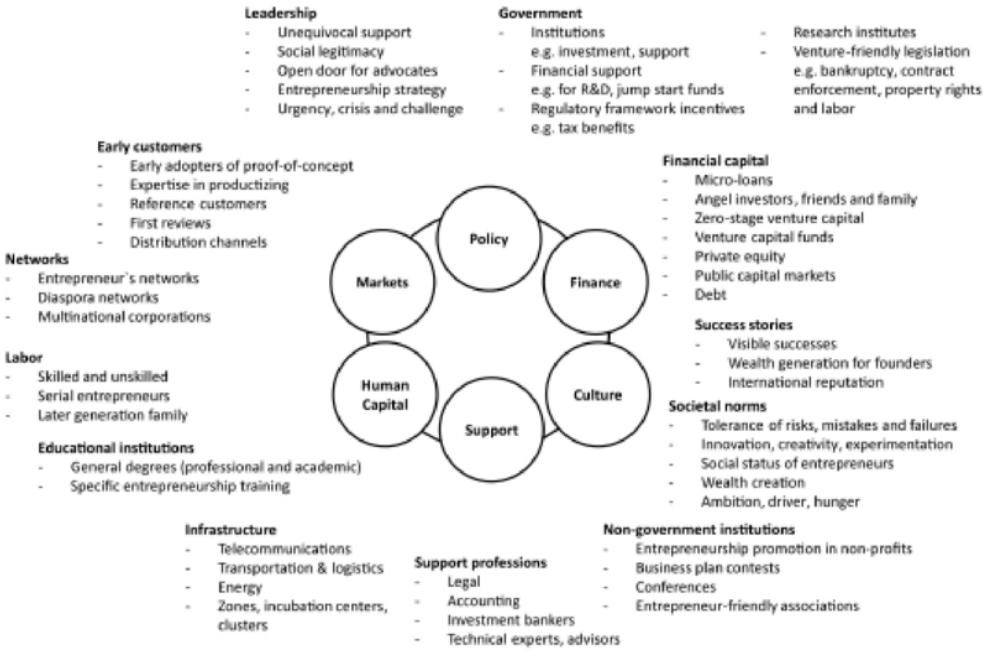


Figure 3: Understanding the Different Levels of Inclusive Innovation

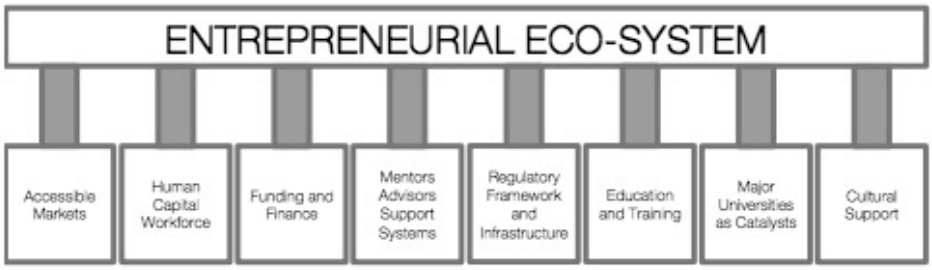
Source: Inclusive innovation: Definition, conceptualisation and future research priorities. (Heeks, Amalia, Kintu and Shah, 2013, pg. 6)

D.2 Isenberg's Model: Domains of the Entrepreneurship Ecosystem (2010)



Source: The entrepreneurship ecosystem Strategy as a new paradigm for economic policy. (Isenberg, 2011, pg. 7).

D.3 World Economic Forum: Entrepreneurial Ecosystem Pillars (2014)



Source: Entrepreneurial ecosystems around the globe and early-stage company growth dynamics. (World Economic Forum, 2014, pg. 17)

D.4 World Economic Forum: Components of Ecosystem Pillars (2014)

Accessible markets

- Domestic market:
  - Large companies as customers
  - Small/medium-sized companies as customers
  - Governments as customers
- Foreign market:
  - Large companies as customers
  - Small/medium-sized companies as customers
  - Governments as customers

Human capital/workforce

- Management talent
- Technical talent
- Entrepreneurial company experience
- Outsourcing availability
- Access to immigrant workforce

Funding & finance

- Friends and family
- Angel investors
- Private equity
- Venture capital
- Access to debt

Support systems/mentors

- Mentors/advisers
- Professional services
- Incubators/accelerators
- Network of entrepreneurial peers

Government & regulatory framework

- Ease of starting a business
- Tax incentives
- Business-friendly legislation/policies
- Access to basic infrastructure
- Access to telecommunications/broadband
- Access to transport

Education & training

- Available workforce with pre-university education
- Available workforce with university education
- Entrepreneur-specific training

Major universities as catalysts

- Promoting a culture of respect for entrepreneurship
- Playing a key role in idea-formation for new companies
- Playing a key role in providing graduates for new companies

Cultural support

- Tolerance of risk and failure
- Preference for self-employment
- Success stories/role models
- Research culture
- Positive image of entrepreneurship
- Celebration of innovation

Source: Entrepreneurial ecosystems around the globe and early-stage company growth dynamics. (World Economic Forum, 2014, pg. 17)

APPENDIX E

E.1 Dimensions of Validity Research Assessment Criteria

Dimensions of Validity	Dimensions of Validity Criteria	Aspects of Research Relevant to Validity Criteria	Evaluation of Research per Dimension of Validity Criteria	Assessment of Validity Criteria = Proven or Moderately Proven or Not Proven
Credibility *Does it "ring true"* 'Is there compatibility between the constructed realities that exist in the minds of the inquiry's respondents and those that are attributed to them?'	Prolonged Engagement	1) 44 Semi-structured participant interviews were conducted over a 6-month period until saturation occurred. 2) Extended engagement in the field from Dec 2016 – July 2017 3) Data saturation occurred at 44 participant interviews	1) The number of participants (sample) interviews conducted exceeded the standard expectation at a master's level 2) Above average period in the field at a master's level 3) No new insights were emerging from the data. Records in Nvivo	1) Proven 2) Moderately Proven 3) Proven
	Persistent Observation	1) Data analysis methods: • Questioning (pg. 31) • Making comparisons (pg. 31) • Word meaning (pg. 32) • Looking at language (pg. 32) • Theoretic sampling method (• Systems Archetypes (Chapter 5 & 6) 2) Observations, journals and memo writing techniques were adopted to ensure that the multiple influencing factors, meanings and the interpretations of the data were considered and included in the study	1) - 2) The research methodology chapter details the methods and techniques used to collect and analyse the data.	1) Proven 2) Proven
	Triangulation (methods, data, multiple analysts or theory triangulation)	1) Data collection methods included: • Participant interviews (pg. 29) • Observations (pg. 29) • Memo writing (pg. 29) • Journals (pg. 29)	1) - 2) The research methodology chapter - details the methods and techniques used to collect and analyse the data.	1) Proven

		• Theoretic sampling method 2) Data analysis methods included: • Preliminary literature, historiographic review and statistical analysis presented in the introduction chapter • Literature reviewed • Questioning • Making comparisons • Word meaning (• Looking at language • Theoretic sampling method (pg. 27) • Systems Archetypes (Chapters 5 & 6) 3) Triangulation: <u>Multiple data sources</u> include: independent reports, journals, lectures, networking events, participant interview data (multiple sources), academic literature (primary and secondary), video lectures and thought leader opinions, credible press releases and government documentation. Methods used to ask different questions and methods detailed above in 1) and 2)	3) Multiple points of view, events, relationships and data sources have been used to ensure that triangulation of data has been achieved	2) Proven 3) Proven
	Referential Adequacy	1) Materials available to document findings: • Participant interviews – voice recordings • Participant interviews – full transcriptions • Memo's • Nvivo coding and categories • Concern behaviour data and mapping • Conceptual mapping data and illustrations • Ethical clearance approval	1) Extensive records and materials are available and included in this paper where relevant	1) Proven

		• Ethical clearance compliance • Interview schedules • Participant consent forms • Literature reviewed • Process documents • Project plans and timelines • Methodology process • Validity criteria and compliance audit		
	Peer Debriefing	1) Discussions with managers of youth development programmes to test insights and opinions 2) Discussion with peers at relevant networking events 3) Feedback received while lecturing social entrepreneur students attending training 4) Feedback from mentorship sessions with social entrepreneurs 5) Meeting with CFO of a successful youth development programme to present business model, prototype and discuss implications of the proposed business model/plan	1) Semi-structured interviews. Recorded, transcribed and used in Nvivo to code categories. 2) – 4) Informal discussions to validate and "confirm" my findings. These findings did resonate with the groups that were 'debriefed'. This criterion was only moderately proven because the discussions were all informal and were documented as written notes and were not formally included in the dataset. 5) Feedback and idea have been incorporated into the business plan	1) Proven 2) Moderately Proven 3) Moderately Proven 4) Moderately Proven 5) Proven
	Member Checks	1) Not adequately achieved in this study	1) The researcher was satisfied with the interpretation of the data and did not deem it necessary to go back to the source (participants) of the information to check the data or the interpretation of the data.	1) Not Proven
Transferability 'Extent to which the findings can be	Thick Description	1) Sufficient detail has been provided to demonstrate the specific context in which this	1) The researcher is fairly confident that the data, concepts and theories	1) Moderately Proven

applied in other contexts or with other respondents'		research was conducted. Including: • The historical review, the economic conditions and the demographic profiles provided in chapter 1 • The research sample description, participant profiles/group descriptions provided in chapter 2 • Approach to methodology provided in chapter 2 • Research findings discussed in chapters 3- 6 incl. Systems Archetypes Overall these context descriptions enable the reader to make judgements about the transferability of this research	presented in this study are transferable to other contexts within the South African economy. However, the researcher suggests that additional research is conducted to test the transferability on a larger scale	
	Purposive Sampling	1) Purposive sampling was achieved in this study.	1) This was achieved by intentionally selecting locations, participants and data sources that differ in opinions while ensuring that the overall context remained relevant to the research question, research objectives and ethical clearance criterion outlined in chapter 1 at all times	1) Proven
Dependability 'An inquiry must also provide its audience with evidence that if it were replicated with the same or similar respondents (subjects) in the same (or a similar) context, its finding would be repeated.'	Credibility proven? – if not – inquiry audit	1) Credibility was proven: Prolonged engagement, persistent observation, triangulation, referential adequacy and peer debriefing methods. Saturation occurred at 44 interviews. Therefore, credibility has been proven.	1) Extensive evidence to demonstrate credibility has been provided, therefore dependability is automatically established	1) Proven
	Inquiry Audit	1) Credibility has been adequately proven. Therefore, an inquiry audit is not applicable or necessary	1) Credibility criterion achieved – as demonstrated in the validity assessment and audit	1) Not applicable

Confirmability 'This is the degree to which the findings are the product of the focus of the inquiry and not of the biases of the researcher'	Raw Data	1) Utilised a Dictaphone to ensure that all transcriptions were verbatim and accurate. Extensive participant data records have been transcribed, maintained and uploaded to Nvivo to support the data collection and analysis processes outlined in chapter 2 develop concepts and theories. 2) Written field notes were utilised to capture non-verbal observations where relevant during the participant's interview process. These field notes were captured in a memo's format directly after the participant interview or engagement occurred. 3) The survey data, both qualitative and quantitative, utilised in this study, include but are not limited to the following (primary and secondary) sources: <u>Statistics SA:</u> • Employment and unemployment rates (national and regional, by gender, by race, by education and by social class etc. • NEET statistics • GDP performance index • Poverty statistics <u>Gini Coefficient:</u> • Inequality index <u>GEM (2015 – 2017):</u> • Entrepreneurial performance indicators (national and international) <u>GEDI (2017):</u> • RSA Entrepreneurial performance indicators <u>Child Gauge Reports:</u>	1) Robust methods to collect raw data utilised	1) Proven 2) Moderately Proven 3) Proven

	• Analysis of RSA youth (excluded and privileged)		
Data Reduction and Analysis Products	1) Nvivo (globally recognised qualitative data analysis software) 2) Conceptual mapping techniques were used to develop further concept and theories outside of Nvivo (see appendix B) 3) Systems Archetypes (Chapters 5 & 6)	1) Nvivo is recognised as a robust method to capture, categorise and analyse data 2) The researcher opted to develop concepts visually and therefore opted to develop these independently. Meaning that they were not developed in a "controlled environment" such as Nvivo. The researcher primarily used PowerPoint to achieve and illustrate emerging concepts, theories and data themes. Based on this, the conceptually mapping process has only been moderately proven	1) Proven 2) Moderately Proven
Data Reconstruction and Synthesis Products	1) Data themes presented and detailed in Chapter 4: • Impact of secondary education on entrepreneurship • Challenges to gain employment • Desire to start a social business • Challenges to start a business • Characteristics of a social entrepreneur • Role of entrepreneurial training and development 2) These 6 themes were also reviewed in the literature review (chapter 4), presented in the research discussion and findings (chapter 5), the recommendations subchapter, the conclusion (chapter 6)	1) - 3) Sufficient evidence is provided to demonstrate that the research findings are a product of focus and not the bias of the researcher	1) Proven

		and business plan (Appendix F) 3) An audit trail of the emerging themes, concepts and theories has been maintained in Nvivo, the conceptual mapping process, the theoretical sampling process, the literature review process etc. Analysis continued: Systems Archetypes (Chapter 5 & 6)		
	Process Notes	1) Methodology process outlined in chapter 2 2) Research design process outlined in chapter 2 3) Project timelines 4) Research problem process outlined in Appendix A.8 5) Systems Archetypes	1) Extensive process and implementation plans have been utilised in this study	1) Proven
	Material relating to intentions and dispositions	1) Self-awareness strategy outlined in chapter 2) Importance and purpose of the study is outlined in Chapter 1 and describes the researcher intentions and motivations in advance and during this study 3) The ethics sub-chapter also outlines the researcher's intentions and approach to conducting research 4) Business plan (Appendix F) presents a potential model to address the concerns outlined in this paper	1) – 4) The researcher's intentions and dispositions have been stated in this report	1) Proven
	Instrument Development Information	1) Utilised Nivo software to collect and analyse participant data 2) Utilised a Dictaphone to ensure that all transcriptions were verbatim and accurate	1) - 4) Sufficient evidence to demonstrate the extent to which the researcher utilised the instrument development validity	1) Proven 2) Proven

		3) Semi-structured interview guides were designed and developed in advance per participant group (see example Appendix B.12) 4) Various software solutions were used to develop: CMAPs, CBOTs, tables, CMO, CIMO, systems mapping (limits to success archetype, mind maps, project plans and timelines, graphs, illustrations and multiple conceptual frameworks	criterion has been included in the paper	3) Proven 4) Proven

Source: Naturalistic inquiry. (Lincoln and Guba, 1985).

Adapted from a student template provided on the UCT GSB Post Graduate Program 2015.

APPENDIX F

F.1 Business Plan

MPhil Inclusive Innovation

The Social Business School

Enabling a Generation of Social Entrepreneurs

Business Plan

Phase 1: Social Entrepreneurship Learnership

February 2018

Contact Information
Janine Carpenter
janinecarpenter@gmail.com

Table of Contents

Business Plan

Executive Summary

This business plan and its proposed business model have been developed for the academic requirements, as outlined by the UCT Graduate School of Business, MPhil in Inclusive Innovation dissertation requirements. Thhis proposal also serves as a framework to present a potential business case to the Sector Education and Training Authority (SETA). This proposal motivates for a partnership with SETA to launch a Cape Town-based pilot project in 2019. Based on the outcome of this consultation with SETA, a full business strategy, including a market research analysis, a recruitment strategy, a 5-year financial plan and forecast (including a funding strategy), a marketing strategy, and a partnership strategy, would need to be developed in partnership for implementation in 2019. The following conceptual business plan represents the initial findings of the research project titled 'Enabling a Generation of Social Entrepreneurs' and serves to introduce a conceptual framework for how the author would approach this new business idea to attract support from the relevant SETAs.

Opportunity

Problem and Solution Summary

As detailed in the dissertation, in South Africa, approximately 50% of our youths are unemployed (not in employment, education, or training – NEET). Globally, South Africa is ranked as one of the most unequal societies in the world. This business idea seeks to address the high youth unemployment rate and factors marginalising our youth by introducing a new channel for their social entrepreneurial development. It is a strategy which aims to create inclusive learning environments and support systems to improve social entrepreneurial activities for youths, and by doing so, enhance the success rate of new social enterprises in South Africa. This proposal suggests launching a 12-month pilot programme called 'the social entrepreneurship learnership programme' at the Social Business School. The Social Business School is a concept for a new enterprise that would be created to give excluded youth access to specialised, accredited learning programmes and support systems that empower them to manage successful social businesses.

Value Proposition

Our social entrepreneurial learnership programme enables unemployed, excluded youth to start social enterprises by creating inclusive learning environments that are specifically designed to address the exclusionary factors that are limiting their potential.

The Market

Our Customer Segment

The primary customers (the learners) are unemployed, excluded South African youth (18 - 24 years of age) who demonstrate a passion for starting social enterprises that would have a positive impact in their communities but lack the confidence, skills, experience, or financial means to do so.

Prospective Learner Profile

Age:	18-24 years of age
Race:	All
Nationality:	Citizen of the Republic of South Africa
Location:	Cape Town, South Africa (2019 pilot programme)

Learners' Personality Profiles

Personality traits we would look for when recruiting learners to our learnership programme at the Social School of Business include the following:

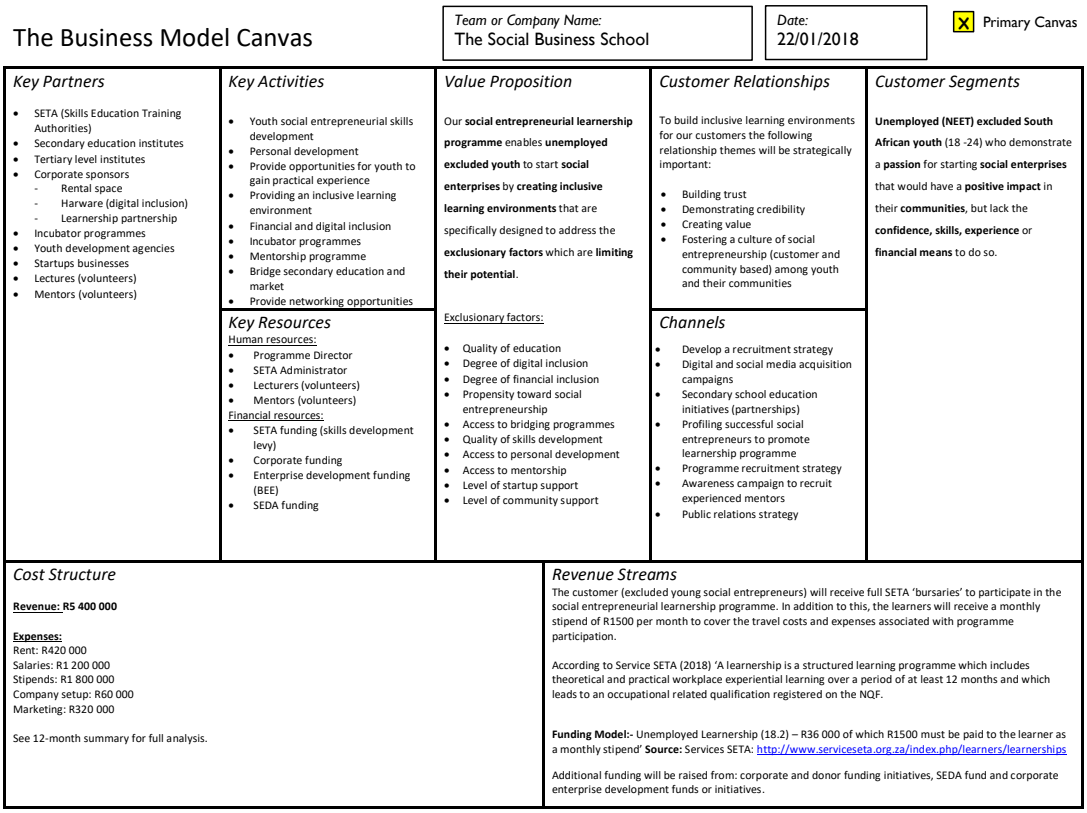
- Our learners demonstrate strong leadership potential.
- They have a positive attitude and were 'born' to make a difference.
- They are purpose-driven and care deeply about their communities and society.
- They demonstrate entrepreneurial potential.
- The love to learn and appreciate that learning is a lifelong journey.
- They are empathetic, celebrate diversity, and embrace multiple perspectives beyond their own.

Competitor Landscape

In theory, the Social Business School and its proposed learnership programme will be competing with all youth development agencies, private education institutes, and SETA learnership programmes, but we don't see it this way. We believe that our competitors should be our partners, and together, we need to innovate new ways to empower youths and design funding models to sustain our combined efforts. In addition to this a full competitor analysis would need to be conducted post-meeting with relevant SETA and included in the comprehensive business strategy to ensure that these partnerships are efficiently managed to achieve our organisational objectives.

Business Model Canvas

Figure F. 1 Business Model Canvas: One Page Business Plan



The Business Model Canvas

Team or Company Name: The Social Business School

Date: 22/01/2018

X Primary Canvas

Key Partners

- SETA (Skills Education Training Authorities)
- Secondary education institutes
- Tertiary level institutes
- Corporate sponsors
  - Rental space
  - Harware (digital inclusion)
  - Learnership partnership
- Incubator programmes
- Youth development agencies
- Startups businesses
- Lectures (volunteers)
- Mentors (volunteers)

Key Activities

- Youth social entrepreneurial skills development
- Personal development
- Provide opportunities for youth to gain practical experience
- Providing an inclusive learning environment
- Financial and digital inclusion
- Incubator programmes
- Mentorship programme
- Bridge secondary education and market
- Provide networking opportunities

Key Resources

Human resources:

- Programme Director
- SETA Administrator
- Lecturers (volunteers)
- Mentors (volunteers)

Financial resources:

- SETA funding (skills development levy)
- Corporate funding
- Enterprise development funding (BEE)
- SEDA funding

Value Proposition

Our **social entrepreneurial learnership programme** enables **unemployed excluded youth** to start **social enterprises** by **creating inclusive learning environments** that are specifically designed to address the **exclusionary factors** which are **limiting their potential**.

Exclusionary factors:

- Quality of education
- Degree of digital inclusion
- Degree of financial inclusion
- Propensity toward social entrepreneurship
- Access to bridging programmes
- Quality of skills development
- Access to personal development
- Access to mentorship
- Level of startup support
- Level of community support

Customer Relationships

To build inclusive learning environments for our customers the following relationship themes will be strategically important:

- Building trust
- Demonstrating credibility
- Creating value
- Fostering a culture of social entrepreneurship (customer and community based) among youth and their communities

Channels

- Develop a recruitment strategy
- Digital and social media acquisition campaigns
- Secondary school education initiatives (partnerships)
- Profiling successful social entrepreneurs to promote learnership programme
- Programme recruitment strategy
- Awareness campaign to recruit experienced mentors
- Public relations strategy

Customer Segments

Unemployed (NEET) excluded South African youth (18 -24) who demonstrate a **passion** for starting **social enterprises** that would have a **positive impact** in their **communities**, but lack the **confidence, skills, experience** or **financial means** to do so.

Cost Structure

Revenue: R5 400 000

Expenses:
Rent: R420 000
Salaries: R1 200 000
Stipends: R1 800 000
Company setup: R60 000
Marketing: R320 000

See 12-month summary for full analysis.

Revenue Streams

The customer (excluded young social entrepreneurs) will receive full SETA 'bursaries' to participate in the social entrepreneurial learnership programme. In addition to this, the learners will receive a monthly stipend of R1500 per month to cover the travel costs and expenses associated with programme participation.

According to Service SETA (2018) 'A learnership is a structured learning programme which includes theoretical and practical workplace experiential learning over a period of at least 12 months and which leads to an occupational related qualification registered on the NQF.

Funding Model:- Unemployed Learnership (18.2) – R36 000 of which R1500 must be paid to the learner as a monthly stipend' **Source:** Services SETA: http://www.serviceseta.org.za/index.php/learners/learnerships

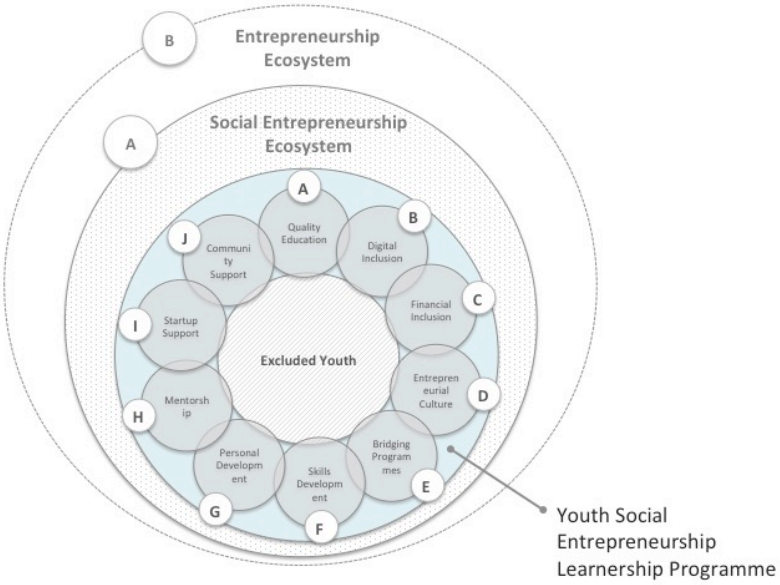
Additional funding will be raised from: corporate and donor funding initiatives, SEDA fund and corporate enterprise development funds or initiatives.

This business model canvas (figure F.1) and the business model (figure F.2) provides a strategic overview of how we intend to create and deliver value to our customers (our learners), our partners, and the entrepreneurial ecosystem, highlighting the primary functions, activities, and funding mechanisms needed to pilot the social entrepreneurial learnership programme in Cape Town – phase 1.

What is a Learnership Programme?

A learnership programme is a 12-month, work-based skills development programme, supported and funded by the Sector Education and Training Authority (SETA), that helps youths access training and development that lead to a recognised qualification (NQF) and equip learners with the practical experience and skills they need to enter the workforce or start businesses.

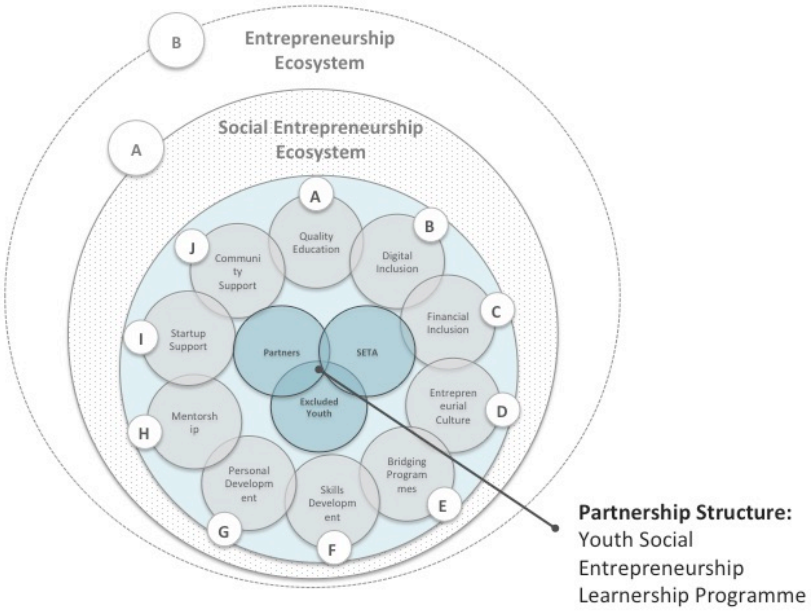
Figure F. 2 Inclusive Business Model: Youth Social Entrepreneurial Learnership Model



Why are Learnerships Strategically Important in South Africa?

The SETA learnership model was created by the government to facilitate improved access to training and development for South African youths post matric. This strategic intervention is designed to bridge the skills gap between secondary education and the experience-based demands of the South African labour market. Learnership programmes recognise the need for interventions at this level and provide youths with both the skills and practical work-based experience needed to enter the labour market successfully. Learnerships play a critical function in the South African government's transformation agenda (Broad-Based Economic Empowerment and Employment Equality strategies), which serves to create equal opportunities for marginalised citizens.

Figure F. 3 Inclusive Business Model: Learnership Partnership Structure



The Social Business School

About the Social Business School

The Social Business School is a bespoke youth social entrepreneurial development programme that focuses on creating inclusion in the entrepreneurial ecosystem. The Social Business School proactively addresses limiting factors in the entrepreneurial ecosystem, that are marginalising social entrepreneurs from starting businesses successfully in South Africa. The enterprise will achieve this by creating learning environments that directly address the systemic inequalities that are limiting the potential of excluded youth. The factors restricting excluded youths' potential include:

1. Access to quality of education
2. Lack of digital inclusion
3. Lack of financial inclusion
4. Low cultural propensity toward social entrepreneurship
5. Equal access to bridging programmes
6. Poor access to quality skills development training
7. Poor access to personal development initiatives
8. Insufficient access to experience-based mentorship
9. Level of start-up support
10. Low levels of community-based support

The school aims to address these limiting factors by providing specialised social entrepreneurial skills development training. This will be achieved to by creating opportunities for our learners to gain practical entrepreneurial-based experience, as well as by providing an inclusive business support system (incubation, mentoring, and financial support) to our learners as they launch their start-up social enterprises.

Enterprise Structure and Enterprise Overview

The Social Business School will be registered as a non-profit organisation under the requirement of the South African Group Companies Act.

In partnership with SETA and the local entrepreneurial authorities, the Social Business School will pilot a 12-month learnership programme in 2019 for excluded youth in Cape Town, where they can acquire a NQF-level qualification specialising in social entrepreneurship.

During this 12-month period, the social entrepreneurial learnership model will be evaluated and improved, with the intended purpose of transferring this model to other South African urban centres in 2020 and expanding the academic offering to include undergraduate diplomas and degrees in social entrepreneurship by 2030.

Our Management Team

The project pilot team (2019) will comprise a Programme Director (Janine Carpenter), a SETA specialist, a junior intern/administrator, volunteer lecturers, and mentors.

Founder and Programme Director

Business and sales experience: Janine has significant business leadership experience, having supported the growth of a group of South African-based digital marketing agencies, as a director and shareholder, from the start-up phase to 350+ employees, leading to successful acquisition. Over the years, at a director level, she has managed a variety of portfolios including Human Capital, Finance, and Client Service & New Business for the nine businesses in the group. The group included a tertiary education business, and she developed and implemented various internship, learnership (disadvantaged youth development) and leadership development programs across the group.

Aligned interests: The focus of her MPhil dissertation is inclusive youth development in which she explores the degree to which social entrepreneurship can offer inclusive self-employment opportunities to marginalised youths in South Africa.

Unique perspective: In 2014, she decided to refocus on her career, taking a 3-year 'study sabbatical' to complete her post-graduate diploma and master's degree in commerce specialising in the fields of social innovation, social impact, inclusive innovation, and social entrepreneurship. She believes that these specialisations, combined with her existing business and entrepreneurial experience, and a partnership-building approach to fundraising will be effective in promoting the Social Business School's learnership programme.

Our Vision, Value, and Organizational Purpose

The Social Business School's Vision

2030 Vision: We will be the leading youth social entrepreneurship business school in Africa.

The Social Business School's Purpose

At the Social Business School, we believe that creating inclusive economic prospects for young South Africans is a critical strategy to creating a society in which opportunities for all South African citizens are equitable.

The Social Business School's Values

Creativity: We embrace creativity and actively seek out opportunities to innovate and develop new ideas.

Equality: We celebrate inclusion and try to create inclusion in everything we do.

Leadership: We always lead by example and do this to inspire others.

Legacy: We strive to have a positive impact wherever we go. We were born to serve our community, our country, and ourselves; how we do this will become our legacy.

Learning: We love to learn. We appreciate that turning information into knowledge, and then into wisdom, is a lifelong journey. We commit wholeheartedly to this mission.

Programme Objectives

The programme will be evaluated against the following key performance indicators, goals, and metrics:

Key Performance Indicators

1. **Compliance with SETA requirements:**
   Goal: Full compliance with SETA requirements
2. **Number of participating learners:**
   Goal: 90 learners complete the social entrepreneurial learnership programme in 2019
3. **Number of graduating learners:**
   Goal: 80 learners graduate from the social entrepreneurial learnership programme in 2019
4. **Learner employment:**
   Goal: 75% of graduating learners gain employment in start-up enterprises
5. **Enterprise development:**
   Goal: 25% of graduating learners start a social business within 12 months

Social Impact Assessment

A social impact assessment to measure the impact of the proposed intervention will be implemented to monitor, report, and analyse the overall social impact during and after the programme.

Goal: Implement a credible social impact assessment tool and successfully report the programme's social impact over a three-year period.

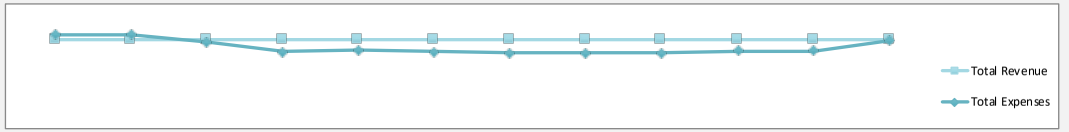
Initial Financial Assessment

The initial financial viability assessment (the 12-month budget) has demonstrated that the proposed model could be sustained and generates a small positive net income balance of R 422 291.00 in the first 12 months of trade.

Post a successful presentation of this business plan and business model to SETA; a full financial analysis will be conducted to ensure that the business is viable and sustainable in the long-term. In addition, a funding strategy is needed to secure funding, reduce key revenue dependencies on SETA, and mitigate the associated financial risks over time.

2019 PROFIT AND LOSS STATEMENT
THE SOCIAL BUSINESS SCHOOL

NET INCOME
R422 291



Revenue	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Sales (SETA funding x 100 learners)	R360 000	R360 000	R360 000	R360 000	R360 000	R360 000	R360 000	R360 000	R360 000	R360 000	R360 000	R360 000	R4 320 000,00
Corporate Sponsorship Revenue (Sales Target)	R90 000	R90 000	R90 000	R90 000	R90 000	R90 000	R90 000	R90 000	R90 000	R90 000	R90 000	R90 000	R1 080 000,00
Total Revenue	**R450 000**	**R450 000**	**R450 000**	**R450 000**	**R450 000**	**R450 000**	**R450 000**	**R450 000**	**R450 000**	**R450 000**	**R450 000**	**R450 000**	**R5 400 000,00**

Expenses	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Salaries & Wages	R100 000	R100 000	R100 000	R100 000	R100 000	R100 000	R100 000	R100 000	R100 000	R100 000	R100 000	R100 000	R1 200 000,00
Leaner Stipend (100 x R1500pm)	R150 000	R150 000	R150 000	R150 000	R150 000	R150 000	R150 000	R150 000	R150 000	R150 000	R150 000	R150 000	R1 800 000,00
Rent	R35 000	R35 000	R35 000	R35 000	R35 000	R35 000	R35 000	R35 000	R35 000	R35 000	R35 000	R35 000	R420 000,00
Office Supplies	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R60 000,00
Utilities	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R60 000,00
Telephone	R3 000	R3 000	R3 000	R3 000	R3 000	R3 000	R3 000	R3 000	R3 000	R3 000	R3 000	R3 000	R36 000,00
Insurance	R2 500	R2 500	R2 500	R2 500	R2 500	R2 500	R2 500	R2 500	R2 500	R2 500	R2 500	R2 500	R30 000,00
Travel	R10 000	R10 000	R10 000	R10 000	R10 000	R10 000	R10 000	R10 000	R10 000	R10 000	R10 000	R10 000	R120 000,00
Maintenance	R500	R500	R500	R500	R500	R500	R500	R500	R500	R500	R500	R500	R6 000,00
Advertising	R100 000	R100 000	R50 000	R10 000	R20 000	R10 000	R5 000	R5 000	R5 000	R5 000	R5 000	R5 000	R320 000,00
Company Setup	R20 000	R20 000	R20 000	R0	R0	R0	R0	R0	R0	R0	R0	R0	R60 000,00
Consulting Services	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R600 000,00
Graduation Ceremony	R0	R0	R0	R0	R0	R0	R0	R0	R0	R10 000	R10 000	R80 000	R100 000,00
Total Expenses	**R481 000,00**	**R481 000,00**	**R431 000,00**	**R371 000,00**	**R381 000,00**	**R371 000,00**	**R366 000,00**	**R366 000,00**	**R366 000,00**	**R376 000,00**	**R376 000,00**	**R446 000,00**	**R4 812 000,00**
Income From Operations	**-R31 000,00**	**-R31 000,00**	**R19 000,00**	**R79 000,00**	**R69 000,00**	**R79 000,00**	**R84 000,00**	**R84 000,00**	**R84 000,00**	**R74 000,00**	**R74 000,00**	**R4 000,00**	**R588 000,00**
Income Before Income Taxes	**-R31 100,00**	**-R31 105,00**	**R18 889,75**	**R78 884,24**	**R68 878,45**	**R78 872,37**	**R83 865,99**	**R83 865,99**	**R83 865,99**	**R73 865,99**	**R73 865,99**	**R3 865,99**	**R586 515,75**
Income Tax Expense (28%)	R0,00	-R17 417,40	R5 289,13	R22 087,59	R19 285,97	R22 084,26	R23 482,48	R23 482,48	R23 482,48	R20 682,48	R20 682,48	R1 082,48	R164 224,41
Net Income	**-R31 100,00**	**-R13 687,60**	**R13 600,62**	**R56 796,65**	**R49 592,48**	**R56 788,11**	**R60 383,51**	**R60 383,51**	**R60 383,51**	**R53 183,51**	**R53 183,51**	**R2 783,51**	**R422 291,34**

Figure F. 2 12 Month Financial Assessment Summary

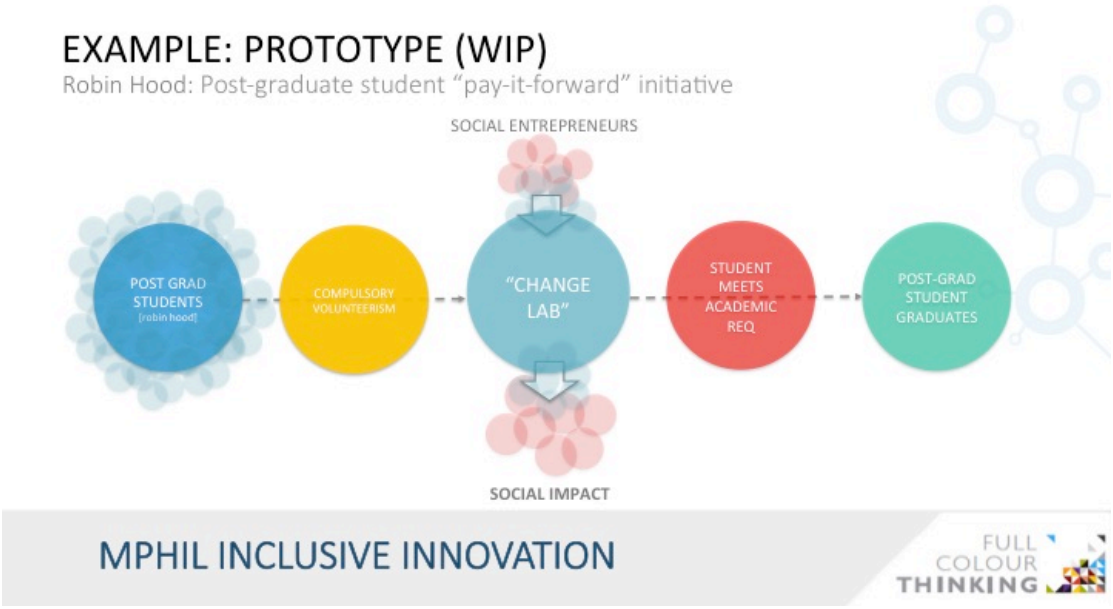
F.4 Brainstorming and Solution Development Examples

The author developed a multitude of possible concepts and ideas to address the research problem and findings presented in this paper. The following three examples serve to demonstrate the idea-generation process that the author followed, as well as the concepts she tested and prototyped before developing the final business plan: The Social Business School: Phase 1: Youth Social Entrepreneurial Learnership Programme.

F.4.1 Idea 1: Robin Hood: Compulsory Postgraduate Mentorship Model

Designed to assign young entrepreneurs to experienced postgraduate students.

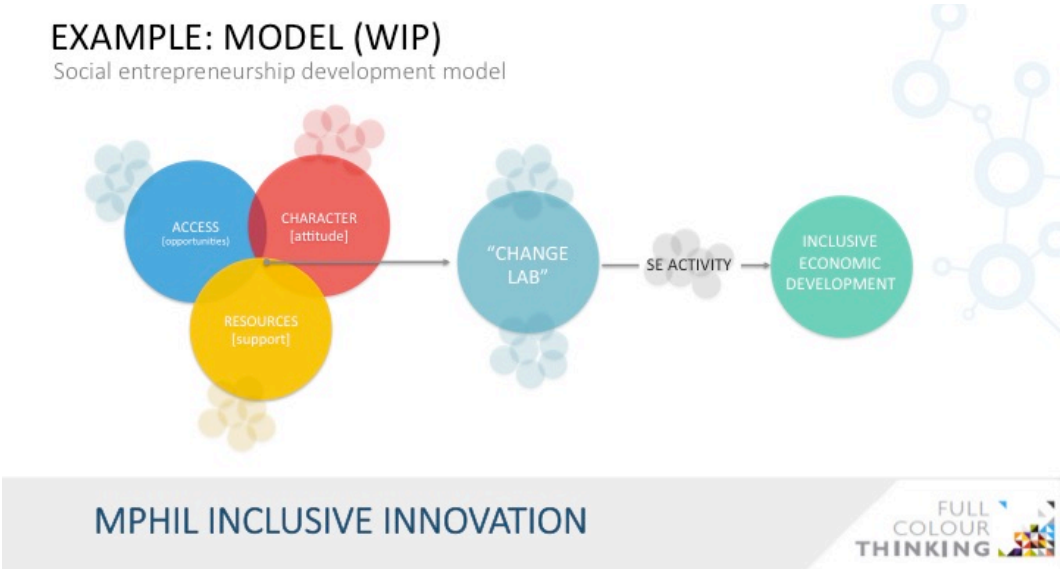
Conceptual process and prototype:



F.4.2 Idea 2: The Social Impact Change Lab

A conceptual space for excluded social entrepreneurs to access specific resources and support.

Conceptual model and prototype:



F.4.3 Idea 3: Social Justice: A marketing campaign idea

A social media campaign idea to raise funds and awareness for social innovation initiatives.