Enabling Entrepreneurship

Final Report for HRD Council
April 2014
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<tr>
<td>ACOSA</td>
<td>Association of Colleges of South Africa</td>
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<tr>
<td>CEPD</td>
<td>Centre for Education Policy Development</td>
</tr>
<tr>
<td>CIPC</td>
<td>Companies and Intellectual Properties Commission</td>
</tr>
<tr>
<td>DED</td>
<td>Department of Economic Development</td>
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<tr>
<td>DHET</td>
<td>Department of Higher Education and Training</td>
</tr>
<tr>
<td>dti (The)</td>
<td>Department of Trade and Industry</td>
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<td>EE TTT</td>
<td>Enabling Entrepreneurship Technical Task Team</td>
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<tr>
<td>EFC</td>
<td>Entrepreneurial Framework Condition</td>
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<tr>
<td>FEBDEV</td>
<td>Foundation for Entrepreneurship and Business Development</td>
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<tr>
<td>FEDCII</td>
<td>Forum for Entrepreneurial Development Centres at HE Institutions</td>
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<tr>
<td>FET</td>
<td>Further Education and Training</td>
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<tr>
<td>GEDI</td>
<td>Global Entrepreneurship Development Index</td>
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<td>GEM</td>
<td>Global Entrepreneurship Monitor</td>
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<tr>
<td>GSB</td>
<td>Graduate School of Business</td>
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<tr>
<td>HEI</td>
<td>Higher Education Institution</td>
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<td>HRDC</td>
<td>Human Resource Development Council</td>
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<tr>
<td>NC(V)</td>
<td>National Certificate (Vocational)</td>
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<td>NCO</td>
<td>National Coordinating Office</td>
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<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>NSF</td>
<td>National Skills Funds</td>
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<td>NVI</td>
<td>National Virtual Incubator</td>
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<td>NYDA</td>
<td>National Youth Development Agency</td>
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<td>QLFS</td>
<td>Quarterly Labour Force Survey</td>
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<td>SACPO</td>
<td>South African College Principals Organisation</td>
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<td>SEDA</td>
<td>Small Enterprise Development Agency</td>
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<td>SETA</td>
<td>Sector Education and Training Authority</td>
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<td>SMME</td>
<td>Small Medium and Micro Enterprises</td>
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<tr>
<td>TEA</td>
<td>Total Entrepreneurship Activity</td>
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<tr>
<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
</tr>
<tr>
<td>VET</td>
<td>Vocational Education and Training</td>
</tr>
<tr>
<td>W&amp;RSETA</td>
<td>Wholesale &amp; Retail Sector Education and Training Authority</td>
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<tr>
<td>WEF</td>
<td>World Economic Forum</td>
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1 Executive summary

The Context:
The Enabling Entrepreneurship task team has carefully considered the human resource development needs within South Africa to develop an entrepreneurial nation, and this 227-page paper makes recommendations for the way forward for South Africa, and is a summary of the more than one thousand pages of research that have been produced.

The team, consisting of eighteen team members, along with a panel of nine experts, supported by nine patrons (senior entrepreneurial icons in South Africa and internationally) has worked consistently over nearly three-years to answer the terms of reference. The team has focused on how this goal may be achieved for the nation as a whole, aligned with IPAP and the NDP, and within four key spheres of human resource development, notably within: 1) the schooling system, 2) the FET (TVET) college system, 3) the higher education system, and 4) the ambit of all those outside of the formal education system including those already involved in a small organisation or potentially interested in starting a new organisation. In each of these four areas the teams have been headed and guided by a Chief Director in the relevant government department. Over 250 meetings have been held with public and private sector organisations.

The team has reviewed, catalogued, and summarized over 700 papers on the topic available in South Africa, has conducted seven in-depth research studies in South Africa including extensive research on best-practice in over 50-countries, and has developed a comprehensive set of recommendations. Over 120 formal entrepreneurship-training programmes in South Africa, including both all the key programmes found in the public and private sector were analyzed to the extent that data was available.

The Target of Creating Jobs & the Role Small Business Plays:
The National Planning Commission’s National Development Plan sets out a goal to create an additional 11 million jobs by 2030, with a total of 24 million South Africans employed (as opposed to 13 million today).

In South Africa right now, around 70% of all people employed in the formal sector are employed in small businesses/ organisations of less than 50 people. If the informal sector is included this figure is far higher. Both Africa and Asia have an average across all of their countries of more than 70% of the formal workforce being employed in small business.
South Africa tends to have a large business and government mindset, and yet this is not the reality on the ground in terms of employment structures in this country. It is not likely to be the large business or government sector of the economy where the number of jobs required, will actually be created. However, in the relationship between small organisations, government, and big business, significant number of jobs can be created.

Of the 11 million jobs needed in the next 17 years according to the NDP, if the current structure of the economy stayed the same, something of the order of 7.7m jobs would need to be provided through smaller organisations, which would bring the total to 17 million formal jobs in SMME’s.

**Are Our National Targets Achievable?**

This paper considers if this supposition (to develop this number of new small businesses) is possible. Given the current state of performance in the field of entrepreneurship in South Africa today, the answer from the task team would be categorically ‘No’.

However, it is our shared belief that South Africa could move strongly in this direction, without necessarily having to spend an enormous amount of money.

This, however, will require a true commitment from the very top down, and a real change in the ‘collective’ mindset prevailing in the country about the value and dignity involved in owning and operating a small business, a real push towards integration of the currently disintegrated landscape existing in both the public and private sectors, and a coherent national plan developed and implemented under the auspices of whatever form of National Council on Entrepreneurship and Small Business will be created. This paper has done some research and thinking as to how this might be successfully done.

The NDP recognizes that it is essential to turn to entrepreneurship and to strengthening the existing small business sector for mass job creation, however, it does not seem to speak to how this may be done in any depth.

**The State of Entrepreneurship in South Africa**

Most importantly, it is important to recognize the stage from where we need to begin this collective endeavour, in which South Africa currently has the lowest levels of entrepreneurship in Africa as recorded by the Global Entrepreneurship Monitor (GEM 2012) and the second lowest new business survival rate in the world.
The question has to be asked why are so many South African township and rural businesses being taken over by foreign nationals? The answer should have nothing to do with xenophobia. There is a high correlation between fundamental education quality and resultant entrepreneurship rates. The World Economic Forum on education quality shows South Africa to have (amongst) the lowest levels of education quality on the continent, and low corresponding levels of successful entrepreneurial activity.

The Entrepreneurial Mindset

Education quality is not the only reason South Africa has a significantly lower level of entrepreneurship than its African neighbours, and there are a number of important factors to consider in this regard. Amongst these, entrepreneurial mindset of the nation is key, and in a study in which the Task Team was involved conducting randomized research across a number of African countries, it was found that South African citizens in general consider starting and running a business as far less attractive than their African neighbours.

The Global Entrepreneurship Monitor (GEM) 2012 annual survey found that only 14% of South Africans intended to open a business in the next three years. This is well below the average of 27% for countries with similar levels of economic development, including Malaysia, Argentina, Russia and Brazil. The survey found that SA had the second-lowest established business activity rate and was well below the 8% average of its African peers.

This mindset must stem from somewhere. It certainly has been influenced by South-Africa’s apartheid history.

But in thinking about this mindset today in 2014, one key reason sits with formal public education (amongst the many factors which will affect individual mindsets around starting and running a business). One must consider the extent to which government in any country prioritizes the need to learn about how to start and run a business in the formal education system. The team did analysis of how much time is spent throughout the entire education system in South Africa, and what percentage of the total student roll at any level nationally ever learns anything about this topic (especially in a practical and useful way). The answers came out to be extremely low at each level of the formal education system, and this needs to change.

In Nigeria (which has 87% of the working population formally employed within SMME’s) it has been compulsory since 2006 for every University student in all public universities to undergo a course in how to start and run a small business. Kenya has been running adaptations of the ‘Know about Business’ programme of the ILO in its primary and secondary schools for over 20-
years, and has trained over half a million technical college students on entrepreneurship. In Uganda, all students completing A-Levels are required to undergo in-depth entrepreneurship training in theory and practice. These are some examples of a growing trend in countries across the world, to prioritize entrepreneurship education as fundamental.

**Building an Eco-System of Success**

Formal education is one factor, but there is an eco-system in which successful entrepreneurship is possible, and any attempt to look at training or education in isolation will certainly fail, and countless examples show that it does fail if one does not consider these equally important factors. For example, nearly three-quarters (72%) of respondents in a 2013 survey of small businesses by SBP said that running an SME had become more difficult in the past year because of a range of factors. These included perceived lack of access to finance, the burden of compliance with increased regulations and red tape, labour laws as a constraint on hiring staff, lack of skilled staff, local economic conditions, lack of knowledge of government support programmes, amongst other factors cited.

Businesses surveyed across all sectors seem to have no problem hiring youth under age 30 but concerns are expressed in relation to a sense of entitlement and a poor work ethic.

It is well documented that successful entrepreneurship occurs within an eco-system in which there is: coaching and mentoring, access to quality training, access to relevant information, access to finance; and a supportive policy and regulatory environment.

**Conclusion on the Current State of Entrepreneurship**

Overall, there is a positive framework in which progress can be made, for example the revised BB-BEE codes which are extremely supportive of small business, the new employment tax incentive, and the DTI's red tape reduction initiative in municipalities, amongst many others.

Overall, however, the view is that there is insufficient integration in the small business and entrepreneurship space. Further, many of the Initiatives involving training of entrepreneurs that are working are too small to make a meaningful impact on the economy and joblessness.

However, these initiatives clearly show what is possible when an eco-system approach is used and when proper selection is done up-front into training programmes, and they prove that if resources were used to scale effective programmes far more impact would be seen.
A lot of money is being pumped into ineffectual programmes, and many of these programmes do not even keep track of their results. State-run incubators have created an average of less than one job per business. In comparison, Brazilian incubators create on average 4.2 jobs per business, Chile’s incubators create on average 1.5 jobs and those in Malaysia create 2.5 jobs.

**How do we turn South Africa into an entrepreneurial nation?**

South Africa needs to develop an entrepreneurial culture and mindset as a nation. This message has simply got to get through at every level. We need to develop the right mindset, the right attitudes, and the practical skills necessary, starting as early as Grade 1 and earlier if possible.

It is advisable to create a National Entrepreneurship and Small Business Council, either within the HRDC, or under the Presidency, with the same importance accorded to this issue as in countries like Malaysia and the USA. For example, in Malaysia they have established SME Corp, the Small and Medium Enterprise Corporation Malaysia, which is driving that country’s 2020 plan. As the highest policy-making body, its role is to formulate strategies for SME development across all economic sectors, coordinate the tasks of all Ministries and Agencies working in this area, encourage partnership with the private sector, as well as ensure effective implementation of the overall SME development programmes in this country.

Similarly, an integrated National South African Entrepreneurship and Small Business plan should be developed, and should be systematically worked through and realized year by year.

The creation and implementation of this plan cannot belong to Government alone. It must belong to the citizens of South Africa and include the private sector and civil society in an integral way.

Countries that have made the entrepreneurial environment easy have seen significantly faster growth in number of SMMEs. The team has researched this extensively and it is clear. Great examples are Brazil and France. It is worthwhile working on a differentiated tax system, removing red tape from a national perspective, speeding up the registration of new businesses, and so on.

It is possible to build a more effective support ecosystem for existing entrepreneurs nation-wide, it is possible to track results far more effectively, and far better use can be made to leverage technology to this end, particularly capitalizing on the ubiquity of mobile phones, which is the one way to reach any entrepreneur.

**At the Basic Education level**, it is recommended in support of the Foundational Learning Task Team that the current level of foundational education be improved. It is widely recognised that
the higher order thinking skills required for entrepreneurship, need to be built on a firm foundation. In conjunction, entrepreneurial education that encourages creativity and innovation, needs to be introduced from Grade 1 right through to Grade 12. This does not require curriculum review. These processes can be built into and on top of existing curriculum. An experiment has been piloted in nearly 70 schools in the Free State over the past 2-years with the ILO, and is showing significant early successes. All learners need to be exposed to entrepreneurship through action-based learning. This will require that teachers are trained to incorporate interactive teaching methods and project-based work into the learning environment.

FET Colleges need to strategically position entrepreneurship at the centre of what they do and drive it through a dedicated entrepreneurship champion at each institution. Every student should take at least one course in entrepreneurship, which will require that the current offering be revised and updated to make it exciting, memorable and include practical and experiential opportunities. This should be supported by internet-enabled support materials that FET graduates can draw on life long, alongside physical support infrastructure such as apprenticeship programmes, incubators, mentorship programmes, and business-college linkages. Included in this recommendation is the upskilling of the educators responsible for teaching the course. Even if a graduate never becomes an entrepreneur, the skills gained will never go amiss.

At higher education institutions, universities need to put more focus on their own students in terms of entrepreneurship (alongside their valuable community efforts). The goal should be to ultimately develop into ‘entrepreneurial universities’, vibrant entrepreneurship ecosystems characterised by a breadth and depth of initiatives across three major dimensions: academic entrepreneurship, enterprise support and exhibiting entrepreneurial behavior. To encourage more focus on entrepreneurship and innovation that will in turn lead to intellectual property development and job creation, the Department of Higher Education should consider including within the funding formula a component for Innovation outputs, and the Task Team is preparing recommendations in this regard. Further, there should be some dedicated funding, sharing of best practice, establishment of entrepreneurial centres (beyond the 14 universities that have them) and holding entrepreneurship events, such as Entrepreneurship Week and StartUp weekends. UKZN held an extremely successful StartUp weekend in 2013, and this sort of model can be extended. Global Entrepreneurship week currently takes place during South Africa’s University exams, and generally the country has a very poor showing by international standards; it may be well worthwhile creating this week at another time of year. In addition partnerships need to be developed to advance entrepreneurship education, both on-campus and with the broader business community. FEDCI, the ‘Forum for Entrepreneurship Development Centres at Higher Education Institutions’, that was launched in July 2013, should be supported to grow
entrepreneurship across all institutions. Entrepreneurship courses should be made available to all students beyond the business faculty within a University.

For the public at large, the Task Team has developed a number of recommendations in close partnership with the DTI. The extensive DTI research study from 2012/2013 on small business has been drawn upon. Extensive meetings with the agencies have been held. While there is a tremendous amount that needs to be done and that could be done, the Team has tried to make recommendations that could yield significant fruits with the least efforts.

Since effective entrepreneurship must exist within an ecosystem of support, it is recommended that a new national web portal be created with all or most of the information required by small businesses throughout the country. At the time of research, when one googled: ‘how to start a small business in South Africa’ not a single government website came up in the first three pages. The DTI has already taken on board this recommendation and the development of this new portal is underway.

Further, comprehensive scoping of a ‘one-stop shop’ of services to be provided to small businesses has been developed, which the team has called ‘the national virtual incubator’ (NVI). The idea is that these tools to be developed in a goodwill partnership between the private and public sector will be able to provide support to hundreds of thousands of businesses simultaneously. This scoping has been developed for 15 possible free services, and would leverage available technology making it accessible via cell phones and the web. Included in the NVI would be up to date information on how to access finance, master classes, business plan tools, and accounting and administration tools workable on mobile phones, legal contract templates, access to regulatory information and more.

Two of these tools have already been launched by the DTI (with private sector partners), and a third is soon to be released by SEDA. These have been interesting examples of what is possible when the public sector and private sector work together. The first tool was Woza Online, where Google and Vodacom, partnered with the DTI and the HRDC, to offer free websites to any small business in the country, and to date 65,000 small South African businesses have created websites. This has saved them over R325 million in combined fees. One thousand of these businesses are being tracked, and it appears that having a website has made a significant difference to a number of them. The second tool was launched in partnership with a private business school (Regenesys Business School, Internet Solutions, the Sunday Times, and Pearson Books, in partnership with the DTI and HRDC) to offer business education to any small business for free. The content (textbooks, manuals, course notes, videos, mock exams) for a full MBA, BBA, PDM, and Higher Certificate in Business Management have been made available.
since November 2012. In this time over 450,000 South Africans have accessed the site, and roughly 9,000 individuals have repeatedly accessed the content many on a daily basis. The third tool will assist any business with finding possible financial partners, and support them in terms of their understanding and knowledge about different types of finance, their readiness for finance, the tools needed to get themselves ready for finance, and post financing support.

The ease of doing business in South Africa also requires attention, to ensure that the regulatory environment is stimulatory and not inhibiting, to small business owners, although this is not the remit of this team.

In addition, based on the success of micro-franchising to date, it is recommended that this be adopted at a strategic level. For example Vodacom has helped create over 140,000 jobs through this approach.

In terms of the large level of youth unemployment, it is not believed by the task team that entrepreneurship is the answer, as the majority of programmes analyzed do not show successful results, and the research locally and internationally shows that the most successful entrepreneurs are those who’ve already had a number of years of experience building skills and knowledge in an industry.

The Employment Tax Incentive can play a tremendous role in giving more young people access to work experience, and this led to the concept of an SMME graduate, whereby if a young person can gain his or her initial experience through placement in a small or medium business, which will be easier to access than a large business, they will first hand experience how small businesses operate, and have greater likelihood of building a successful business in their late 20’s onwards, where the individual has entrepreneurial intentions and talent.

While the task at hand may initially appear daunting, as shown in some of the examples above, huge rewards can be achieved with relatively little effort. The rewards associated with success are so significant, that it is worth an “all hands on deck” commitment and approach from every South African to make this happen.

It is the Task Team’s sincere hope that the work that has been done to date be acted upon and implemented, and team members are committed to assist in all ways necessary where called upon by the relevant Ministries that are required to implement these recommendations. Further, in areas where further and deeper research is now needed the team are willing to assist.
Thank you for this opportunity!
2 Terms of reference

Terms of Reference
Human Resource Development Council for South Africa
The Entrepreneurship and Education Technical Task Team
(EE TTT)
02 September 2011

1. Background

1.1. Members of the HRD Council met on 5 August 2011, where the Department of Trade Industry (the dti) flagged the lack of coordination with regards to entrepreneurship training in the country.

1.2. The dti explained that entrepreneurship is a national developmental issue which is needed for an inclusive and growing economy, but that current training provision is uncoordinated in its provision, lacks standardisation and effectiveness.

1.3. The dti emphasized the fact that entrepreneurs in SMMEs and co-ops should benefit from Industrial Policy Action Plan (IPAP) investment and growth opportunities BUT that constraints have been identified. These are:

1.3.1. There is a low entrepreneurial rate in the country compared to peer economies

1.3.2. There is a low conversion rate from training to small enterprise or co-operative start-ups and little is done to better understand and measure the impact of entrepreneurship training into small business start-ups.

1.3.3. Training for entrepreneurship is not training for workforce development which is evidenced in the Sector Education and Training (SETA) model. Training in SA tends to focus on training for employment rather than for entrepreneurship

1.3.4. The dti further identified the fact that there are a number of organisations currently offering entrepreneurship training and these include: The Small Enterprise Development Agency (SEDA), Foundation for African Business and Consumer Services (FABCOS), SETA’s and the Wits Centre for Entrepreneurship

1.4. The dti, asked the HRDC to approve the establishment of a forum/technical task team under the HRDC to investigate & propose best practice models towards training for entrepreneurship & self-employment which will make recommendations to Council regarding entrepreneurship training for the following:

1.4.1. Small business owners, co-operative owners and incubators

1.4.2. Strengthen the integration of entrepreneurship into further and higher education curriculum for young adults
1.4.3. Strengthen the integration entrepreneurship into schooling curriculum for learners

2. Aim

2.1. The aim of this Technical Task Team is to:

2.1.1. Develop bold and integrated recommendations for the approval of the Human Resource Development (HRD) Council, via the Technical Working Group (TWG) outlining practical mechanisms in which Council and its social partners can support sustainable entrepreneurship training in the South African economy that is coordinated, standardized, effective and aligned to the goals of the Industrial Policy Action Plan (IPAP).

2.1.2. Investigate the current entrepreneurial landscape and the role played by different sectors of society in supporting entrepreneurship in the country bearing in mind that successful entrepreneurship can only occur within an integrated system of support. Critical success factors to building an entrepreneurial society must be identified as well as industry sectors where opportunities exist with a sustainable competitive advantage.

2.1.3. Investigate models of entrepreneurship training, and reach agreement on best practice models which should be developed and supported in South Africa

2.1.4. Assess and make recommendations on the integration of entrepreneurialism and awareness of self-employment into the current basic, further and higher education curricula.

2.1.5. Make recommendations regarding measures that will need to be taken by identified project owners to unlock identified blockages to effective training for entrepreneurship bearing in mind that a number of government departments, training providers, SETA’s and business incubators all have a role to play in the creation of entrepreneurs.

3. Technical task team objectives

3.1. The objectives of the Technical Task Team will be to:

3.1.1. Develop a set of recommendations and where appropriate initiate action for the HRDCSA regarding the following:

3.1.1.1. Best practice models (local and international) on entrepreneurship training and education for the SA environment that may be standardised and contribute to improved conversion from training to start ups.

3.1.1.2. Critical success factors for effective entrepreneurship training and education and support must be identified.

3.1.1.3. Critical components required to build an entrepreneurial society bearing in mind that entrepreneurship education and training cannot occur in a vacuum.
3.1.1.4. Measures that will need to be taken by identified project owners to ensure that recommended models of entrepreneurship training are implemented in a coordinated, standardized and effective manner.

3.1.1.5. Mechanisms in which entrepreneurship training can be linked, aligned to and supported by IPAP and other relevant government policies

3.1.1.6. Methodology to strengthen entrepreneurship training and education into the higher education curriculum for young adults

3.1.1.7. Methodology to strengthen entrepreneurship training and education into the Basic Education curriculum of school learners

3.1.2. Whilst the primary role of the TTT is to make recommendations it will where appropriate and with the support of the relevant Government Department mobilize resources to give impetus to particular initiatives.

3.1.2.1. Mechanisms that must be put in place to support small business owners, co-operative owners, and incubators on an ongoing basis so that they are able to become successful and sustainable enterprises

4. Technical task team approach/methodology

4.1. In order to achieve the objectives outlined above, the Technical Task Team will:

4.1.1. Be guided by evidence based research.

4.1.2. Recognize that successful entrepreneurship happens within a system of support which includes but is not limited to the following: training, mentoring, access to finance, access to markets and customers, access to legal, tax, financial and other advice. Training and curriculum is a critical part of building a successful entrepreneurial nation, but this is only one aspect of a much wider and complex system and delivered in isolation is destined to failure. All necessary components critical to the success of entrepreneurs need to be identified and integrated into a holistic system.

4.1.3. Develop a mechanism to share information with other HRDC Technical Task Teams in order to avoid the duplication of work as well as to identify areas of synergy.

4.1.4. Recognize the fact that the development of an entrepreneurial nation is complex and requires a policy and legislative environment that is supportive of start up businesses. Blockages to effective training for entrepreneurship along the entire regulatory and skills pipeline need to be identified and unlocked.

4.1.5. Consider strategies in which existing regulations such as the Skills Development Act, IPAP and the Broad Based Black Economic Empowerment Codes and others may be used to contribute meaningfully towards skills development for entrepreneurship.
5. **Deliverables**

5.1. The Entrepreneurship and Education Technical Task Team will be expected to produce the following:

5.1.1. A proposal for Council outlining measures that will need to be taken in order to achieve the objectives as set out in point 3 above

6. **Membership**

6.1. The Entrepreneurship and Education Technical Task Team will be supported by expert contributors and advisers with specific knowledge in the field of entrepreneurship as well as an advisory panel comprising of famous international and South African entrepreneurs.

6.2. Technical Task Team members will commit to undertaking a specific piece of work or task and where possible bring their organizations assistance with them (university, incubator, global best practice etc).

6.3. Technical Task Team members should enjoy working together in a harmonious and productive way.

6.4. Task Team members will be drawn from civil society, academia, industry, government and selected practitioners but the group is not intended to be representative. Individual members will be recognized as leaders or experts in their fields and will have a good knowledge and understanding of issues facing potential entrepreneurs.

6.5. It is recognized that the Technical Task Team will need to draw in expertise as required, consult with relevant government departments, business and training providers.

6.6. It is proposed that the Technical Task Team be established with the following expertise:

6.6.1. Leaders in entrepreneurial education and training

6.6.2. Curriculum experts

6.6.3. Economists

6.6.4. Persons with expertise in incubating small businesses

6.6.5. Persons that have a good understanding of the regulatory and legislative policy environment impacting upon small businesses

6.6.6. Entrepreneurs

7. **Support, monitoring and progress**

7.1. The dti and HRD Secretariat will provide the necessary strategic, administrative and logistical support to the task team.

7.2. Progress on the work of the Technical Task Team will be communicated to the TWG via the Secretariat.

7.3. The TWG will engage on the draft recommendations and make final recommendations to the Council for final approval.
3 The entrepreneurship imperative

South Africa, along with other developing economies in Africa and around the world, is facing a high rate of unemployment and severe income inequality with about 53% of the population living below the poverty line\(^1\) with limited prospects of employment. The current level of unemployment at 25.2% is staggering, especially among the youth. The official unemployment rate is highest among black Africans: 35.6%, compared with 22.3% for coloureds, 11.7% for Asians and 5.9% for whites. (Business Report, Oct 31, 2012). Unemployment levels for black youth sits at 55% (SA Census, 2011).

The Country has a ‘youth bulge’, with approximately 75% of all unemployment in SA amongst the youth. According to the third quarter 2012, labour force surveys by Statistics South Africa, it is estimated that there are around 3.2 million youth between the ages of 15 -24 years not in employment, education or training. Women account for the bigger share (58.2%) as compared to men (41.8%).

The National Development Plan\(^2\) sets out ambitious goals for poverty reduction, economic growth, economic transformation and job creation. In a study by Maxim Pinkovskiy and Xavier Sala-i-Martin\(^3\), researchers at MIT and Columbia University, it was shown that GDP growth and extreme poverty rates across Sub-Saharan Africa were almost perfect mirror images of each other. When GDP per capita increased, poverty decreased. When GDP per capita went down, poverty went up.

\(^1\) [http://www.npconline.co.za/pebble.asp?relid=123](http://www.npconline.co.za/pebble.asp?relid=123)


Therefore, the most effective way to reduce poverty is to grow the country’s GDP.

In a paper titled “The economic impact of entrepreneurship: comparing international datasets”\(^4\), the researchers made use of a comprehensive sample of all available countries and years, with the World Bank data being the most comprehensive, and found that entrepreneurship has a significantly positive impact on GDP / capita, exports / GDP, and patents, and a negative impact on unemployment.

High-impact entrepreneurship, a powerful engine for job creation, can therefore be seen as an effective poverty-fighting tool by fostering GDP growth in developing countries. Entrepreneurship is one of two sources of growth in any economy (the other being the expansion of existing firms). For a diagram illustrating this, refer to addendum 9.1. Growth is a desirable economic outcome because it enables wealth creation, innovation and employment, all of which lead to rising standards of living and economic and social advancement. Therefore, to achieve higher and sustained levels of national economic growth it is crucial to both enable existing firms to expand and to drive the creation of new ventures through fostering greater levels of entrepreneurship within the population. Entrepreneurship education is an important component of a milieu of critical conditions required to successfully drive innovation and entrepreneurship, and ultimately economic growth, in any economy.

South Africa’s National Treasury describes the role of entrepreneurship schemes in general, including entrepreneurship education as follows: “Entrepreneurship schemes promote skills in young people with the objective of creating and managing sustainable and efficient businesses

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capable of providing permanent jobs and employment growth." As can be seen from this statement, National Treasury also sees entrepreneurship development playing an important role in responding to the challenge of unemployment, youth unemployment in particular, that the country currently faces.

According to Birch (1979), entrepreneurship as a critical driver of job creation, and he suggests that entrepreneurship is the biggest single source of new job growth in both developed and developing economies (Fritsch, 2004; Acs and Armington, 2006; Schramm, 2009). The work of Hermes & Lensink and Karlan & Valdivia, 2011 also identifies entrepreneurship as a mechanism for achieving stable income flows and increased profits for vulnerable populations (Hermes and Lensink. 2007; Karlan and Valdivia, 2011). Furthermore, a body of research draws linkages between entrepreneurial activity, innovation, and technological change (Acs and Varga, 2005; Van Praag and Versloot, 2007).

In South Africa, small businesses create more jobs than large businesses. About 9 million people work in small business, which is 72% of all people who are employed (13 million are employed in total out of the 51.8 million living in the country).

![Figure 2: Employment breakdown for S.A.](image)

The importance of this statistic from a job creation perspective in South Africa today can never be underestimated. This excludes the informal sector. If the informal sector is included, 85% - 90% of people are employed.

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5 National Treasury, February 2011
of working South Africans work in small businesses. A small business is categorised as less than 50-people in size.

African policymakers have increasingly recognised entrepreneurship to be an important driver of economic development through fostering growth, job creation, technology adoption and innovation as well as poverty alleviation. For a large number of Africa’s unemployed or discouraged youth, entrepreneurship offers not only an opportunity to build sustainable livelihoods, but also a chance for integrating themselves into society (UN 2013). The expanding role of small businesses in the economy has generated a lot of interest in educational research initiatives. In higher education (HE), both demand for and supply of entrepreneurial offerings and faculty has increased greatly during the last few years (Boris Urban 2006). This recognition has also resulted in growing body of research work on how to boost entrepreneurship education.

The question must therefore be asked, how entrepreneurial are South Africans?

The most widely used measure of entrepreneurship is the TEA (Total Entrepreneurial Activity) or ‘early stage entrepreneurial activity’ Index. It measures entrepreneurial activity by looking at the percentage of the active population, people between 25 and 64, who are entrepreneurs in any given country.

In comparison to other developing countries, South Africa has lagged behind over the last 8 years:

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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>7.3%</td>
<td>9.1%</td>
<td>8.9%</td>
<td>5.9%</td>
<td>7.8%</td>
<td>-</td>
<td>5.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Brazil</td>
<td>15%</td>
<td>14.9%</td>
<td>17.5%</td>
<td>15.3%</td>
<td>12.0%</td>
<td>12.7%</td>
<td>11.7%</td>
<td>11.3%</td>
</tr>
<tr>
<td>China</td>
<td>13%</td>
<td>24.0%</td>
<td>14.4%</td>
<td>18.8%</td>
<td>-</td>
<td>16.4%</td>
<td>16.2%</td>
<td>13.7%</td>
</tr>
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Table 1: TEA figures for developing countries over 8 years

The 2012 Global Entrepreneurship Monitor (GEM) report found that while the highest entrepreneurship rates can be found in sub-Saharan Africa, South Africa is the only country in this region with a TEA rate of less than 10%

6 GEM South Africa Report, 2012
Table 2: Entrepreneurial outlook amongst South African youth

If the question is asked why the TEA figure, as well as the other figures for the stages of entrepreneurship are so low, the answer is revealed by looking at South Africans perceived entrepreneurial opportunities and capabilities. Perceived opportunities refer to what an individual believes can be done to make a profit. These may be real or subjective. Perceived capabilities reflect an individual’s belief that he/she has the required knowledge, skills and experience to start a new business.

In South Africa, in 2012, these percentages can be shown as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Perceived capabilities</th>
<th>Quality of education</th>
<th>TEA 2012</th>
<th>Nascent entrepreneur-ship rate</th>
<th>New business ownership</th>
<th>Established business ownership rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>86%</td>
<td>65</td>
<td>36%</td>
<td>18</td>
<td>20</td>
<td>11</td>
</tr>
<tr>
<td>Zambia</td>
<td>84%</td>
<td>39</td>
<td>41%</td>
<td>27</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>Namibia</td>
<td>76%</td>
<td>126</td>
<td>18%</td>
<td>11</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>74%</td>
<td>85</td>
<td>15%</td>
<td>6</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Ghana</td>
<td>86%</td>
<td>62</td>
<td>37%</td>
<td>15</td>
<td>23</td>
<td>38</td>
</tr>
<tr>
<td>Nigeria</td>
<td>86%</td>
<td>83</td>
<td>35%</td>
<td>22</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Botswana</td>
<td>70%</td>
<td>55</td>
<td>28%</td>
<td>17</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Uganda</td>
<td>88%</td>
<td>69</td>
<td>36%</td>
<td>10</td>
<td>28</td>
<td>31</td>
</tr>
<tr>
<td>South Africa</td>
<td>40%</td>
<td>140*</td>
<td>7%</td>
<td>4</td>
<td>3</td>
<td>2**</td>
</tr>
</tbody>
</table>

Table 2: Entrepreneurial outlook amongst South African youth

If the question is asked why the TEA figure, as well as the other figures for the stages of entrepreneurship are so low, the answer is revealed by looking at South Africans perceived entrepreneurial opportunities and capabilities. Perceived opportunities refer to what an individual believes can be done to make a profit. These may be real or subjective. Perceived capabilities reflect an individual’s belief that he/she has the required knowledge, skills and experience to start a new business.

In South Africa, in 2012, these percentages can be shown as follows:

The size of South Africa’s pool of potential opportunity entrepreneurs (i.e. those who perceive good opportunities AND believe that they have entrepreneurial capabilities) is therefore only 19%. A recent study of 750 young men and women in the Free State shows that 22.5% are potential entrepreneurs, but only 6% are actually running a business.7

Footnote:
7 ILO (2013) – The state of youth entrepreneurship in the Free State – A baseline study of entrepreneurial intentions and activity amongst young men and women
The perception of capabilities is closely linked to the level of education that a person has received. The more education a person has received, the higher the likelihood that they will believe that they have entrepreneurial capabilities.  

![Figure 4: Perception of entrepreneurial capability as a factor of education levels](image)

Aligned to the above is the quality of education. If the quality of education is deemed to be reasonable, then the perception of entrepreneurial capability increases. Unfortunately the quality of education in South Africa is poor.

The main implication of this finding is that if the country is to experience meaningful growth in entrepreneurial activities involving young people, considerable effort needs to be invested in fostering a more positive entrepreneurial outlook among the country’s young people.

<table>
<thead>
<tr>
<th>Education aspect</th>
<th>Ranking 9 (out of 144 countries)</th>
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<tbody>
<tr>
<td>Quality of maths and science education</td>
<td>143</td>
</tr>
<tr>
<td>Quality of the educational system</td>
<td>140</td>
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<tr>
<td>Quality of primary education</td>
<td>132</td>
</tr>
</tbody>
</table>

8 GEM South Africa Report 2012
Table 3: South Africa’s quality of education ranking

The mathematics pass rate for 2012 was 54%, up from 2011’s 46%. However, of the 551,837 learners who wrote matric, only 225,870 wrote the maths exam, of which 54% passed. If the total number of learners that enrolled in school in Grade 1 in 2001 is taken into account, only 11% of these learners both wrote and passed maths 12 years later.10

The Department of Basic Education conducts annual national assessments to bench-mark the levels of languages and mathematics across the country. These too, demonstrated very poor results are being achieved in subjects that are essential if a learner is to start a business one day.11

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<tbody>
<tr>
<td>6</td>
<td>28</td>
<td>43</td>
<td>36</td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td>9</td>
<td>N/A</td>
<td>43</td>
<td>35</td>
<td>N/A</td>
<td>13</td>
</tr>
</tbody>
</table>

Table 4: Results of the annual national assessment (ANA)

Note: HL is home language and FAL is first additional language

It is on the foundation of these basic skills, that the higher order thinking skills, required for entrepreneurship are developed. These skills are described in Bloom’s taxonomy, which was created in 1956 under the leadership of educational psychologist Dr Benjamin Bloom in order to promote higher forms of thinking in education, such as analysing and evaluating, rather than just remembering facts (rote learning).12

10 GEM South Africa Report, 2012
11 Department of Basic Education – June 2013
12 https://en.wikipedia.org/wiki/Bloom’s_Taxonomy
Translating these verbs into practical identifiable actions makes it easier to understand why an entrepreneur would need the higher order thinking skills to be able to dream up a business idea and make it happen.

A quote from the 2010 GEM South Africa report drives home the point: “The current education system continues to favour rote academic learning and largely ignores the realities of the world of work. It perpetuates the culture of entitlement and job-seeking. The system also encourages higher education as the sole pathway to professional advancement and success and creates the implication that vocational
expertise is distinctly inferior to academic knowledge. Teachers are barely competent academically, let alone entrepreneurially, so they are unable to inspire and support those who show flair and passion. Worst of all, the system discourages individualism."

Therefore in order to encourage entrepreneurship, South Africa must firstly improve its education levels. While improving education levels in general, it is essential to focus on the entrepreneurial-related skills, attitudes and behaviours and in building innovation capabilities. The ultimate objective of entrepreneurship education policies should be to facilitate the creation of an entrepreneurial culture, which in turn, will help potential entrepreneurs to identify and pursue opportunities.

Entrepreneurship education develops skills in creativity, opportunity identification, problem-solving, self-efficacy and leadership\textsuperscript{13}. In addition, science, technology, engineering and maths (STEM) are critical for developing the innovative breakthroughs of the future, but are losing popularity with young people. More must be done to ensure that both entrepreneurial and technology-based skills training are provided to students at all levels of the education process.

Government policies on entrepreneurship education are critical for ensuring that entrepreneurship is embedded into the formal educational system, and offered through partnership with the private sector, the civil society, and rural and apprentice training programmes.

This is being done across Africa with Uganda, Nigeria and Kenya leading the way.

- In Uganda, Educate! delivers to all 16-20 year old youth within Ugandan schools a practical and relevant model of education, comprised of a leadership and entrepreneurship course, interactive teaching, intensive mentorship, experience starting an enterprise, and access to out of school networks and resources.
- In Nigeria, since 2006, all Nigerian Higher Education Institutions include Entrepreneurship Education (EEd) as a compulsory course for all students.
- In Kenya, the Kenya Youth Business Trust assists Kenya’s large youth population in overcoming unemployment through entrepreneurship training, financial support and mentorship.

\textsuperscript{13} UNCTAD (2011) - Enterprise development policies and capacity-building in science, technology and innovation
In addition to developing skills required in the twenty-first century, entrepreneurship education policies and programmes can contribute to generating jobs, and fostering innovation and poverty reduction through the empowerment of marginalised members of the community. Education policies, therefore, are crucial in order to materialise the potential contribution of entrepreneurship and of innovation to social and economic development.

GEM concludes that entrepreneurship education can have an impact on entrepreneurship development by leading to more positive attitudes toward a career in entrepreneurship and improving perceptions of self-efficacy through the successful performing of crucial entrepreneurial tasks such as identifying new business opportunities, creating new products, thinking creatively, and commercialising an idea. Higher perceptions of self-efficacy lead to higher chances of entrepreneurial intentions. GEM also cites a 2008 Western Cape Status of the Youth Report, which argues that entrepreneurship education can have a significant impact on four areas that are crucial to entrepreneurship:

- The learners’ self-confidence about their entrepreneurial abilities
- The learners’ understanding of business and financial matters
- The learners’ desire to pursue entrepreneurship
- The learners’ desire to further their education

In April 2009 the World Economic Forum’s Global Education Initiative published a report titled: “Educating the Next Wave of Entrepreneurs – Unlocking entrepreneurial capabilities to meet the global challenges of the 21st Century”. The report spells out the types of capabilities that entrepreneurship education should seek to develop among students. They are:

- Entrepreneurial behaviours and mind-sets
- Self-confidence, self-efficacy and leadership
- Creativity, innovation and ability to think “out of the box” to solve problems
- Managing complexity and unpredictability
- Basic business and financial skills
- Opportunity identification
- How to build, finance and grow ventures
- Negotiation skills
- Building relationships, networks and social capital

To successfully develop the above capabilities, “mainstream pedagogy” will need to change towards an approach that is hands-on, project-based, multidisciplinary and non-linear. “Entrepreneurship is reflective action; no amount of book-based learning on its own will allow the
student to progress in this field”. The report identifies the most successful youth entrepreneurship programmes as those whose curriculum incorporates some or all of the following activities:

- Simulations and games
- Interactive teamwork and group activities
- Direct, action-oriented market research
- Student buying and selling events, using real money
- Field trips to local businesses, especially entrepreneurial ventures
- Entrepreneurs or venture funders as guest speakers in class
- Business plan and other competitions, with businesspeople as judges
- Student-run businesses, using real money (including in-school stores)
- Mentoring, coaching and incubation

The World Economic Forum report identifies as success factors for entrepreneurship education programmes:

i. an explicit policy mandating and enabling youth entrepreneurship education,
ii. strong governmental support at the highest levels,
iii. close partnerships with multiple stakeholders,
iv. a dedicated national funding source and
v. Teachers as implementers, integrating entrepreneurship into core subjects.

The report makes several pertinent recommendations to drive successful entrepreneurship education.

1. Require entrepreneurship education at public schools or, at least, make entrepreneurship education available as an option for all students
2. Fund entrepreneurship education sufficiently
3. Revamp training of new teachers to include entrepreneurship education and ensure that the pedagogy is experiential, action- and project-based, focusing on problem-solving with practical application
4. Encourage educational institutions to partner with business as well as other stakeholders from the public and private sector on entrepreneurship education
5. Mandate certification of teachers in entrepreneurship education
6. Encourage formal, direct links between teachers and entrepreneurs, and between educational institutions and companies, so that the theory and practice are intertwined
7. Encourage and fund research on and evaluation of youth entrepreneurship education
All this shows that effective entrepreneurship education plays a crucial role in fostering entrepreneurial attitudes and actions. Thus, efforts to increase greater economic participation by young people through entrepreneurship need to incorporate effective entrepreneurship education measures.

In addition, South Africa must build and develop the ecosystem required to support SMMEs. A recent study by the Omidyar Network in partnership with the Monitor Group on “Accelerating Entrepreneurship in Africa”\textsuperscript{14} identified lack of “entrepreneurship assets” comprising of financing, skills and infrastructure as the greatest challenge facing entrepreneurs across Africa.

One of the key success factors for entrepreneurship education is effective development of the entrepreneurial ecosystem, in which multiple stakeholders play a role in facilitating entrepreneurship. It is a system of mutually beneficial and self-sustaining relationships involving institutions, people and processes that work together with the goal of creating entrepreneurial ventures. It includes business (large and small firms, as well as entrepreneurs), policymakers (at national, regional and local levels), intermediaries (non-profit organisations) and formal (primary, secondary and higher education) and informal educational institutions.

The different stakeholders work together in a variety of ways and are involved in a series of symbiotic actions which include awareness and outreach, the development of human capital and critical talent, public–private partnerships, multiple sources of innovation, intellectual property and funding.

In a dynamic and growth-generating entrepreneurial ecosystem, there is a high degree of interaction and coordination among these key elements.

\textsuperscript{14} Understanding Africa’s challenges to creating opportunity–driven entrepreneurship, Omidyar network in partnership with Monitor Group, 2012
The role of government is crucial in driving the development of an entrepreneurial culture through the effective collaboration of all the players in the ecosystem.

Each stakeholder in the ecosystem needs to recognise entrepreneurship as a key element of its strategy, thereby creating win-win networks of entrepreneurial relationships. Within such an ecosystem academic institutions play a central role in shaping young people’s attitudes, skills and behaviours. Actors outside of the education systems play a critical role in working with educational institutions and programmes. Thus, effective entrepreneurship development requires collaboration and multi-stakeholder partnerships, comprising government, academic institutions, business and various intermediaries, particularly NGOs.

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15 World Economic Forum report (2009) Educating the Next Wave of Entrepreneurs
4 Entrepreneurial education within Basic Education

4.1 Summary

This section is the outcome of the Basic Education Working Group of the Human Resource Development Council Enabling Entrepreneurship Technical Task Team (EE TTT), which was given the mandate to explore and develop a set of recommendations on how entrepreneurship may be incorporated into the basic education curriculum in South Africa.

The Technical Task Team recognises that South Africa is faced with a significant level of unemployment but believes that there is great potential for entrepreneurship to drive economic growth and development. In order for this to happen, a culture of entrepreneurship needs to become part of the South African culture and especially among young people in order for the country to create a new wave of entrepreneurs. Society needs to encourage students to recognise and take advantage of their inherent entrepreneurial potential, and value successful entrepreneurs from all walks of life – including social entrepreneurs who apply enterprising principles to deal with society’s challenges - as much as successful formal business people.

The education system must enable in-school youth to develop entrepreneurial characteristics and competencies as early as possible in addition to more formal business skills towards the end of their education before the transition from school to the world of work. This will equip more young people with the competencies and skills to become job creators rather than just job seekers. Parents and educational institutions need to encourage children to opt for careers as entrepreneurs and support them when they decide to work in a start-up company or develop their own business.

An entrepreneurial culture is established through the effective working together of all the components of the entrepreneurial ecosystem, namely government, educational institutions, civil society (non-profit organisations) and business. Government needs to set the vision and drive the change; schools, colleges and universities need to provide a learning environment that allows learners to develop the proper skills and entrepreneurial thinking, attitudes and intentions; civil society can develop innovative approaches to implementation in communities and through extra-mural activities and business, both big and small, needs to support the changes through partnerships with start-up ventures and educational institutions in their communities.

Entrepreneurship education needs to start from an early age and continue throughout a child’s studies. To achieve this, entrepreneurial activities need to be included in the classroom and in
the longer term be integrated into the Grade R to Grade 12 curricula. Teachers too, need to be up-skilled to be able to perform a different role, that of facilitator instead of teacher. The requirement is for children to develop practical thinking and creative problem-solving, so opportunities need to be created in the classroom for hands-on learning.

Examples of countries where entrepreneurial education has been prioritised and implemented are included in the paper.

The recommendations are therefore to:
1. Collaborate with the Foundational Learning task team to improve essential higher order thinking skills necessary for entrepreneurship
2. Include entrepreneurship in the schools, initially as activities accompanying the current curriculum, but ultimately to include it in the curriculum on all levels
3. Introduce new teachers’ education that instils in them an understanding of entrepreneurial thinking, skills and abilities, and train teachers in the required facilitation-mode of teaching. The focus needs to be on the “how” of teaching entrepreneurship – rather than just on content – by applying the experiential learning cycle (experiencing, publishing, processing, generalising and applying)\(^\text{16}\)
4. Actively encourage businesses to partner with local educational institutions to build visibility of entrepreneurship and provide exposure for learners and teachers

It needs to be stated that the above recommendations apply to all public schools (ordinary and special) in South Africa.

In outlining these recommendations, the paper notes that for these to be implemented in a manner that achieves the anticipated results, there is an assumption that the HRDC will drive this process working closely with the Department of Basic Education, the Department of Higher Education and any other associated departments.

In summary it is suggested that the following activities should be undertaken:
- HRDC should review the recommendations and endorse those it agrees with
- A task team be established to coordinate the implementation of these initiatives

4.2 Methodology

The approach agreed upon for this assignment was a combination of interviews with experts in the field and desktop research.

Interviews were conducted with the following people:

1. Members of the task team:
   a. Ms Marie-Louise Samuels (Chief Director of Curriculum – DBE)
   b. Dr Rob Stead (CEO: South African Institute of Entrepreneurship)
   c. Mr Anthony Farr (CEO: Allan Gray Orbis Foundation)
2. Professor Robert Venter (WITS Professor), Author - Entrepreneurship: Theory in Practice
3. Mr Paul Smith (PhD candidate focusing on Entrepreneurship Education)
4. Mr James Thomas (Entrepreneurship Curriculum Development Expert)
5. Professor Saras Sarasvathy, Isidore Horween Research Associate Professor, University of Virginia, Darden School
6. Mr Anders Hoffmann, Deputy Director- General, Danish Business Authority

Desktop research was conducted in two parts:

1. Literature review to understand the importance of entrepreneurial education particularly in encouraging and building an entrepreneurial culture
2. Research into entrepreneurial education practices in various countries around the world.
4.3 Policy approaches for entrepreneurial education

Entrepreneurship education policy is closely interlinked with overall entrepreneurship policy as well as economic and social development objectives. It should therefore be reflected in a country’s national economic and social development plans or strategies. It is a lifelong learning process, starting as early as elementary school and continuing through all levels of education, including adult education. It should build positive attitudes towards business and develop entrepreneurial competencies as well as business skills to successfully plan, start and manage a business.

To effectively implement entrepreneurship education, both top down and bottom up approaches are necessary\(^\text{17}\). Top down approaches require the commitment of the most senior policymakers, due to the role of entrepreneurship education in contributing to economic and social growth. It is also important to integrate entrepreneurship education into the overall poverty reduction strategy. Bottom up approaches require champions at the local or regional level who can help drive initiatives on the ground.

The launch of a national strategy for entrepreneurship education must include a call for the active involvement of all relevant actors and define concrete actions for the inclusion of entrepreneurship into national curriculums, providing support to schools and teachers, and should encourage the involvement of private partners through funding and contributions in kind for entrepreneurship and business development.

Two options exist for an entrepreneurial education policy:

1. A specific entrepreneurship education strategy is developed, which sends a strong and clear message about the importance of entrepreneurship education, but can be seen as a short-term initiative.
2. An entrepreneurial education strategy is embedded into the existing education strategy, which ensures that it is treated as part of an integrated long-term educational strategy.

National policies and programmes facilitating entrepreneurship education need to set the strategic framework in which schools, universities and private sector bodies can work to implement programmes and activities within their institutions.

In addition, a high-level office to coordinate entrepreneurship education policies across ministries is often useful, which can help to facilitate the development of a more

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\(^{17}\) UNCTAD (2011) - Enterprise development policies and capacity-building in science, technology and innovation
comprehensive entrepreneurship education strategy and set of policies. This office can also follow-up and ensure that implementation is carried through effectively.

While entrepreneurship education policy is often coordinated by education ministries, it can be covered by one or more ministries – including ministries of education, culture, industry/enterprise, research, and science and technology. For example, Norway’s strategic plan was a joint collaboration between the Ministry of Education and Research, the Ministry of Trade and Industry and the Ministry of Local Government and Regional Development. Similarly, in Denmark, a Partnership for Education in Entrepreneurship was established as a joint effort of four ministries. The four ministries involved are the Ministry of Science, Innovation and Higher Education, Ministry of Culture, Ministry of Children and Education and the Ministry of Business and Growth.

4.4 Key policy and programme areas for entrepreneurship education

There are four key areas of entrepreneurship education that need to be considered when developing the relevant policies:

1. embedding entrepreneurship into education and training;
2. curriculum development
3. teacher development; and
4. engagement with the private sector

4.4.1 Embedding entrepreneurship into education and training;

Embedding entrepreneurship into the formal educational system at all levels requires a strong commitment from the government in terms of policy and resources, since most schools, universities and training programmes are overseen by the government. It is never too early to start exposing students to business and entrepreneurship. Perceptions and attitudes about entrepreneurship start at a young age. By the time students reach secondary and higher education it can be “too late”, particularly if they do not pursue further education or if they have developed some negative perceptions about entrepreneurship.

It is important to make the distinction between “business” and “entrepreneurship” education. The skills set needed to operate a business are much narrower than entrepreneurship skills and competencies in the sense that it focuses more on the basic functions of a business, such as

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18 Addendum 7.7 Entrepreneurial education in Norway
19 Addendum 7.10 Entrepreneurial education in Denmark
20 UNCTAD (2011) - Enterprise development policies and capacity-building in science, technology and innovation
general management, purchasing, production, marketing, public relations, human resources, administration and financing, whereas entrepreneurship competencies focus more on the soft skills/life skills, such as decision making, negotiation, problem solving, communication, risk taking, creativity, change orientation and interpersonal relations. Both business skills and entrepreneurship skills are needed to become a successful entrepreneur.

The development of these entrepreneurial characteristics and competencies is a formative process that takes longer, and therefore needs to start as early as possible. Developing the entrepreneurial competencies of young people will benefit them in all areas of their life whether they decide to start a formal and traditional for-profit venture or not. Entrepreneurship education develops enterprising habits of mind, which benefit individuals in their family life, their communities, as employees that are “intrapreneurs” and it develops social entrepreneurs that seek solutions to community problems and challenge through the application of problem solving skills and enterprising behaviour.

It is recommended that for the best overall outcomes and in order to benefit all young people, entrepreneurial learning should be integrated across the curriculum, rather than only being offered as standalone courses, to ensure that the majority of students are exposed to the content, which is not the case when the material is offered as an optional extra or a subject selected by only a subset of students, such as, the business course elective, which secondary learners choose in grades 10-12.

An example of integrated material is a course called Business Ventures developed by the South African Institute of Entrepreneurship\(^21\). Materials aligned to the Business Studies curriculum were developed and deployed to low-resourced (mainly rural) schools in several provinces since 2009. The kits contain a range of resources and tools to stimulate thinking, promote discussion and create active participation in the classroom. The curriculum is then facilitated through the use of the kit.

Junior Achievement South Africa\(^22\) is an excellent example of a stand-alone offering. Currently it is offered at a number of schools across the country as an extra-mural and is achieving excellent results. They have developed a number of curriculum-aligned programmes for primary schools too, which are being facilitated during the relevant life skills sessions.

\(^{21}\) [www.entrepreneurship.co.za](http://www.entrepreneurship.co.za)

\(^{22}\) [www.jasa.org.za](http://www.jasa.org.za)
In primary education, the adoption of school books, interactive games and online tools has proved to be particularly useful. For example, the award-winning Disney-Kauffman online game\textsuperscript{23} teaches young people (aged 9–14) about the excitement and opportunity of entrepreneurship. The Junior Achievement programme\textsuperscript{24}, present in 19 African countries, includes six sequential themes for pupils from kindergarten level up to fifth grade, plus one capstone experience. Students learn the basic concepts of business and economics, and how education is relevant to the workplace. External evaluators have found that elementary school students who participate in the Junior Achievement programme demonstrate significantly higher critical thinking and problem-solving skills than their counterparts.

At the secondary and vocational school level, the implementation of awareness campaigns and extracurricular activities designed to help students to understand the world of work, including visits to businesses, is suggested. For example, initiatives such as Global Entrepreneurship Week\textsuperscript{25} help improve attitudes about entrepreneurship, and encourage young people to consider entrepreneurship as a potential career path.

Another extra-curricular programme for secondary learners is the South African chapter of the global organisation Students for the Advancement of Global Entrepreneurship (SAGE)\textsuperscript{26}, which supports learners to come up with business ideas and then organises provincial and national competitions between learners. Winners then travel to the SAGE World Cup that is held in a different country each year (South Africa in 2010).

4.4.2 Curriculum development

Another key area to be addressed in entrepreneurship education is the development of appropriately local and tailored curricula. Case studies and examples of role model entrepreneurs that students can relate to are important components of such curricula. They also need to include appropriate representation of gender, youth, race and people with a disability, as well as a mix of formal and informal businesses, and enterprises based in rural areas. They need to engage students, since students have a growing interest in entrepreneurship education, and student-led initiatives provide effective models.

\textsuperscript{23} http://disney.go.com/hotshot/hsb2/
\textsuperscript{24} www.jasa.org.za
\textsuperscript{25} http://www.unleashingideas.org/blog/tags/south-africa
\textsuperscript{26} http://www.sageglobal.org/
Some of the areas that should be included in entrepreneurship curricula, depending on the educational level, include:\(^\text{27}\):

- basic skills (financial literacy etc.),
- opportunity recognition,
- business planning,
- start-up,
- managing the SME,
- managing the transition from necessity to growth firms, and
- exit/transition of ownership, particularly family-owned.

The younger the target audience, the more the curriculum needs to be focused on basic skills and awareness-raising about business and entrepreneurship. Effective entrepreneurship education programmes focus on developing entrepreneurial attitudes, skills and behaviours. This includes building self-confidence, self-efficacy, and leadership skills, particularly at the primary and secondary levels.

Various studies have shown that entrepreneurs solve problems from a perspective that differs from that typically taught in schools, known as causal thinking. This type of thinking, called effectual reasoning\(^\text{28}\), should ideally be instilled into learners in order for them to think and act entrepreneurially.

\(^{27}\) UNCTAD (2011) - Enterprise development policies and capacity-building in science, technology and innovation

\(^{28}\) For more information, refer to 9.1 The role of entrepreneurship education
In addition, technology and media provide mechanisms for reaching greater economies of scale, and for providing greater access and sharing of practices. Not only can technology and media facilitate the development of innovative interactive programmes and materials, they can also help to reach larger audiences, particularly in countries like South Africa, where many schools might not otherwise have access to entrepreneurship education.

A South African GEM report\textsuperscript{29} quoted: “Educators and policy makers may need to consider how to broaden access and increase the scale and scope of entrepreneurship training, beyond university locations and other on-site programmes. This may require greater use of technology. Internet-based learning, for example, may extend a program’s geographic reach or satisfy high demand. Creative computer applications may attract and hold the interest of some people, influencing their attitudes toward—and their understanding of entrepreneurship.”

\textsuperscript{29} GEM South Africa 2011 Report
An examination of the current curriculum for Foundation, Intermediate, Senior phase and FET levels revealed that very little entrepreneurial-related content is currently included in the syllabi. Some content is included in the Business Studies syllabus in the senior phase. For a full picture of the current content, refer to addendum 9.3 - 9.5.

Despite the absence of official inclusion of entrepreneurial material being taught in schools, there are a number of programmes being offered in schools to foster an entrepreneurial mindset. These include, but are not limited to, Junior Achievement, startUP&go (based on the ILO’s global Know About Business programme) and Business Ventures. It is proposed that an audit be undertaken to determine all programmes currently on offer in schools across the country and to assess the value-add of each offering, similar to what has been done in the Free State.

4.4.3 Teacher development

Entrepreneurship education is a process through which learners acquire a broad set of competencies that can bring greater individual, social and economic benefits since the competences can be applied in every aspect of people’s lives. Entrepreneurship in this sense refers to an individual’s ability to turn ideas into action. It includes creativity, innovation, showing initiative and risk-taking, as well as the ability to plan and manage projects in order to achieve objectives. Entrepreneurship education is thus about life-wide as well as lifelong competence development.

The development of the entrepreneurship key competence is not simply a question of knowledge acquisition. Since entrepreneurship education is about developing the ability to act in an entrepreneurial manner, attitude and behaviours are perhaps more important than knowledge about how to run a business. In short, entrepreneurship education means developing a culture which is through, for and about entrepreneurship. Such competencies are best acquired through people-led enquiry and discovery that enable students to turn ideas into action. A learner-oriented facilitation methodology is required where learners experience an activity, share and process their experiences and relate and apply this to the real world. The Experiential Learning methodology has gained ground in entrepreneurship.

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30 www.jasa.org.za
31 (ILO 2012) - startUP&go Grade 10 Entrepreneurship Education - and addendum 9.12, see also www.knowaboutbusiness.org
32 www.entrepreneurship.co.za
33 See also ILO (2012) - An analysis of the supply and demand of products and services to nurture a culture of entrepreneurship amongst the youth of the Free State
education and several studies\(^{35}\) have shown that learners who are subjected to entrepreneurship courses feel more assured about their own capabilities to enter into entrepreneurship and that entrepreneurship classes with a focus on experiential learning through active learning, including hands-on experiences in realistic situations, builds competence levels. Recent research has shown that the application of a variety of learning experiences in the classroom to expose students to real-world situations improves confidence in using various entrepreneurship and business skills in different situations. Students’ self-efficacy increases as students gain experience through experiential learning in the classroom.\(^{36}\)

This therefore has significant implications on the role of the teacher in the “how” of teaching entrepreneurship.\(^{36}\)

Teachers are the key to entrepreneurship education\(^{37}\). Strategies and plans will not have any impact without effective educators to develop the necessary enthusiasm and understanding among students. There is a need to increase the number of entrepreneurship educators, and to further develop them by providing training, particularly in interactive teaching methods. Networks and the sharing of best practices among educators are critical, too.

In April 2011, the European Commission held a High Level Symposium on “Entrepreneurship Education: Teacher Education as critical success factor”, to determine how to develop effective teacher education systems for entrepreneurship\(^{38}\). At the heart of the event was the question of how best to equip teachers with the skills, knowledge and attitudes they need to foster the entrepreneurial mindsets of young people. The discussion centred around five grand challenges to transitioning teachers into their new role as entrepreneurial educators.

The Grand Challenges\(^{39}\) were:

1. How to help primary and secondary school teachers to become agents of change through initial teacher education;
2. How to encourage and enable in-service teachers to engage in entrepreneurship education through continuing professional development;

\(^{37}\) UNCTAD (2011) - Enterprise development policies and capacity-building in science, technology and innovation
\(^{39}\) As above
3. How to develop teachers as facilitators of learning;
4. How to develop support systems for teachers;
5. How to develop the role of the school and its community to help teachers to provide learning opportunities in entrepreneurship.

While the European-based responses to these challenges are available\textsuperscript{40}, it is essential that a similar process be worked through in South Africa to determine how to ensure that teachers are appropriately developed.

Entrepreneurship education should be very closely linked with practice. Teachers should be encouraged to reach out to the business community and to integrate it into the learning process.

It is also vital that the changing role of the teacher be effectively communicated to all role-players. Communication strategies\textsuperscript{41} should:

- target teachers in order to better inform them about entrepreneurship education and the essential functions they have; teachers need to know about the purpose of entrepreneurship education, the intended outcomes for students, and the teaching, learning and assessment methods associated with effective entrepreneurship education;
- target other stakeholders at all levels of the education system to better inform them about teachers’ role and how they might support teachers going forwards;
- raise awareness amongst the general public of the need for change within education to support learning for the entrepreneurship key competence.

4.4.4 Engagement with the private sector

One of the key success factors for entrepreneurship education is the effective engagement of the private sector in facilitating entrepreneurship. Students need exposure to local businesses to enhance their understanding of business, teachers need interaction to improve their ability to effectively teach entrepreneurship, and businesses need to be active in the local skills development.

Core business activities need to include not only the typical business operations but also development of the total value chain, including building business linkages\textsuperscript{42} in the communities in which they are active.

\textsuperscript{40} European Commission report: “Entrepreneurship Education: Enabling teachers as a critical success factor”

\textsuperscript{41} As above
Enabling legislation, and in particular incentives and other instruments that promote greater interaction and mobility between public and private academic and R&D institutions, and between those and the productive sectors, can help increase coherence between the activities of the education and research base and national development needs\textsuperscript{43}.

\textsuperscript{43} UNCTAD (2011) - Enterprise development policies and capacity-building in science, technology and innovation
4.5 Best practice in entrepreneurial education

Research was conducted into entrepreneurial education across the globe. During the research the following countries were found to have some best practice interventions:

- Singapore
- Botswana
- Norway
- U.S.A.
- Kenya
- Denmark

It must be noted that no single country adopted a global curriculum-based approach to entrepreneurship education. Interventions varied from voluntary teacher education through to technology based interventions aimed at learners across both the primary and secondary sectors. This is by no means a comprehensive list of the countries which have curriculum-based interventions; however, these were the ones which were uncovered during the research.

The workstream team devised the entrepreneurial educational analysis matrix in order to provide a framework to classify the interventions studied across the two main categories of primary and secondary education, as well as look at where the interventions focused in terms of content vs. methodology vs. technology. The brief against which the team worked, positioned extra-curriculum related interventions as out of the scope of the research undertaken. However, in some cases interventions have been classified as supra-curriculum interventions or cross-cutting innovations, which are beyond the scope of the classroom.

A summary of the best practices found across the countries studied is shown in the table below. For the full details of the entrepreneurial interventions in each country, refer to the relevant addendum:

- 9.6 Entrepreneurial education in Singapore
- 9.7 Entrepreneurial education in Botswana
- 9.8 Entrepreneurial education in Norway
- 9.9 Entrepreneurial education in the U.S.A.
- 9.10 Entrepreneurial education in Kenya
- 9.11 Entrepreneurial education in Denmark
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<thead>
<tr>
<th>Element</th>
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<th>Secondary</th>
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<tr>
<td>Content</td>
<td>Infusion and integration (Botswana)</td>
<td>Entrepreneurship value creation (Singapore)</td>
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<tr>
<td>Methodology</td>
<td>Role plays (Singapore)</td>
<td>Local resource utilisation (Norway)</td>
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<td>Technology</td>
<td>All terrain brain project (USA)</td>
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<td>Supra-curriculum</td>
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<td>Entrepreneurial thinking (effectuation)</td>
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Table 5: Best entrepreneurial practices

The research team noted how different the practices of entrepreneurial education were in each country, resulting in little, so called “best practice” being found in the field of entrepreneurship education, globally. Also there is very little distinction between primary and secondary school education in most of the literature.

Teacher education emerged as a very strong point in entrepreneurship education. Financially incentivised, voluntary teacher training is recommended, however, only after the initial training has been completed.

In all the sources of information, the internet and internet-based learning tools, such as games, have been useful in the countries studied.

The findings however point to the fact that there is no single model that could be copied directly and used in South Africa. It is therefore necessary for South Africa to look at what is being done locally and assess impact and effectiveness.
4.6 **High-level recommendations**

In order to foster a culture of entrepreneurship in South Africa, it is recommended that the HRDC appoint a high-level, multi-disciplinary, cross-ministerial task team to implement entrepreneurial education across the country.

This team would focus on driving the implementation of the following four recommendations:

4.6.1 **Collaborate with the Foundational Learning task team to improve essential entrepreneurial skills**

It is essential that there is an improvement in the current levels of foundational education as these form essential tools for successful entrepreneurship. Hence enhancing levels of literacy and numeracy, including maths and science education, need to receive significant attention. South Africa’s maths and science education has ranked as second last in the world, ahead of Yemen, according to a World Economic Forum report\(^44\). Both of these subjects are skills essential not just for building a business, but for achieving any significant level of success. While the establishment of a maths and science task team\(^45\) is a significant step, much needs to be done in this regard. The Task Team recognises that there is a Foundational Learning task team working on this issue. Further, the Task Team recognises that under no circumstances can any of the recommendations below be implemented at the expense of the development of foundational skills.

4.6.2 **Implement an entrepreneurship curriculum for learners in all grades**

It is vital that entrepreneurship be included in the schools, initially as activities accompanying the current curriculum but ultimately to include it in the curriculum on all levels.

**In the short term (1-2 years)**

The Enabling Entrepreneurship Technical Task Team (TTT) recognises that the education system at the current time is under immense pressure and as such the TTT is not recommending introducing new curriculum. In the short-term, the use of partners to introduce entrepreneurship concepts into the schools could be an effective method. The aim needs to be to start driving the development of an entrepreneurial culture, and therefore recognising where this is being successfully implemented, through reward and recognition incentives.


This could be done in a number of ways, including but not limited to, the following:
- making use of business-related material in comprehensions, examples and case studies
- celebrating successful entrepreneurs as role models in the classroom
- the inclusion of a teacher award for entrepreneurship in the National Teachers’ Awards
- the establishment of an entrepreneurship Olympiad
- extra-curricular entrepreneurial activities being available at all schools, for example, the Business Game developed by SAIE or the activities of Junior Achievement
- encouraging young people to consider entrepreneurship as a career option
- leadership of the DBE and other departments talking about entrepreneurial behaviour in speeches

As a concrete action, the task team would like to propose the extension of the startUP&go project from the current project in the Free State to all Grade 10 learners across the country. For details on the project that is currently being run at 60 schools, in five districts in the Free State, refer to addendum 9.12.

In the long term (3 – 5 years)
It is recommended that an entrepreneurial education strategy is embedded into the existing education strategy. Entrepreneurship needs to be taught as a key competency and not a specific subject. Entrepreneurship skills and concepts need be included in the curriculum of a subject that every child in S.A. would take, such as Life Orientation (or other relevant subject), instead of a subject like Business Studies, which only a select number of learners choose in the higher grades.

The schooling system also does not provide the critical thinking and problem-solving capabilities that are vital to the success of entrepreneurs and are perceived to prepare students to seek employment in large corporations. Therefore, the school curriculum needs to include the development of critical thinking and problem-solving capabilities. This would involve making use of alternate assessment methods. It is also recommended that specific reference to entrepreneurship education outcomes should be included in students’ records, portfolios and progress files.

It is suggested that the DBE partner with existing experts in this field to roll out a pilot in several hundred schools and test different methodologies (for example, JASA, SAIE, etc.).
The curriculum would need to be a joint effort by various Government departments including but not limited to, the Department of Basic Education (DBE), the Department of Higher Education and Training (DHET), Department of Science and Technology (DST), etc.

4.6.3 New teacher’s education is required for new and existing teachers

The importance of the role of the teacher in the delivery of entrepreneurship education (refer to paragraph 3.4.3) has been stressed. Therefore it is imperative that this be implemented as soon as possible.

In order for teachers to be able to instil entrepreneurial thinking in the young people that they teach, they need to be exposed to entrepreneurship and entrepreneurial thinking. The goal is for them to develop young people who have a passion to create, learn and grow. This will only be done if the teachers can become agents of change, by allowing students to think creatively, ask questions, make mistakes, take calculated risks, fail and start again and solve problems laterally.

Teachers need to be exposed to experiential learning and how to effectively teach entrepreneurship. Entrepreneurship education is best learnt through “doing”, including playing games, running mini-businesses, discussing an entrepreneur’s story, etc. Experiential learning relies heavily on reflection; giving learners the space to think about what they learnt during the activity, in order for them to form their own understanding of the experiences. Teachers also need to be facilitators and not just knowledge communicators. While the content that they teach can be similar, the way that they are taught to teach it needs to change. Lessons need to be project-based and where appropriate, co-constructed with the local community and local businesses. Students need to be exposed to entrepreneurs that are around them and be given opportunities to learn from them.

Due to the changing role that the teacher will have to play in the classroom, support will need to be given to teachers to assist them to adopt this role. Support will have to be in place within the schools as well as across regions. Across the country there are regional IT hubs that could be effectively used for support, training and up-skilling of new and existing teachers.

Teachers need to gain an understanding of entrepreneurship and what it really means to run a business, if they are to encourage their learners to start businesses. This could be done by including entrepreneurship into all teachers’ training. All teachers must cover entrepreneurship content to be able to:

• integrate entrepreneurial and financial literacy concepts in their respective subjects
• give all teachers a better understanding of entrepreneurship concepts and improve their soft skills

Teachers also need to partner with local businesses and organisations, to gain exposure and understanding.

4.6.4 Actively encourage businesses to engage with local educational institutions
In order to imbed a culture of entrepreneurship, innovative methods will need to be developed to encourage the engaging of the private sector in schools by geographic area. Businesses, particularly small and medium-sized businesses, should partner with their local schools to expose learners and teachers alike to entrepreneurship in the “real-world”. Business people should be invited to speak at school events, where they can share their stories, their lessons learnt and encourage learners to think about starting their own businesses.

Local businesses should engage with schools to offer hands-on experience to learners, through mini-internships, activities during the school holidays and “send a child to work”-type days.

In addition, making use of informal businesses as learning examples in schools can serve to stimulate entrepreneurship, as business is everywhere.

In summary it is suggested that the following activities should be undertaken:

• HRDC should review the recommendations and endorse those it agrees with
• DBE be requested to coordinate this initiative (process of taking forward these recommendations)

If DBE agrees then the following steps are suggested:

• DBE convenes the relevant departments to form the professional Task Team (so the current EE TTT (basic education workstream) is reconstituted).
• The TT consider the capacity implications of the recommendations and develops a strategy to enable the necessary role players to effectively play the agreed upon roles.
• The TT should determine which recommendations should form the focus of the work for the next year and then develop an overarching action plan with clear milestones and a monitoring process.
The TT should then establish who should be on the committees that are formed for each of the agreed upon priority areas. The TT should also determine who should coordinate each committee (priority area).

Each of the committees must then develop a detailed plan, taking into account the milestones identified in the overarching plan. The plan should have clear actions and measures, which should form the basis of the committees report to the TT.

The TT would in turn, through the DBE, report to the HRDC.

It is proposed that the following structure be established:

---

**Figure 8: Proposed structure to implement recommendations**

Once the structure has been established, it is recommended that the preliminary tasks below be undertaken:

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>It is recommended that:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Collaborate with the Foundational Learning task team</td>
<td>DBE</td>
</tr>
<tr>
<td>2. Introduce mandatory entrepreneurship education</td>
<td>DBE</td>
</tr>
<tr>
<td>3. New teacher's education is required for new and existing teachers</td>
<td>DHET</td>
</tr>
</tbody>
</table>

---

**Recommendation 1 (with DBE)**

- Analyse and audit existing entrepreneurship initiatives at all schools nationwide
- Assess the effectiveness of all initiatives
- Analyse options for short-term implementation, such as teacher awards and an olympiad
- Determine long-term curriculum change strategy to include entrepreneurship education for all

**Recommendation 2 (with DBE)**

- Encourage teachers (new and existing) to understand the need to build an entrepreneurship culture in schools and incentivise via the teacher award
- Analyse current teacher training curriculum and assess appropriateness to develop facilitators and not “chalk-and-talk” teachers
- Develop support structures (provincial and national) for teachers to enable the development of the desired
Recommendation | It is recommended that:  
---|---  
4. Actively encourage businesses to engage with local educational institutions dti | Promote the key role that businesses need to play in the development of an entrepreneurial country  

Table 6: Recommendations to implement entrepreneurial education in SA
4.7 Conclusion

In conclusion this section highlights the importance of entrepreneurial education in developing a culture of entrepreneurship, which would drive economic improvement and poverty reduction. It then details the four areas, namely: (a) embedding entrepreneurship into education and training; (b) curriculum development; (c) teacher development; and (d) engagement with the private sector, that need to be focussed on to develop an effective entrepreneurial ecosystem.

It highlights the very limited current state of entrepreneurial education in the curriculum as well as providing examples of some best practices around the world.

This section has emphasised the importance of the role of the HRDC in facilitating discussions with the key players about the recommendations emerging in this paper. In particular, the paper notes that for these to be implemented in a manner that achieves the anticipated results there is a need for the HRDC to work closely with the Department of Higher Education Training, the Department of Basic Education and the Department of Trade and Industry and their associated departments.

Finally, it is suggested that these recommendations require that the HRDC play a coordinating role in the overall process. It is further anticipated that other role players will be brought on board to coordinate specific recommendations. For example, whilst the DBE will drive the implementation of entrepreneurial content into the curriculum, it may be that various partners are selected to facilitate implementation.
Entrepreneurship education at FET Colleges

This section was commissioned by the Human Resource Development Council Enabling Entrepreneurship Technical Task Team (EE TTT), which was given the mandate to develop a set of recommendations regarding how entrepreneurship education and training can be strengthened in South Africa.

In order to drive economic growth and development, a culture of entrepreneurship needs to become part of the South African culture and especially among young people in order for the country to create a new wave of entrepreneurs. Society needs to encourage students to recognise and take advantage of their inherent entrepreneurial potential, and value successful entrepreneurs from all walks of life – including social entrepreneurs who apply enterprising principles to deal with society’s challenges - as much as successful formal business people.

Due to the nature of the graduates that FET Colleges produce, they are the perfect place to provide entrepreneurship education that will see hairdressers, plumbers, electricians and fashion designers starting their own businesses. By implementing a thorough entrepreneurship component to the curriculum, it will provide students with the knowledge, mind-set and experience that will enable them to think of running their own business, as opposed to looking for a job.

As part of the research process, face-to-face interviews were conducted with 27 senior leaders at 15 FET Colleges in 6 provinces. In addition a six-page questionnaire was distributed to various Colleges, of which 18 were returned, and six student focus groups were held with 48 students from across the country, to gain a thorough understanding of the current reality of entrepreneurial education at FET Colleges. The picture obtained was a bleak one, with very few Colleges offering any form of entrepreneurship courses. Those that do, have poorly trained educators with limited business experience, offering a course that has not been updated in 20 years, to only a handful of students who don’t understand the power of entrepreneurship.

Challenges that were raised by the research participants ranged from a lack of funding for entrepreneurship programmes to poor infrastructure and facilities. Leadership support for entrepreneurship is limited and the curriculum that is used has remained unchanged since first implemented and also lacks any practical component. This is mostly because, strategically at a government level, entrepreneurship education has not been mandated as being of importance. It therefore gets very little attention, funding or priority.
From the students' perspective, any current entrepreneurship offerings are seen as an optional extra, offering little value and failing to highlight the important role that entrepreneurs play in society. For those students who do start their own businesses while at college, no recognition is available thereby further reducing the motivation to start.

While these challenges are significant, the research participants expressed enthusiasm about the potential for entrepreneurship education. Therefore the task team would make the following high-level recommendations:

1. Develop a national policy on entrepreneurial education at FET Colleges. This would ensure that sufficient resources and priority is given to the development of this critical area of study.

2. Positively communicate the importance of entrepreneurship. This recommendation includes communication at FET Colleges and beyond across broader society. The time is right to promote the role that entrepreneurship must play in poverty reduction and reducing the unemployment levels, but this needs to be clearly communicated across all channels.

3. Review and restructure the current offering. Although there is a course in the curriculum called New Venture Creation, the content of this course needs to be reviewed to reflect current realities. The course needs to be exciting, memorable and include practical and experiential opportunities. Included in this recommendation is the upskilling of the educators responsible for teaching the course. The establishment of partnerships with local businesses, and with other FET Colleges locally and overseas, who are successfully teaching entrepreneurship, should also be encouraged and established.

4. Source additional funding to implement sustainable programmes. Once the programmes have been given the required priority at a government level, Colleges need to be empowered to source additional funding to enable the establishment of effective courses.

5. Actively drive entrepreneurship education at FET Colleges. This needs to be done at each College through the dedication of an entrepreneurship champion, ideally the principal, who will drive the EE agenda. In addition, it is recommended that a national coordinating body be established to support the efforts. This body would be tasked with responsibility for developing, implementing programmes for entrepreneurship education and educator development.
5.1 Methodology

Research was commissioned by the EE TTT on entrepreneurship education within South Africa’s Further Education and Training Colleges (FETCs), with the aim of understanding the extent to which the entrepreneurship education curriculum offered by the Colleges equips graduates to start and run their own businesses, and how, if at all, the entrepreneurship education at FET Colleges can be strengthened to improve training effectiveness and outcomes. The research was conducted by Osiba Management46.

The objectives of the research were to:

- Review and outline best practice for FET College entrepreneurship education internationally
- Identify critical success factors for effective entrepreneurship education at FET colleges in the country, based on international best practise standards to ensure that training results in small business start-up and success
- Assess the extent to which FET colleges actively support and promote entrepreneurial activity on campuses. This may include but is not limited to the following: partnerships, coaching, mentoring, access to finance, markets, legal and tax advice, training, networking opportunities, guest speakers and the provision of business incubators
- Determine whether current course offerings, if any, adequately equip FET college graduates with the knowledge and skills to start and sustain their own small businesses with a specific focus on curriculum content and relevance, lecturer qualifications and experience, as well as access to and use of technology
- Determine whether FET college students studying programmes that do not include an entrepreneurship component would also benefit from exposure to such a course
- Probe the extent to which colleges are responsive to local economic and skills needs
- Identify the key constraints hindering college graduates from starting and sustaining their own small businesses
- Develop a set of recommendations regarding measures that should be taken to stimulate entrepreneurial activity on FET college campuses so that pathways into self-employment are created

The research followed a survey design, using the convenience sampling method. Initially FET Colleges were selected to participate in the study using a proportional representation principle. However, in the end only those Colleges that were available to participate in the study were

46 www.osiba.co.za
This was because the study was undertaken during the months of October and November, which proved to be a particularly busy time of the year for FET Colleges. This is the time when College management are preparing their strategic plans for the following year and submitting them to the Department of Higher Education and Training (DHET), when students are writing examinations and lecturers are invigilating and marking exams. Data for the study was collected using several methods:

<table>
<thead>
<tr>
<th>Research method</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature review</td>
<td>Review of South African and international literature on entrepreneurship education in vocational education and training institutions and on youth entrepreneurship in general</td>
</tr>
<tr>
<td>Interviews</td>
<td>Face-to-face interviews with key informants within FET Colleges. The majority of these were senior leadership (Principals / Deputy Principals / CEOs). A lesser number of respondents were Skills Managers or Student Support Services Managers. A total of 27 interviews were conducted in 15 Colleges in six provinces using an unstructured interview schedule. The provinces covered were: Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo, North West and Western Cape. One in-depth face-to-face interview was conducted with the developer of the materials used by the majority of colleges (as reported by the interviewee) to teach entrepreneurship and new venture creation (NVC). Copies of the course material developed by the interviewee’s company for both entrepreneurship education and NVC were also obtained during this interview.</td>
</tr>
<tr>
<td>Questionnaire</td>
<td>A six-page semi-structured questionnaire was emailed and completed by entrepreneurship and NVC lecturers. A total of twenty questionnaires were returned and eighteen of those were usable. The other two questionnaires were not included in the analysis because the majority of the questions had not been answered. Thirteen of the respondents teach New Venture Creation and five teach entrepreneurship.</td>
</tr>
<tr>
<td>Focus group discussions</td>
<td>Six student focus groups drawn from both Report 191 and National Certificate (Vocational) in four provinces – Eastern Cape (2), KwaZulu-Natal (2), Limpopo (1) and Western Cape (1). In the case of Report 191 participants also included students enrolled for courses in which studying entrepreneurship is a requirement and those in which it is not. A total of 48 students participated.</td>
</tr>
</tbody>
</table>

*Table 7: Data collection methods used by research company Osiba Management*
5.2 Lessons from international experience
5.2.1 European Commission

In November 2009 the European Commission’s Expert Group on Entrepreneurship in Vocational Education and Training published a report on entrepreneurship in VET in twenty-four European countries\(^{47}\). The main findings of the study were that:

a. In a majority of European countries entrepreneurship is included in the national curriculum for vocational education, at least to some extent, with some countries reporting that as many as between 90% and 100% of vocational education students participate in entrepreneurship programmes at some point during their vocational education path.

b. Cooperation between vocational education institutions and enterprises is generally well established, particularly in countries where a dual system of training is in operation.

c. Recognising the importance of problem-driven and experience-oriented education in fostering entrepreneurial mind-sets and abilities, the most effective way to teach entrepreneurship, irrespective of the vocational training area, is to have students participate in practical projects and activities, which emphasise learning by doing, enabling students to gain real-life experience with entrepreneurship.

d. Non-profit organisations (NGOs) play an important role in organising entrepreneurship education in VET schools, especially by offering programmes based on practical experience and working on projects. These organisations have close links with the business world, and often receive some form of support from public authorities. Entrepreneurship education NGO programmes extensively use mini-companies or practice firm programmes, enabling students to work on their own real or virtual firm.

e. The most commonly used teaching methods are:
   - Lectures
   - Student companies
   - Company visits
   - Computer simulations and business games

\(^{47}\) The countries included in the report are: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and UK
• Project work and group work
• Work placements

f. Entrepreneurship learning activities are either integrated into the compulsory curriculum or part of optional or extra-curricular activities

g. Effective and successful entrepreneurship education programmes in VET institutions are characterised by eight good practice indicators, as shown in Table 8.

<table>
<thead>
<tr>
<th>Good Practice Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The programme or activity has well-defined objectives and appropriate measures of success. It is regularly evaluated and valuation results are continuously utilised to improve the programme</td>
</tr>
<tr>
<td>• There is a good balance between theory and practice: the programme or activity is action-oriented, based on experience and project work. It aims to improve the students’ abilities to work in a team, develop and use networks, solve problems, and spot opportunities</td>
</tr>
<tr>
<td>• The programme or activity is adapted to the students’ learning environment and to their specific fields of study</td>
</tr>
<tr>
<td>• The VET institution has external links with enterprises, experienced business people and young entrepreneurs, and with the local community. Entrepreneurs are involved in the learning process.</td>
</tr>
<tr>
<td>• Students are exposed to real-life work situations and encouraged to take part in extracurricular activities. External events, activities and contests are organised.</td>
</tr>
<tr>
<td>• Teachers have an appropriate qualification in entrepreneurship acquired through experience in business and/or participation in training programmes. They use up-to-date study materials and up-to-date knowledge in teaching entrepreneurship</td>
</tr>
<tr>
<td>• Students and teachers look beyond the borders of their institutions and exchange experience or ideas with other institutions, students from other countries or those with other technical backgrounds.</td>
</tr>
<tr>
<td>• Students are followed up after participation in the programme, and are referred to the right support mechanisms if they want to start up a business.</td>
</tr>
</tbody>
</table>

Table 8: European Commission Good Practice Indicators for Entrepreneurship Education in VET Institutions

h. Weaker programmes have the following common characteristics:

• Entrepreneurship is not included in all parts of the VET system
• Student participation is limited
• Teaching methods are ineffective
• The practical element of entrepreneurship is missing
• Teachers are not fully competent, mainly lacking practical experience in entrepreneurship
• Entrepreneurship is not linked to specific training subjects or professions
• Business people are not sufficiently involved

The European Commission’s Expert Group recommended a set of measures to be undertaken at various levels to strengthen entrepreneurship education.

<table>
<thead>
<tr>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public authorities</strong></td>
</tr>
<tr>
<td>• Make career exploration mandatory, and include entrepreneurship in vocational guidance</td>
</tr>
<tr>
<td>• Provide counselling for institutions and teachers in designing VET curricula, and disseminate successful experiences and practices between VET institutions</td>
</tr>
<tr>
<td>• Support those non-profit organisations and NGOs whose mission is promoting and delivering entrepreneurship education, and which act as intermediaries between vocational schools and businesses</td>
</tr>
<tr>
<td>• Contribute to the exchange of good practices, experiences and methods, in raising awareness and in monitoring and benchmarking</td>
</tr>
<tr>
<td><strong>Vocational institutions</strong></td>
</tr>
<tr>
<td>• Extend entrepreneurship to all fields of study in vocational education: link practical training in specific fields of study with the objective of entrepreneurship</td>
</tr>
<tr>
<td>• Provide support for students interested in starting up a business.</td>
</tr>
<tr>
<td>• Make use of methods based on real experience (project work with real enterprises or with the local community, student mini-companies, etc.)</td>
</tr>
<tr>
<td>• Ensure access to experts (from businesses, business associations, and NGOs) who can provide training and ongoing support</td>
</tr>
<tr>
<td><strong>Business Associations</strong></td>
</tr>
<tr>
<td>• Promote partnerships between VET institutions and enterprises, and motivate more business people to get involved in entrepreneurship education</td>
</tr>
</tbody>
</table>

Table 9: European Commission recommendations on fostering entrepreneurship education in VET institutions

5.2.2 United Nations Economic & Social Commission for Asia and the Pacific

In its 2012 Policy Guidebook for SME Development in Asia and The Pacific, the United Nations Economic & Social Commission for Asia and The Pacific discusses measures for fostering the culture of entrepreneurship generally and specific measures and initiatives focused on entrepreneurship education with TVET institutions within the Asia and The Pacific region. On fostering the general culture of entrepreneurship it cites the OECD’s 2007 work, which identified a number of measures required to ensure greater levels of entrepreneurship within society.
These are:

- Increase awareness of entrepreneurial opportunities
- Intensify enterprise education and awareness campaigns
- Create identifiable role models and champions
- Establish mentor and patron relationships
- Create incentives and support for business creation
- Create incentives for SMEs to train apprentices
- Enhance entrepreneurship within existing businesses

In several countries across the region, including China, Indonesia, the Lao People’s Democratic Republic, Papua New Guinea, the Philippines, Sri Lanka and Vietnam, entrepreneurship education has been or is being introduced across the entire education system – at secondary, post-secondary, vocational and technical schools, and in higher education. The report identifies the critical skills for successful entrepreneurship and urges that:

“Awareness of entrepreneurship should be integrated into the whole training process to encourage students to see self-employment as a valuable career path. The specific skills needed for successful entrepreneurship such as business plan drafting, accounting and marketing skills, knowledge of commercial laws, and the administrative procedures for starting a business should be covered by the courses”.

An example of a TVET programme aimed at promoting entrepreneurship in Sri Lanka is detailed in 9.13 Sri-Lankan TVET programme, as one example of how a programme of this kind might be structured.
5.3 State of entrepreneurship education practice in FET colleges

5.3.1 Rationale for entrepreneurship education

The need for and importance of entrepreneurship education at FET Colleges is generally acknowledged. However, this need tends to be defined too much in negative rather than in positive terms. Entrepreneurship education is mainly seen as a response to the problem of unemployment of FET College graduates, which, as one Principal put it, “is a risk to FET Colleges” (in terms of their performance). Viewed in these terms, entrepreneurship education is crisis-driven. While this is legitimate response to the reality of high graduate unemployment, a more positive outlook would aid a more enthusiastic and sustainable focus on entrepreneurship education as an enabler of economic development and social progress.

A more positive view would see entrepreneurship education going hand-in-hand with the core mandate of FET Colleges, which is to produce a skilled workforce for the country’s economy. With them possessing valuable technical skills, equipping them with entrepreneurial skills is a logical and critical next step in producing entrepreneurs that will contribute to growing the country’s economy. In addition, entrepreneurial skills are not relevant only for starting a business, but also for equipping young people with a set of enterprising skills that are needed in virtually all pursuits in life.

5.3.2 History and practice of entrepreneurship education in FET Colleges

Entrepreneurship education is not a new phenomenon in FET Colleges. By many accounts it started as a NATED syllabus in the mid-1990s (95/96) and so has been around for more than 20 years. However, it declined sharply around 2007 when a change in education policy was announced where NATED was to be replaced with NC(V). The result was that Colleges that were running effective entrepreneurship education programmes largely abandoned these programmes, resulting in the loss of the motivation, passion, capacity and partnerships that had been built up to drive entrepreneurship education. Although entrepreneurship has re-emerged as a subject, its delivery is limited and, with the exception of a limited number of champions who have a personal passion for it, the subject is still largely seen as an add-on and optional extra that competes with effective
academic delivery. There are both external and internal factors that hinder effective integration and delivery of entrepreneurship education. These factors are discussed in detail in the following sections.

<table>
<thead>
<tr>
<th>External factors</th>
<th>Internal factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government policy and leadership</td>
<td>Lack of a dedicated internal entrepreneurship champion</td>
</tr>
<tr>
<td>Curriculum</td>
<td>Knowledge and motivation of entrepreneurship educators</td>
</tr>
<tr>
<td>Structure of the course and teaching material</td>
<td>Teaching and assessment approach</td>
</tr>
<tr>
<td>Funding</td>
<td>Student interest in entrepreneurship</td>
</tr>
<tr>
<td>Lack of recognition of business creation and small business experience for Diploma award purposes</td>
<td></td>
</tr>
</tbody>
</table>

Table 10: Factors influencing lack of entrepreneurship education

5.3.3 Factors hindering the effective integration and delivery of entrepreneurship education

5.3.3.1 Government policy and leadership

There is currently no national policy that makes entrepreneurship education at FET Colleges mandatory. Without this policy, there is lack of dedicated focus on the part of both government and FET Colleges on driving entrepreneurship education and development. The important consequences of this policy void are lack of national government leadership on entrepreneurship education and development within the context of FET Colleges, a curriculum that is inadequate to foster effective entrepreneurship education and development and lack of government funding. The need for strong government leadership in promoting entrepreneurship within FET Colleges was emphasised throughout the study.

5.3.3.2 Curriculum

The present curriculum is viewed by College personnel and students alike as being “very academic, very theoretical and very little (that is) practical”. The NATED entrepreneurship curriculum currently taught in Colleges was developed more than 20 years ago and has never been revised. It is therefore considered by many to be outdated and in need of urgent revision. At NATED level, only business studies students undergo entrepreneurship education whereas engineering students don’t. This is attributed to “old thinking” which was based on the fact that College students used to come from industry to do theory at the College and therefore did not need entrepreneurship education as
they were already employed. However, this has long changed as most students who enrol at Colleges do not come from industry. Another factor hindering the introduction of entrepreneurship education to engineering studies is the shorter duration (3 trimesters) of studies compared to business and management studies (3 semesters) and NC(V) (3 years). General consensus is that it does not make sense to exclude engineering students from entrepreneurship education programmes. Lastly, because of its perceived lack of flexibility, which results in the dire lack of the much-important practical component, the curriculum is seen as not adequately equipping students to start a business but rather preparing them to serve as managers in an existing business.

5.3.3.3 Structure of course and teaching material

In the case of business and management studies at NATED level, entrepreneurship is a required subject at N4 and N5 levels. Colleges differ at N6 level with some continuing to offer entrepreneurship but others replacing it with Income Tax. At National Certificate – Vocational [NC(V)] level, New Venture Creation (NVC) is offered but is entirely optional. The material developers report that, for reasons that are difficult to comprehend, virtually all Colleges have opted to use the content presented in Table 11 for their NVC training, as opposed to the entrepreneurship content presented in Table 12, which is more suited to teaching entrepreneurship.

Judging by the course content shown below, it is understandable that several respondents expressed a view that the current practice within FET Colleges is to teach students about entrepreneurship rather than to teach them to become entrepreneurs. With the exception of module 3, little in Table 8’s content teaches the attributes and process of entrepreneurship and provides guidance in starting an actual business.

<table>
<thead>
<tr>
<th>Module 1: The business environment</th>
<th>Module 2: Investigate the markets and needs for a new venture</th>
<th>Module 3: Financial requirements of a new business venture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explain the structure and roles of different types of organisations within their</td>
<td>Identify potential customers for a new venture</td>
<td>Income and expenditure of a new venture</td>
</tr>
<tr>
<td></td>
<td>Survey opinions for</td>
<td>Financial and cash flow</td>
</tr>
</tbody>
</table>

“We teach them about entrepreneurship – we don’t teach them to be entrepreneurs”

“We are not encouraged to start a business”

“The curriculum is not designed to produce entrepreneurs but managers and administrators”

“We are not encouraged to start a business”

“We teach them about entrepreneurship – we don’t teach them to be entrepreneurs”

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<table>
<thead>
<tr>
<th>Module 1: The business environment</th>
<th>Module 2: Investigate the markets and needs for a new venture</th>
<th>Module 3: Financial requirements of a new business venture</th>
</tr>
</thead>
<tbody>
<tr>
<td>own industry in South Africa</td>
<td>products of the new venture</td>
<td>requirements of a new venture</td>
</tr>
<tr>
<td>Demonstrate an understanding of the concept of a market</td>
<td>Use statistical information to determine the type of product / service most valued by different communities</td>
<td>Pricing and costing principles</td>
</tr>
<tr>
<td>Discuss and describe market positioning</td>
<td></td>
<td>Resources to obtain start-up capital</td>
</tr>
<tr>
<td>Explain the role of professional associations in the business sector</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 11: NC(V) Level 2 New Venture Creation course content

<table>
<thead>
<tr>
<th>Module 1: The entrepreneur</th>
<th>Module 2: Marketing and customer relations</th>
<th>Module 3: Basic finances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify and discuss the characteristics of an entrepreneur</td>
<td>Identify potential customers for a new venture</td>
<td>Basic financial terminology</td>
</tr>
<tr>
<td>Advantages and disadvantages of entrepreneurship</td>
<td>Survey opinion for products of the new venture</td>
<td>Processes and principles for pricing a product</td>
</tr>
<tr>
<td>Identify good business ideas</td>
<td>Promote product / service of new venture</td>
<td>Financial management, record keeping and stock control</td>
</tr>
<tr>
<td>Discuss and prepare a SWOT analysis</td>
<td>Discuss customer relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Explain basic principles of negotiation to secure new business</td>
<td></td>
</tr>
</tbody>
</table>

Table 12: NC(V) Level 2 Entrepreneurship course content

At NATED level, the material follows the starting a business, managing a business and expanding a business structure at N4, N5 and N6, respectively. Students are required to complete a business plan as part of their N4 level entrepreneurship studies. Requiring students to complete a business
plan so early in their studies (first semester) hardly enables them to use this practical tool to start a real business later on in their studies. For this reason, the business plan is hardly seen by students as a tool to start a business. Moreover, some view the expanding a business component of the material, which has a strong focus on strategic planning and doing business internationally, as being above the level of students and therefore not useful in encouraging business start-up.

Moreover, NATED students are required to undergo workplace training for another three semesters after completing their coursework / theory. During this time they are not exposed to entrepreneurship development of any kind. As a result, there are very limited chances that after studying entrepreneurship during the first two semesters of a six-semester course graduates still possess the knowledge and motivation to start a business when they complete their studies.

<table>
<thead>
<tr>
<th>N4 - Starting your own business</th>
<th>N5 - Managing your own business</th>
<th>N6 - Expanding your own business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Module 1: The entrepreneur</td>
<td>Module 1: Personal management</td>
<td>Chapter 1: Strategic planning in your business</td>
</tr>
<tr>
<td>Module 2: Creativity and idea generation</td>
<td>Module 2: Management</td>
<td>Chapter 2: Dynamic business environment</td>
</tr>
<tr>
<td>Module 3: Market feasibility study</td>
<td>Module 3: Ethics and social responsibility</td>
<td>Chapter 3: Implementation of strategic planning in your business</td>
</tr>
<tr>
<td>Module 4: Financial feasibility study</td>
<td>Module 4: Organising your business</td>
<td>Chapter 4: Competitive analysis</td>
</tr>
<tr>
<td>Module 5: The business plan – completing the business plan</td>
<td>Module 5: Staffing your business</td>
<td>Chapter 5: Strategy and competitive advantage</td>
</tr>
<tr>
<td>Module 6: The marketing plan</td>
<td>Module 6: Labour relations</td>
<td>Chapter 6: Buying an existing business</td>
</tr>
<tr>
<td>Module 7: The management plan</td>
<td>Module 7: Control</td>
<td>Chapter 7: Franchising</td>
</tr>
<tr>
<td>Module 8: The financial plan</td>
<td>Module 8: Operations management</td>
<td>Chapter 8: International business plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chapter 9: Consultancy</td>
</tr>
</tbody>
</table>

Table 13: Content for Entrepreneurship and Business Management (EBM)

It should therefore come as no surprise that only a small number of lecturers could state with a strong degree of confidence that their College’s entrepreneurship education efforts adequately prepare their students to actually start their own businesses (Figure 9), with the majority stating that
their College’s training prepares students only “to some extent”, a clear acknowledgement that more needs to be done to ensure that current training enables actual business start-up.

**Figure 9: How adequately does training prepare students to start their own businesses?**

### 5.3.3.4 Funding

Outside of business studies, entrepreneurship education and development is not a mandated activity by the Department of Higher Education & Training and is therefore not funded as a distinct focal activity. Thus, it is left at the discretion of Colleges to fund and implement activities in this area.

Limited funding resources mean that Colleges do not have the wherewithal to acquire human and other resources to effectively drive entrepreneurship development programmes. For instance, while many Colleges talk about intentions to set up entrepreneurial support infrastructure, such as centres of entrepreneurship or business incubators, these plans are thwarted by lack of financial resources.

To resolve their funding challenges, many Colleges have forged partnerships with various external institutions such as SETAs, Chambers of Commerce, small business development agencies, municipalities and provincial departments responsible for economic development. These partnerships, however, do not provide sustainable long term funding and their

*Entrepreneurship education is not a ‘policied’ activity to ensure that all students are exposed to it. So there is no funding; it’s left to Colleges’ discretion to budget for it. If it’s not ‘policied’ it won’t happen. I don’t quite understand why given the level of unemployment (among college graduates)*

*Government funding is critical. There is currently no focused funding, especially for practicals*
interventions tend to be mainly of a project rather than programme nature. So most activities associated with these partnerships lack continuity and longevity. This has a negative impact on long term entrepreneurship development plans of Colleges.

5.3.3.5 Lack of recognition of business creation and small business experience for Diploma award purposes

Currently, for the practical component of the student’s practical training to be recognised as meeting the requirements for the award of a National N Diploma, the training should take place in a workplace where the training experience is structured, meaning that strong supervision should be provided to the student. Secondly, the experience should relate to the qualification the student is pursuing. A portfolio of evidence is required. Under these requirements, the process of starting a business may not qualify the student for the award of a National N Diploma. This militates against both Colleges encouraging students to start their own businesses and students being keen to explore business start-up before completing their studies.

While this is reported to be gradually changing, Colleges still focus on placing students mainly in large companies where large numbers of students can be placed with a single company and where they can receive structured and adequately supervised experience, as opposed to placing them in small businesses. This significantly reduces the number of placement opportunities available to students. Even more importantly, this denies students the opportunities to be exposed to the realities of running an entrepreneurial business, which could play a critical role in giving them the know-how and motivation to start and run their own businesses. Innovation in this area could make a significant difference in efforts to encourage Colleges to steer their students in the direction of starting and running their own businesses.

5.3.3.6 Lack of a dedicated entrepreneurship champion within a College

In the absence of national policy mandating entrepreneurship development within Colleges, this activity is left to the initiative of Colleges and, in some cases, particular individuals within those Colleges. Where such initiative is lacking, commitment to entrepreneurship development is nothing more than rhetoric. The College’s entrepreneurship development efforts should be championed at the highest level of leadership within the institution. This would give clear focus on and direction to these efforts and create the space necessary to effectively drive and coordinate the institution’s efforts.
Thus, the College Principal should be the primary champion of the institution’s entrepreneurship development efforts, setting clear vision and strategy for the entire institution. At the implementation level, views differ as to the best location and intuitional set-up to drive entrepreneurship development. A predominant view favours the location of the College’s entrepreneurship activities under the Skills Manager. Other views favour location within the academic stream or a dedicated centre for entrepreneurship or small business development.

“Skills Managers should champion entrepreneurship education. They deal with learnerships and occupational programmes. Lecturers just see themselves as academics. The rest of the stuff doesn’t belong to them”

5.3.3.7 Entrepreneurship knowledge and motivation among educators

Effective delivery of entrepreneurship education and development programmes is significantly impaired by the limited knowledge of and experience in entrepreneurship on the part of most entrepreneurship educators. Firstly, as Figure 10 shows, there is a significant number of lecturers who are currently teaching entrepreneurship and / or New Venture Creation who have no academic qualification at all or who have very low qualifications. Even those lecturers who have attained a Diploma or a Bachelor’s degree, who are in the majority, did not study entrepreneurship as part of their qualifications. So lecturers are assigned to teach entrepreneurship or New Venture Creation on an as-needed basis without due consideration to their background in the field.

![Figure 10: Educational qualifications of lecturers](image)

Secondly, more than a third of lecturers participating in the study reported that they had less than one year of experience in industry, meaning that they had very little or no previous exposure to business (figure 6).
For the FET sector it will take some doing before we have a critical mass of lecturers who can produce students of an entrepreneurial calibre

Entrepreneurship is done in NATED, which has limited time, so lecturers just push subjects.

FEBDEV-type training is very important. Now lecturers who have no background in entrepreneurship education are given responsibility to teach (the subject) but may not have passion and practical experience.

Moreover, whereas in the past (early ‘90s) there were organisations such as the Foundation for Entrepreneurship & Business Development (FEBDEV) which specialised in training and motivating entrepreneurship educators, this type of support no longer exists. W&RSETA is reported to have previously offered a one-week course on entrepreneurship aimed at New Venture Creation lecturers, but this was a once-off offering and is no longer available.

Thus, entrepreneurship educators are largely left to their own devices without any proper guidance inside the institution and equipping and motivation from outside the institution. As a result many educators are reported to lack the requisite knowledge of the field, passion and motivation, which are critical ingredients for successfully driving the institution’s entrepreneurship education and development programmes. Some respondents described the situation thus:
5.3.3.8 Pedagogical and assessment approach

The biggest criticism of current entrepreneurship education programmes within FET Colleges is that they are too academic and theoretical and lack the practical element, which is an essential component of successful entrepreneurship education programmes. While there are innovations in this area in some Colleges, with the use of business simulators and College-owned commercial ventures designed to give students opportunities to gain a certain level of practical experience, many Colleges lack these facilities. The transmission method of teaching is predominant and case studies are hardly used. There is virtually no involvement of practising entrepreneurs and business people in the delivery of entrepreneurship education and development programmes. There was no mention of use of computer-based business start-up and management simulations, although these are available on the market and increasingly used in entrepreneurship education.

Assessment in general is largely textbook-based and allows little room for students to present their own ideas and solutions to problems. The business plans developed during NATED N4 are not assessed and no mark is allocated to them. While workplace exposure was reported by one-third of lecturers as being one of the business learning opportunities available to students, the reality is that many students struggle to obtain any placement opportunities at all and what placement opportunities become available are not specifically focused on learning the practice of entrepreneurship.

Figure 12 below illustrates the limited use of interactive learning methodologies at FET Colleges.

"All teaching was theory. I would add a practical component – maybe visit companies and analyse them. Hospitality students do practicals every week on campus kitchens. EBM should be the same"
5.3.3.9 Student interest in entrepreneurship

Students largely still prefer formal employment in larger companies which is viewed as safe and promises more lucrative career prospects compared to pursuing one’s own business which is seen as a risk. This mind-set, which also extends to a wider section of society, results in weak interest in entrepreneurship education and programmes among most students. However, a sizeable number of students who have participated in entrepreneurship and New Venture Creation studies had a positive view of entrepreneurship and self-employment. This shows that these programmes can and do have a positive effect in changing the mind-set of at least some students about entrepreneurship as a possible career option.

“Students here are not thinking in terms of entrepreneurship, they’re looking for jobs”

“When I came to the College I thought I’ll go and find a job. My mindset has changed. I can work for myself. I don’t need to work for somebody else”

“The mindset out there is that you need to finish your studies and work for someone else. This course changes your mindset. You can start your own business and create jobs”

5.3.4 Other implementation constraints

Figure 13 below presents a summary of the various challenges experienced by FET Colleges in implementing entrepreneurship education programmes. Weak partnerships, lecturer inexperience and training, curriculum and lack of funding have already been discussed earlier in the report. Two other key constraints identified by lecturers is poor infrastructure, with reference to teaching resources and facilities and lack of internal and external support.
Infrastructure can be divided into two elements: (i) institutional and (ii) physical facilities. On the institutional front, only a handful of Colleges reported that they currently have or have previously had a Centre or Unit dedicated to entrepreneurship within the College. A few Colleges have business simulators although in some instances these are not functioning as intended. It was also reported that some Colleges in Gauteng had in the past started Incubation Centres but these had not worked well, largely due to an underdeveloped external and internal support environment. The external environment related mainly to lack of funding and partnerships and the internal environment related to absence of enthusiastic champions. However, there is currently a resurgence of dedicated Centres within Colleges, driven by the dti, SEDA and the University of Johannesburg’s Centre for Small Business Development.

Some Colleges are independently thinking of starting up their own Centres. Therefore the next several years will see the re-emergence of a number of Centres of Entrepreneurship / Small Business and Business Incubators at various Colleges. This will call for significant and ongoing investment in capacity development.

As far as physical facilities are concerned, Figure 14 below presents lecturer responses to a question relating to access by students to computer and communication facilities within the College. Only 30% of respondents said there was access to computers by all students. Access to the internet and social media, respectively, is much more limited. Even where access to computers and internet
were reported, in some cases this access was limited to use only for assignment preparation. So students cannot, for instance, use these facilities to research business opportunities or search for information on available support for business start-up. In other words, these facilities are currently being used mostly for academic purposes.

![Student access to electronic learning tools](image)

**Figure 14: Student access to electronic learning tools**

### 5.3.4.1 Business start-up support and monitoring

Given the various challenges faced by Colleges in effectively implementing their entrepreneurship education programmes, as presented earlier, it comes as no surprise that there would virtually be no support provided to students to start their own businesses. By far the largest number of respondents reported that their Colleges offer no business start-up support at all to their students (Figure 15). Interviewee and lecturer responses also showed that virtually all Colleges do not track their students after they complete their theoretical studies and so none could tell how many of their students had either started their own businesses or were attempting to do so. Thus, monitoring of student progress in the field of business start-up is virtually non-existent.
5.3.5 Local and international links

While there is a past example of KwaZulu-Natal based FET Colleges working collaboratively in developing material and delivering a small business development programme under the auspices of the KwaZulu-Natal Department of Economic Development & Tourism, this was an isolated case. In general, FET Colleges have no mechanisms for collaboration in the field of entrepreneurship development. Similarly, only one College interviewed reported collaboration in the field of entrepreneurship development with an overseas-based College. Greater level of institutional linkages and collaboration among Colleges and between local Colleges and their overseas counterparts can significantly enhance collective experience sharing and learning among Colleges.

“We need a national forum and a central office to coordinate for all Colleges. Now we compete and have to employ more people but we don’t have money”

“There is no national forum. You’re sort of working in your own environment”

“We have no global links around entrepreneurship education. We would be keen to look and learn internationally”
5.3.6 Forging multi-stakeholder partnerships

Partnership with various role players in entrepreneurship and small business development is recognised as among the critical success factors in College entrepreneurship education and development programmes. Several Colleges have taken the initiative to establish once-off or ongoing partnerships with various entities, such as local chambers of commerce, Sector Education & Training Authorities, small business development agencies and incubators, provincial government departments and municipalities, international development agencies, and large companies.

![Figure 16: External partnerships between colleges and other parties](image)

These partnerships provide important networking, collaboration and resource acquisition opportunities for participating Colleges. In particular, these partnerships can provide support that is critical in enabling College students and graduates to establish and run their own businesses. This support can take the form of incubation and other business development services such as mentorship (e.g. SEDA), access to finance for business start-up (e.g. Sefa), business skills development (e.g. SETAs), business networking (e.g. Chambers of Commerce) and access to markets (e.g. government departments, municipalities and large companies). However, by far the largest group of respondents (29%) reported that their Colleges have not established any external partnerships with various role players in entrepreneurship and small business development actors. This is despite the fact that

“There has to be partnerships because we don’t have the requisite income. The only way we as FET Colleges will be able to do this is through partnerships”
lack of partnerships has been identified as one of the critical success barriers (figure 8) and the recognition that partnerships are essential to success in this field of endeavour.

5.3.7 Comparing the South African situation with international practice

A comparison of current South African practices with international practices reveals that, overall, South Africa exhibits most of the characteristics of what the European Commission’s Expert Group on Entrepreneurship in Vocational Education and Training would characterise as “weak programmes”, whose features are:

- Entrepreneurship is not included in all parts of the VET system
- Student participation is limited
- Teaching methods are ineffective
- The practical element of entrepreneurship is missing
- Teachers are not fully competent, mainly lacking practical experience in entrepreneurship
- Entrepreneurship is not linked to specific training subjects or professions
- Business people are not sufficiently involved

The degree of intensity of the “weakness” obviously varies across these areas but generally the current situation can generally be characterised as being more on the weaker side.

This current status points to the significant amount of work that needs to be done to get entrepreneurship education and development going in earnest within the country’s FET Colleges.
5.4 High level recommendations

5.4.1 Develop a national policy on entrepreneurial education at FET colleges

The Department of Higher Education & Training needs to develop a clear national policy on entrepreneurship education and development within FET Colleges. This policy should mandate entrepreneurship education (theory and experiential) across all fields of FET learning. Such policy should clearly spell out the roles, individually and collaboratively, of various departments that have a role in entrepreneurship education development, such as DHET, the dti and Economic Development Department. Strong ministerial leadership, similar to that provided by the Minister of Higher Education & Training in the area of artisan development, is needed to spur efforts in the field of entrepreneurship education and development.

5.4.2 Positively communicate the importance of entrepreneurship

Future efforts to drive the integration of entrepreneurship education into FET Colleges should communicate a more positive message about the need for and role of entrepreneurship education. The message should emphasise the production of productive citizens who possess the requisite life skills and attributes to contribute meaningfully to economic development and wealth creation whether as employees or entrepreneurs. Messaging should also highlight the critical role played by entrepreneurs in an economy as producers and providers of goods and services, wealth creators, job creators and generally as drivers of economic progress.

An important element of driving entrepreneurship education within FET Colleges should be the elevation of the role and importance of entrepreneurship within society at large. A visible public campaign to profile entrepreneurship as a worthy pursuit should be designed and executed alongside efforts to drive entrepreneurship within FET Colleges.

5.4.3 Review and restructure the current offering

5.4.3.1 Review the curriculum

The curriculum urgently needs to be reviewed to be relevant to current economic realities. It must also incorporate practical and experiential learning opportunities for learning that are exciting, memorable and ‘life changing’. This aspect could include social entrepreneurship projects to uplift aspects of the local community.
The curriculum should be extended to all College students regardless of course of study. In the case of engineering studies, consideration should be given to extending the studies by a further trimester focused on entrepreneurship education.

5.4.3.2 Restructure the course and teaching material

The business plan should be seen as the practical output of entrepreneurship learning and required only at the end of the coursework, that is, at N6 level. The business plan should demonstrate practical knowledge acquired during the course and be practical enough to guide the establishment of a real business. The course material should be revised to place less emphasis on high-level knowledge of business theory but instead focus on giving students practical guidance on how to start a business. Alternatively, students could be introduced to entrepreneurship during N4 and N5 and required to undertake a practical project, which should preferably involve starting and running a real small-scale business, during N6. This would mean the discontinuation of the expanding a business component of the teaching material and replacement thereof with a practical, hands-on business start-up programme such as the well-established Dynamic Business Start-up Programme or ILO’s SYB (Start Your Business). The structure of the course and content of the material would thus be as follows:

![Figure 17: Proposed structure of entrepreneurial course](image)

5.4.3.3 Review pedagogical approach and assessment

Pedagogical approaches need to be reviewed to incorporate a strong practical component and use of a variety of teaching and assessment methods such as case studies, computer-based simulations, invitation to entrepreneurs and businesspeople to address students, and participation in business plan competitions. These approaches should give the students a road-map, opening up the world of small business to them, and giving them resources that can be helpful career-long.

In addition, to ensure the success of the revised approach, significant attention needs to be given to the development of the educators who will be responsible for the delivery of the course, and who
need to feel suitably equipped to instil enthusiasm and excitement about entrepreneurship into their students.

5.4.3.4 **Recognise business experience towards diploma completion**

The experience gained in the process of starting up and running a business, especially one in the field of the student’s study, should be recognised by Umalusi as meeting the requirements for the award of a National N Diploma. Colleges should make deliberate efforts to place students in small businesses.

5.4.3.5 **Place graduate students in small, existing businesses**

Colleges should make deliberate efforts to place graduate students in small existing businesses for apprenticeships, mentoring, and to develop skills. This would serve a dual role as graduates would be exposed to the operations of a small business – the highs and the lows, and the small business would gain additional “hands” to assist with running and growing their business, at a lower cost than a permanent employee.

5.4.3.6 **Provide students with small business support**

The use of quality ‘small business’ help content supported through the internet and mobile phones, should be made available life-long to support FET graduates

5.4.4 **Source additional funding to implement sustainable programmes**

Entrepreneurship education and development should be mandated by government policy across all fields of learning and core funding provided by the government to enable the sustainable implementation of programmes. Colleges could still be required to source additional funding from external sources but this should be to augment core funding provided by the government.

5.4.5 **Actively drive entrepreneurship education at FET colleges**

5.4.5.1 **Dedicate an entrepreneurship champion at each college**

Entrepreneurship development within a College should be driven by the Principal and clearly spelt out as a priority focus in the institution’s strategic plan. An implementation champion should be clearly identified and appropriately resourced to drive the institution’s efforts in this field. To ensure institution-wide buy-in and focus on entrepreneurship development, it might be useful to place this
institutional champion in an office with cross-cutting responsibilities rather than one based within a particular academic department.

5.4.5.2 Establish a national coordinating body to drive entrepreneurship education

Consideration must be given to establishing an adequately-resourced National Coordinating Office (NCO) for entrepreneurship education and development either inside or outside the department. The most probable locations outside the department would, in order of preference, be the Association of Colleges of South Africa (ACoSA), which would keep the NCO closer to the Colleges, or Small Enterprise Promotion Agency (SEDA), which is tasked with small business development nationally.

The proposed NCO would be tasked with the responsibility for developing, implementing programmes for entrepreneurship education and educator development. The NCO would fulfil the role of national coordinator for entrepreneurship education and development programmes across all Colleges, work closely with various external stakeholders, forge international links and ensure effective monitoring and evaluation of College-based programmes. Core funding for the NCO could be sourced from contributions by SETAs or the National Skills Fund (NSF). Additional funding could be raised through corporate and international sponsorships.

An additional task of the NCO would be to encourage and support local Colleges to establish links with their counterparts in other parts of the world that are known to have effective entrepreneurship education and development programmes. Colleges would also need to establish a platform for regular interaction between themselves and various stakeholders and prospective partners at local and provincial level. The effectiveness of Colleges at establishing and maintaining these relationships should be measured.

The NCO could also establish a national forum for those involved in entrepreneurship education and development within FET colleges. This could be linked to FEDCI (Forum for Entrepreneurship Development Centres at Higher Education Institutions), which is the equivalent higher education body, or a stand-alone forum.
5.5 Conclusion

In conclusion this section highlights the importance of entrepreneurial education in developing a culture of entrepreneurship, which would drive economic improvement and poverty reduction.

From the research that was conducted and the international trends that have been described, it is essential that South Africa make optimal use of the FET Colleges in order to produce entrepreneurial-minded young people who will be job creators and not job seekers. FET College students must be empowered with the necessary mind-set and skills, encouraged to work with small businesses to gain experience, and then to start their own businesses as soon as possible, if not even during their studies.

While significant challenges have been identified, from the lack of funding to the requirement for a total review of the current course offering, a general level of enthusiasm was expressed by those people involved with the research that the opportunity is both exciting and achievable, provided that all the necessary parties work together.

The most important recommendation is that entrepreneurship education needs to be placed strategically at the core of what FET Colleges aim to do. This must be mandated by the DHET, and driven through the structures thereby empowering each College principal to take the necessary implementation steps. In order to assist with the achievement of this goal, it is also recommended that a national coordinating body be established to drive the initiative. In addition, the training of educators to impart not only knowledge, but also enthusiasm about entrepreneurship is key to the successful production of students who believe in the importance of entrepreneurship to bring about real change.

There truly is significant potential to position FET Colleges as the production-house of entrepreneurs, who will take South Africa forward one small business at a time.
6 Entrepreneurship education at Higher Education Institutions (HEIs)

6.1 Summary

This section is the outcome of the Higher Education Working Group of the Human Resource Development Council Enabling Entrepreneurship Technical Task Team (EE TTT), which was given the mandate to explore and develop a set of recommendations on how entrepreneurship may be strengthened in the higher education curriculum in South Africa.

Universities around the world are becoming ‘hotbeds’ of innovation and entrepreneurship, spinning off successful ventures that benefit the economy as a whole. There are many examples of this, but showcase examples might include: Google developed by two Stanford PhD students for their PhD research, Dell Corporation created by Michael Dell at the University of Texas in his dorm room, Facebook and Microsoft both created by students at/ dropping out of Harvard. Local examples could include Mark Shuttleworth and Ludwick Marishane (inventor of Drybath), both from the University of Cape Town.

The outcome of dynamic and high growth businesses (with job creation potential) require universities to be vibrant entrepreneurship ecosystems characterized by breadth and depth of initiatives/offerings across three major dimensions: academic entrepreneurship, enterprise support and entrepreneurial behaviour\(^{48}\).

As part of the research process, the EE TTT conducted an online survey that was answered by 20 out of 23 universities and 12 out of 13 public graduate schools of business, as well as by 4 private business schools. The survey sought to understand current entrepreneurship offerings, as well as challenges experienced by the institutions with regard to entrepreneurship education.

For the universities, the top three challenges were as follows:

- 95% of universities in South Africa cite a lack of funding as a major barrier to the development of entrepreneurship in the University sector. *The task team therefore feels serious thought needs to be given to potential funding mechanisms for Universities in this regard*
- 75% of Universities cite the qualification of staff as a barrier to entrepreneurship development. *The task team also feels that there needs to be a collegiate development*

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\(^{48}\) Cassim, S. (2013) Entrepreneurship at universities: A framework and conceptualization, unpublished working paper, University of KwaZulu Natal
process between faculty within Universities and across Universities, and a sharing of content, curriculum, research, and best practice. A mechanism to create this sharing would not be very difficult to create

- 55% of respondents cited the availability of time as a barrier.

For business schools, there was less consensus as to the challenges, with the highest percentage being allocated to a lack of faculty interest (58%). It was to be expected, by the Task Team, that Business Schools would naturally have more focus and resources dedicated to the teaching and practice of entrepreneurship.

A most revealing question was whether the respondents believed that South African higher education institutions were, in general, entrepreneurial. The answer was overwhelmingly negative, with 91% of the business schools, and 95% of the universities answering “no” to that question. This is despite the majority of institutions (68% of universities and 75% of business schools) believing that their own institution is quite entrepreneurial in nature.

It was also found that despite there being a range of creative and innovative pedagogic methods for building entrepreneurial mindsets and skills, the majority of the HEIs still make use of the traditional methods of lectures, projects, case studies, etc. While methods such as action learning and business modelling are gaining popularity, there is work to be done. It is believed that the implementation of best practice teaching methodologies should be improved across the board, and that this could be done in a systematic way through collegial sharing.

Of concern to the task team, is the low levels of tracking of graduate behaviour on leaving programmes relating to entrepreneurship, and also the perceived low levels of entrepreneurial start-ups in graduates post-graduation.

The EE TTT therefore recommends channelling more investment in putting entrepreneurship firmly onto the stage of South Africa’s universities. The ultimate aim is to shift the higher education institutions from merely offering academic entrepreneurship, to becoming entrepreneurial universities, as per the diagram below.
Specifically the task team would like to make the following recommendations, across four headings:

- Focus strategically on entrepreneurship education at HEIs by championing its importance at the highest levels of the academic institutions
- Implement entrepreneurship-related initiatives at HEIs through the provision of dedicated funding, sharing of best practice, establishment of entrepreneurial centres and holding entrepreneurship events, such as Entrepreneurship Week and StartUp weekends
- Develop partnerships to advance entrepreneurship education, both on-campus and with the broader business community
- Measure and track entrepreneurship initiatives to assess the impact of the programmes and the students’ entrepreneurial tendencies and mindsets.

Figure 18: The entrepreneurship education continuum

Specifically the task team would like to make the following recommendations, across four headings:

- Focus strategically on entrepreneurship education at HEIs by championing its importance at the highest levels of the academic institutions
- Implement entrepreneurship-related initiatives at HEIs through the provision of dedicated funding, sharing of best practice, establishment of entrepreneurial centres and holding entrepreneurship events, such as Entrepreneurship Week and StartUp weekends
- Develop partnerships to advance entrepreneurship education, both on-campus and with the broader business community
- Measure and track entrepreneurship initiatives to assess the impact of the programmes and the students’ entrepreneurial tendencies and mindsets.
6.2 Methodology

The working group (on entrepreneurship in higher education) approached the task of developing a set of recommendations to strengthen entrepreneurship in higher education on three levels:

1. A review of the vast and growing literature on entrepreneurship education was conducted. This comprehensive database of knowledge (more than 300 papers on the subject, globally and locally) informed the group of the issues needing focus of attention. This provided the basis for the investigation.

2. The Department of Higher Education and Training documented the modules and programmes in existence at higher education institutions in South Africa.

3. An online survey was designed to solicit information from the 38 institutions of higher education and business schools, to get an understanding of the current landscape of university-related entrepreneurship education, research and support, as well as the challenges and issues experienced by the universities. 20 out of 21 universities and 12 out of 13 public graduate schools of business, as well as four private business schools completed the survey.

The approach thus agreed upon for this task was a triangulation of the secondary research, the online survey and a workshop with experts in the field.

In the process of gathering the data for the programme, it became evident that there are a number of ‘champions’ at universities who are developing a range of interventions at their institutions. The early results from the survey coupled with the team members’ personal knowledge and experience led to the decision to host a workshop to corroborate and explore the issues.

The information obtained from the survey was incorporated into a workshop that served to launch FEDCI (Forum of Entrepreneurship Development Centres at Higher Education Institutions) and develop a plan to foster entrepreneurship across higher education institutions. The workshop was held on 18th July 2013, and 72 people attended from educational institutions and education-related organisations. The aims of the workshop were as follows:

- The pedagogy of entrepreneurship, best practices, and challenges experienced within this community of practice
- Innovative entrepreneurial initiatives at universities based on dedicated research in South Africa that will benefit entrepreneurship educators in the country
- To conceptualise research themes for an international conference
6.3 The importance of entrepreneurship education at university

Parallel to the growing interest in entrepreneurship, is the increasing attention paid to entrepreneurship education across the globe. If entrepreneurship is defined as value creation by identifying opportunities for new products and services, then the entrepreneurs' learning experience is critical to the process of transforming these opportunities into new ventures (Mitra, 2012: 155). Entrepreneurship learning is thus critical to the development of new ventures and by extension contributing to economic development and job creation.

Universities have been part of the call by policy makers to contribute appropriate curriculum and programmes making entrepreneurship education part of a complement of interventions (with incubators and venture capital) to catalyse economic development and growth. Entrepreneurship education has been described as one of the fastest growing fields of education globally (West et al, 2009; Jones and Matlay, 2011).

Early research on entrepreneurship education focused on whether entrepreneurship can be taught, more popularly known as the “nature versus nurture” debate. The issue then moved on the ‘teachable elements’ of entrepreneurship (Drucker, 1985; Saks and Gaglio, 2002); progressing to issues of objectives, curriculum and pedagogy. More recent research work is focusing on the issue of impact and its measurement with a very recent issue of the Journal of Small Business Management dedicating a special issue to the subject.

While much of this early research focused on the advanced economy context, there is some emerging research on the importance of entrepreneurship education in developing economies. In their recent book, Göransson and Brundenius (2011) make reference to the important role

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that universities play in promoting entrepreneurship in the development/ transformation process of developing countries\textsuperscript{57}.

Worldwide, universities are offering a variety of education programmes in a variety of different forms. These may be offered through the radiant model or through the magnet model. They may be offered across disciplines or embedded into other programmes\textsuperscript{58}.

Documentation of these programmes has been done as follows:

- OECD countries by Hofer and Potter in 2010\textsuperscript{59},
- European countries in a study commissioned by the European Union (Niras Consultants, 2008)\textsuperscript{60},
- Higher education in the United States (Brooks et al, 2009)\textsuperscript{61}
- Higher education institutions in England (National Council of Graduate Entrepreneurship, 2010)\textsuperscript{62} and
- Canada (Parsley and Weerasinghe, 2010)\textsuperscript{63}.

A number of countries map the landscape of entrepreneurship education provision on an annual if not a biennial basis. While this has been conducted at a high level in South Africa, there is much to still be understood about the landscape of entrepreneurship education in higher education institutions in South Africa.

\begin{flushright}


\textsuperscript{60} NIRAS Consultants 2008. Entrepreneurship In Higher Education In Europe. \textit{Survey of Entrepreneurship Education in Higher Education in Europe.} European Commission.


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6.4 Entrepreneurship at higher education institutions

6.4.1 Overview of the higher education landscape in South Africa

South Africa’s apartheid legacy resulted in a higher education sector that was racially divided, of uneven quality, with many duplications and inefficiencies. Under apartheid there were separate institutions for different race groups, with historically ‘white’ institutions being most favourably located and resourced and conducting almost all the research and situated in urban settings. Then there was a binary system featuring traditional universities offering formative general and professional academic programmes and technikons offering career-focused vocational professional academic programmes (polytechnics).

Since 1994, universities have had to open their doors to students of all races, and transform curricula to become more locally relevant. However these curricula had to be geared to a increasingly knowledge-driven world, and train growing numbers of different types of graduates essential to economic growth and development. They also had to produce scholars able to tackle South Africa’s problems through research that was responsive to all of society’s needs.

The new government drove a radical restructuring of the higher education landscape aimed at transforming it to be more effective and efficient, within a framework of policies and regulations including the 1996 National Commission on Higher Education, 1997 Higher Education Act, 1997 White Paper 3 and the 2001 National Plan for Higher Education. The binary divide was overcome, and the number of institutions was reduced from 36 to 23 through mergers and campus incorporations resulting in three institutional types. None of the campuses were closed, and thus multi campus universities were established. The new higher education landscape comprises three types of institutions: ‘traditional’ research-focused universities, universities of technology, and ‘comprehensive’ universities that combine formative and vocationally oriented education.

The current system\(^\text{64}\) has:

- Eleven universities: traditional universities that offer Bachelor degrees and have strong research capacity and high proportions of postgraduate students.
- Six universities of technology: vocationally oriented institutions that award higher certificates, diplomas and degrees in technology; and have some postgraduate and research capacity.

\(^{64}\) South African Higher Education: Facts and figures (http://www.ieasa.studysa.org/resources/Study_SA/Facts_Figures_section.pdf)
Six comprehensive universities: offering both Bachelor and technikon-type qualifications, and focusing on teaching but also conducting research and postgraduate study.

In 1993 nearly half of all students were white, 40% were African, 6% were coloured (mixed race) and 7% were Indian. By 2005 the portion of white students had shrunk to 25% and the African share had grown to 61%. In the 2013 DHET report, 938,201 students were enrolled in the 23 higher education institutions. Of those enrolled in contact programmes 66% are African, 7% are Coloured, 5% are Indian and 21% are White, while in distance programmes, the percentages are 72%, 5%, 7% and 16% respectively. While access to higher education has significantly improved, there are still racial divides between the participation rates of young people: some 60% of whites and more than half of Indians enter higher education, but the rate for Africans is only around 11% and for coloureds it is even lower at 7%. The primary reason for this is low quality primary and secondary schooling.

To increase access and success, most universities have devised alternative admission processes that select educationally disadvantaged students on the basis of their academic potential rather than their performance in national school-leaving exams. All institutions have also put in place academic development initiatives - foundation or extended curriculum programmes - that help students to overcome poor schooling and to cope with learning in a second language, usually English.

South Africa’s student participation rate - the proportion of 18-24 year-olds in higher education – is fast approaching 20%.

6.4.2 Entrepreneurial education at Higher Education institutions

Globally, entrepreneurship education has been proven to play a pivotal role in entrepreneurial development. The World Economic Forum’s Global Education Initiative (2009) recently noted:

Entrepreneurship education plays an essential role in shaping attitudes, skills and culture – from the primary level up. We believe entrepreneurial skills, attitudes and behaviours can be learned, and that exposure to entrepreneurship education throughout an individual’s lifelong learning path, starting from youth and continuing through adulthood into higher education – as well as reaching out to those economically or socially excluded – is imperative.

More specifically, individuals who believe they have the skills and knowledge to start a business are more likely to do so. Further, entrepreneurial training and education plays a role in converting necessity entrepreneurship to opportunity entrepreneurship. In addition, skill development of existing entrepreneurs is associated with entrepreneurial persistence, as well as SMME growth and innovation.°

It has been demonstrated that university graduates that have taken entrepreneurship courses are more likely to select careers in entrepreneurship, work in small business and develop patented inventions or innovative processes, services or products. Also successful training programmes strengthen the expertise and faith in the students' own abilities.

It has been well established that entrepreneurship education should be embedded across institutions and there is a call for greater cooperation and coherence in entrepreneurship education. Simply, entrepreneurship education should deliver on developing general competencies (a mindset) and more specific management knowledge and skills (skills set) at every opportunity in the education system.

The co-operation between universities and enterprises should focus on students' abilities to create and develop ideas and on increasing expertise and self-confidence. The entrepreneurial dynamics should be taught to students through projects presenting challenges and encouraging responsibility taking. It should also focus on integrating these kind of skills within existing academic programmes that will assist future engineers, health practitioners, technologists, etc., to establish their own businesses.

In a World Economic Forum report titled “Educating the next wave of entrepreneurs”, five approaches are recommended to support the call to mainstream entrepreneurship education. These include:

1. Developing leadership and life skills
2. Embedding entrepreneurship in education
3. Taking a cross-disciplinary approach
4. Utilising interactive pedagogy


°° Zekan, S.B. & Peronja, I. Motivation for entrepreneurship among students; accessed via www.academia.edu on 07/07/2013

5. Leveraging technology

Entrepreneurship at higher education institutions is not only necessary but essential; however the ultimate goal would be to transition an institution from offering entrepreneurship education to being an entrepreneurial university. An entrepreneurial university “actively seeks to innovate in how it goes about its business. It seeks to work out a substantial shift in organizational character so as to arrive at a more promising posture for the future. Entrepreneurial universities seek to become “stand-up” universities that are significant actors on their own terms. Institutional entrepreneurship can be seen as both process and outcome.”

Examples of such universities include Twente University in the Netherlands, Warwick University in England and Chalmers University in Sweden.

Within the university community, there is an evolutionary process that moves a university towards becoming an entrepreneurial university, as described above.

![University entrepreneurial ecosystem](image)

Figure 19: University entrepreneurial ecosystem

Initially the focus is on offering academic entrepreneurship, where courses on entrepreneurship-related topics, such as introduction to the entrepreneurial process or creativity and innovation, are included. As the focus continues to shift, the university starts to establish enterprise support.

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69 Clark, Burton R. (1998) “Creating entrepreneurial universities” Chapter 1

units, such as technology transfer centres and business incubators. The final stage is a move to becoming an entrepreneurial university. To achieve this transition, criteria for good practice for entrepreneurship support were proposed by the OECD in 2009 in an article titled “Universities, Innovation and Entrepreneurship – Criteria and Examples of Good Practice”. These criteria included a focus on entrepreneurship as detailed below\(^\text{71}\).

**Strategy**

- A broad understanding of entrepreneurship as a strategic objective of the university, and there is top-down support for it.
- Objectives of entrepreneurship education and start-up support include generating entrepreneurial attitudes, behaviour and skills, as well as enhancing growth entrepreneurship (both high-tech and low-tech).
- There are clear incentives and rewards for entrepreneurship educators, professors and researchers, who actively support graduate entrepreneurship (mentoring, sharing of research results, etc.).
- Recruitment and career development of academic staff take into account entrepreneurial attitudes, behaviour and experience as well as entrepreneurship support activities.

**Resources**

- A minimum long-term financing of staff costs and overheads for graduate entrepreneurship is agreed as part of the university’s budget.
- Self-sufficiency of university internal entrepreneurship support is a goal.
- Human resource development for entrepreneurship educators and staff involved in entrepreneurship start-up support is in place.

**Support infrastructure**

- An entrepreneurship dedicated structure within the university (chair, department, support centre) is in place, which closely collaborates, co-ordinates and integrates faculty-internal entrepreneurship support and ensures viable cross-faculty collaboration.
- Facilities for business incubation either exist on the campus or assistance is offered to gain access to external facilities.
- There is close co-operation and referral between university-internal and external business start-up and entrepreneurship support organisations; roles are clearly defined.

Entrepreneurship education

- Entrepreneurship education is progressively integrated into curricula and the use of entrepreneurial pedagogies is advocated across faculties.
- The entrepreneurship education offer is widely communicated, and measures are undertaken to increase the rate and capacity of take-up.
- A suite of courses exists, which uses creative teaching methods and is tailored to the needs of undergraduate, graduate and post-graduate students.
- The suite of courses has a differentiated offer that covers the pre-start-up phase, the start-up phase and the growth phase.
- For certain courses active recruitment is practiced.
- Outreach to alumni, business support organisations and firms is a key component of entrepreneurship education.
- Results of entrepreneurship research are integrated into entrepreneurship education messages.

Start-up support

- Entrepreneurship education activities and start-up support are closely integrated.
- Team building is actively facilitated by university staff.
- Access to private financing is facilitated through networking and dedicated events.
- Mentoring by professors and entrepreneurs is offered.
- Entrepreneurship support in universities is closely integrated into external business support partnerships and networks, and maintains close relationships with firms and Alumni.

Evaluation

- Regular stock-taking and performance checking of entrepreneurship activities is undertaken.
- Evaluation of entrepreneurship activities is formalised and includes immediate (post-course), mid-term (graduation), and long-term (Alumni and post-start-up) monitoring of the impact.
The above can be summarised as seven success factors to frame, design, launch, and sustain efforts in the area of entrepreneurship:

- Senior leadership vision, engagement and sponsorship
- Strong programmatic and faculty leadership
- Sustained commitment over a long period of time
- Commitment of substantial financial resources
- Commitment to continuing innovation in curriculum and programmes
- An appropriate organisational infrastructure
- Commitment to building the extended enterprise and achieving critical mass

6.4.3 The entrepreneurship landscape at South African higher education institutions

South Africa struggles with high levels of unemployment, in particular youth unemployment, low levels of economic growth and low levels of total early stage entrepreneurial activity (known as TEA index) tracked globally and reported in the 2012 Global Entrepreneurship Monitor. But institutions of higher learning acknowledge the key role that universities have in the country in catalysing entrepreneurship. Universities can serve as engines for entrepreneurship development as they are ideally located to unlock the creativity and innovation of nations that deal with the challenges of the 21st century.

6.4.3.1 Entrepreneurship education at HEIs in South Africa from the literature

In 2006, an extensive survey was completed to understand the ‘then’ landscape of entrepreneurship education at HEIs in South Africa. At that stage, the results of the investigation showed that entrepreneurship education in South Africa was at its early stages even though some of the HEIs have been involved since the early 1990s. The findings showed that the courses offered, teaching methodologies as well as assessment methods adhered to the more teacher-centred way of teaching although some institutions were trying to develop new courses and use more non-traditional modes of delivery that required more interaction and participation from students.

The study showed that class time generally consisted of 80% theory and only 20% outside classroom methods. The theory was broken down into 32% business plans, 26% lecture and

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22% case studies. This was supported by earlier research\(^{75}\) that found that entrepreneurial education was being taught using traditional pen and paper exercises with no emphasis on imagination, creativity and innovation; and that there was more focus on virtual than real problems and was disconnected from practice.

In most cases, the curricula on small business/entrepreneurship took the form of a business plan, although unfortunately in many cases, the business will develop differently from the plan. Many programmes pay high attention to the knowledge aspects but are weak on the skills and attitudinal aspects that are crucial to the success of any potential or start-up entrepreneur. In addition, lecturing as a teaching method needs to be changed because the approach often reveals more about the teacher than the subject being taught.

The investigation did show that there was an increased commitment by schools to academic offerings, research and outreach activities related to entrepreneurship. The results supported the view that most HEIs and academics were starting to recognise that entrepreneurship is an important subject area to focus on, and that a strong programme in entrepreneurship is necessary for an institution to be recognised. There seemed to be however, a perception that the research on entrepreneurship in South Africa is not rigorous. The research proved that there had been very little done on entrepreneurship education.

Also in 2006, entrepreneurship activities at HEIs were researched for the Council for Industry and Higher Education\(^{76}\). At this stage, a wide range of entrepreneurship activities were found to be offered, and these could be classified in six broad categories.

<table>
<thead>
<tr>
<th>U3</th>
<th>Undergraduate (3 year) programme in Faculty of Commerce or Management Sciences</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1</td>
<td>Graduate (1 year) programme at Honours or Masters level. Typically aimed at more mature students. Usually in Faculty of Commerce or Management Sciences</td>
</tr>
<tr>
<td>MBA</td>
<td>MBA electives</td>
</tr>
<tr>
<td>E1</td>
<td>Entrepreneurship module in 3rd or 4th year of undergraduate degree in Science or Engineering</td>
</tr>
<tr>
<td>SE</td>
<td>Student entrepreneurship activities</td>
</tr>
<tr>
<td>OSC</td>
<td>Outreach and short courses</td>
</tr>
</tbody>
</table>

*Table 14: Types of entrepreneurial activities offered at HEIs in 2006*


These offerings were found at the following HEIs:

<table>
<thead>
<tr>
<th>University</th>
<th>U3</th>
<th>G1</th>
<th>MBA</th>
<th>E1</th>
<th>SE</th>
<th>OSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Pretoria</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>University of Cape Town</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of the Western Cape</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cape Peninsula University of Technology</td>
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<tr>
<td>University of the Witwatersand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>University of Johannesburg</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>University of KwaZulu-Natal</td>
<td>x</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Table 15: Entrepreneurship offerings at the HEIs interviewed in the study (only ten HEIs participated)

Note from the study: These were the main activities that were reported in the survey. Other universities may offer programmes and the listed universities may have programmes that were not reported.

Therefore in 2006, it can be seen from the above table that the University of Pretoria were front-runners in the field of entrepreneurship education.

In 2009, Ndedi\textsuperscript{77} conducted research and found that now many South African universities have embarked on programmes in entrepreneurship and that Bachelor, Master and Doctorate degrees in Entrepreneurship are offered at some universities. This was seen as a first step in introducing entrepreneurship into the curricula of South African universities. However, these programmes were generally only offered to management science students. They must be expanded to include a far wider range of disciplines (engineering, social and medical sciences students).

In addition, associated with these theoretical programmes, Ndedi believes that there is also a need to have business incubators established within universities. This will enable students to experiment with their projects and give them the necessary skills to embark on new ventures. By doing so, tertiary institutions could play their roles in job creation and poverty alleviation.

6.4.3.2 **Current entrepreneurship offerings at HEIs**

At the request of the DHET, this table was compiled to provide an overview of the current entrepreneurship education offerings across South Africa’s universities.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Qualification</th>
<th>Title</th>
<th>Major Modules/Courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPUT</td>
<td>National Diploma</td>
<td>Entrepreneurship</td>
<td>Small Business Management III</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Institution</th>
<th>Qualification</th>
<th>Title</th>
<th>Major Modules/Courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>B Tech Degree</td>
<td>Management in Entrepreneurship</td>
<td></td>
<td>Financial Management III</td>
</tr>
<tr>
<td>B Tech Degree</td>
<td>Project Management</td>
<td></td>
<td>Entrepreneurship IV</td>
</tr>
<tr>
<td>M Tech Degree</td>
<td>Business Administration (Entrepreneurship)</td>
<td></td>
<td>Entrepreneurship Education</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Finance for Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Entrepreneurship Techniques</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Research Methodology</td>
</tr>
<tr>
<td>M Tech Degree</td>
<td>Marketing (Course Based)</td>
<td></td>
<td>Entrepreneurship V</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CUT</strong></td>
<td>National Certificate</td>
<td>Accounting</td>
<td>Entrepreneurship Skills I</td>
</tr>
<tr>
<td></td>
<td>National Certificate</td>
<td>Financial Information Systems</td>
<td>Entrepreneurship Skills I</td>
</tr>
<tr>
<td></td>
<td>National Diploma</td>
<td>Engineering Computer Science</td>
<td>Entrepreneurship II</td>
</tr>
<tr>
<td></td>
<td>B Tech Degree</td>
<td>Project Management</td>
<td>Entrepreneurship IV</td>
</tr>
<tr>
<td><strong>DUT</strong></td>
<td>National Diploma</td>
<td>Small Business Management</td>
<td>Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NWU</strong></td>
<td>BCom Degree</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>BCom Degree (Honours)</td>
<td>Entrepreneurship and Marketing</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>MCom Degree</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>PhD Degree</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td><strong>UNIZULU</strong></td>
<td>BA</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>Bachelors' Degree</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>MCom Degree</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>DCom Degree</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>MUT</strong></td>
<td>National Diploma</td>
<td>Accounting</td>
<td>Entrepreneurship Skills I</td>
</tr>
<tr>
<td></td>
<td>National Diploma</td>
<td>Cost and Management Accounting</td>
<td>Entrepreneurship Skills I</td>
</tr>
<tr>
<td><strong>NMMU</strong></td>
<td>B Tech Degree</td>
<td>Business Administration</td>
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</tr>
<tr>
<td></td>
<td>B Com Degree</td>
<td>SMME</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>M Tech Degree</td>
<td>Entrepreneurship Coursework and/or Research based</td>
<td>Coursework and/or Research based</td>
</tr>
<tr>
<td><strong>SUN</strong></td>
<td>B Com Degree</td>
<td>Management Sciences</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td><strong>TUT</strong></td>
<td>National Diploma</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship</td>
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<tr>
<td><strong>UCT</strong></td>
<td>Postgraduate Diploma</td>
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<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Raymond Ackerman Academy</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>UFH</strong></td>
<td>B Com Degree</td>
<td>Business Management</td>
<td>Small Business Management</td>
</tr>
<tr>
<td></td>
<td>B Com Degree (Honours)</td>
<td>Entrepreneurship and Small Business Management</td>
<td>Entrepreneurship and Small Business Management</td>
</tr>
<tr>
<td></td>
<td>M Com Degree</td>
<td>Small Business Management</td>
<td>Research based</td>
</tr>
<tr>
<td><strong>Centre for Enterprise Development</strong></td>
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<tr>
<td><strong>UFS</strong></td>
<td>B Com Degree</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship and Management</td>
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<tr>
<td>Institution</td>
<td>Qualification</td>
<td>Title</td>
<td>Major Modules/Courses</td>
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<tr>
<td>UJ</td>
<td>National Diploma</td>
<td>Small Business Management</td>
<td>Small Business Management and Entrepreneurship</td>
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<td>B Com Degree</td>
<td>Intrapreneurship</td>
<td>Intrapreneurship and Management</td>
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<td>M Tech Degree</td>
<td>Business Administration</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td>Centre for Small Business Development (UJ-Soweto Campus)</td>
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</tr>
<tr>
<td>UKZN</td>
<td>B Com Degree</td>
<td>Small Business Development Studies</td>
<td>Entrepreneurship</td>
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<td></td>
<td>B Com Degree (Honours)</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>Masters’ Degree</td>
<td>Business Administration</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td>UNISA</td>
<td>National Diploma</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship, Marketing, Financial Management IV</td>
</tr>
<tr>
<td></td>
<td>B Com Degree</td>
<td>Entrepreneurship</td>
<td>Entrepreneurship, Strategic Planning, Small Business Management</td>
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<td>UP</td>
<td>Short Courses</td>
<td>Entrepreneurship and Small Business Management</td>
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<td>Advanced Entrepreneurship</td>
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<td>Teaching Entrepreneurial Skill Development Program</td>
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<td>Women Entrepreneurship Programme</td>
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<td>National Diploma</td>
<td>Small Business Management</td>
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</tr>
</tbody>
</table>

Table 16: HEIs offering dedicated programmes in Entrepreneurship Development

6.4.4 Higher education institutions survey

In South Africa, different institutions are at different places along the entrepreneurial evolutionary process reflected in Figure 19: University entrepreneurial ecosystem. An online survey (refer to addendum 9.14) was recently conducted to better understand the focus on entrepreneurship at HEIs across the country. Responses were received from 36 out of the 40 HEIs across the country, including from four private business schools/colleges. The responses captured in this section reflect the views of the respondents and do not necessarily represent the official positions of the institutions the respondents come from.

Responses were obtained from the following numbers of higher education institutions:
- Public graduate business schools (GSB) 12 (out of 13)
- Public universities (including universities of technology) 20 (out of 23)
- Private graduate business schools 4 (out of 4 surveyed)
The actual institutions that responded to the online survey are listed in addendum 9.15.

Respondents included:

- Deans
- Deputy deans
- Principals
- Professors and associate professors
- Directors
- Heads of department
- Senior lecturers and lecturers
- Programme managers

Due to the different focus of graduate schools of business as compared to universities, in most cases the answers are separated. Also, the private business schools have been separated from the public ones, and the survey results are shown in addendum 9.16.

The survey started with getting an understanding of the current entrepreneurship offering at the various institutions. The respondents were asked how many entrepreneurship courses are offered by their institution, and if those courses are offered as part of the core curriculum or as an elective.

![Graph](image.png)

**Figure 20: Entrepreneurship courses offered at universities**
The majority of public universities offer a minimum of one core and one elective module in entrepreneurship. This is important as it would appear that entrepreneurship is gaining currency in the HEI sector. Interestingly, nine public institutions offer more than four modules. While this may sound encouraging it must be remembered that the figure represents modules across the entire university. Of the 12 public GSBs respondents, only five schools offer more than one entrepreneurship module, of which one offers more than six electives in entrepreneurship.

Teaching pedagogies and methodologies have come under scrutiny in the literature in recent years. A move away from passive learning to action learning is being advocated in the literature. The following question sought to determine which in-class pedagies are used to teach the entrepreneurship courses.

From Figure 5 below, it can be seen that in most cases, the traditional teaching methods are still used, as opposed to newer methods that employ action/experiential learning methodologies now being recommended for entrepreneurship education. One could argue that there is an improvement over the study conducted by Co and Mitchell (2006)\textsuperscript{78} in which courses were 80% theory based. Interestingly from these responses, universities and public Business Schools use the more conventional methods of teaching more than the private business schools who use more active pedagogies. Business planning is the most used of the action learning approaches. However, business planning is used in almost every module in entrepreneurship generally and

there are a few ways in which business planning may be used, sometimes in a passive teaching mode. This applies to the use of Projects as a teaching technique too. The study data didn’t provide the opportunity to explore this dimension of the techniques.

It was extremely interesting to the Task Team that the universities fair better than the business schools in the use of the more interactive pedagogic methods. The task team believes that there should be a call to Business Schools to use more interactive and action-learning based teaching methodologies. Nonetheless there is room for improvement across the Board.

![Pedagogic methodologies used at public HEIs](image)

**Figure 22: Pedagogic methodologies used at public HEIs**

Following a description of the institutions’ offerings in entrepreneurship, respondents were asked whether they considered their institutions entrepreneurial. In response to the question: “Do you regard your institution as being entrepreneurial?” surprisingly, both university and business school respondents believe that their institutions are entrepreneurial. This as seen in Figure 6 below and is the dominant view across all the different types of institutions. In some cases, there was more than one respondent from a single responding institution and their answers differed, in which case it is shown as “both” on the graph.
Respondents were then asked to comment on their choice of responses. Some of the comments are shown here.

For a “Yes” response:
- “Many initiatives are being pursued towards exploring and developing opportunities”
- “From time to time, seminars are held to address the issue of entrepreneurship with government and the private sector.”
- “There are a lot of entrepreneurial activities and especially the incubator for engineering is breath taking. The Centre for Social Entrepreneurship and Social Economy has a virtual social incubator with 65 incubatees with a full mentoring service.”
- “There is a various entrepreneurial activities that take place or are supported on campus”
- “We are involved in so many entrepreneurial actions on an ongoing basis and the potential is huge to get more and new activities to support entrepreneurship.”

For a “No” response:
- “Because entrepreneurship is not at the core of what we currently do”
• “It is old fashioned and based on the Oxford model.”
• “The institution does not have an entrepreneurial culture”
• “Not yet, have just introduced a new B.Com Entrepreneurship degree. There is not a culture of entrepreneurship.”
• “While there is a module on Entrepreneurship and the centre is only getting recognition now, the institution would not meet most of the criteria on an entrepreneurial university.”

These views suggest that there is a comprehensive view of entrepreneurship at universities. In other words respondents were concluding that being entrepreneurial referred to more than the offering of courses. Their conceptualization included offerings other services, for example, seminars, incubators, etc.

Interestingly, the ones who indicated that their institutions were not entrepreneurial, suggested the entrepreneurial culture which reflects a truly comprehensive view of an entrepreneurial university.

Respondents were then asked to indicate the entrepreneurship support activities are offered by their institution:

![Figure 24: Entrepreneurship support activities offered by public GSBs](image_url)
In all cases, the most frequently cited support initiative and thus most attention at institutions of higher education appears to be given to community engagement initiatives with almost all institutional respondents indicating that they are involved in this. This implies that university support in enterprise (through funding, providing incubator facilities, etc.) is more focused on community engagement initiatives than on the student population at the institution, either while they are studying or even upon graduation.

The task team believes that this has serious consequences for the promotion of entrepreneurship at universities, as while valuable, should not be done at the expense of the students. In fact it might be more appropriate to invest energies in the promotion of a more comprehensive definition of entrepreneurship at universities, as suggested in the conceptualization framework above.

If university academics and management conceive of entrepreneurship as only comprising some modules (curriculum in the conceptualization) and community engagement (in enterprise support in the conceptualization) this does a disservice to the field. This issue deserves serious attention.

It appears that in the context of the conceptualization of entrepreneurship at universities framework presented earlier, the majority of respondent institutions in the country may be placed in the centre of the framework. It appears that a full conceptualization of an entrepreneurial university is lacking. This requires considerable investment of effort to develop a full conceptualization that will result in the practical interventions required to make the institutions’ efforts meaningful.
In response to the question “If you had to generalise, would you personally say that South Africa’s university sector is strong in the promotion of a culture of entrepreneurship in its students and surrounding communities?”, the answer was overwhelmingly negative as reflected in Figure 9 below. This is interesting and presents a view that is quite different to that expressed in an earlier question on whether they see their institutions as entrepreneurial. It may be construed that the perception is that their institutions are doing well but that the sector as a whole is not strong in the promotion of an entrepreneurial culture.

Figure 26: Do you believe that South African universities are entrepreneurial (in general)?

With reference to the challenges that institutions face when developing entrepreneurship at HEIs, the responses are as shown below. Respondents could select more than one answer.

Figure 27: Challenges experienced with entrepreneurial development at universities

The top three challenges facing university respondents in entrepreneurship were:
1. Lack of funding (95% of respondents noted this as a challenge)
2. Qualification of staff (75%)
3. Time (55%)

A very positive response was that the “lack of student interest” was relatively low, which suggests that when increased focus is given to entrepreneurship education, the student body will respond accordingly. Likewise, the low percentage rating on “lack of faculty interest” indicates that faculty are or would be keen to pursue entrepreneurship education given sufficient funding and motivation.

![Image showing bar chart of challenges experienced with entrepreneurial development at GSBs]

**Figure 28: Challenges experienced with entrepreneurial development at GSBs**

Interestingly there was less consensus across these institutions as to what the main challenges were. Even the highest rated challenge, “lack of faculty interest” was only indicated by 58% of respondents.

One of the key impact measures of successful entrepreneurship education is that students leave university and start their own businesses. The respondents were asked if they have a method for tracking students that start their own businesses after university.
In the majority of cases, at both the universities and business schools, there is no student startup tracking activity. Even where the institution does try to track startups, adhoc tools such as alumni networks and Facebook pages are used. These are adhoc and unsystematic and it may be concluded that the systems are not entirely reliable. In the cases where respondents indicated that they did track their students, only a minority of students are known to have started their own businesses. A maximum of 25 – 50 students in the last five years, was the highest option selected and that by very few institutions.

Respondents were asked what they see as the role of universities in promoting entrepreneurship. The answers can be summarised with the following key words:

- Empowering students
- Entrepreneurship research
- Incubators
- Stimulating start-ups
- Training and support
- Capacity development
- Combining theory with practical opportunities
- Centres of entrepreneurship education

Actual comments included:

- “Universities must integrate entrepreneurship training and orientation into all their programmes”
• “All graduates should have training in business, innovation and creative thinking.”
• “Catalyst - empowering and equipping students for entrepreneurial career paths. Lobbyist - engaging with all stakeholders in the ecosystem. Research - continuous emergence in order to promote best practice. Incubators - from where real businesses can be birthed.”
• “I think it is vital for Universities to promote Entrepreneurship and self-employment because the number of school-leavers and graduates will continue to outnumber the employment opportunities.”
• “Provide a supportive environment with the appropriate culture to allow students to experiment in entrepreneurship. The “fail forward” culture is sorely needed.”
• “We teach them theory but also need to teach them the practical skills to run a business and life skills.”
• “To develop and deliver innovative teaching and research-based activities aimed at promoting entrepreneurship, social entrepreneurship and particularly entrepreneurial leadership.”
• “Giving entrepreneurial students access to existing technologies and structures within the University to promote the chance of their ventures succeeding”
• “Universities need to become key players in commerce, promoting innovation and entrepreneurship.”
• “Foster a culture of entrepreneurship and guide and support students to become independent job creators. This must be an endeavour of all faculties and not only in the Management faculty.”

These responses clearly indicate that entrepreneurship champions at universities perceive entrepreneurship at their universities using an inclusive definition. They include culture, support research and teaching.

6.4.5 The launch of FEDCI

In response to the challenges experienced by champions of entrepreneurship at institutions of higher education institutions in South Africa, a forum was established. FEDCI (Forum for Entrepreneurship Development Centres at Institutions of Higher Education) was formally launched on 18th July 2013. FEDCI has been formulated with the express purpose of serving as a platform for collaboration and for strategising on entrepreneurship issues in institutions of higher education. It will serve as a forum or network of committed ‘champions’ of entrepreneurship at every university nation-wide delivering to them a platform to share initiatives and define best practice in teaching, research and community development activities. FEDCI
has been established with support from the Department of Higher Education and the Human Resources Development Council (in the Office of the Deputy President) and the Department of Trade and Industry (the dti) alongside the private sector.

The goals of FEDCI include:

- Advocating for policy change at highest government level
- Lobbying universities to make entrepreneurship widely accessible
- Engaging with relevant and appropriate structures, such as, HESA, SATN (South African Technology Network), SAHECEF (South African Higher Education Community Engagement Forum) to obtain buy-in and support for advancing the entrepreneurship agenda
- Creating a forum (online) to collaborate and share knowledge and best practice
- Organising networking events / FEDCI colloquium
- Developing a task team to review current curricula around entrepreneurship and develop an innovative entrepreneurship curricula
- Compiling indicators for educator performance that includes entrepreneurship & innovation
- Implementing entrepreneur awards for staff and students
- Raise and award scholarships for entrepreneurship
- Raising a fund for universities to access to drive specific non-academic entrepreneurship-promoting and supporting initiatives
- Driving entrepreneurship-related research

FEDCI will serve a critical ‘catalyst’ role in stimulating and encouraging entrepreneurship activities on campuses of universities. They will essentially provide a platform for champions of entrepreneurship in universities and play an enabling role by presenting issues to the Department of Higher Education and Training (DHET).

It is foreseeable that FEDCI (though prompted by a specific focus on centres for entrepreneurship) will encompass a broad set of entrepreneurship foci, including entrepreneurship (for business); social entrepreneurship; corporate venturing or intrapreneurship and public sector entrepreneurship.

The press release issued following the launch of FEDCI is in addendum 9.17. Press articles covering the launch (addendum 9.18), and comments made by some academics in attendance (addendum 9.19) are included for information.
6.5 High-level recommendations

In order to develop a vibrant entrepreneurial ecosystem in South African universities, the task team recommends that the HRDC endorse the establishment of FEDCI and commit the required support and funding from the DHET to FEDCI, in order for them to drive the implementation of entrepreneurial education across the country’s universities.

Specifically the task team would like to make the following recommendations, across four headings:

- Position entrepreneurship education at a strategic level
- Implement entrepreneurship-related initiatives
- Develop partnerships to advance entrepreneurship education
- Measure and track entrepreneurship initiatives

6.5.1 Position entrepreneurship education at a strategic level

6.5.1.1 Champion entrepreneurship at the highest level and make it a strategic priority

Entrepreneurship needs to be positioned as a strategic objective of the university. This requires Vice Chancellors to provide visible leadership and steer co-ordinated action to promote entrepreneurship on their university campuses. They should ensure that entrepreneurship becomes a core part of university life. This would include:

a. Developing an enabling environment that builds capacity for entrepreneurship education across the entire institution.

b. Recognizing and supporting the resources, cultural change and academic and staff development required to achieve this.

c. Incentivising university professors and researchers (by including entrepreneurial outcomes in the indicators that measure performance in universities),

d. Recruiting and developing academic staff who reflect entrepreneurial attitudes, behaviour and experience,

e. Developing a support infrastructure at a high level within the university (chair, unit, department, support centre), which closely collaborates, co-ordinates and integrates faculty-internal entrepreneurship support and ensures viable cross-faculty collaboration

f. Regularly evaluating and monitoring the entrepreneurship activities and its impact on students.
6.5.1.2 Champion the integration of entrepreneurship education across all faculties

Research has found that university graduates that have taken entrepreneurship courses are more likely to select careers in entrepreneurship, work in small business and develop patented inventions or innovative processes, services or products. The EE TTT therefore recommends that all Universities in South Africa offer entrepreneurship courses to students in every faculty (not only the business faculty or business school). In this way, entrepreneurship would be a cross-disciplinary offering across all faculties in all the universities. This would ensure that all students leaving university have been exposed to some form of entrepreneurial thinking and education.

6.5.1.3 Recognise and empower FEDCI to drive the agenda nationally

- **FEDCI to be formally recognised**: FEDCI has been launched and embraced by the University faculties. FEDCI needs to be formally recognised by HESA.
- **FEDCI to be established**: FEDCI should be provided with a small setup grant by the DHET in order to establish an office and appoint a director and an administrator. The office should be housed at one of the universities. Operational funding will need to be obtained from the universities with each university paying an annual fee of between R50,000 – R70,000. It is recommended that FEDCI operate in the same manner as the South African Technology Network (SATN), which similarly serves to support multiple HEIs across the country.

6.5.1.4 Place entrepreneurship onto centre stage

The pivotal role of entrepreneurship education and support in Universities should be put on the ‘front and centre’ stage in Universities. Annual reports to the Department of Higher Education and Training and accreditation visits by the CHE should include an Entrepreneurship evaluation component. In addition, there needs to be funding sourced for both curricular and extra-curricular activities, as well as for physical infrastructure, incubators and innovation, etc.

6.5.1.5 Ensure practical application and a sense of realism

It is essential that entrepreneurship education programmes while grounded in academic theory must contain a strongly practical/ applied orientation. This requires the development of more entrepreneurial teaching and learning practices that reflect an action learning orientation. This may be done in a wide variety of ways, including: Start-Up weekends; business incubators and accelerators; market events; business plan and model
competitions; pitching to venture capitalists; visits to businesses; guest speakers, and actually starting and running their own businesses as an integral part of the course. It is also suggested that the competition on innovation as launched by the dti be brought back to the fore.

6.5.1.6 Encourage research into entrepreneurship education and related fields
It is important to encourage research that is both cutting edge and rooted in the realities of Africa. This will enable the development of a shared knowledge base and develop this into the future.

6.5.2 Implement entrepreneurship-related initiatives
6.5.2.1 Refocus university entrepreneurship initiatives primarily on the student market
Further research has shown that the more educated a person is in South Africa the more likely they are to believe they have entrepreneurial capabilities. In the latest GEM research report, 69% of graduates of Universities believed they had entrepreneurial capabilities, the highest of any grouping in the survey. A study by Econometrix\(^79\) estimates that over 65% of the South African GDP is ‘contributed’ by University graduates. Hence for this reason, University entrepreneurship centres as well as programmes for training entrepreneurship should focus primarily on the actual registered HE student population, and not only on the role universities can play in supporting community entrepreneurs. The EE TTT would like to see where possible an increasing focus of activities to the existing student body as well as increased efforts to enrol a greater percentage of school-leavers in university to enlarge the graduate population of the country.

6.5.2.2 Establish entrepreneurship centres at all Universities
a) Establish within each university a physical support centre for entrepreneurship which acts as a focus of energy for and guides entrepreneurial activities at universities (14 out of 23 existing universities currently have such centres).
b) Legitimise these centres through providing resources and funding (see below)
c) Have a best practice standards guide for Entrepreneurial centres
d) Entrepreneurship centres should be focused on supporting their own students
e) Nonetheless, there is a tremendous opportunity for these centres to support their local communities

\(^79\) Dr Azar Jammie (2010) Outlook for South Africa’s Retail Economy
f) Have Entrepreneurial centres contributing to their students, their communities, their universities, and to the national good by creating and sharing knowledge, curriculum, best practices, etc.

g) Develop the competencies of these centres so that they become national resources and can share their knowledge and practice across Southern Africa.

6.5.2.3 Allocate university funding specifically for entrepreneurship development

In the survey conducted, over 80% of the respondents (and 95% of University respondents), felt that lack of funding (and the corresponding lack of staffing) was the major reason for lack of entrepreneurship activities at their university. Currently Universities have no financial incentive to foster entrepreneurial education or activities in their University and are merely subsidised through the normal teaching input grant. Consideration should be given to including entrepreneurship in the Government University funding framework. This could include an entrepreneurship component as an earmarked grant, in the same way that academic research is encouraged and supported.

It is also recommended that the draft policy on Innovation Outputs be put back in to the policy domain for discussion and debate. The importance of innovation within the HEI context cannot be underestimated as it could lead to business opportunities through the commercialisation of technology and thereby affect the lives of people. There also needs to be an acknowledgement of innovation outputs.

6.5.2.4 Develop standardised ‘best-practice’ courses

‘Best practice’ courses, with all the necessary supporting materials, need be developed within and across Universities and shared with all others to assist with the above. Individual Universities and faculties should either use their own courses or modify these ‘best-practice’ courses as appropriate. These courses can be made available through an open learning portal for access to any student.

6.5.2.5 Create a centralised knowledge sharing site ‘in the cloud’

An online portal should be created to encourage best practice through sharing and learning of entrepreneurship-related courses, materials, projects, centres, incubators, etc., across all HEIs, initially created and championed through the mechanism of FEDCI (drawing on the EE TTT composite directory). Through FEDCI and such mechanisms, greater sharing across Universities should be facilitated. It is believed that this is a ‘low-hanging’ fruit, and should be created under the auspices of FEDCI quickly, and then improved over time.
6.5.2.6 Initiate a new National Entrepreneurship Week

A new national entrepreneurship week should be developed outside of the current Global Entrepreneurship Week (GEW) usually scheduled in November each year. While GEW provides a good platform, South African students generally do not participate as they are usually in the midst of the examination period at this time. A National Entrepreneurship Week could include:

- National and global student prizes for entrepreneurship with publicity (‘Entrepreneurship Olympiad’)
- Start-Up weekends [www.startupweekend.org](http://www.startupweekend.org), etc.

6.5.2.7 Share materials and tools across Universities

- National Virtual Incubator tools to be provided to all Universities to those teaching entrepreneurship
- National Student Entrepreneurship Website and Magazine to be developed (can be outsourced to a service provider)

6.5.3 Develop partnerships to advance entrepreneurship education

6.5.3.1 Build stronger relationships between business and academic “ivory towers”

An essential part of the entrepreneurial ecosystem is the business sector and it is essential that strong relationships with the business sector from an entrepreneurship point of view are fostered. Similarly, South African media, particularly the public broadcaster, should be encouraged to showcase entrepreneurship as much as possible in entertaining and exciting ways.

One way to build these relationships is through the establishment of business parks. A business park aims to support the growth of innovative businesses, particularly those active in research and development within the region by providing a high quality location and a wide range of business support services. It also serves to create a culture of entrepreneurship at the university, as opposed to only learning about the theory.

Examples of university business parks include:

1. Keele University Science and Business Park located on the campus of Keele University in North Staffordshire. It allows companies to locate to an environment that provides an innovative research culture combined with academic expertise and the University’s specialist resources. [www.kusbp.co.uk](http://www.kusbp.co.uk),

2. Kennispark Twente, which is a joint initiative of the University of Twente, Saxion, the city of Enschede, the Province of Overijssel in the Twente Region in the Netherlands. It’s aim is to help (hightech) companies innovate and accelerate, for their growth and the
economic development of our region
(http://utwente.nl/en/cooperation/kennispark_twente/).

3. ISU Research and Business Park at Idaho State University was established to cultivate and provide space for the development of diversified entrepreneurial opportunities by encouraging creative research, technological development, and business innovation for application; thus enhancing the creation of jobs and economic prosperity in the region (http://www.isu.edu/respark/).

4. Heriot-Watt University Research Park at which university departments and individual staff members make their resources and services available to industry on a professional basis (http://www.hw.ac.uk/research-park/)

6.5.3.2 Develop strong relationships with existing business and social entrepreneurs

University units should develop relationships with and seek input from successful business and social entrepreneurs in their regions. This will promote entrepreneurial thinking and present role models for students across faculties.

6.5.3.3 Build and support entrepreneurial support initiatives at universities

Already there are a number of organisations doing excellent work at universities to build and encourage entrepreneurship. These include best-practice non-profit organisations providing entrepreneurship education at Universities, such as Enactus (www.enactus.org/country/south-africa) and Endeavour, etc., and these can be supported to scale and grow.

6.5.4 Measure and track entrepreneurship initiatives

6.5.4.1 Audit all current entrepreneurship-related offerings

In order to obtain a thorough picture of the current landscape of entrepreneurship-related offerings across all the universities in the country, an audit needs to be conducted using the ‘University Entrepreneurial Ecosystem’ framework. Thereafter ongoing mapping of entrepreneurship activities through an online ‘self-updating’ process at Universities should be done on an annual basis to understand:

- Who the courses are offered to?
- What the course outcomes are?
- What methodologies are used to teach the course material?
- What percentages of students currently enrol and complete each course?
6.5.4.2 Define the specific outcomes for entrepreneurship education

It is important to assess the impact of entrepreneurship programmes, therefore the specific outcomes required of entrepreneurship education at higher education institutions must be defined and the impact measured. Literature on impact has used a variety of techniques and indicators. South Africa needs to develop appropriate measures for its specific circumstances. In a recent report by the World Bank\(^\text{80}\), a conceptual framework has been developed against which the impact of programmes can be measured. The framework is shown in addendum 9.20.

6.5.4.3 Participate in the annual GUESS survey

The Global University Entrepreneurial Student Spirit Survey should be conducted annually to take a ‘dipstick’ of South African University students’ entrepreneurial tendencies and mindsets, and to compare these with students around the world.

\(^{80}\text{World Bank Report no 78983. Framing the global landscape of entrepreneurship education and training, June 2013, Education department, Human development network} \)
6.6 Conclusion

In conclusion, this section highlights the importance of entrepreneurship education and practice at universities in developing a culture of entrepreneurship. By empowering university students with the necessary mindset and skills to start their own businesses, these students could become job creators, instead of job seekers.

The study into the current state of entrepreneurship education across all the higher education institutions proved that while there are some exciting initiatives taking place, there is much room for improvement. Improvements, such as the development of an online entrepreneurship education knowledge-sharing portal and the offering of standardised framework for entrepreneurship offerings, simulations, games, lean-start-up methods, start-up weekends, and other best practice tools, are all ideas that can be driven by FEDCI.

While significant challenges have been identified, from a lack of funding to faculty and staff availability, a general level of enthusiasm was expressed, particularly at the FEDCI launch, by academics who felt that to date they had been pushing the entrepreneurship agenda at their institutions with little or no support. It was acknowledged that there is great work being done at some of the HEIs but also that there is significant potential in this area.

A number of recommendations encourage positioning entrepreneurship at universities on centre stage, through entrepreneurship-focused activities, the establishment of entrepreneurship centres and including entrepreneurship standards and measures in CHE accreditation.

Featuring prominently in the recommendations is a thorough review of all the entrepreneurship education that is currently on offer at the HEIs. This is common practice globally and should be undertaken in South Africa to benchmark and compare with our peer countries. The review should include understanding the learning outcomes for the content being taught, measuring the impact of the education as well as the pedagogic methods being used.

While each institution functions independently, a body such as FEDCI could play an important role in driving and coordinating the recommendations. FEDCI could serve to ensure that the entrepreneurship agenda remains a priority across the institutions and within the Department of Higher Education.
7 SMMEs training and development

7.1 Summary

The HRDC established the task team at the request of the dti, to better understand the critical success factors involved in entrepreneurship training that leads to sustainable small business start-ups. The aim of the task team was to investigate the current status of the existing training and development services available to SMMEs, make recommendations on how to create more and better jobs through the support and development of existing small and medium sized enterprises (SMMEs), and to provide tools and resources, which would ultimately lead to the creation of more formal enterprises.

Research was conducted into the existing services available to SMMEs and the following insights were found:

1. Some Government approaches to entrepreneurship training and development are largely 'reactive' and therefore less effective, in comparison with best-of-breed private sector initiatives, and certainly compared to international best-practice. However, there are also some pockets of excellence in some of the programmes.

2. Entrepreneurship and small-business support initiatives are sporadic, disintegrated, uncoordinated, and not massified.

3. The list of problems is long, but these problems are in our view 'fix'-able and innovative solutions exist if there is the political will and drive to see this succeed.

4. Rather than giving ‘grants’ of capital to new entrepreneurs as the NYDA is planning to do, attention should instead be given and money invested in optimising the operating environment of small businesses.

5. If the total amount of early-stage entrepreneurship could be increased in line with peer economies, and more importantly, the existing small-business sector could be strengthened, it will lead to employment at an unprecedented scale of millions more South Africans (predominantly unemployed youth), and it will have the most profound effect possible on the socio-economic situation in South Africa.

The result of the research was that although training and curriculum is a critical part of building a successful entrepreneurial nation, this is only one aspect of a much wider and complex ecosystem of support for entrepreneurs, and delivered in isolation is destined to failure.

Therefore the following key recommendations have been made:
1. Optimise the performance of the government training programmes and incubators in order to be able to serve their target audience most effectively. This includes:
   - increasing the awareness and public reporting of these programmes;
   - instituting monitoring and measures to measure the effectiveness of the offering;
   - ensuring that the correct skills are available to provide mentoring, coaching and assistance to business owners;
   - In partnership with the private sector and institutions of higher learning, focusing the available resources on high-growth businesses in high potential industries and scale up those that work.
   - Filtering criteria for incubators should be tightened; business plans should be evaluated more realistically; and the business skills and capacity to provide practical support to small business must be geared up significantly.
   - In partnership with the private sector, provide new businesses with the whole package – from business plans to access to funding, operational support and market linkages and;
   - Provide standardised tools for the selection of entrepreneurs
   - Stimulate and encourage the formation of a National Institute of Business Service Providers for accreditation of BSP to monitor quality standard, ethics, etc and develop a national M&E tool to evaluate their impact.

2. Ease the constraints within the business environment
   2.1 Create a National Council for Small Business and Entrepreneurship. This council would enable the centralisation of all small business-related support, be able to lobby government on behalf of small businesses, and partner with government to make doing business is South Africa less challenging. The council should be modelled on that established in Malaysia.
   2.2 Remove red-tape and improve “ease of doing business” in South Africa. This means having supportive and simplified tax regimes for businesses under a certain size, ease of registration of a new business to be done online within one hour, etc.
   2.3 Relook at the labour laws relating to hiring and firing, as this is seen as a major constraint to small businesses employing more people.

3. Develop a national web portal to support small businesses
   This would be a new national ‘one-stop shop’ information web portal for Entrepreneurship and Small Business, under the auspices of the dti, with the full involvement of SEDA, SEFA,
CIPC, and other relevant agencies. This portal will be the single point of entry for SMME information and services for entrepreneurs and small business owners. The information will be available through the internet and mobile smart phones, and has the potential to strengthen up to 1-million businesses across the country.

The National Virtual Incubator (NVI) would provide, over time, a potential set of world-class tools, including:

i. Access to free business relevant education materials at different levels

ii. Free online accredited National Certificate in Entrepreneurship to existing small businesses, with mentorship and support

iii. Access to markets: Woza Online “Free websites” initiative launched Jan 2012 to provide free websites for small businesses in partnership with Google. To date, nearly 50 000 small businesses have created free websites, and about 1 000 of these are being tracked as case studies. Some remarkable successes have been achieved by individual businesses.

iv. Access to finance: a national finance solution for small businesses, providing knowledge of all loan and financial support products offered by any provider (government or private sector) in the hands of every SMME, as well as support tools to assist SMME’s in accessing finance, a finance ‘readiness’ tool, actual access to finance, ongoing financial literacy, and financial support

v. Accounting software and support: single entry accessible software and support system

vi. Admin support for SME’s

vii. Business mentorship and Master classes by leading experts freely accessible

viii. National support: National call centre: to support entrepreneurs country-wide

ix. Information relating to launching, operating and expanding a business

x. Licenses, registrations and taxation: Various registrations and compliance issues that business face and will direct browsers to the relevant government sites to complete the registrations.

xi. Funding and grants: Information of all organizations providing grants in South Africa that is relevant to small businesses.

xii. Industry guides: Information on various industry sectors (retail, mining, tourism, manufacturing, transport, agriculture, real estate).

xiii. Predictive analysis tool: Predictive analytical tool to assess likelihood of survival and growth.
The plan would be to launch these tools over a period of 5-years, launching between 1 and 3 tools per year, so that all integrate and find themselves housed centrally in the new national portal, but also to be accessible directly on the Internet or via mobile.

4. Develop a culture of entrepreneurship
   A concerted national effort, including the use of the mass media, needs to be made to establish an entrepreneurship culture. The goal of establishing an entrepreneurship culture is to make being an entrepreneur attractive, to encourage young people to consider it as a career option and to make having your own business somewhat of a status symbol. The more the culture of the country accepts that entrepreneurship is valuable and essential to the growth of the country, the more support small businesses will receive to help them grow and flourish.

5. Promote the concept of an 'SMME Graduate
   It is an incorrect assumption that unemployed youth can start sustainable businesses, or that improving training alone can make the difference. Research shows that those with work experience become more successful entrepreneurs than those without. Therefore the concept of an SMME graduate should be encouraged.

6. Promote the adoption of micro-franchising as strategy
   The adoption of micro-franchising as a recognised strategy would help to build entrepreneurial capacity and increase the income levels of disadvantaged populations. Micro-franchising is the replication of a proven, low-cost, simply packaged business model that provides potential entrepreneurs with the tools and support they need to run businesses and grow as owners of profitable microenterprises.

In outlining these recommendations, it is noted that for these to be implemented in a manner that achieves the anticipated results, there is an assumption that the HRDC will drive this process working closely with the Department of Trade and Industry, the Department of Economic Development and any other associated departments.
7.2 Methodology

- A compilation on ‘Dropbox’ of over 500 published studies in South Africa (and internationally) on entrepreneurship and the small business sector was developed. The listing of these studies has been compiled and categorised, and a 90-page reference guide including single-paragraph descriptions of each study is attached to the report.
- Face to face and telephone interviews were conducted with representatives from selected training institutions.
- Numerous high level consultative meetings were held with:
  - Department of Trade and Industry (dti)
  - Small Enterprise Development Agency (SEDA)
  - Small Enterprise Finance Agency (SEFA)
  - USAID
  - South African Qualifications Authority (SAQA)
  - Council for Higher Education (CHE)
  - A number of Higher Institutions of Learning
  - South African Banking Council
  - Small Business Incubators, such as Raizcorp, Aurik, Shanduka Black Umbrellas
  - Enterprise Development Specialists at multiple consultancies
  - Selected private sector businesses
- A doctoral study into the effectiveness of government and private sector training institutions that support small businesses was consulted.
- Research was conducted on the development of a national virtual incubator, which involved identifying international best practice portals on the provision of information. The output is attached to the report.
- Research was also commissioned on the establishment of an Entrepreneurship Council.
7.3 How are South African SMMEs currently trained and developed?

7.3.1 Review of South Africa’s Government Incubators

Incubators are widely recognised as being an effective vehicle to launch and strengthen fledgling small enterprises – provided they are well run. In South Africa SEDA’s incubators have grown from 23 in 2007 to 42 at the end of 2013. These incubators represent various sectors from steel in Mpumalanga, and ICT in Gauteng, to sugar-cane in KwaZulu-Natal and furniture manufacturing nationwide. During the 2010/11 financial year SEDA’s incubators supported 958 businesses (about 58% of these were in the agricultural sector). SEDA’s incubators also helped incubatees increase their collective turnover from R129 million in 2008/9 to R206 million. A total of 893 jobs were created by incubatees. This translates to less than one new job created by each incubatee that SEDA assisted in 2010/11.

In 2011, 38 public incubators had a total of 1 514 clients who benefitted from targeted technical skills and business development interventions. This served to create 376 new small enterprises and 2 301 jobs. On average each of the 38 incubators:
- Created 9.8 new small enterprises
- Supported 39.8 small businesses
- Created 60.5 new jobs
- Cost per job: R65 114 (approx.)

The incubatees have created the new jobs mainly in agriculture and construction. According to Timm (2012), businesses assisted by Brazilian incubators create on average 4.2 jobs, those assisted by Chile’s ChileIncuba incubators create on average 1.5 jobs and those in Malaysian incubators create on average 2.5 jobs (similar to jobs per enterprise in the US and Korea). South African state-run incubators create an average of one job.

According to GEM 2012 report, South Africa’s peers such as Brazil, Chile and Malaysia use incubation as a tool to stimulate innovation, in South Africa incubators appear to focus on quantity rather than quality (ideas and people with high potential). In addition, less attention is given to post-incubation support to firms that have left the incubator.

Though the governments and other stakeholders have made strides in establishing successful and sustainable incubators in South Africa and the continent, there are various obstacles that continue to provide challenges. The following table offers a comparison between incubators in South Africa and OECD countries.
<table>
<thead>
<tr>
<th>Developed countries incubators</th>
<th>South African incubators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most incubators are closely associated with and supported by universities.</td>
<td>Very few are situated on tertiary institution campuses. Associations with universities exist but the link is very weak. There are a few good emerging examples, e.g., Resolution Circle at the University of Johannesburg</td>
</tr>
<tr>
<td>Funding for business development is generally available and abundant</td>
<td>Very few resources exist for entrepreneurial funding – especially early stage or seed funding.</td>
</tr>
<tr>
<td>The culture of ploughing back into the community and supporting others without expecting a monetary return is commonplace.</td>
<td>What is in it for me? The South African philanthropic culture is poorly developed.</td>
</tr>
<tr>
<td>Incubatees are generally relatively mature companies with mature management and with sufficient funding and business structure.</td>
<td>Clients are to a large extent still in the pre-incubation phase and have zero income. A large percentage of the balance have less than R1m annual turnover (US$ 150 000)</td>
</tr>
<tr>
<td>Technology incubation is just that – development of technology with the resources and infrastructure to go with it.</td>
<td>Technology incubation generally means focusing on business development within a technology sector.</td>
</tr>
<tr>
<td>Incubators are very community focused and have a strong sense of “belonging”.</td>
<td>Incubators are few and far between and try to service a very large geographical area. ICT incubation is the most prevalent with 3 ICT incubators in SA. Most other industries have only one incubator in the country.</td>
</tr>
</tbody>
</table>

| Table 17: Comparison between incubators in South Africa and OECD countries81 |

Additionally, there are often other issues including:

1. Lack of ability to accrue the benefits of incubators to the larger population,
2. Lack of sustainability,
3. Lack of skills in the enterprise development and incubator domain,
4. Lack of tangible support from industry
5. Lower levels of human capital, and
6. Poor selection - picking businesses that have a small chance of becoming large business due to the limited experience of the entrepreneurs and the limited levels of intellectual capital.

81 Source: DAI Johannesburg study
7.3.2 Review of South Africa’s Government Training Programmes for High Capital, Medium Capital, and Low Capital Entrepreneurs

7.3.2.1 Programmes targeted at high capital entrepreneurs

<table>
<thead>
<tr>
<th></th>
<th>Best practice programmes</th>
<th>Government programmes</th>
</tr>
</thead>
</table>
| **Promotion**          | Well branded and easy to navigate Internet sites  
Wide variety of promotion methods  
Investment in promotion | Some had no websites and limited promotion                                           |
| **Selection**          | Tough entry requirements  
Rigorous selection process  
Low rates of acceptance | No or limited selection process  
High rates of acceptance                                                          |
| **Curriculum**         | Customer development and lean entrepreneurship for early stage startups  
Customised curriculum for established businesses | Limited focus on sales and customer development  
Standard curriculum                                                               |
| **Teaching methods**   | Mentoring and coaching main method  
Feedback session from panels/advisory boards  
Experienced guest lecturers | Lecturing  
Formation of groups between management and labour                                 |
| **Instructors**        | High growth entrepreneurs  
Business leaders  
Leading domain experts  
Professional investors | Huge variation  
Facilitation expertise  
Deep domain expertise                                                             |
| **Length**             | Early stage 3-months  
Established 2-years or more | 1-week sessions early stage  
Established 18-month                                                            |
| **Additional services**| Access to funding  
Access to an elite community  
Coaching and mentoring | Variation between programmes  
Mentoring and coaching                                                             |
| **Effectiveness**      | NSF: 90% projected startup rate, 30% make 1st sale during course  
TechStars: 90% exit or survival rate 10 jobs per entrepreneur  
Endeavor: 336 jobs per entrepreneur  
RaizCorp: 90% plus survival rate, 20 jobs per entrepreneur (over period being assisted)  
Aurik: 8 jobs per entrepreneur per year | Empretec: No evidence  
TIA: Startup rates of 0 to 30% depending on year  
NPI: Helped maintain or create 10 000 jobs in 2012. |
| **Costs**              | Unknown | Empretec: R1 700 per entrepreneur excluding overheads  
TIA: R70 000 for all 3 phases excluding overheads  
NPI: Unknown                                                                            |

Table 18: Comparison between best practice and government programmes targeted at high capital entrepreneurs

7.3.2.2 Programmes targeted at medium capital entrepreneurs

<table>
<thead>
<tr>
<th></th>
<th>Best practice programmes</th>
<th>Government programmes</th>
</tr>
</thead>
</table>
| **Promotion**          | Heavily promoted programmes  
The programmes with a bigger reach have used partner organisations | Promotion strategies varied depending on institution.                                |
| **Selection**          | Rigorous multi-stage selection process  
Low acceptance rates | Variation in selection                                                             |
### Best practice programmes vs Government programmes

<table>
<thead>
<tr>
<th>Category</th>
<th>Best practice programmes</th>
<th>Government programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Curriculum</strong></td>
<td>Management, Entrepreneurship, Team formation, Customer development, Lean entrepreneurship</td>
<td>Management, Entrepreneurship, Customised</td>
</tr>
<tr>
<td><strong>Teaching methods</strong></td>
<td>Lectures, Mentoring and coaching</td>
<td>Few or single instructors</td>
</tr>
<tr>
<td><strong>Instructors</strong></td>
<td>High capital instructors, High growth entrepreneurs, Deep domain expertise, Over decade worth of business experience, Between 7 to 50 instructors and mentors</td>
<td>Medium capital instructors in less successful programmes, High capital in TEP</td>
</tr>
<tr>
<td><strong>Length</strong></td>
<td>Most programmes are 4-months or longer with the exception of Startup Weekend</td>
<td>6-months to 3-years</td>
</tr>
<tr>
<td><strong>Additional services</strong></td>
<td>Mentoring and coaching, Access to community, Access to funding</td>
<td>Mentoring and coaching, Access to funding</td>
</tr>
<tr>
<td><strong>Effectiveness</strong></td>
<td>Startup Weekend: 36% startup rate, Founder's Institute: 90% survival rate, 12 jobs per startup graduate, Kamina Friends: 80% plus survival, 6.7 jobs per business expansion/startup, SAB Kickstart: 80% survival rate, 6.7 jobs per startup, Branson centre: 2.2 jobs per startup</td>
<td>SETAs: 20 to 40% increase in sales (based on one learnership programme, TEP: Did not provide evidence, STP: 80% survival in 2 years, 1.2 jobs created per business supported</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td>Startup weekend: R500 per attendee, Founder's institute: R9 000 per attendee ($1000) excluding overheads, Kamina friends: Unknown, SAB Kickstart: R10 million for whole programme including funding, Branson centre: R38 500 per entrepreneur including overheads (Phase 1) Full course R105 000 per entrepreneur</td>
<td>SETAs: R20 000 per entrepreneur excluding overheads, TEP: R40 000 per entrepreneur excluding overheads, STP: R60 000 per entrepreneur including overheads</td>
</tr>
</tbody>
</table>

Table 19: Comparison between best practice and government programmes targeted at medium capital entrepreneurs

#### 7.3.2.3 Programmes targeted at low capital entrepreneurs

<table>
<thead>
<tr>
<th>Category</th>
<th>Best practice programmes</th>
<th>Government programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promotion</strong></td>
<td>Nearly all of the programmes used a network of distributors or partners to promote their programmes/products</td>
<td>Focus on promotion of programmes usually done internally</td>
</tr>
<tr>
<td><strong>Selection</strong></td>
<td>All programmes were open to anyone willing to pay the purchase price, The Clothing Bank however has a slightly more hands on approach and a comprehensive selection process that only 1 in 5 entrepreneurs get in</td>
<td>100% acceptance rates, No or limited selection</td>
</tr>
<tr>
<td><strong>Curriculum</strong></td>
<td>Franchising training, The Clothing Bank offered a very comprehensive management and life skills curriculum to supplement the franchise training</td>
<td>Management skills, Teaching about entrepreneurship, Operational skills</td>
</tr>
<tr>
<td><strong>Teaching methods</strong></td>
<td>None with certain products, Franchise training</td>
<td>Lecturing combined with common training methods, such as, role playing, discussion and games.</td>
</tr>
<tr>
<td><strong>Instructors</strong></td>
<td>Medium or high capital instructors</td>
<td>Mostly single instructor, Low or medium levels of human capital, NPI had deep domain expertise</td>
</tr>
</tbody>
</table>
Best practice programmes | Government programmes
---|---
**Length** | Short training interventions focused specifically on franchise. The Clothing Bank was the one exception with a 2-year programme. | Short courses ranging from 2-day training to 8-weeks.
**Additional services** | Access to a franchise system or productivity enhancing product. | None with the exception of GEP which offers a range of mentoring, finance and bookkeeping services.

Table 20: Comparison between best practice and government programmes targeted at low capital entrepreneurs

7.3.3 Access to business education and entrepreneurship knowledge

According to Herrington, Kew and Kew (2010), entrepreneurial activity in most economies is dominated by the prevalence of very small businesses, most of which do not have the capacity to create a significant impact on the economy. The South Africa Small Business Survey showed that there are about 5.9 million small businesses in South. Seventeen percent (17%) of which are registered. 68% (2 out of 3) small business owners run their own business and have no employees, while 32% have between 1 to 10 employees. While these businesses might not be able to enter the international arena on a large scale, they are important in reducing dependence on the State welfare by the owners and present an opportunity given the right type of support, mentorship and business education to grow into the type of businesses that have significant impact in the economy.

Several universities, such as the University of the Western Cape (UWC), the University of Cape Town (UCT), the University of Johannesburg (UJ), University of Kwazulu-Natal (UKZN) and the University of the Witwatersrand have set up entrepreneurship departments or units. For instance, both Wits Business School (WBS) and Cape Town's Graduate School of Business (GSB) have set up Centres for Entrepreneurship. In all, 14 universities in the country currently have such Entrepreneurship Centres. A full discussion on these is given in the section of this report detailing entrepreneurship at higher education institutions. Despite all these efforts and good work, the level of entrepreneurship activity in the country is still low.

It has been seen in the previous section, that the 34-SEDA incubators have created less than 2,000 new jobs per year to date, and reached less than 10 000 businesses. However, there are
millions of businesses in South Africa. Figures on the number of small businesses in South Africa remain sketchy. While FinScope’s 2010 South Africa Small Business Survey reveals that there are close to six million small businesses in the country, the Department of Trade and Industry’s Annual Review of Small Business 2006-2008, held there to be 2.43 million small enterprises in 2007. Whatever the number, approximately 6 million businesses in South Africa could all, in some way, be strengthened in terms of the way they do business – manage contracts, procure goods and services, market and sell their products, etc.

As these businesses fall out of the formal education and training system, a significant need exists to provide these businesses with useful and relevant information that will enable them to grow their businesses without taking them away from their workplaces. It has been proven by the task force in the past year, that more businesses can be supported and jobs created through the use of mobile technology, the Internet, and the mass-media. Accordingly, the task team sees the most efficient way of providing much-needed support to millions of small businesses in South Africa, widely geographically spread, would be through the use of mobile technology-based training along with mass media, coupled with a human network of peer-to-peer mentoring.

Whilst it is acknowledged that there are millions of people in South Africa that do not have access to the Internet, recent research has shown the number of people with access to the Internet has grown from 2.4 million in December 2000 to 8.5 million in June 2012. The governments of Ghana and Kenya have recognised that whilst not everybody has access to a computer and the Internet, most people do have access to a cell phone. To this end more and more people will be able to access the Internet from remote areas in the near future. Mobile phone use in South Africa increased to 76% in 2010, with more than 62 million phones in the country. Nielsenwire, in a recent survey of mobile phone usage claims that South Africa ranks fifth in the world for mobile data usage (ahead of the United States). The mobile phone as an Internet device is also on the rise. It is estimated that about 11% of South Africans use their mobiles to go online.

These sentiments were also echoed in the 2011 GEM report, which advocated the use of technology in order to increase the scale and reach on entrepreneurship training:
“Educators and policy makers may need to consider how to broaden access and increase the scale and scope of entrepreneurship training, beyond university locations and other on-site programmes. This may require greater use of technology. Internet-based learning, for example,

82 http://www.internetworldstats.com/stats1.htm
may extend a program's geographic reach or satisfy high demand. Creative computer applications may attract and hold the interest of some people, influencing their attitudes toward—and their understanding of entrepreneurship.”

One of the key success factors for entrepreneurship education is the effective engagement of the private sector in facilitating entrepreneurship. This includes business and private educational institutions. There are many examples of partnerships between educational institutions and the private sector. For example, through partnership with the University of California at Berkeley, Intel provides entrepreneurship theory-to-practice seminars at universities around the world. In addition, an “entrepreneurship challenge” seeks business plans that commercialise new and truly innovative technologies (United Nations 2010). There is a need for South Africa’s universities to make their high quality curricula more available to: a) people that are thinking of starting a business; b) people that have been running their own business for two years; and c) established businesses that have been in operation for more than two years. The curricula could be supported by video lectures for students and online tutorial support. An initiative, such as this, will ensure that a small business in a remote rural area, that has access to a cell phone, will be able to log on and receive advice from an influential business personality on how to strengthen their business.

Also, as the country has a lot of survivalist businesses, there is a further need to ensure that the courses are made available to this target group in ethnic languages. In order to reduce poverty and unemployment in South Africa there is a need to ensure that the country has an educated and healthy workforce. It will not be possible to increase gross domestic product without a concurrent increase in the education of the people. Education and learning can no longer remain in the domain of a privileged few and must be made freely available to all. This implies that higher education institutions will need to re-think their value-add and funding models, much like industry sectors, such as the tourism, newspapers, magazines and media industries have needed to respond quickly to the fact that people can access their own information by means of the Internet. This is not to say that there are no merits in contact learning, of course there are, but the fact remains that universities worldwide face constraints in terms of lecturing staff, infrastructure availability and budgetary constraints. These constraints can be overcome by innovative thinking around the way that education is made available and the partnerships that higher education institutions will need to forge with the private sector to make learning freely available to all.

In South Africa, higher education institutions are grappling with the fact that student numbers have grown significantly in recent years and this growth in student intake has not been
commensurate with increased funding. Due to the increase in student numbers, student/staff ratios have increased, which impacts on the ability of staff to conduct research as well as provide adequate tutorial support to students. The end result is that this impacts negatively on student throughput rates as well the country’s ability to innovate. At the current time only 36% of South Africa’s academic population has a PhD. The growth of PhD students for the South African population for the period 2005 – 2010 was 11% whilst the growth of PhD students amongst non-South African students for the same period was 63%.

If South Africa is to remain internationally competitive, from a research and innovation perspective, it will need to ensure a pipeline of academics not only into academia but also into the private sector and government research agencies, such as the Council for Science Innovation and Research (CSIR), National Research Foundation (NRF) and Agriculture Research Council (ARC). If higher education institutions can find a way of making online learning available, this has the potential to free up time for professors in terms of reducing their teaching load and allowing more time for research.

In an article published in the Washington post on 05 August 2012 attention is drawn to the fact that top American universities, such as Stanford and Harvard, are opening their doors to digital online learning for the masses. The article goes onto state that ‘Massive Open Online Courses (MOOC’s), has the potential to dramatically transform the higher education landscape. The Washington Post explains that supporters of online courses argue that online learning courses can lower teaching costs, improve learning online and significantly expand access to higher education. This in turn could potentially fuel technological innovation and much needed economic growth.

Molly Corbett Broad, the President of the American Council of Education, says that online learning has ‘the potential for serving many, many hundreds of thousands of students in a way that we simply cannot today’ (Washington Post 05 August 2012). EdX (a web portal launched in May by Harvard University and MIT) officials have explained that 154 000 students from 160 countries registered for MIT’s first online course ‘Circuits and Electronics’. Only 7 100 students passed this course but the fact remains that this is still a lot more than can fit into a lecture hall (Washington Post 05 August 2012). It is clear that these throughput rates are far too low, but it is a beginning. Universities will need to carefully think through mechanisms that can be put in place to bolster throughput rates without compromising on quality. These could include but are

84 Higher Education South Africa report on the Next Generation of Academics; May 2011

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not limited to: video tutorials, webinars, call centres and the creation of an online student community, which enables students to connect with one another in study groups.

7.3.4 Access to finance

A recent study conducted by the Omidyar Network in partnership with the Monitor Group on “Accelerating Entrepreneurship in Africa”, compared South Africa to a number of other African countries in terms of the challenges currently being experienced by entrepreneurs and the factors that are required to create an opportunity-driven culture. The study consisted of a survey of 582 entrepreneurs in six Sub-Saharan African countries: Ethiopia, Ghana, Kenya, Tanzania, South Africa and Nigeria, followed by 72 in-depth interviews.

The study found out that the main sources of finance for small business in the country is as shown below:

![Figure 30: Sources of finances for small business in South Africa](image)

There was however, sharp contrast when comparing South Africa to its African peers and the peer average, with regard to availability of finances. While financing may be available in South Africa, entrepreneurs may not be prepared to access the financing from financial institutions for a number of reasons, chief among them being the lack of financial literacy among most SMMEs. SMMEs do not know which product available on the market is best suited for their requirements. Most of them also do not have the track record and financial statements required to apply for a loan.

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86 Omidyar Network in partnership with Monitor Group 2013
Figure 31: Sources of funding for South African entrepreneurs 2012

The GEM South Africa 2012 report found nearly the same results. According this report just over half (56%) of the early-stage entrepreneurs required R10,000 or less to start their new business. Of the total number of entrepreneurs surveyed, 80% required R50,000 or less to start their businesses, while the remaining 20% needed between R50,000 and R500,000 as seed capital. The Global Competitiveness Index ranks South Africa extremely favourably – in 3rd place for financial market development and in 2nd place for both availability of financial services and soundness of banks. However, GEM's 38 experts gave this Entrepreneurial Framework Condition (EFC) a mean score of 2.49, a score which has hovered around the same mark for the past few years and which reveals that, in the opinion of the experts, the EFC remains less than favourable for entrepreneurship development. Many of GEM's experts believe that there is sufficient funding available in the marketplace, but the problem is that it is not made easily accessible (from both the public and private sectors) for new and growing firms. In addition, the finance which is available comes at very high costs to intentional and existing business owners. Finance was cited as one of the three most constraining factors for entrepreneurship development by 43% of the experts.

7.3.5 Access to information and tools

Whilst it is acknowledged that there is wide range of support available to entrepreneurs in South Africa, dti, SEDA, CIPC, SEFA, donor programmes, etc., and that each of the various organisations in the public and private space have an important and valuable role to play in terms of providing support to entrepreneurs, the support provided is largely uncoordinated,

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87 GEM South Africa report 2012
which ultimately results in a lack of standardisation and effectiveness. This information is not centralised and as a result many entrepreneurs are not aware of the support available, and as such do not take advantage of these tools. Different information relating to starting and growing a business is contained on the websites of various organisations and entrepreneurs find themselves in a situation where they are liaising and interacting with a myriad of organisations for various reasons. This may range from registering their business, paying tax, seeking finance, searching for templates or resources, signing up for training, mentoring or coaching courses, etc.

The challenge is that presently there is a lack of a highly visible and well-promoted comprehensive, national SMME portal that deals with SMME sector information requirements. Potential entrepreneurs and existing entrepreneurs spend much of their time looking for information rather than utilising their time effectively to effectively manage their businesses, market and sell their products.

The online information space that caters to SMMEs is highly fragmented. Information seekers have to jump from one website to another in search of information. There are literally hundreds of thousands, in some cases millions, of sites offering information on the topic of starting and/or growing businesses. These sites rarely contain comprehensive information on starting and growing a business for South African browsers. While many sites offer portions of valuable business advice, very few of these sites offer a combination of up-to-date guidance on topics concerning SMME legislation, regulation and compliance and business advice that would be of assistance to SMMEs in South Africa.

As a case in point, the search engine Google returns 122 000 pages for the search term “starting a business in South Africa”

- On the first two pages of Google’s results, there is not a single result for the dti or any other national government portal.

- On page three of Google’s results, there is one listing for the Western Cape Government initiative “Red Tape to Carpet” – an initiative that is addressing the bureaucratic and administrative hurdles that stand in the way of SMMEs starting up in that province.
7.4 Best practice public sector web portals

The main objective of describing these international examples of “best practices” is to get an overview of possible ingredients or building blocks for setting up a single web portal in South Africa. The building blocks for “best practices” are primarily based on what is being done by government agencies around the world. Six government portals were reviewed in the SMME online space. The detailed review is attached. Each site was looked at in terms of the following:

- **Content:** SMME content
- **Ease of Use:** User experience and architecture (organisation of information)
- **Design:** User-face interface
- **Functionality:** Features
- **“Easy of Doing Business” ranking by country of origin**

The selection of the countries was based on the ‘Ease of Doing Business Ranking’, an initiative by the International Finance Corporation (IFC) and the World Bank. South Africa was ranked in position 39 on this survey, and ranked in second position of Sub-Saharan countries.

<table>
<thead>
<tr>
<th>#</th>
<th>Country</th>
<th>Ease of Doing Business Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Singapore</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>New Zealand</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>USA</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Australia</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Mauritius</td>
<td>19 (Ranked in first position of sub-Saharan countries)</td>
</tr>
<tr>
<td>6</td>
<td>Rwanda</td>
<td>52 (Ranked in third position of sub-Saharan countries)</td>
</tr>
</tbody>
</table>

*Table 21: Ease of doing business ranking for countries with SMME web portals*

7.4.1 Singapore


The Singapore EnterpriseOne portal is a comprehensive business site with up-to-date information, a clean interface, solid architecture and sophisticated functionality:
Singapore’s EnterpriseOne portal is a comprehensive business site with up-to-date information, a clean interface, solid architecture and sophisticated functionality.

**Content:** The portal is current and updated frequently. It has additional information on industries which adds value to the user.

**Design:** The interface is uncluttered and structured. The tabs structure assists in organising large portions of information into easily digestible components.

**Ease of Use:** The menus are clearly marked, which makes it easy for the user to follow.

**Functionality:** The portal offers browsers the ability to sign up for email alerts for procurement / tender opportunities. This allows the site owner to develop a database of its users.
EnterpriseOne has also developed its own app enabling users who download it to receive the latest news updates and information on their smart phones.

7.4.2 New Zealand

Figure 33: Business web portal in New Zealand
The Government portal is at http://www.business.govt.nz/

**Content:** The portal is current and updated frequently. The Business.Govt.NZ site has user-friendly architecture and functionality

**Design:** The site is well structured with clean and contemporary design aesthetics

**Ease of Use:** The site architecture is clear in its menus and layout, making it easy for browsers to quickly locate the content they need

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**Mobile Business Toolbox**

*Improve your business performance with handy templates, useful videos, and insightful business health checks.*

The Mobile Business Toolbox from business.govt.nz is designed to help you start, manage and grow your business. It doesn’t matter if you haven’t started trading yet or if you have been running your business for a few years - the toolbox contains a range of tools designed to ensure your business has a healthy future ahead.

Download the Business.govt.nz Mobile Business Toolbox now and ensure your business has every chance of success.

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**Figure 34: Components of the New Zealand business web portal**

**Functionality:** Business.Govt.NZ has developed its own “Mobile Business Toolbox” app that features tools, including videos and templates, to assist businesses in starting up and growing.
7.4.3 USA

The United States of America has a Small Business Administration (SBA) portal at http://www.sba.gov/

Figure 35: U.S.A.’s small business portal

Content: SBA site has an intuitive user interface making it easy for browsers to identify where content is housed and navigate easily to and from the pages they wish to visit.

Design: The site is well structured with clean and contemporary design aesthetics

Ease of Use: The site is clear and has user-friendly menus accessible from every page

7.4.4 Australia – Victoria state

Figure 36: Business Victoria's web portal

**Content:** Business Victoria has a user-friendly architecture and menu structure with unique industry content

**Ease of Use:** The site is well organised menu and sub-menu structure, which is easy to follow.

**Design:** The design is clean with contemporary design aesthetics
7.4.5 Mauritius

The Small and Medium Enterprise Development Agency (SMEDA) of Mauritius has a portal at http://www.gov.mu/portal/sites/smeda/index.html

Figure 37: Mauritius' SME support portal

**Content:** SMEDA portal has a user-friendly architecture and functionality. The portal has a good body of content pertaining to general business advice segmented by business stage, pre-start-up, start-up and existing business

**Ease of Use:** The site is well structured, with clearly defined menus and sections making it easy for browsers to navigate to where they need to be.

**Design:** The drawback of the site is that its interface design is outdated
7.4.6 Rwanda.

The government of Rwanda has a user-friendly architecture and functionality portal for small businesses at http://rwanda.eregulations.org/show-list.asp?l=en&mid=2

Figure 38: Rwandan government’s support portal

**Ease of Use:** The central portal allows users to access all the registrations processes from single point of entry (see highlighted menu above)

**Functionality:** The portal allows new business owners to register their business online
7.5 Best practice training programmes

Interventions related to entrepreneurship development include training, development and consultation services to entrepreneurs, creation of a regulatory environment conducive to entrepreneurial development, stimulation of an entrepreneurial culture, and access to finance for entrepreneurs. It can be argued that critical success factors to increase the likelihood that a business will move into the established phase include, general business management, growth and strategy management, growth marketing, financial management, as well as technical, leadership and communication skills. Any interventions would therefore need to address these factors in particular to ensure business growth from the start-up to the established business phase (GEM Monitor 2012).

A growing understanding that entrepreneurship is a viable means to increase economic growth has resulted in the rise of a number of programmes that have been set up outside the formal education sector to help encourage and support entrepreneurs. The South African entrepreneurship training and support landscape is diverse and fragmented, with government, non-profit and the private sector all having programmes that support a diverse range of entrepreneurs.

As mentioned above, despite the increase in support and programmes data, the Global Entrepreneurship Monitor shows that early stage entrepreneurship activity in South Africa is lower than other similar economies and the number of established businesses is significantly lower than similar economies. Research was conducted on best practice training programmes internationally and locally and assessed the effectiveness of government supported training programmes against best practice. These programmes were evaluated based on their level of human, social, financial and intellectual capital at each stage of the business cycle namely; start up, new and established business.

- High capital business is a business venture with high levels of human, social, intellectual and financial capital;
- Medium capital business is a business with medium levels of human, social, intellectual and financial capital;
- Low capital business is a business with low levels of human, social, intellectual and financial capital.

The following six criteria adopted from Heinonen and Akola’s framework were used in assessing each programme:

- Promotion and branding
- Selection and assessment
- Curriculum
- Length and schedule
- Trainers
- Additional services

It must be noted however that there is no “one-size-fits-all” approach to the provision of training at any stage of the business. Training programmes vary widely but the common feature in all best practice programmes is the use of experienced and qualified mentors.

### 7.5.1 Privately run programmes

Based on a review of a number of different high capital programmes, the following five, of which three are South African were selected. All these programmes are privately provided as opposed to programme offered by government which is explained in the section. The rest are attached to the report:

- National science foundation I-Corps
- TechStars
- Endeavor
- Aurik
- RaizCorp - Partner Elite

#### 7.5.1.1 Programmes targeted at high capital entrepreneurs

<table>
<thead>
<tr>
<th>Promotion</th>
<th>NSF I-Corps</th>
<th>TechStars</th>
<th>Endeavor</th>
<th>Aurik</th>
<th>Raizcorp RAMP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Selection</strong></td>
<td>Researchers financed by the NSF are invited to</td>
<td>Less than 1 in 100 get in. Selection is done</td>
<td>4 stage selection. About 1 in 48 get accepted.</td>
<td>Use interviewing, reviewing of documentation and</td>
<td>8-step selection process.</td>
</tr>
</tbody>
</table>

---

Heinonen, J. and E. Akola (2007). "Entrepreneurship training and entrepreneurial learning in Europe." Results from the Entlearn project. TSE Entre Turku school of economics
<table>
<thead>
<tr>
<th>NSF I-Corps</th>
<th>TechStars</th>
<th>Endeavor</th>
<th>Aurik</th>
<th>Raizcorp RAMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>apply.</td>
<td>via interviews and email correspondence.</td>
<td>payment or equity. About 1 in 10 get accepted.</td>
<td></td>
<td>An active business. At least 6 months old. Sale turnover of R50 000 per month. Own a car, phone and computer. 18 years or older.</td>
</tr>
<tr>
<td><strong>Selection criteria</strong></td>
<td>Most promising NRF funded projects with commercialisation potential</td>
<td>Great people, big market and innovative ideas.</td>
<td>R15 mil turnover business</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Team consist of lead researcher usually a Professor doing cutting edge research. A graduate student.</td>
<td>High levels of human capital. Typical range of founder is between 25 to 40 years. Most startups are teams with business and technical skills.</td>
<td>High levels of human and intellectual capital. 10 or more years of domain expertise.</td>
<td>High capital businesses with potential for growth.</td>
</tr>
<tr>
<td><strong>Type of business</strong></td>
<td>Customer development</td>
<td>Management Entrepreneurship Lean. Comprehensive curriculum.</td>
<td>Customised to specific needs of entrepreneur</td>
<td>Management Entrepreneurship Mindset</td>
</tr>
<tr>
<td></td>
<td>High levels of human capital.</td>
<td>High levels of human and intellectual capital.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Successful high-growth entrepreneurs or seasoned venture capitalists.</td>
<td>Exceptionally high. Elite network of local and global business leaders.</td>
<td>Coaches have deep domain expertise plus coaching experience.</td>
<td>Domain experts (sales, finance, marketing, strategy, personal) with entrepreneurship experience</td>
</tr>
<tr>
<td><strong>Number of instructors</strong></td>
<td>5 mentors and presenters giving feedback to teams on a weekly basis.</td>
<td>Each entrepreneur is exposed to 60 mentors and coaches.</td>
<td>6 mentors per entrepreneur. Plus MBA students. Currently have 90 mentors.</td>
<td>15 mentors and coaches per entrepreneur in a single year.</td>
</tr>
<tr>
<td><strong>Instruction method</strong></td>
<td>Lecturing, Mentoring</td>
<td>Lecturing, Guest lecture events. Mentoring and coaching.</td>
<td>Mentoring Advisory boards Guest lecture events</td>
<td>Coaching</td>
</tr>
<tr>
<td></td>
<td>Access to VCs $50 000 funding Mentorship by high-growth entrepreneurs.</td>
<td>Community Access to VCs Office and meeting space. Discounted products, $18 000 in funding.</td>
<td>Community Access to funding Access to talent (MBAs)</td>
<td>Community Access to VCs</td>
</tr>
<tr>
<td></td>
<td>The first time the programme was run 19 of 21 teams said they will be moving forward to commercialise the technology. A similar programme in Columbia 8 of 25 teams achieved customer revenue during the course.</td>
<td>Since 2007 have assisted 199 companies of those 81% are still active, 9% have successful exists and 10% have failed. Avg. company raised $1.4 million.</td>
<td>International: 766 entrepreneurs created 200k jobs South Africa: Avg. 3 years 89 to 243 jobs per business 39% job growth</td>
<td>To date Aurik has worked with 480 businesses. Currently they are working with 200 businesses. The average business experience about 115% increase in sales growth and between a 40 to 80% growth in employees.</td>
</tr>
<tr>
<td></td>
<td>The evidence of effectiveness shows that 1 in 10 get accepted.</td>
<td>RaizCorp reports having assisted 240 companies that have created over 5000 jobs.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 22: Best practices programmes targeted at high capital entrepreneurs
### 7.5.1.2 Programmes targeted at medium capital entrepreneurs

<table>
<thead>
<tr>
<th></th>
<th>Startup Weekend</th>
<th>Founders Institute</th>
<th>Kamina Friends</th>
<th>SAB Kickstart</th>
<th>GS 10 000 women</th>
<th>Branson Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promotion</strong></td>
<td>For each event the organiser partners with a partner organisation, uses social media and publicity. Good branding.</td>
<td>Big focus on marketing. Well branded site, free seminars and information sessions. Partner with local organizer.</td>
<td>Enterprise Facilitator is promoted by word of mouth by 50 volunteers.</td>
<td>Comprehensive marketing campaign. Above the line media campaigns, social media, online marketing, radio and word of mouth.</td>
<td>The programme was promoted through information sessions, websites, publicity, word of mouth and partner organisations.</td>
<td>Variety of marketing strategies including: online promotion, publicity campaigns word of mouth and trade fairs.</td>
</tr>
<tr>
<td><strong>Selection</strong></td>
<td>Open attendance. Payment of $150 or R500.</td>
<td>Predictive analytics test. Completion of the course. About 1 in 10 that apply complete the course.</td>
<td>Entrepreneurs must ask facilitator for advice.</td>
<td>8 step selection process including interviews, applications, predictive analytics test and panel interviews. About 1 in 10 get into final group.</td>
<td>Indian programme is unknown in the South African programme about 1 in 3 that apply get into the programme.</td>
<td>Branson Centre has a 3 stage selection process. About 1 in 2 business that apply get accepted.</td>
</tr>
<tr>
<td><strong>Selection criteria</strong></td>
<td>Open attendance. Payment of $150 or R500.</td>
<td>Psychometric and predictive analytics test.</td>
<td>Entrepreneurs must ask for help and continue to seek help from facilitator.</td>
<td>Applicant criteria include: 18 to 35 years Business younger than 5 years Made first sale Earning less than R5 million 50% black owned Potential for growth</td>
<td>To apply to the programme women must own their own business. Have a business operating more than 1 year. Have potential to grow. Have annual revenues of between 5 to 75 lakhs (R100k to R1 million)</td>
<td>To enter the course the business must have made its first sale and must be operational.</td>
</tr>
<tr>
<td><strong>Type of business</strong></td>
<td>Medium to high capital entrepreneurs. 53% of attendees have a Bachelor degree, 28% have a masters degree. Avg attendee has worked in 2.03 startups.</td>
<td>The typical attendee 25 to 34 years old Has professional experience 60% have technical experience 40% have business or product experience</td>
<td>Varied from low to high, but the majority of business are medium capital</td>
<td>Average age of 29 years; 40% have matric, 45% have a degree or diploma, 10% have masters degree or higher 64% have started multiple business 52% are sole founders Avg. industry experience of 6 years</td>
<td>Medium capital entrepreneurs with new or established businesses.</td>
<td>Majority of entrepreneurs are earning more than R2000 per month. Average age of between 25 and 35 years. Most operate small businesses with limited intellectual capital.</td>
</tr>
<tr>
<td><strong>Curriculum</strong></td>
<td>Idea pitch Facilitation of team formation. Work on your start</td>
<td>Comprehensive curriculum including</td>
<td>Assessment of personality. Facilitation of team</td>
<td>Management Entrepreneurship Mindset</td>
<td>Management Entrepreneurship Mindset</td>
<td>Wide variety of management and entrepreneurial skills.</td>
</tr>
<tr>
<td></td>
<td>Startup Weekend</td>
<td>founders institute</td>
<td>Kamina friends</td>
<td>SAB Kickstart</td>
<td>GS 10 000 women</td>
<td>Branson Centre</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------</td>
<td>--------------------</td>
<td>----------------</td>
<td>---------------</td>
<td>-----------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>Length</strong></td>
<td>Single weekend.</td>
<td>4-month programme with 3 hour weekly sessions.</td>
<td>Ongoing.</td>
<td>18-month programme with 2-weeks full time training following my mentoring. Training time include 100 hours of contact time.</td>
<td>16-weeks programme. 3 weeks of classroom sessions followed by 13 weeks of mentoring and time.</td>
<td>6 months to 1 year. Found’n course: 6 weekly 4 hour sessions Advanced course: 12 weekly 1.5 days sessions.</td>
</tr>
<tr>
<td><strong>Instructor expertise</strong></td>
<td>Successful entrepreneurs mentor the entrepreneurs throughout the weekend.</td>
<td>Most mentors have very high levels of capital. Have successful built technology companies.</td>
<td>Medium to high capital.</td>
<td>High capital trainers. Most trainers have post graduate qualifications and at least 10 years of business experience.</td>
<td>High capital, experts in their fields with PhDs or Masters degrees.</td>
<td>All trainers have university degrees and many masters or higher. Trainers have 10 to 20 years of business experience.</td>
</tr>
<tr>
<td><strong>Number of instructors</strong></td>
<td>About 10 depending on how many are in the panel and mentors volunteer.</td>
<td>Typically recruits 25 mentors to teach the course. Mentors are typically CEOs of successful startups.</td>
<td>Two instructors. One instructor and one facilitator. Plus a volunteer network of 50 mentors.</td>
<td>7 lectures, plus panel feedback and mentors for the top 18 participants.</td>
<td>In the Indian Business School programme has a faculty of 19 and a mentoring network of 6</td>
<td>If an entrepreneur attends an advanced and foundation course they will be assisted by 20 instructors.</td>
</tr>
<tr>
<td><strong>Instruction method</strong></td>
<td>Mentoring. Feedback from a panel.</td>
<td>Lectures Feedback panels Mentoring</td>
<td>One on one mentoring.</td>
<td>Lectures, games, role playing, films, videos, guest lectures and assessments.</td>
<td>Partner with MBA programmes with lecturing and cases studies.</td>
<td>Lecturing, case studies, role playing, games, simulations and mentoring.</td>
</tr>
<tr>
<td><strong>Additional services</strong></td>
<td>Mentors. Opportunity to pitch to funders.</td>
<td>Mentoring Access to community Peers help your business Access to funding Product discounts Global network</td>
<td>Free consulting advice. Access to resources provided by 50 volunteers. Community is vested in seeing your business succeed.</td>
<td>Funding Mentoring Peer learning</td>
<td>13 week mentoring programme</td>
<td>Guest lecturers for specific skills Guest lecturers with industry expertise 6-month mentorship programme</td>
</tr>
<tr>
<td><strong>Evidence of effectiveness</strong></td>
<td>36% of startups are operational after 3 months. 80% of team plan on working on their business after the weekend. A sample of 43 companies had created 130 full-time and 90 part-time jobs.</td>
<td>90% survival rate 42% raise funding 2000 job created in the first 2 years of operation.</td>
<td>Between 2009 and 2012 programme assisted 2 000 clients created 50 new businesses and helped 43 businesses expand, creating 632 new jobs.</td>
<td>Survival rate above 80%. Since 1995 3 200 business have been started creating 21 000 jobs, meaning each business has an average of 6.7 jobs.</td>
<td>Based on an independent study. Median increase in revenues was 100% and median increase in jobs was 4.</td>
<td>18-month evaluation of effectiveness showed entrepreneurs on the advanced course created 2.2 jobs and foundation created 1.8 jobs on avg.</td>
</tr>
</tbody>
</table>

**Table 23:** Best practice programmes targeting medium capital entrepreneurs
### 7.5.1.3 Programmes targeted at low capital entrepreneurs

<table>
<thead>
<tr>
<th>Promotion</th>
<th>KickStart</th>
<th>Health Store Foundation</th>
<th>Vision Spring</th>
<th>The Clothing Bank</th>
<th>Vodacom Community Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Selection</strong></td>
<td>All enterprises that can afford the purchase price.</td>
<td>Nurses willing to pay for the franchise.</td>
<td>Unknown</td>
<td>A multiple stage selection process than includes training, obstacle course, tests and volunteering for a month. About 1 in 5 that apply get accepted.</td>
<td>Anyone that is trading in an informal area and is interested in purchasing a phone.</td>
</tr>
<tr>
<td><strong>Selection criteria</strong></td>
<td>All enterprises that can afford the purchase price.</td>
<td>Nurses willing to pay for the$5000 franchise.</td>
<td>Unknown</td>
<td>Internal locus of control. Preferred if have some entrepreneurial experience.</td>
<td>Entry level phone costs R320 with the lowest recharge amount of R50.</td>
</tr>
<tr>
<td><strong>Type of business</strong></td>
<td>Low capital</td>
<td>Low capital</td>
<td>Low capital</td>
<td>Low capital entrepreneurs. Mother with children. Have to be previous disadvantaged.</td>
<td>Low capital entrepreneurs. Many of the entrepreneurs are school dropouts or illiterate.</td>
</tr>
<tr>
<td><strong>Curriculum</strong></td>
<td>None</td>
<td>Franchise training</td>
<td>Franchise training</td>
<td>Variety of life and business skills, including: Attitude, business skills, life skills, parenting, sales skills, finance, motivation, retailing and mindset.</td>
<td>Franchise training</td>
</tr>
<tr>
<td><strong>Length</strong></td>
<td>Not applicable</td>
<td>4 week training programme on how to run the business followed by ongoing support.</td>
<td>3-day initial training with ongoing support.</td>
<td>2-year programme with 500 hours of contact time.</td>
<td>Between 30-mins and 1-hour of training is required to help the entrepreneur use the phone.</td>
</tr>
<tr>
<td><strong>Instructor expertise</strong></td>
<td>Not applicable</td>
<td>Medium and high capital trainers.</td>
<td>Unknown</td>
<td>Medium and high capital, with degrees and usually 15 to 20 years of corporate experience.</td>
<td>Medium capital employees of Vodacom or Vodacom's distributor network.</td>
</tr>
<tr>
<td><strong>Number of instructors</strong></td>
<td>Not applicable</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Will be helped by 40 instructors throughout the programme.</td>
<td>One.</td>
</tr>
<tr>
<td><strong>Instruction method</strong></td>
<td>Not applicable</td>
<td>Unknown</td>
<td>Unknown</td>
<td>A wide variety of instruction methods are used including: games, lectures, role playing, films mentoring and guest lectures.</td>
<td>One on one coaching.</td>
</tr>
<tr>
<td><strong>Additional services</strong></td>
<td>Money making tools sold directly to entrepreneurs</td>
<td>Franchises system with franchise support. Access to funding.</td>
<td>Franchise system with franchise support.</td>
<td>Trauma counseling A resource centre that provides computers, child care. Access to supply of garments to sell.</td>
<td>Supply of airtime. Ability to sell electricity and airtime vouchers.</td>
</tr>
<tr>
<td><strong>Evidence of effectiveness</strong></td>
<td>Since 1991 have helped start 140</td>
<td>Since 2011, 66 franchises have</td>
<td>Has 9 000 active Vision Spring</td>
<td>Trained 275 entrepreneurs. Most</td>
<td>120 000 micro-entrepreneurs avg.</td>
</tr>
<tr>
<td>KickStart</td>
<td>Health Store Foundation</td>
<td>Vision Spring</td>
<td>The Clothing Bank</td>
<td>Vodacom Community Phone</td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------</td>
<td>-----------------------------</td>
<td>----------------------------</td>
<td>-------------------------</td>
<td></td>
</tr>
<tr>
<td>800 successful new businesses. Have helped 700 000 people move out of poverty.</td>
<td>served 396 833 patients. A success rate of 85% with over 70% recording a profit.</td>
<td>entrepreneurs that have sold over 1 million pairs of glasses.</td>
<td>entrepreneurs experience an income increase of R3000 to R4000. The money is spent on purchasing cars and moving children to better schools.</td>
<td>earning R650 per month. Top 20% earn more than R2000 per month. The top entrepreneurs also may sell airtime and electricity meaning they earn R6000 per month or more.</td>
<td></td>
</tr>
</tbody>
</table>

Table 24: Best practice programmes targeted at low capital entrepreneurs

7.5.2 Government programmes

7.5.2.1 Programmes targeted at high capital entrepreneurs

<table>
<thead>
<tr>
<th>SEDA Learning Academy Empretec Programme</th>
<th>TIA - Bio-technology Programme</th>
<th>NPI - Turnaround solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection</td>
<td>No statistics on selection numbers. Application is through referral from the SEDA branches.</td>
<td>In the first phase of the programme 100% that apply get accepted. During the 2nd and 3rd phase of the programme about half get accepted. Meaning of entrepreneurs that apply to all 3 programmes about 1 in 4 make it through the full programme.</td>
</tr>
<tr>
<td>Selection criteria</td>
<td>Between 5 to 50 employees. Must be an existing business.</td>
<td>Have to have a workable idea. Have to have some intellectual property. Must be a technology business. Pay registration fee of R500</td>
</tr>
<tr>
<td>Type of business</td>
<td>Most entrepreneurs are between the age of 35 to 50 years with 10 to 15 years of industry experience. All entrepreneurs have a matric or more.</td>
<td>Most attendees of the programme have a post graduate degree in science and engineering fields. Most of the successful applicants are between 35 to 45 years. Younger applicants have been less successful.</td>
</tr>
<tr>
<td>Curriculum</td>
<td>The Empretec programme is focused on a behavioural approach to entrepreneurship focusing on developing 10 key behaviours found in successful entrepreneurs.</td>
<td>Overview of science and technology innovation space in SA. IP management, idea to product process. Financial. No focus on sales and customer development.</td>
</tr>
<tr>
<td>Length</td>
<td>6-full days of training. Monday to Saturday afternoon. 48 hours of contact time in total.</td>
<td>It is a 3 phase programme including a total of 100 hours of contact time done in week or 2-day blocks.</td>
</tr>
<tr>
<td>Instructor expertise</td>
<td>High capital or medium capital trainers. Must have a 3 year entrepreneurial qualification. Do 6 training programmes to become a trainer of the programme. Don’t know if have entrepreneurial experience.</td>
<td>High capital instructors. Most have either deep domain expertise or entrepreneurial or industry experience.</td>
</tr>
<tr>
<td>Number of instructors</td>
<td>4 instructors 1 master trainer and 3 facilitators per</td>
<td>43 instructors and mentors are involved in the programme with a</td>
</tr>
</tbody>
</table>
### Instruction method

A wide variety of instruction methods are used including: lectures, games, role playing, films and videos, assessments.

The core of the course is built around lectures and case studies based presentations.

Creation of a future forum including management and labour. Traditional lecturing training.

### Additional services

Services offered by SEDA. Are going to start linking them up with mentorship services.

TIA offers financing and mentoring in the phase 4 of the programme.

Formation of management forums. Helping set up monitoring and evaluation system to improve productivity.

### Evidence of effectiveness

Did not have the figures on hand, but said that SEDA M&A would have them. Have trained 340 entrepreneurs to date.

The record to date is as follows:
- Year 1: 4 business started
- Year 2: None have registered yet.
- Year 3: None have started however predict that 30% will start businesses.

Helped maintain or create 10 000 jobs in 2012 helping 97 companies. Since the programme’s inception in 2000 the programme has managed to save 154 496 jobs and create 600 new ones.

### Costs

SEDA subsidises about 90% of the cost of the business. Two types of courses are offered one with in which accommodation and venue costs and one without. The cost per entrepreneur excluding overhead is as following:
- Venue and accommodation costs included: RR10 000 per entrepreneur
- Training cost only: R1660 per entrepreneur

Excluding overheads the cost per entrepreneur to go through the full programme is R70 000.

Costs vary based on the size of the interventions. The programme is partly subsist with 65% of the fee subsidized and 35% paid by the client.

<p>| Table 25: A sample of government programmes targeting high capital entrepreneurs |
|-----------------|---------------------------------|---------------------------------|
| <strong>Programmes targeted at medium capital entrepreneurs</strong> |
| <strong>SETAs</strong> | <strong>TEP</strong> | <strong>SEDA Technology Programme</strong> |
| <strong>Promotion</strong> | Entrepreneurs are sourced through SEDA or Departments of local economic development. | Promotion of the programme is done through the 9 provincial offices Partnership with the tourism department Word of mouth | A variety of promotional methods were used depending on the incubator programme. |
| <strong>Selection</strong> | About 1 in 4 that apply to the programme get in. Selection involves an interview, literacy and numeracy test and a site visit to the business followed by an internal discussion to make the final decision. | About 1 in 2 that apply to the programme get in. About 100 entrepreneurs get mentored each year. | Methods and type of selection vary between incubators. |
| <strong>Selection criteria</strong> | At years of operation Proficient in Maths and English. A matric or grade 12 | 2 year of financial statements Have a business plan Must operate full-time in the business A 3-step selection process is done including an application, needs assessment and finally a one on one interview | Selection criteria vary between incubators. |
| <strong>Type of business</strong> | Business generating in excess of R5000 rand per month. Average age of most Average age of entrepreneurs is 30 years with at least 5 years of business experience. | The type of business vary, most common businesses are bed and breakfasts and tour operators. Average age of entrepreneurs mid 40s. Turnover ranges from R5000 | The average turnover of a STP incubatee was R21500. Many of the incubators focus on small business such as construction or furniture businesses rather than business with high potential to... |</p>
<table>
<thead>
<tr>
<th>SETAs New Venture Creation</th>
<th>TEP Mentorship programme</th>
<th>SEDA Technology Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curriculum</td>
<td>The mentorship programme begins with a 1-day programme were entrepreneurs are introduced to the mentor. There is no formal curriculum but each mentee will have a growth development plan with short and medium objectives.</td>
<td>Varies per incubator</td>
</tr>
<tr>
<td>Curriculum includes management and entrepreneurship. The core modules include: Innovative thinking, Costing and pricing, theories of motivation, understand the entrepreneurial profile, financing new ventures, negotiation and business planning.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Length</td>
<td>6 month mentorship. 8 hours per month of one on one mentoring. This does not include emails and phone calls.</td>
<td>Length of interventions varied between incubators.</td>
</tr>
<tr>
<td>75 days of lecture time over the course of 12 months with 2-months of post course support.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instructor expertise</td>
<td>Mentors are either general managers in the Tourism industry such as City Lodge managers or successful small business owners that have gone through the programme.</td>
<td>Varied between medium capital to high capital instructors depending on incubator.</td>
</tr>
<tr>
<td>Instructors are generally people in their 30s. Prefer instructors with degrees. Instructors ideally have a fair amount of facilitation experience, as well as, subject matter experts. Instructors are paid between R1000 to R15000 per day.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of instructors</td>
<td>Single instructor.</td>
<td>Varies depending on incubator.</td>
</tr>
<tr>
<td>Two or three instructors with 4 or 5 coaches or mentors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction method</td>
<td>One on one mentoring.</td>
<td>Mentoring and coaching. Training and workshops.</td>
</tr>
<tr>
<td>A wide variety of instruction methods are used including: lectures, games, prescribed business activities, role playing, assessments guest lectures and coaching and mentoring.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional services</td>
<td>The TEP offers the following additional services: Funding for services Skills training Market access programme</td>
<td>Access to financiers. Access to markets. Viability assessments.</td>
</tr>
<tr>
<td>Mentoring and coaching is offered to entrepreneurs that are struggling.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evidence of effectiveness</td>
<td>Have created 70 000 jobs since 2000 helping increase revenues of SMMEs by R5,7 billion. In 2012 the TEP report helping created 5095 person years of work.</td>
<td>In 2011/2012 year STP reported: Helping establishing 295 new SMMEs Supporting 1 845 businesses 1517 direct jobs created</td>
</tr>
<tr>
<td>Most business experience a 20% increase in sales. However, the best business sometime increase sales by 100% over the course of the programme.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs</td>
<td>R40 000 per entrepreneur excluding the overheads.</td>
<td>R109 567 006 is the reported costs of the 2011/2012 year. Meaning the total cost of supporting each client cost R59 386. And each job created cost R72 226. Cost per business created was R371 413</td>
</tr>
<tr>
<td>R20 000 per participant for the whole year. Excluding venue and food.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 26: A sample of government programmes targeting medium capital entrepreneurs

7.5.2.3 Programmes targeted at low capital entrepreneurs
<table>
<thead>
<tr>
<th>NYDA Entrepreneurship training</th>
<th>GEDA Gauteng Enterprise Propeller</th>
<th>NPI SMME intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promotion</strong></td>
<td>A variety of promotional activities are used to attract participants including: workshops at higher institutions, marketing through partner organisations and inquiries and NYDA offices.</td>
<td>A variety of promotional methods are used including: Street pole adverts, exhibitions, websites, agencies within government looking for training, walk in per office.</td>
</tr>
<tr>
<td><strong>Selection</strong></td>
<td>No selection. Anyone who is interested may attend the course.</td>
<td>No evidence of selection process</td>
</tr>
<tr>
<td><strong>Selection criteria</strong></td>
<td>No evidence of selection process. However, a commitment fee of R50 is payable.</td>
<td>No selection is done. 100% of people that apply can attend.</td>
</tr>
<tr>
<td><strong>Type of business</strong></td>
<td>Most aspiring entrepreneurs that attend have a matric usually they are studying a tertiary qualification. About 20 to 30% have work experience. Very few business have any form of intellectual capital, usually cater to, beauty consultants and construction businesses.</td>
<td>Mostly survivalist business with between 1 to 5 employees. Earning between R50 000 to R500 000 per year.</td>
</tr>
<tr>
<td><strong>Curriculum</strong></td>
<td>Business management and introduction to entrepreneurship. Manuals are provided by SEDA.</td>
<td>Business management Accounting and bookkeeping</td>
</tr>
<tr>
<td><strong>Length</strong></td>
<td>8 x 4 hours sessions with a total contact time of 32 hours.</td>
<td>2-day and 3-day course. 8 hours per day. TEP works with entrepreneurs from 6 months to 1-year</td>
</tr>
<tr>
<td><strong>Instructor expertise</strong></td>
<td>B Tech (Management science) No industry, management or entrepreneurial experience. This was the facilitator’s first job.</td>
<td>The level of instructor expertise is unknown. However, all providers are approved suppliers through the SETAs. Most instructors have a tertiary education.</td>
</tr>
<tr>
<td><strong>Number of instructors</strong></td>
<td>Single instructor. With guest lecturers from SARS or franchisors.</td>
<td>Single instructor.</td>
</tr>
<tr>
<td><strong>Instruction method</strong></td>
<td>Lectures, games, role playing, guest lecturers from SARS.</td>
<td>Lectures and presentations with prescribed activities between sessions.</td>
</tr>
<tr>
<td><strong>Additional services</strong></td>
<td>None.</td>
<td>The GEP offers a number of additional interventions including: Bookkeeping, funding, business development and co-operative support.</td>
</tr>
<tr>
<td><strong>Evidence of effectiveness</strong></td>
<td>Did not have evidence of impact on hand.</td>
<td>While the representative did say there was impact reports. Multiple requests did not lead</td>
</tr>
</tbody>
</table>
NYDA | GEDA | NPI
---|---|---
Entrepreneurship training | Gauteng Enterprise Propeller | SMME intervention

| Costs | Did not know the running cost of the programme. | R24 000 for facilitator fees for both courses. | Venue and food are provided by SEDA or municipalities. Training costs per delegate are about R1 200 for the 5 modules.

Table 27: A sample of government programmes targeting low capital entrepreneurs

In 2010, the *Finscope Small Business Report* showed that 75% of the small businesses in the survey were not aware of any support programmes. In the Free State province for example, a joint ILO/GEM survey in 2012 showed that 40% of young entrepreneurs had not made use of a support programme because they were not aware of any (Turton et al., 2012). However, Smorfitt’s research showed that of the entrepreneurs who were aware of support programmes, 30% applied for assistance. This clearly indicates that there is indeed demand in South Africa for interventions.

GEM South Africa 2012 report states that 32% of GEM’s experts believed government programmes to be currently one of the most constraining factors in South Africa for the development of entrepreneurship. The summary of their main concerns are shown below:

- Lack of access to skills development programmes
- Superficial national government support for developing businesses
- A proper platform to match entrepreneurs with services they require does not exist
- A true hub between service providers and potential contracts does not exist
- Slow and inadequate government services to support small businesses
- Lack of co-ordination of available efforts and resources
- No accountability or measurement within the government’s SME agencies
- No long-term plan in place to co-ordinate and measure government and private sector involvement in creating and assisting small business
- Lack of access to support such as mentoring, infrastructure, incubators, computers
- Lack of training for entrepreneurs before start-up
7.6 High level recommendations

Successful entrepreneurship happens within an eco-system of support which includes but is not limited to the following: training, mentoring, access to finance, access to markets and customers, access to legal, tax, financial and other advice. Training and curriculum is a critical part of building a successful entrepreneurial nation, but this is only one aspect of a much wider and complex system and delivered in isolation is destined to failure. All necessary components critical to the success of entrepreneurs need to be identified and integrated into a holistic system, in which multiple stakeholders play a role in facilitating entrepreneurship. Both government and business have a role to play in the creation of a vibrant entrepreneurial ecosystem.

It is not the view of the task team that unemployed youth can all successfully start and run businesses. On the contrary, the vast majority of these will fail. It is the view of the task team, and evidence bears this out, that the small business sector is the best employer of unemployed youth for their ‘first’ job and initial experience, and hence the small business sector should be strengthened so that as existing businesses survive and thrive they employ more such youth. When these youth have had more work experience and gained skills, in their latter 20’s and 30’s, those with an entrepreneurial attitude are far more likely to go out and build a successful business, which in turn can be an employer of others.

Therefore it is essential that the ecosystem that will enable and support the growth and development of entrepreneurship be nurtured in every possible way.

7.6.1 Optimise government training programmes

Existing government and quasi-government training initiatives in the main need to be rethought, restructured, and where appropriate re-launched. Failing initiatives should be discontinued or transformed, while successful initiatives should be supported, grown, and replicated / massified.

7.6.1.1 Awareness

Awareness of all government training programmes and resources developed should be improved and centralized. In 2010, the Finscope Small Business Report showed that 75% of the small businesses in the survey were not aware of any support programmes available. At present, many government departments develop entrepreneurship training and support programmes, but resources are not shared, or centralized, and best practice is not shared. Well-branded and easy to navigate Internet sites with full information on the support programmes and initiatives must effectively target their specific target audiences. Best
practice programmes make use of successful and very experienced entrepreneurs and mentors who provide a more customised curriculum based on the needs of the small businesses involved.

7.6.1.2 Monitoring and evaluation
Government training programmes should be able to track results in a focused way. Currently it is unclear really if any of these programmes have much success. Any government-funded training programme needs to have a strong, clear measurement focus, with required metrics that are tracked on a monthly, quarterly and annual basis. All training programmes should have monitoring and evaluation built in during the courses, and tracking needs to be done longitudinally over time. This should be a requirement for accessing funding from treasury or the NSF, etc., and similarly, programmes must demonstrate success longitudinally in order to continue to attract funding.

7.6.1.3 Skills
Government personnel often lack the experience and skills required to assist entrepreneurs. Best practice shows that entrepreneurs are best assisted either by other entrepreneurs or by established functional or industry experts who possess appropriate and relevant expertise. As an example, Endeavor is a network of more than 1,000 entrepreneurs globally who provide mentoring to entrepreneurs. Accountants, lawyers and tax specialists could assist entrepreneurs on their own time and earn tax credits and/or incentives while providing crucial support to small business owners. It would be highly beneficial to institute secondment, mentorship and networking programmes where seasoned entrepreneurs and executives (previously or currently employed) can offer support to SMEs for limited periods, both inside government incubators and outside. In business, one size does not fit all.

7.6.1.4 Focus
Government incubators need to ensure that they receive the best return on their investment, and should therefore not try and assist every little business, but focus on those businesses that have the potential to become high job creation businesses. If each business that is assisted creates on average four jobs, the return will be significant. This is the methodology that is used in Brazil, Chile and Malaysia, for example. In addition, attention needs to be given to post-incubation support to firms once they have left the incubator.

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90 Recommended in the report published by the Omidyar network in partnership with Monitor Group, 2012
Also rather than ending up backing generally low-skilled businesses that operate in over-traded sectors, such as construction and furniture, incubators should be used more strategically to develop high-growth innovative sectors. Incubators must also assist businesses to produce goods that have an international demand.

To be able to achieve this, selection criteria will have to be implemented to determine both the individual business owner’s potential for growth, as well as the potential of the business to grow. Various selection criteria are available for this purpose.

7.6.1.5 Systematisation

For effective roll-out at provincial and local levels, the Government training programmes and ‘training journey’ should be systematised and replicable embracing a ‘franchise model’ approach.

7.6.1.6 Monitor the quality of business service providers

Stimulate and encourage the formation of a National Institute of Business Service Providers for accreditation of BSP to monitor quality standard, ethics, etc., and develop a national M&E tool to evaluate their impact.

7.6.2 Ease the constraints within the business environment

The current legislation, coupled with harsh penalties for non-compliance is too complex for small businesses. The average cost of compliance in SA for small business is about 8.3% of turnover, while it is 0.2% for large businesses. The removal of red-tape and the promotion of the “ease of doing business” in South Africa is critical. In South Africa the “ease of doing business” needs to be significantly strengthened in line with best practices around the world, such as Singapore. This means having supportive and simplified tax regimes for businesses under a certain size, ease of registration of a new business to be done online within one hour, etc. There is a need to develop legislation that differentiates between the big business and SMME segments.

There is also a need to re-look at the labour law relating. “Where large firms and unions agree to high standards, legal extension reduces competition and inhibits creation of new firms and their survival.” (Reserve Bank paper July 2013). The Global Competitiveness Index (2011) ranks South Africa ranks 97th out of 139 countries in labour market efficiency and a survey conducted by Omidyar Network (2012), 54% of SA entrepreneurs say “Government labour regulations actively discourage the hiring of employees,” compared to 34% for all of Sub Sahara Africa. Most small businesses fail because of lack of markets. Government departments should test and promote the application of set-asides for SMMEs in public procurement and also give official recognition to the activities of the SA Supplier Diversity Council and partner with the Council to
encourage large corporations to practice supplier diversity initiatives and gain recognition from Government.

7.6.3 Establish a national council for small business and entrepreneurship

There is a central need for integration of support mechanisms for small businesses, as well as a single, massified, birds-eye view of entrepreneurial development in South Africa. For this reason, the development of a multi-stakeholder council that acts to unify the activities of the public and private sector, either under the auspices of the HRDC, or within the Presidency, as is done in Malaysia is proposed. Refer to addendum 9.14 for information on the Malaysian council. It is the view of the task team that the creation of the council is not the panacea but strong leadership is critical. The current small business advisory council has been less than effective.

For small business to prosper and thrive, they require a champion in government, and a platform to engage with government and with big business. It is proposed that the HRDC establish this as a permanent structure under its auspices that will be responsible for the coordination of entrepreneurship activity in the country. This forum should not seek to duplicate the work of individual government departments but rather provide a platform for coordination where relevant stakeholders meet on a regular basis to share information and mutually agree on what challenges exist and what measures need to be taken to unlock the creation of a strong entrepreneurial culture in the country where entrepreneurs are able to thrive in an environment that is highly supportive of small business start-up. This will ensure effective coordination, integration & monitoring and evaluation of support.

This council would seek to work with government on the following initiatives:

7.6.3.1 Data analysis

A comprehensive analysis of government data (including CIPC data) on small businesses needs to be consistently carried out with rigour. This data needs to be comprehensively analyzed on an ongoing basis to institute better support mechanisms for small business. Experts in data analysis and data mining need to be employed to carry out this work, which is essential to the implementation of successful initiatives.

7.6.3.2 Removal of red-tape

The council will need to work with the dti on their major project in this area. Ongoing efforts are needed to support and enhance all government efforts to remove compliance hurdles and ongoing barriers imposed on small businesses.
7.6.3.3  Ease of doing business

In South Africa the ease of doing business needs to be significantly strengthened in line with best practices around the world, such as Singapore. This means having supportive and simplified tax regimes for businesses under a certain size, ease of registration of a new business to be done online within one hour, etc.

7.6.4  Develop a national web portal to support small business

It is recognised that new, creative and innovative mechanisms must be found to provide SMME’s with useful tools, resources and support that will enable them to grow and thrive. As already mentioned, a number of organisations deal with entrepreneurs on a daily basis. Entrepreneurs need to interact with a range of organisations for various reasons. In order to facilitate the ease of doing business for entrepreneurs it is proposed that a national virtual incubator (NVI), in the form of a web-portal, be created. This portal will be the single point of entry for SMME information and provide a “one-stop shop” to entrepreneurs and small business owners.

The goal of this incubator is to strengthen up to 1 million businesses across South Africa for the purpose of job creation within the next 5 years. This initiative has been conceptualised and coordinated task team in direct partnership with the implementation partners in the dti, SEDA, SEFA, CIPC and a number of private sector partners. The NVI will be developed under the auspices of the dti.

The initiative is focused on creating system change by redefining government legislation, removing red-tape and roadblocks, providing a world-class free access to national business education, and supporting small business and entrepreneurship through the use of innovative technology solutions, in a true multi-stakeholder partnership, including both government and the greatest levels of innovation in the private sector.

A national call centre will be established on the launch of the NVI to support entrepreneurs country-wide on the use of the tools and systems available on the portal.

Included in the NVI will be tools, systems and information as detailed below.

7.6.4.1  Access to finance

The need: To train and assist early-stage entrepreneurs in financial literacy, i.e., financial products, providers and how to access it. Also improved targeting of potential young
entrepreneurs through the provision of appropriate finance for business start-up coupled with continuous mentorship, training and access to support services is needed.

**The solution:** The Finfind initiative is being launched in 2014, as a national finance solution for small business. The aim is to provide knowledge of all loan and financial support products offered by any provider (government or private sector) into the hands of every SMME, as well as actual access to finance, ongoing financial literacy, and financial support. The project is part funded by USAID and part by the dti.

**The need:** Provide tools to SMMEs in order to practice sound back office systems (HR and Accounting systems).

**The solution:**
SMME Easy: This tool will include a free financial accounting package, using single entry accounts, so that all small businesses looking for capital, can produce comprehensive income statements, balance sheets, cashflow statements, etc., which will put them in a stronger position when applying for finance.
AdminEasy: This tool will support SMME back office functions, such as managing people, inventory management, etc.

### 7.6.4.2 Access to education

**The need:**
- Include entrepreneurial and vocational training in the education system by introducing new teaching methodologies that are aligned to existing curriculum and could make the delivery of this curriculum a lot more exciting.
- Leverage the power of mobile and Internet technology to offer world class business education and training in business skills and entrepreneurial management on a large scale in partnership with private and government universities to those outside the formal education system.
- Introduce secondment, mentorship, coaching and networking programmes where high capital (qualified and experienced executives and professionals) support SMMEs. This is an essential step in promoting the sustainability of small businesses, as many entrepreneurs in new businesses – particularly the youth – lack the skills and experience required for business growth and survival.
- Centres of entrepreneurship at Universities should work closely with SMMEs.
The solution:

Access to free business-relevant education materials
In partnership with Regenesys, the largest private business school in the country, accredited and registered educational materials for a MBA, BBA, Post-graduate diploma, Certificate in Management, and 50 skills courses can be offered free of charge This initiative was launched in Nov 2012, and over 350 000 individuals have since accessed the site. Proven and robust online e-learning technology has been used. Participants are able to study online, access all learning materials (including study guides, e-books, academic articles, videos, chat-groups, assignments and exams) and participate in virtual classrooms and live webinars. High quality content is delivered online and students can download the education application and access content via all tablets and smartphones. All those who historically did not have access to business education for whatever reasons, be it financial constraints, academic entry requirements or geographical limitations, are now able to study business qualifications and access knowledge for free. Participants who decide to complete the assessment process and receive a certified qualification are required to pay a reduced course fees. They will have the option to pay the module fee when they want a particular module to be assessed and thus adopt the ‘pay-as-you-go’ payment method.

Free online National Certificate in Entrepreneurship to existing small businesses
Discussions and plans are underway to launch in partnership with UCT (University of Cape Town) Graduate School of Business (GSB), a 1-year accredited qualification alongside a well-developed business plan which will be recognised by large banks and government agencies in SA to access financing. The Entrepreneurship curriculum will also to be offered through traditional skills delivery entities and other intermediaries (universities, colleges, and Further Education and Training institutions).

The qualification will be SAQA (South African Qualifications Authority) and CHE (Council on Higher Education) accredited and registered.
The “price of entry” will be that a small business will be required to provide extensive information about themselves, which will help to build critically lacking information around the small business sector.

Business Mentorship
A master class series offered over the Internet, which includes video streaming onto cell-phones and computers, by leading entrepreneurs (including the Patrons) as well as experts in pertinent matters for small businesses (tax; vat; financial statements; financial management; government tenders; marketing; strategy, etc.)
7.6.4.3 Access to information

The need
Creating one place where all information relating to entrepreneurship and SMME business support is contained.

The solution

Information relating to launching, operating and expanding a business
This section of the portal will provide users with non-financial support in terms of starting and managing their own businesses. It will contain library articles, expert advice and video-based guidance. The library content will be available in downloadable format (ebooks/PDF’s) and include a resource list, frequently asked questions, success stories and latest advice. The video based content will be tailored to suit the size and aspiration of the business. In other words the site will recognise that the needs of a micro business differ from that of a small or medium sized business. Video content will be provided on how to start and grow a micro, medium or small enterprise.

Licenses, registrations and taxation
This channel will explain the various registrations and compliance issues that businesses need to face and will direct browsers to the relevant government sites to complete the registrations. Information on each of the following will be included here:

- Companies and Intellectual Property Commission;
- South African Revenue Services;
- Unemployment Insurance Fund;
- Zoning applications;
- Trading licenses;
- Broad Based Black Economic Empowerment;
- Consumer Protection Act and Companies Act.

In addition a downloadable checklist for all registrations and compliance issues will be available and specifically tailored to the type of business, e.g., industry sector and whether it is a small, medium or micro enterprise.

Funding and Grants
In South Africa many organisations exist that provide funding, loans and grants to both aspiring and existing entrepreneurs. A need therefore exists to ensure that this information is contained in one place that is easily accessible to entrepreneurs. This information will be
contained on the NVI with information about both private and public institutions that provide financial support to entrepreneurs and what will be required for a successful application.

**Industry guides**
There is a need to make data and information available about different industry sectors to entrepreneurs. This section will provide entrepreneurs with information on various industry sectors (retail, mining, tourism, manufacturing, transport, agriculture, real estate). The type of information that will be provided includes, but is not limited to, the following:
- Industry overviews including statistics and industry drivers;
- A list of resources such as websites and governing bodies/organisations;
- The central intelligence agency (CIA) world face-book; and
- Reports that are regularly published on industry sectors by ‘WhoOwnsWhom’.

**Business analysis tool**
An analytical tool to assess the likelihood of survival and growth, based on a seven-year study.

**7.6.4.4 Access to markets**

**The need**
Provide a platform where SMMEs can freely market their products and services to as wide an audience as possible.

**The solution**
The Woza Online “free websites” initiative was launched in Jan 2012 to provide free websites for small businesses in partnership with Google. To date there have been over 1 million mentions on Google, and 45 000 small businesses have already been assisted to develop their own website. 1 000 of these are being tracked to develop case studies.

**7.6.5 Establish a culture of entrepreneurship**
The goal of establishing an entrepreneurship culture is to make being an entrepreneur attractive, to encourage young people to consider it as a career option and to make having your own business somewhat of a status symbol. The more the culture of the country accepts that entrepreneurship is valuable and essential to the growth of the country, the more support small businesses will receive to help them grow and flourish.
In order to achieve this, a concerted effort must be made to build the status of entrepreneurs across the country, from those people running small cell-phone kiosks, to those who have been successful internationally, such as Herman Mashaba or Pam Golding.
Examples of how this could be achieved include:
• Developing a TV programme that tells the story of successful South African entrepreneurs
• Dedicating radio shows to sharing how Herman Mashaba (or another successful entrepreneur) made it, including the lows and highs
• Creating a “Support en entrepreneur” day, in which local businesses are celebrated
• Partnering with the print media organisation in celebrating successful young entrepreneurs.
• Participating in a major way in the Global Entrepreneurship Week that takes place in November every year

In addition, every community in South Africa should have an enterprise facilitator building a entrepreneurship community and churches, schools, universities and other institutions should be encouraged to run multiple low cost “startup weekends” every year.

7.6.6 Promote the concept of an ‘SMME Graduate’

It is an incorrect assumption that unemployed youth can start sustainable businesses, or that improving training alone can make the difference. The NYDA results confirm this theory. Equally, research shows significant failure rates, and has found that those with work experience become more successful entrepreneurs than those without. It is therefore recommended that the concept of an SMME graduate be encouraged. The introduction of the National Youth Wage Subsidy (employment creation bill), is a move in the right direction, as any first job will increase the number of successful start-ups over time.

7.6.7 Promote the adoption of micro-franchising as strategy

Most poor and low-income people in South Africa do not have opportunities to build income and savings to allow their upward mobility. They have limited access to formal jobs, skills and become entrepreneurs out of necessity, creating informal businesses that have a high risk of failure.

The adoption of micro-franchising as a recognised strategy would help to build entrepreneurial capacity and increase the income levels of disadvantaged populations. Micro-franchising is the replication of a proven, low-cost, simply packaged business model that provides potential entrepreneurs with the tools and support they need to run businesses and grow as owners of profitable microenterprises. Vodacom has run such models in South Africa and they are successful.
7.7 Conclusion

In conclusion this paper highlights the importance of small, micro and medium enterprise in creating employment. There is recognition of the fact that investment in the support of small businesses is among the key ingredients of success. Total early stage entrepreneurial rates in South Africa are approximately one-third of comparable low to middle income countries so there is still potential to improve. Presently there are a myriad of initiatives in the country that aim to support entrepreneurs. However, these initiatives are fragmented, uncoordinated and ineffective and as a result entrepreneurs are often not aware of the support available to them or alternatively spend an inordinate amount of time searching for needed information.

The recommendation to provide a “one-stop shop” in the form of National Virtual Incubators to entrepreneurs and small business owners is an effective and efficient way of reaching out to millions of entrepreneurs and small businesses across the country. The web portal will include but is not limited to the following information:

- Information related to starting, managing and growing a business;
- Licenses, registration and tax;
- Funding and grants;
- Industry guides;
- Training and mentorship;
- Free resources; and
- Connecting with an entrepreneurial community.

Finally for the recommendations to be implemented in a manner that achieves the anticipated results there is a need for the HRDC to continue to work closely with the Department of Trade and Industry, SEDA, SEFA, CIPC and CHEQ.
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9 Addenda

9.1 The role of entrepreneurship education

9.2 Effectual thinking

The majority of people operating in the business world make use of causal reasoning to solve a problem. This means that they know the goal that needs to be achieved, and then work with what they have (a given set of means), to achieve the goal as optimally as possible.
Entrepreneurs however, think in precisely the opposite way. They start with what they have, and over time allow the goals to emerge based on their imaginations and the people that they interact with.

All entrepreneurs begin with three means:
1. Who they are – their traits, tastes and abilities
2. What they know – their education, training, expertise and experience
3. Whom they know – their social and professional networks

Using these means, the entrepreneur dreams up and starts acting on what is deemed to be possible. Execution is not a once-off step, but rather a series of doing and undoing, as the picture changes through experiences and interactions.

Studies have further demonstrated that there are four guiding principles that underlie this way of thinking as opposed to causal reasoning:

1. Bird in Hand Principle – Start with your means
   Don’t wait for the perfect opportunity. Start taking action, based on what is readily available: who they are, what they know, and whom they know.

2. Affordable Loss Principle – Set affordable loss
   Evaluate opportunities based on whether the downside is acceptable, rather than on the attractiveness of the predicted upside.

3. Lemonade Principle – Leverage contingencies
   Embrace surprises that arise from uncertain situations, remaining flexible rather than tethered to existing goals.

4. Crazy-Quilt Principle – Form partnerships
   Form partnerships with people willing to make a real commitment to jointly creating the future.
Effectuation thinking is not what is being taught in the classroom. In both schools and universities, learners and students are taught to think causally, from idea, to market research to financial projections, business plan, etc. The focus of entrepreneurial education should therefore be to assist the learners to understand the means that they have available to them, and encourage them to think big and imagine what they could achieve. In order to achieve this, educators too, will need to be given an understanding of how different entrepreneurial thinking is, from what they are used to.

While effectual thinking describes the way mature entrepreneurs approach their environment, young people in schools would still be exploring and adapting their world view in relation to their experiences at home and at school. The research reveals terms such as “attitudes”, “creative thinking”, “a strong sense of self-worth and accountability” and “mindset” to describe what is essentially an objective in entrepreneurship education, which therefore should be included in the instruction strategy. For more detail on effectuation, refer to the following site: www.effectuation.org as well as Professor Sarasvathy’s\textsuperscript{91} paper.

### 9.3 Analysis of entrepreneurial education in South Africa

The workstream team conducted a thorough analysis of the curriculum across the Foundation, Intermediate, Senior phase and FET levels. In summary, there is very little content in the current curricula that can be classified as entrepreneurial education.

Any content related directly or indirectly to entrepreneurship is shown below:

<table>
<thead>
<tr>
<th>Foundation Phase (Gr-3)</th>
<th>Intermediate Phase (G4-6)</th>
<th>Senior Phase (G7-9)</th>
<th>FET Phase (G10-12)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life skills – 2 hours in Gr 1</td>
<td>Mathematics – 3 hours per year</td>
<td>EMS - three topics relating to entrepreneurship:</td>
<td>Business studies</td>
</tr>
<tr>
<td>Mathematics – 21 hours over three years</td>
<td></td>
<td>• The economy (30%)</td>
<td>Accounting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Financial literacy (40%)</td>
<td>Economics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Entrepreneurship (30%)</td>
<td>Consumer studies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ organise and host an entrepreneurs’ day</td>
<td>Tourism</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Engineering (various)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Dependent on subject choice</td>
</tr>
<tr>
<td>23 hours in 3 years</td>
<td>9 hours in 3 years</td>
<td>52 hours over 3 years</td>
<td></td>
</tr>
</tbody>
</table>

Table 28: Hours per year spent on business / entrepreneurship education

EMS and Business studies focus primarily on the basic functions of a business, such as general management, purchasing, production, marketing, PR, HR, administration and financing.

Entrepreneurial education needs to focus on the soft skills/life skills, such as decision making, negotiation, problem solving, communication, risk taking, creativity, change orientation and interpersonal relations. These are best taught through experiential learning.

In addition, there are references in the curriculum to extra-curricular entrepreneurial activities, such as:

- Food gardens
- Teach a child to save campaign
- Eco-school: legacy projects
- Recycling projects

However, as these would be considered as optional extras, it can be assumed that only a handful of schools undertake these projects.

**Senior Phase Economic and Management Sciences:**
Within this subject, there are three topics that relate directly and indirectly to entrepreneurship education:
1. The economy
2. Financial literacy
3. Entrepreneurship

In each of these topics, content is covered that teaches about business but only in the entrepreneurship component is there any direct reference to starting and running a small business. The most practical part of this subject is to organise and host an entrepreneurs’ day.

For full detail refer to 9.4 Curriculum and assessment policy content map (EMS – Grades 7 – 9)

**FET Phase Business Studies:**
In the three year curriculum, there are 2 1-week slots relating directly to entrepreneurship:
1. entrepreneurship qualities (Grade 10, term 2, week 4), and
2. assessment of entrepreneurial qualities in business (Grade 11, term 3, week 1)

There are also a few slots relating to the entrepreneurial qualities of creative thinking and problem solving.
For full detail refer to 9.5 Summary of Business Studies teaching plan (Grades 10 – 12).

In both of the above content areas, reference is made to resources such as newspaper articles, internet, magazines and other audio-visual media, which would scarcely be available in rural schools.

In addition, well-trained teachers with some entrepreneurial experience would be required to teach the subject, as there is limited teaching methodology defined for these areas.

A third issue with only having content in the Business Studies subject, is that those learners not choosing to take this subject, have no further exposure to entrepreneurship after Grade 9.
9.4 Curriculum and assessment policy content map (EMS – Grades 7 – 9)

The Economy (becomes Economics in FET phase)

<table>
<thead>
<tr>
<th>Grade 7</th>
<th>Grade 8</th>
<th>Grade 9</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>History of money</strong></td>
<td><strong>The Government</strong></td>
<td><strong>Economic Systems</strong></td>
</tr>
<tr>
<td>- traditional societies</td>
<td>- levels of government</td>
<td>- planned economy</td>
</tr>
<tr>
<td>- bartering</td>
<td>- role of government at the different levels to households (as consumers and producers)</td>
<td>- market economy</td>
</tr>
<tr>
<td>- promissory notes</td>
<td>- role of government at different levels to businesses</td>
<td>- mixed economy</td>
</tr>
<tr>
<td>- coins</td>
<td>- role of government as consumers and producers</td>
<td>- origin and history of each economy</td>
</tr>
<tr>
<td>- paper money</td>
<td></td>
<td>- global economy</td>
</tr>
<tr>
<td>- electronic banking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- the role of money</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Needs and wants</strong></td>
<td><strong>The National Budget</strong></td>
<td><strong>The circular flow</strong></td>
</tr>
<tr>
<td>- Basic needs of individuals, families, communities and countries</td>
<td>- government revenue: direct and indirect taxes</td>
<td>- circular flow of a closed economy</td>
</tr>
<tr>
<td>- primary and secondary needs</td>
<td>- government expenditure</td>
<td>- participants in a closed economy</td>
</tr>
<tr>
<td>- unlimited wants</td>
<td>- influence of national budget on growth and redressing economic inequalities</td>
<td>- flow of goods and services</td>
</tr>
<tr>
<td>- limited resources to satisfy needs and wants</td>
<td></td>
<td>- money and factors of production in the circular flow of a closed economy</td>
</tr>
<tr>
<td><strong>Goods and services</strong></td>
<td><strong>Standard of living</strong></td>
<td>- illustrate by using a flow diagram</td>
</tr>
<tr>
<td>- examples of goods and services</td>
<td>- lifestyles</td>
<td></td>
</tr>
<tr>
<td>- producers and consumers</td>
<td>- self-sufficient societies</td>
<td></td>
</tr>
<tr>
<td>- the role of households as producers and consumers</td>
<td>- modern societies</td>
<td></td>
</tr>
<tr>
<td>- using goods and services efficiently and effectively</td>
<td>- rural societies</td>
<td></td>
</tr>
<tr>
<td>- recycle and reuse</td>
<td>- impact of development on the environment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- unemployment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- use resources productively to promote a healthy environment</td>
<td></td>
</tr>
<tr>
<td><strong>Poverty</strong></td>
<td><strong>Markets</strong></td>
<td><strong>Price Theory</strong></td>
</tr>
<tr>
<td>- socio-economic imbalances</td>
<td>- types of markets in the economy</td>
<td>- Law of demand</td>
</tr>
<tr>
<td>- inequality in South Africa</td>
<td>- closed markets</td>
<td>- graphical illustration of the Law of demand</td>
</tr>
<tr>
<td>- fighting poverty</td>
<td>- open markets</td>
<td>- Law of supply</td>
</tr>
<tr>
<td>- reconstruction and development programmes</td>
<td>- mixed markets</td>
<td>- graphical illustration of the Law of supply</td>
</tr>
<tr>
<td>- lack of basic services</td>
<td></td>
<td>- equilibrium price and quantity</td>
</tr>
<tr>
<td>- creating sustainable job opportunities</td>
<td></td>
<td>- change in quantity demanded and supplied</td>
</tr>
<tr>
<td><strong>Production process</strong></td>
<td></td>
<td>- increase and decrease in supply and demand</td>
</tr>
<tr>
<td>- inputs and outputs</td>
<td></td>
<td>- graphical illustration of change in demand and supply</td>
</tr>
<tr>
<td>- economic growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- productivity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- technology in the production process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- contribution of technology</td>
<td></td>
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</tr>
</tbody>
</table>

Table 29: The Economy curriculum
## Financial Literacy (becomes Accounting in FET phase)

<table>
<thead>
<tr>
<th>Grade 7</th>
<th>Grade 8</th>
<th>Grade 9</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Savings</strong></td>
<td><strong>Accounting concepts</strong></td>
<td><strong>Cash Journals</strong></td>
</tr>
<tr>
<td>- budgeting</td>
<td>- sole trader</td>
<td>- CRJ &amp; CPJ of a sole trader</td>
</tr>
<tr>
<td>- purpose of savings</td>
<td>- debit and credit</td>
<td>- effect on the accounting equation</td>
</tr>
<tr>
<td>- personal savings</td>
<td>- owner's equity</td>
<td></td>
</tr>
<tr>
<td>- history of banks</td>
<td>- income and expenses</td>
<td></td>
</tr>
<tr>
<td>- role of banks</td>
<td>- profit and losses transactions</td>
<td></td>
</tr>
<tr>
<td>- a savings account</td>
<td>- capital, liabilities, assets</td>
<td></td>
</tr>
<tr>
<td>- community saving schemes</td>
<td>- banking</td>
<td></td>
</tr>
<tr>
<td>- financial institutions</td>
<td>- cash receipts</td>
<td></td>
</tr>
<tr>
<td>- savings</td>
<td>- cash payments</td>
<td></td>
</tr>
<tr>
<td>- buying</td>
<td>- subsidiary journals</td>
<td></td>
</tr>
<tr>
<td>- planning</td>
<td>- accounting equation</td>
<td></td>
</tr>
<tr>
<td><strong>Budgets</strong></td>
<td><strong>Accounting cycle</strong></td>
<td><strong>Posting transactions of a trading business</strong></td>
</tr>
<tr>
<td>- income</td>
<td>- transactions</td>
<td>- to the General Ledger</td>
</tr>
<tr>
<td>- expenditure</td>
<td>- source documents</td>
<td>- balancing the accounts in the General Ledger</td>
</tr>
<tr>
<td>- personal budget</td>
<td>- subsidiary journals</td>
<td>- Preparing a Trial Balance</td>
</tr>
<tr>
<td>- budget of a business</td>
<td>- General Ledger</td>
<td></td>
</tr>
<tr>
<td>- savings</td>
<td>- Trial Balance</td>
<td></td>
</tr>
<tr>
<td>- buying</td>
<td>- Income Statement</td>
<td></td>
</tr>
<tr>
<td>- planning</td>
<td>- Balance Sheet</td>
<td></td>
</tr>
<tr>
<td><strong>Income and expenses</strong></td>
<td><strong>Source documents</strong></td>
<td><strong>Credit transactions</strong></td>
</tr>
<tr>
<td>- personal income</td>
<td>- receipts</td>
<td>- debtors</td>
</tr>
<tr>
<td>- personal expenses</td>
<td>- deposit slips</td>
<td>- accounting cycle</td>
</tr>
<tr>
<td>- types of income that businesses receive</td>
<td>- cash register slips</td>
<td>- credit sales</td>
</tr>
<tr>
<td>- types of expenses businesses have</td>
<td>- cheques / cheque counter foils</td>
<td>- National Credit Act (NCA)</td>
</tr>
<tr>
<td>- wasteful expenses</td>
<td>- bank statements</td>
<td>- debtors allowance</td>
</tr>
<tr>
<td>- savings and investments</td>
<td>- cash invoices</td>
<td>- format of the Debtors Journal (DJ)</td>
</tr>
<tr>
<td><strong>Accounting concepts</strong></td>
<td><strong>Cash Receipts Journal (CRJ) of a Sole Trader</strong></td>
<td>- recording transactions in the Debtors Journal</td>
</tr>
<tr>
<td>- capital</td>
<td>- concept and format of a CRJ</td>
<td>- format of the Debtors Allowance Journal (DAJ)</td>
</tr>
<tr>
<td>- assets</td>
<td>- source documents</td>
<td>- recording of receipts from debtors in the CRJ</td>
</tr>
<tr>
<td>- liabilities</td>
<td>- entering transactions</td>
<td>- posting to the Debtors Ledger and General Ledger</td>
</tr>
<tr>
<td>- income</td>
<td>- casting/totaling the CRJ</td>
<td>- effect of credit transaction</td>
</tr>
<tr>
<td>- expenses</td>
<td>- effect on the accounting equation</td>
<td>- creditors</td>
</tr>
<tr>
<td>- profit</td>
<td></td>
<td>- accounting cycle</td>
</tr>
<tr>
<td>- losses</td>
<td></td>
<td>- credit purchases</td>
</tr>
<tr>
<td>- budgets</td>
<td></td>
<td>- creditors allowance</td>
</tr>
<tr>
<td>- savings</td>
<td></td>
<td>- format of the Creditors Journal (CJ)</td>
</tr>
<tr>
<td>- banking</td>
<td></td>
<td>- recording transactions in the Creditors Journal</td>
</tr>
<tr>
<td>- financial records</td>
<td></td>
<td>- format of the Creditors Allowance Journal (CAJ)</td>
</tr>
<tr>
<td>- transactions</td>
<td></td>
<td>- recording of payments received from creditors in the CPJ</td>
</tr>
<tr>
<td><strong>Trial Balance</strong></td>
<td><strong>Cash Payments Journal (CPJ) of a Sole Trader</strong></td>
<td>- posting to the Creditors Ledger and General Ledger</td>
</tr>
<tr>
<td></td>
<td>- concept and format of a CPJ</td>
<td>- the effect of credit transaction on the accounting equation</td>
</tr>
<tr>
<td></td>
<td>- source documents</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- entering transactions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- casting/totaling the CPJ</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- effect on the accounting equation</td>
<td></td>
</tr>
<tr>
<td><strong>General Ledger (GL)</strong></td>
<td><strong>Recording transactions</strong></td>
<td></td>
</tr>
<tr>
<td>- double entry principle</td>
<td>- recording credit and cash transactions of a sole trader</td>
<td></td>
</tr>
<tr>
<td>- format and sections of the GL</td>
<td>- posting from DJ, DAJ, CJ, CAJ, Debtors Ledger, Creditors Ledger and General Ledger</td>
<td></td>
</tr>
<tr>
<td>- posting to the GL</td>
<td>- prepare a Trial Balance</td>
<td></td>
</tr>
</tbody>
</table>

Table 30: The Financial Literacy curriculum
Entrepreneurship (becomes Business Studies in FET phase)

<table>
<thead>
<tr>
<th>Grade 7</th>
<th>Grade 8</th>
<th>Grade 9</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The entrepreneur</strong></td>
<td><strong>Factors of production</strong></td>
<td><strong>Sectors of the economy</strong></td>
</tr>
<tr>
<td>- What is an entrepreneur?</td>
<td>- borrowed and own capital</td>
<td>- primary, secondary and tertiary sectors</td>
</tr>
<tr>
<td>- Characteristics of an entrepreneur</td>
<td>- labour: unskilled, semi-skilled and skilled</td>
<td>- types of business found in the three sectors</td>
</tr>
<tr>
<td>- skills of an entrepreneur</td>
<td>- role of workers in the business</td>
<td>- interrelationship of the three sectors</td>
</tr>
<tr>
<td>- entrepreneurial actions</td>
<td>- fair employment practices</td>
<td>- sustainable use of resources in the sectors</td>
</tr>
<tr>
<td>- sustainable use of resources</td>
<td>- natural resources</td>
<td>- role of the sectors in the economy</td>
</tr>
<tr>
<td><strong>Starting a business</strong></td>
<td><strong>Forms of ownership</strong></td>
<td>- skills required in each sector</td>
</tr>
<tr>
<td>- needs and wants of consumers</td>
<td>- sole trader</td>
<td></td>
</tr>
<tr>
<td>- consumer behaviour</td>
<td>- partnerships</td>
<td></td>
</tr>
<tr>
<td>- SWOT Analysis</td>
<td>- close corporations</td>
<td></td>
</tr>
<tr>
<td>- setting goals</td>
<td>- private and public companies</td>
<td></td>
</tr>
<tr>
<td>- achieving goals</td>
<td>- sustainable job creation</td>
<td></td>
</tr>
<tr>
<td>- advertising</td>
<td>- sustainable use of natural resources</td>
<td></td>
</tr>
<tr>
<td>- use of recycle material</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- cost calculations</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Businesses</strong></td>
<td><strong>Levels of management</strong></td>
<td></td>
</tr>
<tr>
<td>- formal and informal businesses</td>
<td><strong>Functions of management</strong></td>
<td></td>
</tr>
<tr>
<td>- trading, manufacturing and services businesses</td>
<td>- lower, middle and upper management</td>
<td></td>
</tr>
<tr>
<td>- role of formal and informal businesses as producers and consumers</td>
<td>- management tasks: planning, organizing, leading and controlling</td>
<td></td>
</tr>
<tr>
<td>- effect of natural disasters and health epidemics on formal and informal businesses</td>
<td>- management styles: autocratic, permissive or free rein (laissez-faire), democratic or participatory</td>
<td></td>
</tr>
<tr>
<td><strong>Entrepreneurs’ Day</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Plan and host an entrepreneurial event</td>
<td>- concept of a business plan</td>
<td>A business plan</td>
</tr>
<tr>
<td>- income and expenditure statement</td>
<td>- components of a business plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- format of a business plan</td>
</tr>
</tbody>
</table>

Table 31: The Entrepreneurial curriculum
9.5 Summary of Business Studies teaching plan (Grades 10 – 12)

Summary of the Annual Teaching Plan Grade 10

<table>
<thead>
<tr>
<th>TERM 1</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
<th>Week 6</th>
<th>Week 7</th>
<th>Week 8</th>
<th>Week 9</th>
<th>Week 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>micro environment</td>
<td>market environment</td>
<td>macro environment</td>
<td>inter-relationship between environments</td>
<td>Business sectors</td>
<td>Revision</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment</td>
<td>informal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>TERM 2</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
<th>Week 6</th>
<th>Week 7</th>
<th>Week 8</th>
<th>Week 9</th>
<th>Week 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Contemporary socioeconomic issues</td>
<td>Social responsibility</td>
<td>Entrepreneurship qualities</td>
<td>Forms of ownership</td>
<td>Revision and preparation for examination</td>
<td>mid-year examination</td>
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<td></td>
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</tr>
<tr>
<td>Assessment</td>
<td>informal</td>
<td>Formal Assessment: Presentation</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>TERM 3</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
<th>Week 6</th>
<th>Week 7</th>
<th>Week 8</th>
<th>Week 9</th>
<th>Week 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Creative thinking and problem solving</td>
<td>Business opportunity</td>
<td>Business location</td>
<td>Contracts</td>
<td>Presentation of Business information</td>
<td>Business Plan</td>
<td>Revision</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment</td>
<td>informal Assessment</td>
<td>Formal Assessment: Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>TERM 4</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
<th>Week 6</th>
<th>Week 7</th>
<th>Week 8</th>
<th>Week 9</th>
<th>Week 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Self-management</td>
<td>Relationship and team performance</td>
<td>Revision and preparation for examination</td>
<td>End-of-the-year examination</td>
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<td></td>
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</tr>
<tr>
<td>Assessment</td>
<td>informal assessment</td>
<td>informal assessment</td>
<td>Final examination</td>
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</table>
## Summary of Annual Teaching Plan - Grade 11

### TERM 1

<table>
<thead>
<tr>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
<th>Week 6</th>
<th>Week 7</th>
<th>Week 8</th>
<th>Week 9</th>
<th>Week 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Influences on, and control factors relating to, the business environments</td>
<td>Challenges of the business environments</td>
<td>Adapting to challenges of business environments</td>
<td>Impact and challenges of contemporary socioeconomic issues on business operations.</td>
<td>Business sectors benefits of a company versus other forms of ownership</td>
<td>Avenues of acquiring business</td>
<td>Revision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment</td>
<td>informal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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### TERM 2

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<th>Week 1</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Creative thinking and problem solving. Concepts: stress, crisis and change management</td>
<td>Transform a business plan into an action plan</td>
<td>Start a business venture based on an action plan</td>
<td>Professionalism and ethics. Present a business information</td>
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<tr>
<td>Assessment</td>
<td>informal</td>
<td>Formal presentation</td>
<td></td>
<td></td>
<td>Revision and preparation for mid-year examination</td>
<td>Examination</td>
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### TERM 3

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</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Assessment of entrepreneurial qualities in business</td>
<td>The citizenship roles and responsibilities</td>
<td>Marketing activities, marketing in the formal and informal sectors. Use of technology for marketing. imports and exports. Foreign marketing. The alignment of foreign marketing and the production function.</td>
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<tr>
<td>Assessment</td>
<td>informal Assessment</td>
<td>Formal Assessment: Project</td>
<td></td>
<td></td>
<td>Revision and end-of-the-year examination</td>
<td>Revision</td>
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### TERM 4

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</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Team stages and dynamics theories and conflict management</td>
<td>introduction to human Resources function</td>
<td>Revision and preparation for the year-end examination</td>
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<tr>
<td>Assessment</td>
<td>informal assessment</td>
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<td>year-end exams</td>
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</table>
## Summary of Annual Teaching Plan Grade 12

### TERM 1

<table>
<thead>
<tr>
<th>Week 1</th>
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<th>Week 8</th>
<th>Week 9</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>impact of recent legislation on business - response to demands for redress and equity.</td>
<td>human Resources function</td>
<td>Professionalism &amp; ethics</td>
<td>Creative thinking</td>
<td>Devise strategies for a business to use in its response to the challenges of the macro business environment.</td>
<td>informal</td>
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### TERM 2

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</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Concept of corporate social responsibility. human Rights, inclusivity and Environmental issues</td>
<td>Team performance assessment and conflict management</td>
<td>Business sectors and their environment</td>
<td>Management and leadership</td>
<td>Quality of performance within business functions</td>
<td>Revision and preparation for mid-year examination</td>
<td>mid-year examination</td>
<td></td>
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</tr>
<tr>
<td>Assessment</td>
<td>informal</td>
<td>Team performance assessment and conflict management</td>
<td>Business sectors and their environment</td>
<td>Management and leadership</td>
<td>Quality of performance within business functions</td>
<td>Revision and preparation for mid-year examination</td>
<td>mid-year examination</td>
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### TERM 3

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<th>Week 8</th>
<th>Week 9</th>
<th>Week 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>investment: Securities</td>
<td>investment: insurance</td>
<td>Forms of ownership and their impact on the business operation</td>
<td>Presentation of information and data response</td>
<td>Revision and preparation for the preliminary examination</td>
<td>Preliminary examination</td>
<td>Preliminary examination</td>
<td></td>
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### TERM 4

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<thead>
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<th>Week 1</th>
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<th>Week 10</th>
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</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Revision and preparation for the final external examination</td>
<td>Revision</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Final examination</td>
</tr>
<tr>
<td>Assessment</td>
<td>informal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>External examination</td>
</tr>
</tbody>
</table>
9.6 Entrepreneurial education in Singapore

SPRING Singapore is an agency under the Ministry of Trade and Industry responsible for helping Singapore enterprises grow and building trust in Singapore products and services. One of the programmes managed by this agency has been the Young Entrepreneurs Scheme for Schools (YES! Schools). YES! Schools provides schools with grants of up to S$100,000 to put in place a comprehensive structured entrepreneurship learning programme for their students.

Schools on all levels including polytechnics, institutes of technical education, junior colleges, centralised institutes and secondary schools may apply for funding by submitting project ideas, which get evaluated according to a number of criteria. Primary schools can also apply for funding but are less likely to receive. Projects from primary schools may be funded on a selective basis.

The evaluation criteria include the following:

- Entrepreneurship and innovative elements (the proposal should highlight the innovative approach of the project in entrepreneurship learning)

- Holistic approach (the proposal should cover a comprehensive programme on the entrepreneurship learning activities to cultivate a mindset for enterprise among the students and/or teachers)

- Hands-on (experiential) learning component (the proposal should demonstrate the feasibility of the project and outline the steps taken to ensure effective learning outcomes for students. Projects should also require students to put to practical use the lessons learnt)

- Reach of project (the proposal should indicate the number of students who will benefit from the project. Programme should reach out to a wider group of students, especially those interested in entrepreneurship)

- Mentors (Mentors should inspire students, provide guidance and real business and industry knowledge on programme and product/s developed)

The table below shows a summary of the elements of the curriculum:
<table>
<thead>
<tr>
<th>Element</th>
<th>Primary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curriculum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Content</td>
<td>Entrepreneurial stories</td>
<td>Entrepreneurship as value creation</td>
</tr>
<tr>
<td></td>
<td>Exposure to large-scale issues</td>
<td>Exposing learners to different kinds of businesses and entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>Ethics – understanding ethics of entrepreneurship</td>
<td></td>
</tr>
<tr>
<td>Methodology</td>
<td>Role plays</td>
<td>Environmental scanning</td>
</tr>
<tr>
<td></td>
<td>Problem solving</td>
<td>Case studies</td>
</tr>
<tr>
<td>Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extra-curriculum</td>
<td>Participation in inter-school events</td>
<td>Participation in inter-school events</td>
</tr>
<tr>
<td>Supra-curriculum</td>
<td></td>
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</tr>
</tbody>
</table>

Table 32: Singapore curriculum summary

It must be noted however, that the YES! Schools programme runs outside of the regular education curriculum as an after-school initiative, which learners can choose to attend. For details of the learning outcomes of the YES! Schools programme, refer to the YES! Schools site[^92].

While YES! Schools has had some impact in entrepreneurial education in Singapore, there was limited industry exposure and inconsistency with regard to implementation. Therefore, at the start of 2013, a new programme was launched, known as ACE, which will be piloted at nine secondary schools across the country, which had either a YES! Schools programme running or another entrepreneurial programme in place.

The aim of the new programme is to combine theory with mentorship and hands-on experience. Internships will be a big part of it too. Other drivers include the value of taking risk, of trying something new, of believing in one’s passion and also learning to embrace failure. Every school involved will come under an ‘Entrepreneur-Adopt-a-School’ initiative, which attaches any number of entrepreneurs to an educational institution[^93].

9.7 Entrepreneurial education in Botswana

Botswana developed “Vision 2016”, which encapsulates a long-term vision for the year 2016 when Botswana will have been independent for fifty years. In this vision it is stated that “Batswana (the people of Botswana) will need to be educated to understand better the importance of entrepreneurial skills”. In order to achieve this objective, “entrepreneurship and business skills will be an integral part of schooling.”

To achieve this, the government, although committed to providing universal access to junior secondary education, focussed their efforts on enhancing the employability and the capacity for further training of junior secondary leavers. The goals and content of the programme were revised to emphasize the following in terms of pre-vocational preparation:

- Vocational orientation of academic subjects
- Increasing the number of practical subjects offered
- Emphasizing foundation skills applicable to work situations, such as problem solving, self presentation, team-work and computing
- Relating the curriculum to the world of work by offering both curricular and co-curricular activities that espouse the process and organization of production and the demands of working life
- Career guidance and counselling

Infuse and integrate

The approach taken was to infuse and integrate issues such as Environmental Education, Population Family Life Education, HIV/AIDS and Entrepreneurship Education into the teaching and learning material. Although limited emphasis to the need to prepare young people for the demands of self-employment, the language used contains the so-called ‘entrepreneurial characteristics’, which consist of:

- creativity and imagination
- independence in thought and action
- ability to take the initiative
- self-confidence and optimism
- ability to accept responsibility
- social skills and persuasiveness
- ability to cope with uncertainty
- ability to evaluate and take risks

94 [http://www.vision2016.co.bw](http://www.vision2016.co.bw)
flexibility
determination to succeed
ability to take decisions
ability to solve problems
ability to work hard

Infusion suggests that the content of entrepreneurial education (EE) is incorporated into the curriculum to permeate and alter it in a way that affects all learners. EE content is therefore spread across as many subjects as possible to provide learners with frequent EE encounters. Infusion does not require a strong connection between subjects, as in the case of integration, and the content of the main subject does not alter. For example, creative writing in an English lesson about ‘Roles people play in enterprises’ would represent an attempt to infuse EE into the English lesson. In infusion, the objectives of EE are thrown into the contents of different subjects, together with instructional materials as and when necessary.

In integration, the content of EE is incorporated into the carrier subjects through common or strongly related topics. In Design and Technology, for example, the development of business ideas can be linked to design processes. In the case of Business Studies, the topics are often common and only need distinct emphasis on application.

<table>
<thead>
<tr>
<th>Element</th>
<th>Primary</th>
<th>Secondary</th>
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<tbody>
<tr>
<td>Curriculum</td>
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</tr>
<tr>
<td>Content</td>
<td>Through infusion, students are provided with fundamental skills like problem solving, communication, teamwork, self-assessment, critical evaluation and logical thinking.</td>
<td>EE is offered as part of: Commerce, Accounting and Business Studies EE content includes the features of the entrepreneur, through business idea development, to market research and business plan implementation.</td>
</tr>
<tr>
<td>Methodology</td>
<td></td>
<td>Infused into all subjects. ‘Mini-Enterprise’ group project undertaken by all students. This takes the form of the creation of small businesses within the school</td>
</tr>
<tr>
<td>Technology</td>
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</table>
Extra-curriculum

<table>
<thead>
<tr>
<th>Supra-curriculum</th>
<th>Not about teaching business only but also about how to become an enterprising person in life.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Other supplementary programmes supporting EE:</strong></td>
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<tr>
<td></td>
<td>- <em>Enterprise Botswana (EB)</em> was set up 1997 by UNDP, the Government of Botswana and the private sector as an entrepreneurship and business development project.</td>
</tr>
</tbody>
</table>

**Table 33: Curriculum summary for Botswana**

For the complete details of the above, refer to Swartland’s research paper⁹⁵.

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Entrepreneurial education in Norway

Since 2004 Norway has had a strategic plan for implementing entrepreneurship into the education system on all levels, from primary school to university and college, including teacher training. The plan was titled “See opportunities and make them work” and was prepared as a joint collaboration between the Ministry of Education and Research, the Ministry of Trade and Industry and the Ministry of Local Government and Regional Development.

“The primary goal of the strategy for entrepreneurship in education and training is to strengthen the individual’s ability to see and exploit opportunities in an economic, social and cultural context. Thus, the way will be paved for future entrepreneurship, innovation and reorientation throughout Norway.”

The educational system needs to stimulate the necessary attitudes and behaviours in children and young people that will promote the capacity for collaboration, innovation and creativity. The aim is to develop specific personal qualities and attitudes that will increase the probability of a person seeing an opportunity and doing something about it. These qualities then form the basis for the knowledge and skills which will be acquired later to actually develop the new idea into a practical, growing enterprise.

In order to ensure successful promotion of entrepreneurship in education, there are four factors that need to be emphasised:

1. Entrepreneurship as an integrated part of education and training: Entrepreneurship is defined as an objective in education, so it must be included in the instruction strategy. This is a matter of attitudes and qualities in general.

2. Collaboration with the local community: Training in entrepreneurship requires a close collaboration between schools and the local business and social sector. Therefore there needs to be a conscious effort made towards building relationships between the school and the various role players in the local community.

3. Teachers’ competence: Teachers are important role models. A positive attitude among young people in schools toward entrepreneurship, innovation and reorientation requires that teachers have knowledge of this. It is therefore important to focus on entrepreneurship in

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teacher training, and also provide courses in competence development to those teachers that are already working.

4. The attitudes of school-owners and school managers: School-owners must follow up the focus on entrepreneurship in curricula and management documents, and build competence and insight among school managers. It is important that educational institutions are given legitimacy and motivation to work on entrepreneurship.

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<thead>
<tr>
<th>Element</th>
<th>Primary</th>
<th>Secondary</th>
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<tbody>
<tr>
<td>Curriculum</td>
<td></td>
<td>Entrepreneurship and entrepreneurial thinking are found at the base of many subject curricula for primary and secondary school subjects.</td>
</tr>
<tr>
<td>Content</td>
<td>Main focus on developing the pupils’ ability to trust themselves, take responsibility, permit trial and error and develop creativity and the desire to find things out. Pupils will develop their own identity and community awareness through knowledge of the distinctive qualities of their home environment.</td>
<td>Lower secondary school – the focus will be on development of central skills such as concept development, problem-solving, decision-making and network-building. Pupils should be encouraged to utilize resources and exploit opportunities locally, feel responsibility for common work tasks and learn to take the consequences of their own choices. Upper secondary school - training will be dominated by theory and practice focusing on learning through practical work, for example in the form of a youth enterprise.</td>
</tr>
<tr>
<td>Methodology</td>
<td></td>
<td>Stimulation and development of creativity, pupil participation and active learning, interdisciplinary work form, productive work, collaboration between schools and local community and business life. Pupils should be encouraged to utilise resources and exploit opportunities locally.</td>
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<tr>
<td>Technology</td>
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<td>Extra-curriculum</td>
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</table>
Junior Achievement - Young Enterprise (JA-YE Norway) is organised as an NGO, and is a private provider of entrepreneurship education in Norway. JA-YE Norway’s programmes can be divided into 3 categories: workshops, establishment of mini-companies and working life & business development.

Table 34: Curriculum summary for Norway

| Supra-curriculum       | Junior Achievement - Young Enterprise (JA-YE Norway) is organised as an NGO, and is a private provider of entrepreneurship education in Norway. JA-YE Norway’s programmes can be divided into 3 categories: workshops, establishment of mini-companies and working life & business development |

For the complete details of the above, refer to the Entrepreneurship in Education and Training action plan\(^\text{97}\).

\(^{97}\) Entrepreneurship in Education and Training – from compulsory school to higher education 2009 – 2014, Action plan

Entrepreneurial education in the U.S.A.

Entrepreneurship education efforts exist at all levels of education across the USA. Few communities have embraced entrepreneurship education as an official and integrated part of their educational system. Only nine states have formal legislation that promotes entrepreneurship education at the K-12 level.

Entrepreneurship education programmes also, often fall outside of school districts formal curriculum, and thus this field has grown slowly. Successful programmes are in place across the USA yet only small pockets of excellence are experienced. For some examples of excellence, refer to section 9.9.1 below.

Education in the U.S.A. is the responsibility of each state and the local school boards. As a result, each state has put in place its own standards for entrepreneurial education. Starting in 2000 the Consortium for Entrepreneurship Education (CEE) organised an annual Think Tank of entrepreneurship education leadership organisations to create a unified approach to building the field of entrepreneurship education. One development was agreeing on common criteria for entrepreneurship education programmes. These standards are summarised in a brochure titled “National Standards of Practice for Entrepreneurship Education”98.

Entrepreneurial education needs to be seen as a life-long learning process. The lifelong learning process proceeds through at least five distinct stages of development. It assumes that everyone should have opportunities to learn at the beginning stages. At later stages, resources are targeted to those who choose to become entrepreneurs. Each of the following five stages may be taught with activities that are infused in other classes or as a separate course.

Stage 1 - BASICS: In primary grades, junior high and high school, students should experience various facets of business ownership. At this first stage, students learn the basics of the economy, career opportunities that result, and the need to master basic skills to be successful in a free market economy. Motivation to learn and a sense of individual opportunity are the special outcomes at this stage.

Stage 2 - COMPETENCY AWARENESS: The students learn to speak the language of business, and see problems from the business owner’s point of view. This is particularly needed in career and technical education. The emphasis is on beginning competencies that may be taught as an entire

entrepreneurship class or included as part of other courses related to entrepreneurship. For example, cash flow problems could be used in a math class or sales demonstrations could be part of a communications class.

**Stage 3 - CREATIVE APPLICATIONS:** At this stage, students explore business ideas and business planning. Although it is still only an educational experience, students gain a greater depth and breadth of knowledge than at previous stages. This stage encourages students to create a unique business idea and to carry the decision-making process through a complete business plan. The best programmes enable students to actually experience the operation of a business as well. This stage may take place in advanced high school career and technical programs, two-year colleges, and at some colleges and universities. Students learn how it might be possible to become an entrepreneur and to practice the processes of business.

**Stage 4 - STARTUP:** After adults have gained job experience and/or further education, many need special assistance in putting a business idea together. Community education programmes are widely available in the career and technical programmes, community-based assistance programmes, community colleges, 4-year colleges and universities to provide startup help. The U.S. Small Business Administration sponsors many of these training programmes.

**Stage 5 - GROWTH:** As firms mature, business challenges still remain. Often business owners do not seek help until it is almost too late. A series of continuing seminars or support groups can help the entrepreneur recognize potential problems and deal with them in time.
The above model is taken from the paper Entrepreneurship Everywhere\(^99\).

The strong support for entrepreneurship education is justified in that entrepreneurship education is not just about teaching someone to run a business; it is also about encouraging creative thinking and promoting a strong sense of self-worth and accountability.

Furthermore, the CEE listed the following core outcomes created via entrepreneurship education:

- The ability to recognise opportunities in one’s life;
- The ability to pursue such opportunities by generating new ideas and marshalling needed resources;
- The ability to create and operate a new venture; and
- The ability to think in a creative and critical manner

9.9.1 Examples of entrepreneurial education excellence

- All Brain Terrain Project
- NFTE (Network for Teaching Entrepreneurship)
- CEE Roadmap for Entrepreneurial Education
9.10 Entrepreneurial education in Kenya

Kenya uses the Know About Business (KAB) programme, produced by the International Labour Organisation (ILO), initially developed and piloted in Kenya in the late 1980’s and early 1990s. Since then, the programme has been developed, tested and adapted into 20 languages and implemented in over 50 countries around the world.

The programme’s aim is to prepare youth for the transition from school to work by imparting entrepreneurial knowledge and skills that will prepare them to work productively in enterprises; to prepare students to start their own businesses in the future; establish an entrepreneurial and enterprising mindset and attitude that can be applied in all aspects of one’s life, including personal and professional arenas.

The specific objectives of the KAB initiative are:

- Developing positive attitudes towards sustainable enterprises and self-employment among the population, by targeting youth and stakeholders for enterprise development
- Creating awareness about entrepreneurship as a career option for young people
- Providing knowledge and practice of the desirable attributes of, and specific challenges in starting and operating a sustainable enterprise
- Facilitating the school to work transition, resulting in a better understanding of the functions and operations of sustainable enterprises

How is KAB taught?

Designed to be taught over 80 to 120 hours, the KAB training package consists of ten modules, each representing a key area of entrepreneurship. The titles of each module usually take the form of a question, to which the learner should uncover the answer by the time the module is complete. The content is delivered outside of the standard curriculum and participation is often optional.

<table>
<thead>
<tr>
<th>Module</th>
<th>Subject area</th>
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<tbody>
<tr>
<td>Module 1</td>
<td>What is Enterprising?</td>
</tr>
<tr>
<td>Module 2</td>
<td>Why Entrepreneurship?</td>
</tr>
<tr>
<td>Module 3</td>
<td>Who are entrepreneurs?</td>
</tr>
<tr>
<td>Module 4</td>
<td>How do I become an entrepreneur?</td>
</tr>
<tr>
<td>Module 5</td>
<td>How do I find a good business idea?</td>
</tr>
<tr>
<td>Module 6</td>
<td>How do I organize an enterprise?</td>
</tr>
</tbody>
</table>
Table 35: Modules in the KAB programme

*The Business game was originally developed by the South African Institute for Entrepreneurship (SAIE) and is licensed for use by the ILO.

For further information, refer to the ILO site[^1] and the KAB site[^2].

<table>
<thead>
<tr>
<th>Element</th>
<th>Primary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curriculum</td>
<td>Adaptation of KAB programme</td>
<td>Two-year course to all students in these schools, regardless of their subject/course combinations.</td>
</tr>
<tr>
<td>Content</td>
<td>Two-year course to all students in these schools, regardless of their subject/course combinations.</td>
<td>Two-year course to all students in these schools, regardless of their subject/course combinations.</td>
</tr>
<tr>
<td>Methodology</td>
<td>KAB is an entrepreneurship programme that includes both content and methodology. Versatility makes it possible to introduce the programme into a variety of classrooms and educational settings. Kenya has both the longest involvement in KAB, as well as having the most trained facilitators.</td>
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<tr>
<td>Technology</td>
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<tr>
<td>Extra-curriculum</td>
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</tr>
<tr>
<td>Supra-curriculum</td>
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</tbody>
</table>


[^2]: [www.knowaboutbusiness.org](http://www.knowaboutbusiness.org)
9.11 Entrepreneurial education in Denmark

The Danish government sees the education system as a tool to stimulate the ability of students to innovate, see opportunities and convert ideas into value, in other words to be “entrepreneurial”. To ensure this happens, the Partnership for Education in Entrepreneurship was established as a joint effort of four ministries. The four ministries involved are the Ministry of Science, Innovation and Higher Education, Ministry of Culture, Ministry of Children and Education and the Ministry of Business and Growth.

The Danish Foundation for Entrepreneurship - Young Enterprise (FFE-YE) was established in 2010 with the objective of ensuring that more students on every education level are introduced to - and participate in - entrepreneurship education, thus ensuring the integration of entrepreneurship in the Danish education system. The FFE-YE covers all education levels to ensure the progression of entrepreneurship education from primary school education to higher education, i.e. more than one million students and their educators.

The main focus of the FFE-YE is to increase the number of competent pupils and students in Denmark who hopefully end up starting their own business or choose to help already established businesses to develop, and discover the potential in innovative projects.

The most recent mapping carried out by the FFE-YE shows that 10 percent of all pupils and students in Denmark received entrepreneurship education in the school year 2010/2011. Studies into this education have shown that pupils who participated in entrepreneurship education are happier about school, have higher ambitions for their further education and career, and feel they can contribute to society.

102 http://www.ffe-ye.dk/media/232417/introduction_to_from_abc_to_phd_2012.pdf
The majority of information available is in Danish, but the table below summarises the entrepreneurial offering:

<table>
<thead>
<tr>
<th>Element</th>
<th>Primary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curriculum</td>
<td>Primary education is about creativity, innovation, and activity. The learners are taught valuable competencies and skills for further learning, their personal lives, as well as future work life.</td>
<td>Secondary education is about structuring an entrepreneurial understanding to enable learners to start businesses or join newly started businesses on leaving school.</td>
</tr>
</tbody>
</table>
| Content       | Various educational materials, courses, a network, competitions, and events for municipalities, schools, teachers and pupils. | Students are offered:  
- Camps that work with innovation and entrepreneurship in different ways.  
- Student trade show: Students have the opportunity to practice being innovative and entrepreneurial  
- Student competitions: Focus on product innovation and mercantile competencies.  
- International commerce |
| Methodology   |                                                                          |                                                                          |
| Technology    |                                                                          |                                                                          |
| Extra-curriculum |                                                                          |                                                                          |
| Supra-curriculum |                                                                          |                                                                          |

Table 37: Curriculum summary in Denmark
9.12 startUP&go – Entrepreneurship Education, Free State, South Africa

The startUP&go package builds on the ILO’s Know About Business (KAB), which over the past 15 years has been introduced in more than 50 countries across the world. The KAB programme was initially developed to equip learners in secondary, vocational and higher education with enterprising mindsets and skills in order to facilitate their transition from school to the world of work. The startUP&go programme is a South Africa adaptation of KAB with an increased focus on experiential learning through the paying of entrepreneurship games and business simulation exercises.

The startUP&go package is fully aligned with the CAPS for Business Studies in Grade 10-12 and the Annual Teaching Plan. The startUP&go package focuses on fostering entrepreneurial attitudes, qualities and competencies among learners. Current textbooks and related textbook teaching approaches focus very little on the mindset of young learners, and do not focus on entrepreneurial qualities and instilling enterprising attitudes and habits of minds in learners.

startUP&go has been designed to:
- reinforce textbook content by means of business games, stimulations and interviews with Free State and national entrepreneurs
- focus on the learner both in playing the games and also on the reflection of ‘lessons learnt’ experientially during the games
- focus on entrepreneurial skills and higher order thinking skills with practical support of the business skills being addressed in the CAPS document

With the support of the ILO the programme is introduced in 60 schools across the Free State in Grade 10 (2013) and Grade 11 (2014). A comprehensive M&E system and impact assessment has been designed to assess the impact of the programme on both learners and teachers. The material highlights that entrepreneurship education is important because it:

- develops enterprising attitudes and mindsets in learners and nurtures their entrepreneurial talent
- prepares learners for self-reliance at a time where formal wage employment opportunities in the South African labour market are scarce
- stimulates more young women and men to consider establishing their own businesses as a viable career option of choice rather than of necessity
- unleashes creativity and allows learners to develop business ideas
- allows learners to develop social business ideas, i.e. business with a social purpose that seeks to address society’s social problems and challenges
- provides young men and women with the essential skills to become entrepreneurs, start businesses and develop new products and services which in turn create the need for new jobs. If the entrepreneurs prosper, the communities in which they operate will also prosper.

The table below summarises the entrepreneurial offering:

<table>
<thead>
<tr>
<th>Element</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curriculum</td>
<td>Grade 10-12, Business studies</td>
</tr>
<tr>
<td>Content</td>
<td>Content is aligned with the CAPS for Grade 10-12 Business Studies and content taught is the same as in the CAPS</td>
</tr>
<tr>
<td>Methodology</td>
<td>Experiential learning through:</td>
</tr>
<tr>
<td></td>
<td>- Learners play two entrepreneurship games per term (eight games in total per year) and lessons are drawn to the contents in the CAPS</td>
</tr>
<tr>
<td></td>
<td>- Learners watch one documentary film about contents in CAPS (e.g., the eight functions of business, Business Sectors)</td>
</tr>
<tr>
<td></td>
<td>- Learners watch one video interview with a local entrepreneur related to contents in the CAPS (e.g., formal and informal business owners)</td>
</tr>
<tr>
<td></td>
<td>- Learning points are discussed and learner’s complete exercises in their Informal Assessment Portfolio and in their Learner’s Journal.</td>
</tr>
<tr>
<td>Technology</td>
<td>1. Teacher’s Guide with detailed session plans</td>
</tr>
<tr>
<td></td>
<td>2. Learner’s Book with readings, case studies and exercises</td>
</tr>
<tr>
<td></td>
<td>3. Informal Assessment Portfolio where written exercises are done</td>
</tr>
<tr>
<td></td>
<td>4. Learner’s Journal with more reflective exercises/written assignments to also improve language skills</td>
</tr>
<tr>
<td></td>
<td>5. Eight posters with entrepreneurship contents to put up in the class room</td>
</tr>
<tr>
<td></td>
<td>6. DVD for Teachers with filmed entrepreneurship games (how to set-up, play and debrief)</td>
</tr>
<tr>
<td></td>
<td>7. A laptop with loud speakers is provided to each school</td>
</tr>
<tr>
<td></td>
<td>8. A projector is provided to each school</td>
</tr>
<tr>
<td>Extra-curriculum</td>
<td>• Each pilot school is organising an Entrepreneurship Market Day</td>
</tr>
<tr>
<td></td>
<td>• Teachers’ capacity is developed on how to organise such a day based on a guide developed with a school in Bloemfontein (San du Plessis), which has organised such a market day for 12 years</td>
</tr>
<tr>
<td></td>
<td>• The market day allows learners to develop business ideas for services and</td>
</tr>
<tr>
<td>Element</td>
<td>Secondary</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td></td>
<td>products and sell them at the market day, which is open to the community</td>
</tr>
<tr>
<td></td>
<td>• District based competitions are held and a provincial competition for the winning learners in each district</td>
</tr>
</tbody>
</table>

Table 38: startUP&go programme outline
9.13 Sri-Lankan TVET programme

The programme, a collaborative initiative between the Colombo Plan Staff College for Technician Education and the Ministry of Vocational Education and Training, provides a comprehensive framework of knowledge and skills needed in entrepreneurial activities. The programme commences with a special lecture on world trends and their implications for human resource development through TVET and is followed by three modules covering entrepreneurship development and the role of TVET, personality improvement and entrepreneurial opportunities and enterprise set-up and management.

The delivery approach a variety of elements, including

• Interaction with resource persons on thematic papers
• Institutional and industrial visits
• Individual and group tasks
• Experiential learning
• Project work

The programme culminates in the development of a Business Plan and Action Plan for the establishment and promotion of a new business venture. Figure 42 shows an overview of the structure and content of such a course.
Figure 42: Overview of the TVET programme for entrepreneurship in Sri Lanka
9.14 Online survey

Entrepreneurship in Higher Education Institutions

1. Your name
2. Your institution
   a. Institution name
   b. Campus name
3. Please indicate whether your institution is a private or public institution.
4. Your role
   a. Your position
   b. Your faculty

Your institution’s involvement in entrepreneurship

5. Academic entrepreneurship offerings

   i) Number of entrepreneurship modules / courses offered as core curriculum
      
      
      1 2 3 4 5 6+

   ii) Number of entrepreneurship modules / courses offered as electives
       
       
       1 2 3 4 5 6+

6. Are the above modules offered cross-disciplinary?

<table>
<thead>
<tr>
<th>Core</th>
<th>Elective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Any comments? ______________________________________________________

7. Indicate the methodologies used to offer these modules / courses (select as many as applicable):

<table>
<thead>
<tr>
<th>Lectures / seminars</th>
<th>Video and filming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group discussions</td>
<td>Role playing</td>
</tr>
<tr>
<td>Case studies</td>
<td>Action learning</td>
</tr>
<tr>
<td>Student presentations</td>
<td>Business modelling</td>
</tr>
<tr>
<td>Guest speakers</td>
<td>Business simulations</td>
</tr>
<tr>
<td>Projects (groups or individuals)</td>
<td>Web-based learning</td>
</tr>
<tr>
<td>Other (specify below)</td>
<td>Business planning</td>
</tr>
</tbody>
</table>

Other: __________________________________________________________________________


8. Indicate your published entrepreneurship-related research output over the last 5 years:
   - 1 – 5 papers
   - 6 – 10 papers
   - 11 – 20 papers
   - > 20 papers

9. Provide detail of other research initiatives / projects that you have been involved in over the past 5 years

____________________________________________________________________________________

____________________________________________________________________________________

10. Indicate the enterprise support activities offered by your institution:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre for Entrepreneurship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community engagement initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology transfer office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University business incubator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social entrepreneurship initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing / funding</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. Do you regard your institution as being an entrepreneurial institution? Yes / No
   Elaborate why or why not:

____________________________________________________________________________________

____________________________________________________________________________________

Tracking start-ups

12. How many students have gone on to start their own businesses?

<table>
<thead>
<tr>
<th></th>
<th>0 - 10</th>
<th>11 - 25</th>
<th>25 - 50</th>
<th>50+</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the past year</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>In the past five years</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

13. Do you have a method of tracking these businesses? Yes / No
If yes, specify tracking method(s)


14. What do you see as the role of Universities in South Africa in promoting entrepreneurship?


15. If you had to generalise, would you personally say that South Africa’s university sector is strong in the promotion of a culture of entrepreneurship to its students and surrounding communities?
   Yes / No

16. Name at least one innovative entrepreneurship programme or initiative that your institution currently offers:


17. Provide a brief description of the above programme or initiative:


18. Describe an innovative entrepreneurship programme that you are aware of at another HEI:


19. Which HEIs do you regard as being particularly successful at developing and supporting entrepreneurs and why? (list as many as possible)


20. What are some of the challenges that are faced in developing entrepreneurship at HEIs?


<table>
<thead>
<tr>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legitimacy</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Time</td>
</tr>
<tr>
<td>Staff availability</td>
</tr>
<tr>
<td>Lack of faculty interest</td>
</tr>
<tr>
<td>Qualification of faculty</td>
</tr>
<tr>
<td>Lack of student interest</td>
</tr>
<tr>
<td>Lack of focus</td>
</tr>
<tr>
<td>Other (please specify)</td>
</tr>
</tbody>
</table>

21. What specific initiatives should be championed to promote entrepreneurship in higher education institutions in the next 3 - 5 years?

22. What specific initiatives should be championed to promote entrepreneurship in higher education institutions in the long term (more than 5 years)?

23. What role should FEDCI (the newly established Forum for Entrepreneurship Development Centres at Higher Education Institutions) play in promoting entrepreneurship?

24. What support would you want to see coming from the DHET or other areas of Government to help you to complete the initiatives that you stated in questions 21 and 22?
9.15 Survey responses

Survey responses were received from the following institutions:

Private GSBs:
- Management College of Southern Africa
- Milpark Business School
- Regenesys Business School
- Regent Business School

Public GSBs:
- University of Cape Town GSB
- Gordon Institute of Business Science
- NMMU
- North-West University
- Potchefstroom Business School - North-West University
- Rhodes University
- Stellenbosch University - Centre for Applied Entrepreneurship
- University of KwaZulu Natal
- University of Limpopo
- University of South Africa (UNISA)
- University of the Free State
- University of the Witwatersrand Centre for Entrepreneurship

Public Universities:
- Cape Penninsula Univ of Technology
- Central University of Technology, FS
- Durban University of Technology
- Mangosuthu University of Technology
- NMMU
- Rhodes University
- Stellenbosch University
- Tshwane University of Technology
- University of Cape Town
- University of Fort Hare
- University of Johannesburg
- University of KwaZulu-Natal
- University of Pretoria
- University of South Africa (UNISA)
- University of the Free State
- University of the Western Cape
- University of the Witwatersrand
- University of Venda
- Vaal University of Technology
- Walter Sisulu University
9.16 Survey results for private GSBs

The respondents were asked how many entrepreneurship courses are offered by their institution, and if those courses are offered as part of the core curriculum or as an elective.

![Business schools](image)

**Figure 43: Entrepreneurship-related courses at the private GSBs**

Similar to the public business schools, the private business schools also make use of the traditional teaching pedagogic methods more often than the more creative and innovative methods.

![Bar chart showing pedagogic methods](image)

**Figure 44: Pedagogic methods used to teach entrepreneurial courses**

When asked if their institutions were entrepreneurial, most of the private business schools believe that they are.
The respondents were then asked to indicate which entrepreneurship support activities are offered by their institution. Due to the smaller size of these business schools, community-based entrepreneurship initiatives appear to be the preferable choice.

As with their public counterparts, 75% of the private business schools believe that South African HEIs are not entrepreneurial.
Figure 47: Are South African HEIs entrepreneurial?

When asked what the challenges are that institutions face when developing entrepreneurship at HEIs, the responses were as shown below.

Figure 48: Challenges facing private business schools in developing entrepreneurship education

All four institutions agreed that legitimacy and funding were their main challenges.

The respondents were then asked if they have a method for tracking students that start their own businesses after university.

Figure 49: Percentage of GSBs that track students post-graduation
Like their public counterparts, minimal tracking is done to determine if any students pursue entrepreneurial ventures.

Respondents were asked what they see as the role of universities in promoting entrepreneurship. Actual comments included:

- “Greater incentives for entrepreneurship research and initiatives. Actively promoting the development of incubators for HEI’s”
- “Establishment of a national forum - such as FEDCI... Think it is a noble initiative.”
- “Funding for establishing Centres for Entrepreneurship; sponsoring research chairs; funding for special entrepreneurial projects; research grants for advancing entrepreneurship.”
- “Encourage partnerships with industry and practitioners”
South Africa’s higher education institutions band together to forge the entrepreneurship agenda

It was an historic day for South Africa’s universities who came together en masse from across South Africa to Benoni to launch a national University body to develop the country’s Universities as entrepreneurship and innovation centres. This is a significant initiative to reduce poverty through stimulating our Universities as hotbeds of innovation and entrepreneurship. As entrepreneurship gains currency in political and economic circles because of its potential to deliver sustainable economic and social benefits, South Africa’s higher education institutions embrace and advance this agenda as a key activity for job creation in the country.

Higher education institutions came together on Mandela Day (18th July) in a landmark one-day event launching the Forum for Entrepreneurship Development Centres (FEDCI). Almost all of South Africa’s public Universities were in attendance, as well as a number of private higher education institutions.

FEDCI is established with support from the Department of Higher Education and the Human Resources Development Council (in the Office of the Deputy President) and the Department of Trade and Industry (the DTI) alongside the private sector. The symbolic Hand Holding for Madiba represented for academic institutions the opportunity to 'hold hands' to advance the alleviation of poverty and economic growth for social justice, both causes close to Madiba’s heart. The partners have been working over a year to bring this body and activities into fruition.

As South Africa struggles with high levels of unemployment, in particular youth unemployment, low levels of economic growth and low levels of total early stage entrepreneurial activity (known as TEA index) tracked globally and reported in Global Entrepreneurship Monitor (GEM, 2012). Institutions of higher learning today acknowledged the key role that Universities have in the country in catalysing entrepreneurship. Universities can serve as engines for entrepreneurship development as they are ideally located to unlock the creativity and innovation of nations that deal with the challenges of the 21st century. “What is required is the development of a strong
and rich entrepreneurial ecosystem at universities", said Professor Shahida Cassim, newly elected Deputy CEO of FEDCI and one of the founders.

Evidence suggests that entrepreneurship education can have a positive impact on entrepreneurship rates and economic growth. Global Entrepreneurship Monitor (GEM) data for South Africa suggests that there is room for improvement in entrepreneurship education and activity (education is defined as an essential framework condition in the GEM model), and as a result is part of the reason that South Africa’s TEA rankings are well below half of all other African country peers in the annual review. This is clearly a major concern for the development of economic activity in the country, and developing a coordinated higher education system to address the needs of different entrepreneur types, age groups and different contexts are a key imperative stated today by the University sector.

FEDCI has been formulated with the express purpose of serving as a platform for collaboration and for strategizing on entrepreneurship issues in institutions of higher education. It will serve as a forum or network of committed 'champions' of entrepreneurship at every University nation-wide delivering to them a platform to share initiatives and define best practice in teaching, research and community development activities. Dr Thami Mazwai was appointed as the first CEO of FEDCI.

Speaking at the launch, Dr Taddy Blecher, Chair of the HRDC Enabling Entrepreneurship Technical Task Team, said that the launch of FEDCI was a significant milestone in the promotion of entrepreneurship, and in the development and support of job creators as opposed to job seekers. He said that higher education institutions have the potential to significantly impact the employment levels in the country as well as the success rate of small businesses, but that they need to work together, something that the launch of FEDCI will make more achievable. Professor Shahida Cassim then presented the results of a short survey of entrepreneurship activities from 17-Public Universities and 4-Private institutions, demonstrating that there was indeed a number of activities that champions were initiating at their institutions despite the somewhat 'unfavourable institutional climate' they found themselves in.

Dr Engela Van Staden (Chief Director: University Academic Planning and Management Support in the Department of Higher Education and Training) then challenged those present to come up with creative solutions to some of the obstacles that are experienced by entrepreneurship centres at the institutions. She also encouraged those present to "think big" about what initiatives, activities and research should be driven to build a culture of entrepreneurship at higher education institutions.
Director of Enterprise Development in the dti, Mzi Memani, celebrated the good news of this joint collaboration which is directly in line with the dti’s programmes for entrepreneurial development and the support of the small business sector across South Africa. In closing, Dr Taddy Blecher, expressed his excitement about the FEDCI initiative. He stated that now “no one University is alone in this national mission” in pushing the agenda of entrepreneurship at higher education institutions. He implored all of the academics present to share their knowledge freely and have a bias for action despite the challenges.

For interviews, contact:
Prof Shahida Cassim (Deputy CEO, FEDCI) - 083 786 1097
Dr Engela van Staden (DHET) – 082 853 2916
Dr Taddy Blecher (HRDC Enabling Entrepreneurship Task Team) - 082 926 2157
Mr Mzi Memani (the dti) - 084 555 7383
9.18 Media coverage received for the FEDCI launch.

- CNBC TV interview (Dr Engela Van Staden and Taddy Blecher)
  [http://bcove.me/2uvbh6hg](http://bcove.me/2uvbh6hg)

- Business Day article
  [http://www.bdlive.co.za/opinion/columnists/2013/07/24/initiative-to-put-students-on-path-to-business](http://www.bdlive.co.za/opinion/columnists/2013/07/24/initiative-to-put-students-on-path-to-business)

**Initiative to put students on path to business**

Last Thursday saw the launch of the Forum for Enterprise Development Centres at Higher Education Institutions (FEDCI). The initiative took off at the Kopanong Conference Centre in Ekurhuleni, at a workshop hosted by the Department of Higher Education and Training. The workshop, on deepening entrepreneurship development in tertiary education, was facilitated by Engela van Staden, a chief director in the department.

The new FEDCI executive consists of yours truly, Shahida Cassim from the University of KwaZulu-Natal, Giel Nieman from the University of Pretoria and De Wet Schoeman from the University of Stellenbosch Business School.

Teddy Blecher, chairman of the technical task team for entrepreneurship for the Human Resource Development Council of South Africa (HRDC), was the guest speaker. He outlined the challenges facing South Africa and how entrepreneurship, as part of a multipronged approach, can address most of these. For instance, entrepreneurship education will start at primary school, thus instilling innovation and creativity at an early age. Some of those at the workshop proposed that a course in entrepreneurship be required to graduate, even for science and engineering. The interaction would have made Clem Sunter, a crusader for more entrepreneurial thinking in South Africa, whoop with delight.

FEDCI aims to bridge the chasm between entrepreneurship theory, what is happening on the ground and the understanding of its importance by greater South Africa. The US, parts of
Europe, Japan, Singapore and China are economic powerhouses because they nurture entrepreneurial spirit and encourage effective approaches to small-business growth. Hence, Russia is linking its small-business support to universities to stimulate innovation, creativity and competitiveness.

In line with such thinking, FEDCI aims to ensure ordinary people become part of the entrepreneurship revolution by providing the appropriate technical and intellectual support. FEDCI will also be a cog in Higher Education and Training Minister Blade Nzimande’s vision for higher education and training. Let me declare self-interest: I am the chairman of one of the sector education and training authorities (Setas). Regardless, Nzimande has revolutionised the higher education and training system and his department is charting new territory.

Early this year, Nzimande hosted a workshop of all universities, further education and training institutions and the Setas to get them to work as a unit. The HRDC has developed a flow for education and training which, believe it or not, even provides for any that may drop out of the pipeline. Thus, the challenge of youths not in education, employment or training is now being addressed.

FEDCI will play a critical role traversing all sectors and communities. Although it was brought to life by the department, it already enjoys support from the Department of Trade and Industry and will be introducing itself to other government departments and state entities. The departments and FEDCI aim to ensure that further education and training institutions are part of FEDCI and a team is already introducing the concept at these institutions. This is critical, as the centres will service graduates from these institutions, as some must start as businesses.

FEDCI is expected to develop a common definition and approach for entrepreneurial education for broader society; develop a shared national database of entrepreneurship-related courses; champion courseware and subsequent development; investigate avenues for securing national and international funding; create and maintain goodwill and synergy among universities, further education and training bodies, Setas, chambers of business, the government and other stakeholders; influence policy; create awareness of entrepreneurship as an alternative to being employed; facilitate knowledge and best-practice exchange; and provide assistance for the establishment of entrepreneurship centres. This is what FEDCI must achieve. Some universities already have entrepreneurship centres and these are doing a fantastic job. But, they are poorly resourced and underused. This has to improve.

Mazwai is resident executive at the Wits Business School and consults on small business development.

- Channel Africa and SAFM radio interview and some internet media.
9.19 Comments made by academics attending the FEDCI launch

University of Fort Hare

“What we heard this morning was very empowering; the challenges were identified and there is homework for us, as academics. Perhaps the government could consider a grant programme to support the university entrepreneurial centres? With the support that is possible as a result of FEDCI, we will be able to implement. We have an annual conference for SMMEs, but language has proven to be a challenge. We need to think out-of-the-box with regard to interacting with the local SMMEs.”

Mangosuthu University of Technology

“In general, there is limited support for a culture of entrepreneurship in the country. The reason is because the original purpose of education was to produce employees (industrial era). Thinking needs to change to produce not only employable people but also those who will start their own businesses. That is the challenge for basic and higher education.”

University of Zululand

“The two new universities to be built will be similar to the existing ones. We need to focus on developing dedicated entrepreneurship universities, similar to Fort Hare. This may require relooking at the Higher Education Act, as the current mandate prevents the current institutions from doing so.”
## 9.20 Conceptual framework for entrepreneurship programme evaluation

<table>
<thead>
<tr>
<th>Outcome Domains</th>
<th>Mindsets</th>
<th>Capabilities</th>
<th>Status</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Socio-emotional Skills</td>
<td>Entrepreneurial Awareness</td>
<td>Management Skills</td>
<td>Vocational Skills</td>
</tr>
<tr>
<td></td>
<td>Enterprise Formation</td>
<td>Employability</td>
<td>Income and Savings</td>
<td>Network Formation</td>
</tr>
<tr>
<td></td>
<td>Job Creation</td>
<td>Expansion</td>
<td>Productivity</td>
<td>Reinvestment</td>
</tr>
<tr>
<td></td>
<td>Implementation of Innovation</td>
<td>Products and Services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Design</th>
<th>Design</th>
<th>Finance</th>
<th>Trainers</th>
<th>Delivery</th>
<th>Class Size</th>
<th>Intensity</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local Partnerships</td>
<td>Source of Funding</td>
<td>Teacher/Educator</td>
<td>Face to Face</td>
<td>10 or less</td>
<td>Daily</td>
<td>Less than 2 weeks</td>
</tr>
<tr>
<td></td>
<td>Selection Process</td>
<td>Unit Cost (program and participant)</td>
<td>Practitioner</td>
<td>Online</td>
<td>10 to 30</td>
<td>Weekly/Wkly Weekly</td>
<td>2 weeks to 3 months</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Consultant</td>
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<th>Wrap-around Services</th>
<th>Individual</th>
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<th>Profile</th>
<th>Education</th>
<th>Experience</th>
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<th>Behavior</th>
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*Figure 50: Conceptual framework for EE programme evaluation*
In May 1996, a specialised agency was established to spur the development of small and medium enterprises (SMEs) by providing infrastructure facilities, financial assistance, advisory services, market access and other support programmes. Known as the Small and Medium Industries Development Corporation (SMIDEC), its aim was to develop capable and resilient Malaysian SMEs to be competitive in the global market. The establishment of the National SME Development Council (NSDC) in 2004 was the next important step in SME development in Malaysia.

As the highest policy-making body, its role was to formulate strategies for SME development across all economic sectors, coordinate the tasks of related Ministries and Agencies, encourage partnership with the private sector, as well as ensure effective implementation of the overall SME development programmes in this country. Initiatives under NSDC included enhanced access to financing, financial restructuring and advisory services, information, training and
marketing coordination, and a comprehensive SME database to monitor the progress of SMEs across all economic sectors. In 2007, the NSDC decided to appoint a single dedicated agency to formulate overall policies and strategies for SMEs and to coordinate programmes across all related Ministries and Agencies. SMIDEC was tasked to assume the role and the official transformation into Small and Medium Enterprise Corporation Malaysia (SME Corp. Malaysia) commenced on 2 October 2009. SME Corp. Malaysia is now the central point of reference for information and advisory services for all SMEs in Malaysia.

The organisation is chaired by a prominent private sector business person. The CEO has come out of the public sector being in the Ministries of Trade and Industry, Agriculture and Primary Industries prior. SMECorp is a state-owned entity.