Transformation and the Emergence of Entrepreneurship in the context of Education and Social Policy in South Africa

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Abstract: The paper looks at the important issues of entrepreneurship and the emergence of entrepreneurs in the Republic of South Africa, in the context of education and social policy. The authors argue that this necessary emergence through, the processes of transformation is too slow and is at the cross roads, after nearly 23 years of democracy, post 1994. In similar vein, the paper in its introduction indicates that higher education funds must be targeted. The paper does not delve into the history and definitions of entrepreneurship and of entrepreneurs. It further argues that, the next president’s priority needs to be job creation in terms of sustained social policy imperatives. This has failed miserably under the current President Jacob Zuma and the democratic government of the country. It also discusses the concept of incubators which can create thousands of jobs for the beleaguered South African Economy. It situates the subject matter from the perspective that the Chief Justice of South Africa criticizes businesses and, states that transformation is too slow. On the other hand the paper argues that the bargaining councils and trade union movement in South Africa fail small businesses and, the narrative explores very briefly the issue of rigid business practices that do not inspire workers. It further argues that, the technical college system is broken and stymies the important emergence of entrepreneurship. In articulating the discussion in this paper, the authors cogently argue that, the trade unions of South Africa, has cozied up to government and, in so doing have trampled upon the rights of workers. Tied to these aspects is the reality that South Africa’s startups fail to gain traction. Amidst other issues the authors further argue that, universities must meet labour needs and play an important role in developing the modalities for entrepreneurship in terms of producing entrepreneurs. It finally argues that entrepreneurial success goes beyond political sentiment and asks the vexing question as to why our neighbours Botswana can create so many new entrepreneurs.

Keywords: Jobs, Universities, Labour, Entrepreneurship, Entrepreneurs, Startups, Political, Technical Education, Practices, Inspire, Transformation, Incubators, Job Creation

Methodology:

The paper uses articles concerning the question of entrepreneurship and entrepreneurs that appeared in the popular press and, in addition, the authors use their own critical analysis to articulate the issues in this paper. For all intents and purposes, a classical approach to research is not used in this paper. This in no way dilutes the thrust and importance of the paper to South African entrepreneurship issues. In no way is this research method, a limitation to the importance of the paper. It is hoped that the paper will stimulate discussion among other researchers the government and the captains of South African businesses, given the slow pace of transformation.
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that, has drastically affected the creation of the much needed jobs, given the protracted economic melt-down and government inefficiencies, exacerbated by very poor economic growth that, has hovered at below 1.3 percent over several years and, last year (2016) it grew by a mere 0.5 percent and the year before at about 0.9 percent and, the 2017 projection is about 1.5 percent or much lower. Under this grave circumstance, there is thus no doubt that the importance of job creation and the emergence of entrepreneurship as a vehicle of education and social policy and, the development of entrepreneurship to the South African economy and its people, cannot be underestimated because, of the hardships being experienced by the masses, the widening inequality, coupled with extreme poverty and increasing unemployment that stands at 27.1 percent in terms of official figures, but other sources put the unemployment figure at, and to the tune of 42 percent. There is no doubt that more intense research has to be undertaken on the issues raised in this paper.

Conclusions and Recommendations

The recommendations and conclusions are dispersed throughout this narrative and there is therefore, no dedicated discussion in this regard. Such an approach is acceptable for papers of this nature.

Introduction

It is apt to begin the discussion with the broad statement that the President of South Africa over his two term tenure has failed the population and the country in providing meaningful employment and, has not really consolidated the efforts for the emergence of entrepreneurship and, the development of entrepreneurs given the high unemployment rate in South Africa. It is therefore absolutely necessary that the new president, who will assume office in 2019, must ask four questions as follows:

1. **Fuel the start up ecosystem.** The next president should introduce legislation that makes it easier for startups to raise money, and grow a supportive tax environment and favourable regulations for young companies, providing mentorship and financial backing.

2. **Focus school and university curricula on technology skills.** Our education system is not teaching workers the skills they need to meet demand. This impact negatively upon the education system, upon social policy and economic growth.

3. **Our infrastructure needs to support a digital economy.** Forward looking countries’ leaders understand the need and potential of IOT (Internet of Things). Leaders are already putting the right infrastructure in place to capitalize on the 15 billion things that are connected today, which will move to 50 billion by 2020 (Readers Forum, Business Report, 2016:14).

4. **It is no longer If and When the digital revolution will happen.** We are in the middle of it and it is transforming the way the world operates. Digitization is driving competitiveness on the global stage. Our next president will have to decide if he / she will embrace transformation in the digital age for South African workers as a whole, or once again slip further behind the global community (Thanks to our current president for this morass in South Africa).

It is a reality that post – school and training according to Hillary Joffe (2017:8) “is budgeted to grow at 9.2 percent a year over the next three years, has replaced social services to become the second – fastest growing item of government spending, after the cost of state debt, with subsidies to universities to cover the cost for the demand by students of a zero fee increase now, set to grow at almost 11 percent a year and student
aid growing at 18.5 percent. “Of great concern is that most of government funding over the past five years has gone to vocational colleges (TVETs) and the Sector Education and Training Authorities (Setas), not universities. There are good arguments to support the TVET colleges in terms of the National Development Plan (NDP) but, these institutions are totally dysfunctional. Joffe (2017) states that “One of a series of Treasury reviews of public spending found that that enrolment in the TVET colleges doubled to more than 700,000 from 2010 – 2014, but the throughput rate was just 10.6 percent” Students and parents want a university education and not TVET certificates which count less in the job market than diplomas and degrees obtained from universities; there are a lack of facilities at these institutions, the academic offerings are soft and, not geared to the needs of the skills shortage of the country, the lecturers are not fully qualified amidst a host of other reasons. All of this is a great distraction to pursue studies at these colleges. Given the failure of these colleges government would be wise to invest a lot more money in well functioning universities than in dysfunctional training colleges, in order to produce the required technical skills.

The discussion above underscores the all embracing reality that government policy on education and social policy, does not provide coherently for the training of entrepreneurship courses at TVET colleges and, thus the emergence of entrepreneurs is not likely under the current dispensation. Entrepreneurial training should be undertaken at university level for students to obtain higher certificates, diplomas and degrees in entrepreneurship. There has to be more effective financial support for poor students desirous of pursuing entrepreneurial studies and this must be linked to private sector initiatives that must support experiential and practical training as a matter of course, over a defined period and remunerate such students during this internship programme.

**Technical College System is Broken**

Carol Paton (2016: 1) states that “Technical and vocational colleges, which are the government’s solution to the skills shortage and unemployment, are deeply dysfunctional with only 2 percent of students completing courses within the minimum time and, only 10 percent completing the three – year course in six years, a newly published report by the Treasury shows.” The technical and vocational education and training (TVET) system caters for students who opt for a technical education instead of a matriculation certificate obtained after 12 years of schooling. These students can enter a TVET college after completing 10 years of schooling. These places the system in dire straits in terms of desired quality and output and, dents the government desire to produce skilled and semi skilled labour including the emergence of entrepreneurs. “The Department of Higher Education has poured an increasing share of its budget into the colleges rather than the universities in an attempt to place the college system at the heart of post school training. But the report shows that much of this has been wasted as few students complete their courses” (Carol Paton, 2016:1). On the other hand in South Africa, we find that colleges absorb 20 percent of the National Student Financial Aid Scheme for which university students also compete. The Treasury report provides a rare insight into the extent of the failure of the system. According to Carol Paton (2016:1) “The medium – term budget policy statement pointed out that spending on post school education had increased from 1 percent of GDP in 2008 to 1.5 percent today, with most of the increase to the benefit of colleges, the Sector Education and Training Authorities (Setas) and the National Skills Fund,
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rather than to universities.” In the budget Policy statement delivered by the Minister of Finance to Parliament and the Nation, the Minister of Finance said “The government needs to correct its course and improve the number of graduates as well as research and training, if entrepreneurship has to succeed and play a major role in business skills development. It would cost about R36 billion (In 2014 rand) to expand the system to meet the target. This is four times the level of current spending.” A corollary to this is that the Minister of Higher Education indicated that the TVET system is the correct path to expand the system. Such a statement might be correct but does not take the present reality into consideration in terms of education and the desired social policy intervention strategy required, at this stage of South Africa’s development. This is an indication that the Minister of Higher Education is completely off the mark and, out of kilter in understanding the requirements of South Africa in all directions of higher education. In other word the Minister does not factor into the equation that his department has tried to do too much and have ended up doing very little. As time passes by the system will not deliver the necessary outputs, to the peril of South Africa in terms of skills development and, the much needed entrepreneurial activity to create jobs and, contribute sizably to lessen the high unemployment rate and, above all grow the economy. Further the Minister of Higher Education does not appreciate and understand that the colleges are grossly underfunded, attracted the weakest students and had few resources to help them.

**Leadership Challenges**

There is an increasing and widespread disillusionment with the world of work. Leaders in South Africa must create an environment that will cater for the development of entrepreneurs by creating passion, ingenuity and imagination. It is obvious as Tracey Swanepoel (2016:7) points out that “Leadership is singularly important for engagement in order to realize full potential, and as things stand we in South Africa are doing it all wrong, in respect of entrepreneurship development and the initiatives are too slow in South Africa, which negates the consolidation of entrepreneurs and thus there is no growth and employment opportunities within the economy.” It is thus important that the country confronts this grave dilemma by the process of motivation, autonomy, ownership and purpose, as the real drivers of motivation and entrepreneurial activity. This will allow for the creation of meaning in respect of business. Leaders must listen, acknowledge the tricky issues and, thus prepare the emergence of much needed entrepreneurs. Efficiency and integrity must be made concrete within the training programme. This will allow for uniting South Africans across the racial divide and allow for the understanding of peoples culture, which is an intrinsic part of entrepreneurship and business. In other words leadership is not about rank or title. It is about the environment that leaders create. This is what is required in South Africa and is sorely lacking in terms of a cohesive social policy.

**Incubators Will Give Birth to Businesses**

Leading from the above, it is obvious that world experience shows that entrepreneurial incubators is the way to go, in order to create thousands of businesses within the beleaguered economy of South Africa. This can only be achieved by a mammoth increase in the number of small enterprise development centres. Stephen Timm (2016:5) shows “How an entrepreneur doubled her construction company’s turnover with the help from a Small Development Enterprise Agency
(Seda) business incubator. The Umtata based contractor was based at the Seda construction incubator and, the staff benefitted from free training on issues including succession planning and management processes. When this company graduated from the programme at the end of 2013, it progressed from a Grade 4 to a Grade 7 Construction Industry Development Board grading. Today her firm employs more than 200 people, including 70 permanent staff and is involved in two R70 million contracts for the Development Bank of Southern Africa, in building schools and Reconstruction and Development homes.” Contractors such as these are only one of thousands of firms Seda has assisted since the inception of its incubation programme a decade ago. It has grown its network to 56 incubators from the 8 the agency inherited in 2006 from the Department of Science and Technology’s programme. According to Stephen Timm (2016:5) “The agency wants 100 incubators by 2020 by getting existing incubators to open branches across the country and by partnering with other organizations to launch new ones.” This is all dependent on government in respect to funding and such funding has not been forthcoming, The Department of Trade and Industry including other government departments must intensify support to initiatives of this nature in order to promote entrepreneurship and the emergence of entrepreneurs. This must be done in a sustained and coordinated manner. Entrepreneurial and other students interested in opening businesses must be first helped. Timm (2016) further points out that “In the past financial year, 2 492 entrepreneurs and small businesses received help from Seda and among these were 497 new businesses created in the incubators. These businesses generated a combined turnover of R608 million and created 2231 new jobs. Over a third of the jobs were in construction and about a quarter in agro-processing.” Many entrepreneurs received help through virtual incubation, where assistance is provided remotely or by clients visiting the incubator. This makes it less costly for the state to fund than traditional incubation, which depends on subsidizing rentals for tenants. Even this assistance is not forthcoming from government in a holistic and sustained manner. Timm (2016) makes the following important points in respect to incubators:

- “Seda recently signed a three – year contract with consultancy GrowthWheel to draft a growth plan for businesses.
- The agency has established an incubation governance management programme to improve the skills of incubation practitioners and, is looking at appointing a university to offer courses up to a master’s degree level.
- The agency wants to revive the Southern African Business and Technology Incubation Association, which will help the agency improve its connection to incubators.
- An incubation policy working paper drafted by the agency aims to provide clearer guidelines on how incubation should be conducted.
- The agency is working on an automated monitoring system for incubators to track the performance of companies in incubation and graduates for up to three years after they leave the incubator.
- Seda also offers business acceleration through the National Gazelles programme, where 40 high growth companies are chosen and assisted for three years.
- It offers seed finding to entrepreneurs.
- It is exploring the possibility of jointly setting up a university – based high technology incubator.
- Seda has concentrated on largely lower – value products and services from sectors such as furniture, construction and agriculture, rather than assisting entrepreneurs to develop innovative new
products; and helping high-technology companies, such that many jobs can be created.

• It has entered into a compact with Savant, a company in Cape Town and provided R3 million rand a year, for the next three years, in order to help the incubator to support about 24 new businesses that range from food technology to self-balancing batteries and concentrated solar power.”

There are many success stories of incubators in South Africa but, government has not come fully to the party and, has to intensify its efforts and provide increased funding, in order to take the concept of incubators to a higher level of engagement, stimulate the economy, and create more jobs in a depressed economy. It is a channel of hope for entrepreneurship initiatives and the emergence of South African entrepreneurs.

South Africa’s Startups Fail to gain Traction

There is no doubt that South Africa falls way behind others in the region but seed funding is not the only problem. In this regard and according to Frankline Sunday (2016:4) “Statistics on the country’s entrepreneurship sector paint a bleak picture of starting and running a small business. At least seven in ten are doomed to fail, which has clouded the risk appetite of would-be entrepreneurs and, in terms of the Global Entrepreneurship Monitor, just 37 percent of South Africans between the ages of 18 and 64 reported that they saw business opportunities and were capable of using them. South Africa is placed lowest by this indicator, behind regional competitors, with 57, 69 and 63 percent of young people in Botswana, Angola and Burkina Faso respectively, in respect of reporting optimistically about entrepreneurship. Just one out of ten South Africans between the ages of 18 and 65 has an intention to start a business in the next three years. This is far lower than in countries such as Botswana where the figure is six in ten. But despite the bleak confidence in the success rate of entrepreneurship, seventy percent of South Africans still believe that entrepreneurship is a good career choice that elevates one’s standing in society.” This is wishful thinking, if citizens do not take the bull by the horns and simultaneously government must develop a plan to support entrepreneurs.

Small, medium and micro enterprises (SMME’s) are the lifeblood of the economy. In this regard the World Bank (In Sunday, 2016) says that “Formal SMME’s contribute up to 45 percent of total employment and up to 33 percent of national income in emerging economies. The number is much higher when micro-enterprises in the informal sector, often excluded in official figures, are included”. For these reasons, the government must develop several initiatives to help support small businesses. Startups normally fall in the bottom quintile, making it difficult for them to source loans. Although a lack of capital plays a huge part in stemming the growth of many SMME’s, having a fundamental understanding of the product one is offering and, the market is more crucial to avoid failure. In this regard government has to play a pivotal role but, in South Africa it does not play this important, crucial and pivotal role.

Frankline Sunday (2016:4) states that according to the World Bank’s Ease of Doing Business Index, in 2016 South Africa slipped four places to position 73 out of 189 economies. But more telling, is that the country had the lowest score in the indicators at the heart of starting businesses. South Africa was ranked 119 and 101 in enforcing contracts and registering property respectively.” This points to the fact that, South Africa’s governance, its accountability and ability to attract its own citizens to SMME initiatives and, too much needed entrepreneurship and, the failure to attract outside investors is sorely lacking and, in many ways has to do with an inefficient and inept
bureaucracy. With the economy currently going through a slump over a protracted period, small and medium businesses are cardinal to the creation of jobs and, simultaneously boosting productivity in the short term and reduce income inequality in the long term. Much work is required to build confidence of the would be entrepreneurs. The government has to realize that this can only be achieved by increased skills development and support networks, to encourage young business owners and potential business owners to take the risks involved.

**Chief Justice of South Africa Says Transformation of Business is too Slow**

The Chief Justice of South Africa Mogoeng came down hard on business for lack of transformation in an address to launch the King IV Report on Corporate Governance (King IV) and said that, this shortcoming of the business sector limited its ability to criticize the government” (Njobeni, 2016: 1). His comments came at a time when South African business leaders are increasingly becoming assertive about current affairs in the country. According to Njobeni (2016) the Chief Justice made the following points:

- “He reminded the business community of its own Achilles’ heel by stating that companies should not ignore black and women employment, in terms of promoting skills development and entrepreneurship activity because, they must play a pivotal role in this regard and, must not play the race card in respect of fundamental transformation of the South African economy. This taunted the image of business because it was colluding with capital. It is a brutal introspection that business has to conduct.

- The business sector was crucial in addressing unemployment in order to take the country out of an unfavourable business environment.

- Does the business community doubt the stability of the country because the judiciary and other institutions demonstrated their ability and willingness to uphold the constitution? Does the business sector have reason to doubt whether South Africa is a safe destination?

- It is obvious that jobs and opportunity must not be reserved for cadre deployment by the ruling party, because it entailed reservation of jobs for the politically connected individuals. Our government is replete with such people. This destroys the economy and does not allow for the emergence of the talented and, thus the state is turned into mediocrity which tarnishes its reputation and dampens the economy.

- A more inclusive approach to governance structures and accountability are essential for consolidating democracy and the resources should be used to contribute towards value creation for purposes of achieving resilient, long – term performance” (Njobeni, 2016:1 and emphasis added by the authors).

Business in South Africa is a crucial player in respect of overall development of the country and therefore, has a major role to play in respect of nurturing the much needed entrepreneurship skills and the sustained and coordinated production of South African entrepreneurs and, contribute to job creation in dealing with unemployment but above all in growing the economy. It has to support talented students to obtain an entrepreneurial education at university level and, subsequently provide internships within their companies, in order to create the much needed skills needed by these new entrants, to open businesses on their own and, thus provide students with the necessary business exposure through much needed experiential training.
Bargaining Councils Fail Small Business

In further elaborating upon this narrative, it has to be placed on record that South Africa’s economy is hamstrung by poor productivity and high labour costs; symptoms of a struggling economy. In other words the population increases but the formal economy sheds rather than creates employment. Small businesses are the biggest creators of jobs in any economy. But their potential in South Africa to create employment is strangled by the corporatist labour market, which discourages the flexibility that the small owner – managed business sector needs to thrive and grow. It is a disjuncture of social policy within the country. This disjuncture has to be addressed very seriously by all role – players and particularly the government. In this regard Jonathan Yudelowitz (2016:7) states that “The dominant players in bargaining councils have won many battles, but have lost the war for job creation and improved economic competitiveness. It is significant that Cosatu (The largest trade union federation) and most of the corporate founders of the current system are now mere shadows (and in the lap of the government as fifth columnists) as are the garment, textile, mining, metal and engineering industries, where previously bargaining councils have been strongest. South Africa’s labour relations framework was developed during the mid – 1990’s by the government, big business as well as organized labour. As things stand today under a democratic dispensation, the bargaining councils have failed small business.

Big business arrogated to itself the right to speak for all business, as if small business was merely a less sophisticated version of conglomerates. It grossly underestimated the intense, profound and personal connection an owner – manager has with business, or how this is harnessed to evolve and create jobs. Similarly, the trade union movement conflated its interests with those of non unionized workers and the unemployed. It dented both the education and social policy imperatives post democracy, in South Africa” (Jonathan Yudelowitz, 2016:7). The trade unions in terms of their smug certainties of their socialist ideologies, and ignoring the realities of politicians and, the capitalist system in South Africa, which is riddled with neoliberal policies and overt corruption. This has stymied the emergence of small businesses and put paid to entrepreneurship’s emergence as a vehicle to empower the people, grow the economy and address the high unemployment challenges in the country. The bargaining councils overestimate how much their socialist – inspired policies produce good deeds yet, underestimate the selfish ambition and fallibility of those who shape the course of events. All that has been achieved is a culture of bullying by vested interests in collusion with the South African government, thus maintaining the status quo. “Jonathan Yudelowitz (2016) in this regard says that “The 2015 agreement between the Trade Union Federation for the purposes of labour peace and stability saw the hostility to small and medium – sized enterprises (SMME’s). Fortunately the courts allowed small business to opt out of the agreement.”

However, small factories were created outside the trade union regulations and paid lower wages. This made sense in a climate of a depressed economy and the lack of jobs and also because of the lower cost of living outside the metropolitan areas. Initially the bargaining council demanded the closure of the small businesses but where pressurized not to close these factories. This suggests that entrepreneurs respect market realities and are prioritizing employment over protection of vested interests. In this regard Jonathan Yudelowitz (2016) states that “We need to confront the uncomfortable reality that where bargaining councils are strong, companies are uncompetitive and do not create jobs. This means
that the transformation drive, as social policy and within the ambit of education, must not only focus on tackling the social and economic inequities that result from the apartheid era. It must include the revision and scrapping of policies put in place since the democratic era that came into being post 1994 that, are scuppering growth, contributing to unemployment and preventing South Africa from benefiting from our inherent vibrancy, ingenuity and the people’s potential to contribute and benefit from productive, economically active lives.”

**Where is the R9 Billion Allocated to the Jobs Fund?**

The jobs fund was announced by President Jacob Zuma during the State of the Nation address on February 10, 2011. The fund was launched in June that year, by the Finance Minister, with R9 billion set aside to be allocated over a three year – period towards the realization of the objectives of the Jobs Fund. It seems that the objectives changed over the past year or so. The government website now States (2017) that “The objective of the Jobs Fund is to co–finance projects by public, private and non governmental organizations that will significantly contribute to job creation. This involves the use of public money to catalyze innovation and investment on behalf of a range of economic stakeholders in activities that contribute directly to enhanced employment creation in South Africa. The fund, overseen by the Treasury, was initially to be managed by the Development Bank of Southern Africa to ensure proper procedures and governance. But the fund has been returned to the Treasury to manage and implement. No reasons for this return were provided, but the more important issue and more pressing question is: how many jobs have been created since 2011? And who were empowered?”


On the Jobs Fund website, under funded projects four categories are listed: enterprise development; infrastructure; institutional capacity building; and support for work seekers. But the question still remains: who really benefitted from the money set aside for job creation since 2011? A host of beneficiaries are named and listed on the Jobs Fund website (Adri Senekal de Wet, 2017:14), who further states that according to the Treasury R6.5 billion of the R9 billion has been allocated since 2011, 91 609 permanent jobs have been created and 50 771 individuals have been placed. That 142 380 people were employed, while 186 844 individuals had access to technical work, related training and work readiness training.” In advertising the Jobs fund according to Najwah Edries the official spokesperson of the fund said that the fund “was advertised to the public by road shows in all provinces and persons with an economic development mandate in organizations were invited, private sector, civil society, industry associations were targeted. Small entrepreneurs were also targeted through intermediaries whose key mandate or core business is the development of entrepreneurs” (In Adri Senekal de Wet, 2017:14). One thing is certain the Fund and its beneficiaries requires auditing because the responses received did not match the given mandate of the Jobs Fund and like the Jobs Fund, there is immense speculation that NGO’s get millions and that, hardly any jobs have been created. In terms of the Jobs Fund, the question that needs to be fully answered is where is the R9 billion allocated to the Jobs Fund?

**Why Can Botswana Create so Many New Entrepreneurs**

From the discussion in this narrative there is no doubt that the perceived lack of opportunities to
start a business could be addressed with skills in resourceful thinking and creativity. There is no doubt that observation reveals that there is a substantial overlap between entrepreneurship and retail; many new businesses started in this part of the world in respect of Southern Africa are retail stores. This interest in retail entrepreneurship has led to an even keener interest in entrepreneurship in general. Vivek Wadhera (2016:14) says that “A look at the 2015 /2016 Global Report from Global Entrepreneurship Monitor, the world’s foremost study on entrepreneurship; and having lived in both South Africa and Botswana pursues how these two countries fared in this report. It is surprising that both these countries though geographically adjacent to each other were practically poles apart, with South Africa lagging behind Botswana on several key indicators / levers of entrepreneurship.”

South Africa’s lacklustre performance in entrepreneurship has in part been exemplified in this paper and, thus affects economic development and job creation in the country. Some important levers can be used to improve this performance are school – level entrepreneurship education and individuals’ beliefs towards entrepreneurship in South Africa. Wadhera (2016:4) further states that “In addition to economic and social benefits, supplementary education programmes that latch on the existing basic education infrastructure could help achieve entrepreneurial improvement.”

In the analysis of the Global Report of 2015 / 2016 Wadhera (2016) summarizes the outcomes and key entrepreneurial indicators between Botswana and South Africa as follows:

- “For entrepreneurship education at the school level, Botswana ranked 8th (And number one in Africa) among the 62 countries surveyed, whereas South Africa ranked 29th.
- On individuals’ perception about good opportunities to start a business where they live, Botswana ranked 7th – South Africa was placed at 35. What is alarming is that South Africa’s economy is at least 20 times larger than Botswana’s.
- In respect of individuals self – perceptions about their own opportunities. Capabilities / skills to start a business, Botswana ranked 4th, South Africa ranked 38.
- A fear of failure prevented 30 percent of South Africans aged 18 to 64 from starting a business versus 19 percent of respondents from Botswana. It is not surprising therefore, that respondents in Botswana were almost 6 times more intent on starting a business in the next 3 years, than those in South Africa.
- What is to be done with regards these gaps: Structural changes in the macro - economy will take much time, but there is more at play here than macro – economics – such as issues of confidence and self – esteem at the national level. A solution may lie in the implementation of entrepreneurship supplementary education programmes (for example, after school) that latch on to South Africa’s existing basic education infrastructure and also, must utilize the experience of universities.
- While helping improve core conventional skills in reading, writing, and arithmetic, such programmes would also need to augment student’s 21st century skills.
- The perceived lack of opportunities to start a business could be addressed with skills in resourceful thinking and creativity; specific tools could include reframing problems and applying solutions / patterns from one industry to another.
- Individuals’ low perception of their own capabilities would be addressed by giving tools in problem solving and critical thinking. These would include the ability to break down problems and realize their finite (as opposed to perceived insurmountable) nature; and prioritizing tasks and planning resources.
• Critical thinking skills would allow potential entrepreneurs to introspect on their own strengths and weaknesses; and vet the accuracy of information to recognize truth / opportunities amidst the noise of data and biases. Fear of failure could be mitigated via skills in grit and managing one’s emotions in the face of challenges.
• Of primary importance will be sustained government intervention and coordinated support in all issues important to entrepreneurship” (Vivek Wadhera, 2016:14, Emphasis added by the authors).

These supplementary 21st century skills are by no means a panacea, but could be a valuable step towards addressing and closing South Africa’s entrepreneurial gaps. There are important lessons to be gleaned from Botswana in respect to their successes with regards entrepreneurship and, the emergence and success of entrepreneurs. Beyond just entrepreneurship and macro economics, all of this must assist in creating a necessary positive shift, however small, in individual South Africans’ beliefs about South Africa and in them.

Entrepreneurial Success Goes Beyond Political Sentiment

In this regard, Qabaka (2016:14) states that “Entrepreneurship is fast becoming the panacea of all ills in South African society but, being an entrepreneur in South Africa is a roller – coaster ride. Like most things in South African life, the entrepreneurship environment is stuck in myopic turmoil.” Drawing from the Global Report cited by Wadhera above (2016:14) “South Africa’s total entrepreneurship activity among the adult population stood at 0.7 percent,” a statistically worrying figure when considering a national unemployment rate of 27.1 percent, yet few programmes according to the authors, in the government and private sector seek to advance entrepreneurship education beyond the perennial rhetoric.

It has to be recognized that beyond the school environment, entrepreneurship education is equally relevant for the many unemployed graduates and the millions etching out a living in the informal economy. Qabaka (2016:14) states that:

a. Policy Cohesion
• “Policy uncertainty in this environment plays a major role, as evidenced by the record low business confidence levels throughout the year. This lack of social policy and the accompanying education system has to be overhauled immediately.
• Policy is not relevant to the changing landscape and alignment to other national legislation that seeks to drive radical transformation in the economy. This aspect is not on the mend.

b. Ecosystem
• Accessing skilled labour is not improved by an increase in unemployment, it is worsened. Even worse, however, is a government that fails to prepare for an uncertain future as many local industries mechanize, digitize and automate?
• The development of a thriving entrepreneurial ecosystem is not achieved exclusively through traditionally tried and tested programmes, but holistically through increased social cohesion, cultural exploration, policy certainty, entrepreneurial education, improved access to finance, diverse storytelling, knowledge sharing, market development support and accelerated global connectivity and sustained and coordinated higher education in entrepreneurial studies at universities.
• As a developing medium – sized economy that sees itself as a gateway economy to the fast – growing African continent, South Africa would be best served in rapidly shifting its paradigm about
its investment in the skills of the future, its young people, by creating more economically active participants, transforming its economy, investing in economically undeveloped communities and connecting its citizens to the world.

• Hard work, with smart, diverse teams and seeking active markets in the opportunity gaps that exist must become one of the major imperatives to entrepreneurial development.” (Vuyisa Qabaka, 2016:14 and emphasis added by the authors).

There is no denying the challenges, especially in labour and capital intensive industries. Successful entrepreneurs tend to be robust, tenacious and resilient. Government red – tape is a major challenge, circumvent social pressures associated with failure and tap limited reservoirs of resources is cardinal to entrepreneurship development and entrepreneurial activity. All of this for purposes of success must go beyond political sentiment or media headlines. These are the people who wake up every day to build South Africa’s economy, create jobs and put food on many tables. Government must stop the idle rhetoric, acknowledge these people and provide greater support to a beleaguered entrepreneurial sector.

Conclusion
It was not possible to delineate all the issues and challenges that confront entrepreneurship and the emergence of entrepreneurs in the Republic of South Africa. We may not openly acknowledge it, but the banks keep the wheels of our economy well - greased, in fact the majority of small business financing is done by the banks. Government funded programmes have for many years, failed to address basic entrepreneurship needs, yet none are ever audited for their social relevance or economic impact. Given the dire straits that the entrepreneurial sector and generally entrepreneurship finds itself in South Africa, after nearly 23 years of democracy and the rising inequality and widening poverty, together with the mammoth unemployment, government has to up its game, promote entrepreneurship with more than adequate resources. If this is not done soon, the government will bear the brunt of a patient but tiring population. There can be no excuses proffered by government in this regard. The time has come to stop the aimless and misdirected rhetoric by the government. It is a call for urgent action and, the time is now ripe and opportune to sow the seeds of success and reap the benefits as soon as possible, in respect of making South Africa, a winning nation. This can only be achieved by the reengineering of social policy imperatives and redirecting the troublesome education system of South Africa.

References


