

# Investigation of Entrepreneurship as a Driver for Job Creation Among Youths

A. Nkomo<sup>1</sup>, OS Obadire<sup>2\*</sup>, TJ Mudau<sup>3</sup>

<sup>1,3</sup>Department of Gender and Youth in Development, University of Venda, P/Bag X5050, Thohoyandou, South Africa

<sup>2\*</sup>International Relations, University of Venda, P/Bag X5050, Thohoyandou, South Africa

Email: [segun.obadire@univen.ac.za](mailto:segun.obadire@univen.ac.za)

**Abstract:** Unemployment is a pathology that plagues all nations including South Africa. Hence this study used phenomenological approach with the intention of deeply understanding entrepreneurship as a driver of job creation based on the experiences of the respondents. It was conducted in Thohoyandou, Vhembe District in the Limpopo Province, South Africa. Primary and secondary data collection methods was used during a focus group discussion and a semi structured interview guide which gave room for probing during the data collection of in depth data from ten unemployed respondents. The collected data was analyzed using theme identification where the responses were allocated to appropriate themes after carefully reading the responses over and over again.

The study revealed that most unemployed youths venture into entrepreneurship because of job scarcity. More findings showed that youth entrepreneurship is a solution for youth unemployment. This is based on the fact that majority of the unemployed youth who get involved in entrepreneurship can afford the basic necessities of life through the financial independence that comes with entrepreneurship. Results further revealed positive impact of youth entrepreneurship on the society because youths' idleness is reduced as jobs are created for other youths in the society as well. The findings pointed out that entrepreneurship is psychologically developing youths because running a business develops one's critical thinking as well as the decision making skills.

The study recommended that more agencies should come on board to help in supporting youths' businesses. At the same time awareness campaigns about agencies that are assisting youth entrepreneurs should be employed so that those agencies that are already operating are known to all the youths in South Africa; Thohoyandou in particular.

**Keywords:** entrepreneurship, job creation, youths, entrepreneurial belief, coping strategies, South Africa

## INTRODUCTION

The United Nations Industrial Development Organisation [UNIDO] (2013) reveals that at the peak of the unemployment crisis in 2009, global youth unemployment had increased from 11.8% to 12.7%. This therefore is an unprecedented increase of 4.5 million unemployed youth worldwide and is a setback to reversing trends of declining youth unemployment rates since 2002. These trends have resulted in a reversal of fortunes for youth in the advanced economies (Europe, North America and Japan) and in many emerging countries, especially in Latin America and the Caribbean, Africa, the Middle East and South East Asia (UNIDO, 2013). Schoof (2006) points out that youths are generally three and a half times more likely to be unemployed than adults. Muiya (2014) notes that the decline in employment in the whole world has affected mostly the youth as compared to other cohorts; with youth in developing countries like South Africa, Kenya and Zimbabwe being particularly hard hit. The Organisation for Economic Cooperation and Development [OECD] (2009)

reveals that in these developing countries, 75% of the youth are living in poverty and are found mostly in rural areas and obviously in small towns that are close to the rural areas. Schoof (2006) further notes that in 2015, approximately 660 million young people globally will be looking for work. Consequently, this is evidence that the fiscal realities are altering the expectations of the lifestyle and livelihood of youths worldwide.

According to the World Economic Forum (WEF) Global Risk 2014 Report; South Africa has the third highest rate of youth unemployment in the world. The report postulates that 50% of youths aged between 15 and 24 years are unemployed. The Global Entrepreneurship Monitor [GEM] (2012) estimates that 20% of unemployed and underemployed youth worldwide (those 18 to 30 years old) could be entrepreneurs, but only 5% are. According to the South African National Treasury (2011), young people are particularly disadvantaged in the labour market. The societal attitudes towards entrepreneurship are favourable in South Africa, and are higher than the averages for efficiency-driven economies (GEM, 2012). As a result, it is clear that

the unemployment pathology that is affecting Thohoyandou youths could be solved by entrepreneurship because there is hope for increased entrepreneurship in South Africa. Limpopo province has the highest proportion of rural dwellers in South Africa according to Kyei&Gyekye (2012). Thohoyandou is a growth point that is situated at the centre of the Limpopo villages. Poverty in towns is viewed as a result of rural deprivation that results in urban migration by the International Labour Organization [ILO] (2012). As a consequence therefore, it is expected that conditions in this province are inferior to the national average. This also implies that there are higher unemployment rates in Limpopo. Moreover, Petrus (2009) points out that the failure rate of small business development in South Africa is phenomenal and much research is needed to investigate the causes contributing to such failures.

According to the Youth Enterprise Development Strategy (YEDS, 2013), the South African government cannot achieve enhancing youth economic participation through entrepreneurship efforts alone. On the same note, the government believes that this is a shared responsibility that calls for a partnership between itself, the private sector and broader civil society (YEDS, 2013). Therefore, unemployment is being addressed by many societies and Thohoyandou is a part of these societies struggling to deal with the unemployment pathology. Though there are strategies of creating jobs for youths, the pathology of unemployment still continues to increase in its rates on a daily basis. Further research is needed to unveil how best to thrust entrepreneurship in a way that will create jobs for an increased number of people in the rural areas. In difficult economic times, young people are often the first to be laid off in the labor market, making it still harder for them to consistently build their skills and experience. Consequently, many young people end up facing extended periods of unemployment, or enormous under employment in general jobs that do not offer career opportunities (Manpower Group, 2012). Even though there are Small and Medium Enterprises (SMEs) in South Africa, a limited number of growths of SMEs make important contributions to job creation and productivity. Thulamela Municipality is of the notion that Thohoyandou is experiencing gradual growth yet statistics indicate that unemployment is still a challenge among young people in this area. The population is gradually increasing in Thohoyandou and its environs so is the increase in the number of unemployed youth. To unveil how young people in Thohoyandou can embrace the concept of entrepreneurship as a way of job creation will be important aspect of this study. The study answered the questions on how youths in Thohoyandou can have access to available entrepreneurship opportunities.

It is important to note that some young people are more vulnerable to unemployment than adults. Usually the less privileged youth suffer the most from unemployment

effects. This has led to scholars postulating that a period of unemployment has become a normal part of the transition from school to work; which is the youth hood (Cartmel& Furlong, 2000). The researchers therefore discuss the social and economic consequences of unemployment with reference to youth. Cartmel and Furlong (2000) opine that the deprivation of services in small towns and rural areas is linked to lack of jobs and services thereof. In turn, people's inability to obtain acceptable jobs and services gives birth to the deprivation of services and resources. As the different forms of deprivation accumulate, the most vulnerable group of people (in this case youth) ends up being an isolated group. It is of paramount importance to note that youth unemployment in small towns is exacerbated by rural-urban migration (Cartmel& Furlong, 2000). Rural migrants believe that more jobs and social opportunities are available in towns and urban areas. However, once they get to the cities they find themselves without a job and with limited social networks. Trapped and discouraged by bleak job prospects, some turn to criminality such as prostitution and drug industries for survival. As a consequence therefore, it is important to note that young people are forced to find alternatives to generate income because of unemployment and in extreme cases they resort to criminal activity. As a result of unemployment, violence usually manifests against girls and women in society; an epitome of criminality.

In as much as there is unemployment amongst youth in South Africa; there are measures that are being taken by the government to reduce unemployment. As people look forward to the coming generation to tackle some of the formidable challenges that the globe is faced with, such as unemployment, it is equally important to tackle some of those challenges those there is need to take action now on a critical front, which is youth unemployment. In the Government Information Department State of The Nation Address (2014) by the President of South Africa; His Excellency Jacob Zuma, it was revealed that there are over 650 thousand jobs that were created for South Africans. President Jacob Zuma also further stated that even though this has been an achievement but it is not good enough as youth unemployment continues to shoot even higher (Government Information Department, 2014). To counter attack such a threat the president of South Africa stated that other measures would be taken such as the Employment Tax Incentive that would encourage employers to hire young people so as to ensure that young people are employed in South Africa (Government Information Department, 2014). On the same urge, the President went on to postulate that the number of internship positions would be expanded in the public sector since employers require experience when hiring. However, job creation is always difficult to evaluate because it is difficult to measure (Cray *et al.* 2011). Hence even though such measures are being taken, it is possible that these are unnoticed because of the growing population that is far beyond the number of jobs that are created.

The Government Information Department (2014) ascertains that the Black Economic Empowerment is not only based on

redressing the wrongs of the past but it is also a strategy that intends to help realise the country's economic potential. Through economically mainstreaming the black majority of South Africa, the strategy redistributes existing wealth and promotes enterprise growth and development at the same time creating employment opportunities. South Africa's Black Economic Empowerment policy and the Broad Based Black Economic Empowerment have been helpful in creating jobs for the young South Africans. According to the study by Obadiret *al.* (2014), noted that lack of capacity and interest remain major challenges to local institutional intervention. Findings from the Government Information Department (2014) web page reveal that the Broad Based Black Economic Empowerment has succeeded in scoring 100% in the development of the blacks in South Africa with youth being a part of the number. According to the Small Enterprise Development Agency's Small Enterprise Monitor (2010), it is disconcerting to observe a lack of self-esteem with a mind-set that believes they cannot do it amongst the entrepreneurs. The same article postulates that such youth appear to have a fear of becoming independent (Small Enterprise Monitor, 2010). There is a lack of understanding of business acumen and how it all works. As a consequence therefore the author (Small Enterprise Monitor, 2010) is of the view that a "can't do" mind set must be changed to a "can do" mind set whereas a "don't know" mind-set transforms to a "I will find out" mind-set. Changes like those mentioned have a higher probability of increasing the entrepreneurial mind-set in different societies. It only takes a positive attitude towards entrepreneurship. As a result, entrepreneurship seems to be the solution to the unemployment pathology that is affecting youths only if there is a positive entrepreneurial attitude among youth.

## MATERIALS AND METHODS

A qualitative approach was used to get in depth understanding of entrepreneurship as a driver of job creation. The researchers used phenomenology so that the study accurately describes the respondents' experiences Bless *et al.* (2006). It is worth noting that the population of this study epitomized the characteristics that define the problem statement. The population of the study was characterized by unemployed youth residing in Thohoyandou. The study therefore focused on youths between the ages of 20-30 years because most of the young people at this stage are preparing for the adulthood phase and are expected to be working. The characteristics of the population also included both unemployed youth without small businesses and unemployed youth owning small enterprises so that it is possible to analyze how entrepreneurship impacts the lives of youths in South Africa, with Thohoyandou in particular.



Figure 1: Map of the study area showing Thohoyandou

It is of great importance and worth noting that the study took place at Thohoyandou (Figure 1). Thohoyandou is found in the Limpopo Province under Vhembe District in South Africa; as shown on the map. Thohoyandou is an agricultural place that has banana plantations, tobacco and maize lands. The population in this place comprises of South Africans, Indians, Zimbabweans, Ghanaians, Nigerians and Ethiopians. Thohoyandou area has a dominant number of Venda speaking people, quite a number of Tsonga speaking people who are the second largest number of people in the area. It is important to also note that other South African tribes also reside in Thohoyandou but they are just a handful. Thohoyandou is flooded with all these people because it is surrounded by villages hence it is the nearest town to these villages. Atkinson (2008), notes that small towns are a necessary link to the development of rural regions and their role is to be service centres within rural settlements. As such one can state that Thohoyandou is a small town that is the centre of trade since it is a land surrounded by rural areas. Consequently the majority of the people in and around town are involved in informal economy such as selling fruits and vegetables, clothes, cooking and selling food at the town centre.

The study focused on both people who are unemployed and have resorted to having small enterprises and those who are unemployed yet without businesses, the reason being that the researchers needed to investigate and come up with a deeper thesis on how young people who are unemployed can survive. A non-probability sampling method was employed in this study because it entails a judgmental selection of a subset from the study population. Non probability sampling is defined by Welman *et al.* (2005) as a sampling type that does not specify the probability that any member or element of the population will be included in the sample. The subtype of non-probability sampling to be used is purposive sampling. Scholars postulate that this is deliberately done to obtain the units of analysis that deem the sample as representative of the whole population under study (Welman *et al.* 2005). Purposive sampling was of great importance in this study because the sampling method made it easier to locate the people under study (unemployed youths). Consequently, it is vital to note that the researchers'

judgment to deliberately reach a unit of analysis in such a way that the sample represented the whole population; as stated by Welman *et al.* (2005). Hence, youths identified and perceived as unemployed were used.

A semi-structured interview schedule was used as a data collection instrument. Data was collected using a face to face interview coupled with focus group discussions (FGDs). Welman *et al.* (2005), notes that a semi-structured interview is between a completely structured and the completely unstructured interview. The study was carried out on young and unemployed people, who stay in Thohoyandou. These youths have either resorted to starting their own businesses for survival or are still searching for and hoping to find jobs yet not involved in any business that brings them income. This study was carried out with five female and five male respondents and the majority of the respondents are certificated with degrees, with only a handful of the respondents being matriculated. Billson (2006) opines that focus group discussions harness the collective understanding of the complexities of human interaction and help uncover layers and types of information that are not easily accessed through other methods. The data was analyzed using theme identification that is said to be a process of identification of themes that uses a number of techniques (Welman *et al.* 2005). These include word analysis, intentional analysis of linguistic features, physical manipulation of texts as well as secondary data analysis. The ethics that the researchers employed during the process of this research are informed consent, confidentiality, anonymity and avoidance of harm.

## RESULT

### Coping strategies used by unemployed youths

The majority of the interviewed respondents mentioned that they have been unemployed since 2012. Even though these young people are unemployed, half of the respondents mentioned that they take care of their family members including their children, parent and siblings. Another half of the respondents, regardless of whether they had a business or not, mentioned that they do not have much responsibilities to take care of, other than themselves. For example, a respondent stated that:

*'Besides myself there are no other responsibilities that I take care of. My parents sometimes assist when I need financial help.'*

It is quite interesting to note that the responses from the respondents disclosed that quite a number of them have decided to venture into some small business. Most respondents, including some of those with small businesses, propounded that they manage to take care of their responsibilities through the part time jobs that they do. However, most graduate respondents noted that they usually work where their qualifications are not recognized for example as waiters or clerks when they get a job which is

usually frustrating. Altbeker & Storme (2013) opine that a growing army of unemployed graduates are now forced to either rely on their families to support them or find jobs as unskilled workers, such as waiters, clerks and office assistants.

It is therefore vital to take into consideration what a respondent stated that most of the times he got involved in short term illegal businesses because he wanted to survive and once the deal was off he had nothing else to do for survival. Muiya (2014) contributes that in the study he undertook, most of those involved in the thefts were youth who stole mostly household goods which can be sold off easily. Muiya (2014) further notes that it was not a strange finding since criminality is rampant where there is increased unemployment.

However, a few respondents mentioned that they are still hoping to find jobs as they continue to apply for jobs from different organisations. Muiya (2014) raises a concern that recent survey data from southern Africa, including South Africa, indicates that formal employment opportunities for young people are very minimal. Majority however claimed they do not apply for job any more. Another respondent actually had to state this:

*'I am not registered with any organization. I do not think it is fruitful for me. I started my enterprise in 2012 after 3 months of job hunting. I had realized that it is not helping to search for a job and the organizations were not helping.'*

Other respondents that are not registered with any organization as job seekers put forward that they are lazy to register and they have never asked where or how to register for job search. According to a respondent who said:

*'I think it is too hard a process for me to register, I can say it is because I have been too ignorant to find out how it is done. I just felt like I can find my way out on my own and I did.'*

### Youth insight on funding organizations

One respondent actually stated that he borrowed money from the loan sharks to start his business. This very respondent stated that interests never decrease but they keep on accumulating as he fails to pay back all the money in time hence for this reason, he is always in debt and his business seems to earn only a 'hand to mouth profit' that never contributes to the growth of the business.

Most young people believe that the agencies that fund and educate young people on entrepreneurship are effective as stated by one respondent:

*'I once tried to apply but I did not succeed because I did not receive any response. However, I managed to get my name registered with Thulamela Municipality and I accessed training on entrepreneurship the following year, it was really helpful.'*

Some respondents concurred by emphasizing that since such agencies were created to help empower the youths in their businesses, there are obviously some youths who have benefited from the organizations, though the respondents think such individuals are few. Other respondents added by stating that although they believe in the effectiveness of such organizations in helping the young people but they think it depends on how connected one is to those of higher echelons as well as the passion and patience to get funded. A minority of the respondents believe that these agencies are ineffective and they put all the blame on corruption of the leaders.

Most respondents were of the opinion that the market activity in South Africa has profitable opportunities that can be spotted by entrepreneurs. The respondents based this on the fact that people there are always an opportunity to supply certain products and or services. As stated by a respondent who postulated:

*'The mall is usually flooding with people especially during month ends and those with business ideas capitalize on such times.'*

Another respondent stated that the fact that there are businesses that are running, whether registered or not, is evident enough that there are opportunities that can be spotted by entrepreneurs. These respondents mentioned that when one knows who to sell to and what to sell to them, those are profitable opportunities. In her word said:

*'Yes, there are, it is just that young people struggle many at times to get start-up capital and are not skilled enough to identify and differentiate the market's needs that is why most businesses fail.'*

According to the respondents, the greatest challenge is that there is no capital to keep the supply flowing. However, some respondents noted that even though there are opportunities, the fear of monopolies makes it difficult for them to venture into business. Some respondents said that there are other big organizations that are known for merging with small ones, so this scares them as they fear to be exploited by big organizations.

The majority of the respondents postulated that they have positive attributes that help them to manage their businesses themselves. Additionally, the respondents made it clear that the attributes that one has actually contribute to who they are today and to how they solve the challenges that they come across. According to a respondent:

*'I am confident and articulate, so when marketing my products I know what to say and do. I precisely spell out what I have and this makes me get connected to people who need my products.'*

Another respondent stated that she is hard working and energetic so this helps her to be even more productive and to meet targets. Although the respondents highlighted that there is a relationship between one's personalities when

managing business. Most of the respondents also articulated that they are inspired by different people to continue in the business world. From what they said, the young entrepreneurs declared that their parents' past experiences inspired them because they have been through a lot but they still view life positively. Some respondents are inspired by brothers or sisters or uncles who are entrepreneurs. Others are inspired by business gurus like Bill Gates and Tokyo Secwale. Only a few respondents put forward that they started their businesses without a source of inspiration, they just thought of business, but in the middle of doing business they realized opportunities of growth through reading about certain people who are already entrepreneurs. A few respondents were inspired by their sources of inspiration to start a business. The respondents said even though they were inspired by certain people to keep their businesses running, what makes them to keep the business going is that they are avoiding waking up the next day without a source of income. This is what a respondent said:

*'It is not really my inspiration that made me to get into this business but economic hardships made me to want to earn a living; hence my inspiration is a contributing factor just to a lesser extent.'*

While a respondent submitted that she never knew the people that are motivating her to run her small business since she knew them a year ago. According to a respondent who stated that he inspired himself to start the business. He had desire to see change in as far as his economic life was concerned because he was tired of writing and dropping curriculum vitas to different companies and never getting response.

### **C. Young entrepreneurs' beliefs**

A larger number of those that are involved in business believed that they can do much better in their businesses even though they are struggling to make ends meet now. They opined this based on both their inspirations and their experience in business so far. One of the respondents clarified that the drive to grow the business bigger will always be there because he hates poverty with a passion. These are the exact word of the respondent:

*As long as I am alive I will continue to inspire myself and by so doing my business will continue to grow because I am surely making sure it is growing.*

Another respondent said her uncle never started where he is now but he grew to that level so she believes that she can grow to greater levels in business too. It is note-worthy that all the respondents explained that their little experience in business has made them to gain much information and skills of running a business. As a consequence, one of the respondents propounded that the ideas that he has can help to grow the business bigger because he now knows exactly the angles to expand the business on, based on the target market. Another respondent expressed that he now has much capital to register his business and rent a building to

improve the small enterprise because he has been saving for that. However, while all other entrepreneurs think of keeping their businesses running one of the respondents said he doubts if he will make it in the business field. This he based on the fact that his business is too small, not yet registered and incurs less profit that he cannot even pay himself and remain with much. This respondent propounded that his businesses is very much disheartening to the extent that he thinks of chickening out but when he thinks of that he always remembers that he will not have a source of income once he closes his business.

The respondents therefore unveiled that entrepreneurship has positive impact on the economic, physical, social and psychological lives of young people. Many respondents stated that entrepreneurship helps them boost their economic life. This is because in their own businesses income depends on how hard they work, meaning that once they work harder they know they gain much income. Respondents further brought forward that having some money of your own as an individual helps to survive. Additionally, each and every one of the respondents with small businesses propounded that entrepreneurship gave them a sense of power. They stated that they can now contribute to the family when there are family meetings because that power to do such things usually comes with money both in the family and in the society. As such, entrepreneurship comes with economic development, improve quality of life, create new jobs, increase global economic, competition, and create economic growth and new wealth by reinvestment (Harriet, 2010). Kew *et al.* (2010) states that running a business helps young people achieve economic independence thereby reducing their reliance on state welfare. As a consequence therefore the findings from this study complement the findings by other scholars.

Furthermore, the respondents believe that entrepreneurship has an impact on the physical life of an individual. The majority of the respondents expressed that once one begins to earn something for a living they can buy healthy food. As stated by a respondent that:

*'The healthier the food people eat, the healthier the skin.'*

Moreover, all the respondents agreed that entrepreneurship can develop a society. The respondents stated that the availability of goods and services locally, reduction of crimes and reduction of unemployment are what entrepreneurship amongst people in the society. A greater number of the respondents uttered that having small businesses is more convenient for the society because goods and services are readily available and can be accessed locally. One respondent actually gave an example that the fact that there are funeral parlors in Thohoyandou means that people cannot drive all the way to Makhado for the services offered by funeral parlors.

Furthermore, a majority of the respondents emphasized that when youths are pre-occupied with something, the usual is

they hardly think about engaging in crime. This is evidenced by respondent's statements that:

*'Once you cross the threshold into entrepreneurship, it gives you a sense of purpose and direction. You cannot have the time to scheme evil against the society because you are busy managing your own thing.'*

Respondent stated:

*'I have less idle time so my mind is not a Devil's workshop, I focus on my work and I knock off tired, so I just go home and rest. That is healthy for me and the society.'*

As such, one can note that majority of the respondents concurred that entrepreneurship helps reduce levels of crime in societies because young people engage in criminal activities when they are unemployed. It is also vital to state that respondents expressed that they really wanted their financial independence and entrepreneurship has elevated them to attain it. A large number of respondents stated that they actually know they are now free from the jaws of poverty. Potential benefits of starting own small business includes not only the end of unemployment for the new entrepreneur but also some further positive effects, e.g., direct job creation (Caliendo&Kritikos, 2007). Most of the respondents propounded that they are no longer dependent on their parents', brothers' and sisters' finances, they get paid by their business and they keep the profits for further investments. Moreover, the respondents further opined that entrepreneurship creates jobs for society because once a business is created; its growth demands people who will be working in it.

Moreover, it was so common with all respondents in their responses that running small enterprises gets other youths motivated to also achieve great things in the society. One of the respondents stated that economic development means social growth because young people are usually financially responsible for themselves once they start having an income. Therefore, as other youths see how responsible entrepreneurs are there is a great probability that they would want to emulate them. Green (2013) posits that a young person setting up a new business may provide 'demonstration' or learning externalities in that the person may act as a role model for other young people. Green (2013) further notes that this may be particularly advantageous in deprived communities because setting up a new business, especially if it goes on to be successful, may signal that entrepreneurship is a mechanism for helping disadvantaged people break out of social exclusion hence encouraging other young people to take up.

A large number of the respondents believe that youths can still venture into entrepreneurship today. This is what a respondent had to say:

*'They should; and they have to because the job market is shrinking and the mind rusts too when one stays longer without working. According my view, it is actually a must'*



*for young people to be entrepreneurs because for many, that is the only way out.'*

In support of this point most respondents concurred that youths are prepared even in tertiary schools for work but there is a high rate of unemployment amongst both graduates and matriculates. The respondents further propounded that young people are also trained for entrepreneurship through entrepreneurship education but the resources thereof are really scarce. Awogbenle&Iwuamadi (2010) findings complement the findings of this study as they state that labour markets in many countries are presently incapable of accommodating the expanding pool of the skilled young graduates, without the exception of the unskilled young people.

It is of great importance to note that when asked to offer some advice to other unemployed youths, the respondents mentioned that for the businesses to work out and for young people to get employed, unemployed young people should never give up whether it is job searching or in doing a business. One of the respondents had to put forward that:

*'Every society needs entrepreneurship for its healthy survival, unemployed young people should start with what they have now and any business is possible when you know it is what the market wants the most.'*

Majority of the respondents said that giving up on being financially productive in life is meant for those who are failures but the victors need to brace themselves up and be persistent with what they need in life. The respondents further encouraged other young people who are unemployed to start their business and work with their own hands. These respondents stated that there are many businesses that do not need much capital so unemployed young people should spot such opportunities and capitalize on them. Some of the respondents had this to say:

*'Actually before you start your business you should know the market you want to offer your services to, draw up your business plan so that you do not run and lose direction along the way.'*

*'I think we should stop depending upon the government for job creation because we will be disappointed, instead we should be alert of business opportunities and start our own businesses with little capital then grow the business bigger and bigger.'*

*'In as much as youths can be entrepreneurs they should get some advice; find mentors and you will grow bigger. People start businesses but fail to maintain their businesses after starting them because they have no mentors.'*

On the same note another respondent opined that youths should come up with their own fresh and new business ideas that they are passionate about and stop duplicating other people's ideas because it makes entrepreneurship lose its meaning. She stated that youth should be creative enough to

strategize how they are going to launch their idea because entrepreneurship is all about creativity.

According to the conducted study it is healthy for youths to enter into entrepreneurship because it encompasses all the aspects of the life of a young person that need to be developed. Youth entrepreneurship is to the advantage of the unemployed young people in as far as job security is concerned.

## DISCUSSION

Findings from this study revealed that some respondents were not working since 2010. Unemployment rates have increased in every province of South Africa since 2008 (StatsSA, 2014). A closer analysis revealed that throughout the period of being unemployed, most respondents sought alternatives way of earning a living. Moreover, it is important to point out that it is not everyone studied who sought survival in socially and morally acceptable ways. In the quest of looking for ways of surviving, only a few respondents became more obsessed with earning a living to the extent that they ventured into crime for survival. As a consequence therefore, it is quite important to note that a prolonged job search is profound an indicator that one is jobless and being unemployed prompted most young people to be innovative enough to earn a living.

From the study, one can comprehend that it is only young people who can be financially supported by their relatives who still hope to find a job that suit their qualifications yet not finding alternatives to earn a living. This study discovered that most unemployed young people; especially those from critical backgrounds; find something to do every day to earn a living. The continuous quest for either a job or daily income is an impetus that results in the same people and their families being stuck in effects of unemployment such as poverty. It is true that Inequalities in people's diets can result in inequalities in people's health degrades people's health as stated by Farrell, McAvoy& Wilde (2008). As a consequence therefore those on low incomes suffer from poor diets, resulting from intake of unbalanced diet.

Findings from this study indicated that a minority of the respondents could not find jobs because they failed their matriculation examinations and they believed they are doomed to joblessness. The International Labor Organisation (2012) propounds that young people struggle to find a job that suits their qualifications, and employers fail to recruit the graduates with the right skills set. The respondents postulated that there are many people of their age who are unemployed and they can tell by certain traits that they see from those people. Based on this statement, one can then state as revealed by respondents; that unemployed people are characterized by socio-economic factors like financial dependency and stagnancy in acquiring properties. In addition, unemployed people can be easily identified by having a lot of free time that is not because

they are on leave but because it is their lifestyle. In addition, unemployed people can be pinpointed by the type of food they eat that is usually an unbalanced diet as they cannot afford a balanced diet.

It is quite imperative to note that most of these unemployed young people are not registered with any organization as job seekers. Research has shown that young people do not know how to market themselves or their skills, and sometimes simply just do not understand business language (Smith, 2014). As such this shows that even though unemployment is being blamed on job scarcity one way or the other, most unemployed young people have given up on marketing their skills to companies that can employ them.

It is of great importance to note that a widely held number of unemployed youths in Thohoyandou managed to take care of their responsibilities through either part time jobs or selling a few things or doing both. In this study, part time jobs are usually not available to many people as they sometimes need specific qualifications hence most young people survive by running their small businesses. According to the results from this study, it is revealed that most of the young people are satisfied when they venture into buying and selling small products for survival other than just staying at home to be provided for by their parents and relatives. As such, for most young people who chose to remain in Thohoyandou, self-employment seems to be the only option for survival.

The study revealed that young people may also get into criminal behaviours like selling stolen goods and prostitution in order to manage their responsibilities. A minority of the interviewed respondents stated that sometimes they work for the 'bad guys' so that they can manage to pay either their debts or buy some food. Scholars have opined that young people often get into crime for survival when they are unemployed. Nichols *et al.* (2013) supported this verdict by noting that communities with a higher share of long-term unemployed workers also tend to have higher rates of crime and violence. As such, unemployed young people are subject to getting involved in crime for the purposes of managing the responsibilities facing them in life. A closer analysis revealed that all the respondents that are involved in entrepreneurship are driven by the fact that they no longer want to experience economic dependency or extreme economic hardships. Nkechiet *al.* (2012) posit that entrepreneurs are usually propelled to start a business by either the opportunity that they see in business and they pursue it or necessity where an entrepreneur is left with no other viable option to earn a living other than venturing into business. As a consequence therefore, one can affirm that young entrepreneurs in Thohoyandou cross the threshold into entrepreneurship because they have no other option, they are necessity based entrepreneurs who survive through their businesses.

The findings in this study revealed that most entrepreneurs' personal attributes help them to manage their businesses and to market their products. Bandura (1986) as quoted by

Malebana (2012) posits in line with this view that perceived self-efficacy always has contributions on the individual's goals, persistence and the activities that one chooses to venture into. It is also vital for one to put forward that an outstanding number of young entrepreneurs hardly get into entrepreneurship as a result of opportunities that come with agencies that fund and educate youths. Also, most young entrepreneurs aired out that their urge to start businesses is not typically based on their sources of influence because most respondents happened to know certain business people when they were already in business. Hence the young people get involved in small businesses because they are fleeing from effects of unemployment. This study further revealed that young people start their businesses with the intention of surviving but as they stay in the business field they get inspired to grow their businesses bigger hence creating jobs for other unemployed youths in the society.

It is true that youth entrepreneurship has some effects on the lives of youths. Moreover, other participants added by postulating that when one has an income they can subscribe to healthy activities like the gym. What this means is that at least all of the young people who have small businesses (entrepreneurs) benefit from their businesses and they can now afford the basic necessities of life. Even though the changes seem a less significant in these young entrepreneurs, a majority of these young entrepreneurs were affected positively by venturing into business. As such, the entrepreneurial culture should be encouraged as it leaves the majority of young better-off than what they were before. This study therefore brings one to the realization that even though most young people start their businesses with the idea of surviving, what they seek the most is economic independence and the small businesses they do help them to attain their economic independence. Since youth entrepreneurship comes with a sense of financial independence, social, cognitive and physical development youth entrepreneurship is therefore can be regarded as youth development.

It is quite interesting to note that the respondents postulated that through their small enterprises, they have managed to acquire some business skills that will help them in growing their future businesses. Adetayo (2012), mention that entrepreneurship among the youths prepares them for early entrepreneurial involvement. Adetayo (2012), further states that in the study conducted by Bygrave, Camp &Autio (2000) youth entrepreneurship had yielded successful entrepreneurs whose performances are now reckoned and appreciated. Upon this statement one can build that development of entrepreneurial skills is fostered by running small enterprises that sometimes seem insignificant in the society. For when youth entrepreneurship is the practice of many members of the society, that society develops very rapidly (Adetayo, 2012). As such, entrepreneurship does not develop only individuals but once an individual is developed it also becomes social development.



More findings indicate that there is power that comes with employment or business ownership; money in particular. Most young people revealed that they can now contribute in family and societal meetings and their ideas be implemented. As a consequence therefore, youth unemployed in any formal work and not in any form of entrepreneurship are subject to being voiceless in their families and the society for quite some time unless and until they find something to do that gives them a source of income. It is also important to point out that unemployed young individuals can also acquire entrepreneurial skills for example through apprenticeship in order to reduce the extent of joblessness among youth in Thohoyandou area. This is stated on the basis that there are still young people who are still banking on getting jobs to earn a living yet they are not involved in any income generating project. As a result, it is quite wise for unemployed young people to start income generating projects for their own survival.

## CONCLUSION

The study discovered that the government and other stakeholders should enhance entrepreneurship opportunities for young people by means of improving access to financing youth-led employment initiatives. The study therefore recommends that since entrepreneurship enables youths to afford basic necessities in their lives more agencies should be built that will help support youths' businesses. At the same time awareness campaigns about agencies that are already financially assisting youth entrepreneurs should be employed so that those agencies that are already operating should be known to all the youths in South Africa, Thohoyandou in particular. Moreover, for youth entrepreneurial culture to be cultivated as a way of unlocking employment, successful entrepreneurship awareness campaigns about already established youth agencies should be held. This can be done with the help of media and communications. The researchers establish that such awareness campaigns will ensure that unemployed young people are encouraged to venture into entrepreneurship so that they can have some funds for surviving as well as to help reduce the rates of both unemployment and crime. From this study, entrepreneurship has been discovered to be a working solution against the unemployment pathology. However, even though youth entrepreneurship is a working solution to unemployment globally, most young people seem to be reluctant to involve themselves in entrepreneurship yet youth unemployment is increasing in its rates every year.

## REFERENCES

[1] Adetayo, E.A. 2012. Factors Influencing Attitude of Youth Towards Entrepreneurship, International Journal of Adolescence and Youth, 13(1).

- [2] Altbeker, A. and Storme, E. 2013. Graduate Unemployment in South Africa; A much exaggerated problem. Johannesburg: The Centre for Development and Enterprise
- [3] Atkinson, D. 2008. Inequality and Economic Marginalization. Creating access to economic opportunities in small and medium towns. Trade and Industrial Policy Strategies. Retrieve from: [http://www.tips.org.za/files/u65/economic\\_opportunities\\_in\\_small\\_towns\\_-\\_atkinson.pdf](http://www.tips.org.za/files/u65/economic_opportunities_in_small_towns_-_atkinson.pdf). Date accessed: 3/07/2013
- [4] Awogbenle, A.C. and Iwuamadi, K.C. 2010. Youth unemployment: Entrepreneurship development programme as an intervention mechanism. African Journal of Business Management, 4(6)
- [5] Bless, C., Higson-Smith, C. and Kayee, A. 2006. Fundamentals of Social Research Methods: An African Perspective. 4<sup>th</sup> edition. Cape Town: Juta Company Ltd.
- [6] Bowman, M., Debray, S. K., and Peterson, L. L. 1993. Reasoning about naming systems. .
- [7] Caliendo, M. and Kritikos, A.S. 2007. Start-Ups by the Unemployed: Characteristics, Survival and Direct Employment Effects. IZA Institute for the Study of Labor
- [8] Cartmel, F. and Furlong, A. 2000. Youth Unemployment in Rural Areas. New York: Joseph Rowntree Foundation
- [9] Cray, A., Nguyen, T., Pranka, C., Schildt, C., Sheu, J., and Whitcomb, E.R. 2011. Job Creation: A Review of Policies and Strategies. IRLE Working Paper No. 105-11. Retrieved from: <http://irle.berkeley.edu/workingpapers/105-11.pdf>. Date accessed: 8/05/2014. pp. 28-38.
- [10] Farrell, C., McAvoy, H. and Wilde, J. 2008. Tackling Health Inequalities: An All-Ireland Approach to Social Determinants. Dublin: Combat Poverty Agency/Institute of Public Health in Ireland.
- [11] Forman, G. 2003. An extensive empirical study of feature selection metrics for text classification. J. Mach. Learn. Res. 3 (Mar. 2003), 1289-1305.
- [12] Fröhlich, B. and Plate, J. 2000. The cubic mouse: a new device for three-dimensional input. In Proceedings of the SIGCHI Conference on Human Factors in Computing Systems.
- [13] Global Entrepreneurship Monitor [GEM]. 2012. Global Report-Global Entrepreneurship Monitor.



- [14] Government Information Department. 2014. State of the Nation Address. Pretoria: Government Information Press.
- [15] Green, F. 2013. Youth Entrepreneurship: A background paper for the OECD Centre for Entrepreneurship, SMEs and Local Development
- [16] Harriet, M.B. 2010. New Venture Entrepreneurship and its Impact on Globalization and Economic Development. Undergraduate Thesis. Indiana University, USA
- [17] International Labor Organisation. 2012. A better future for young people; what cooperatives can offer. Cooperative Branch. Geneva: International Labor Organisation
- [18] Kew, J., Herrington, M., Litovsky, Y. and Gale, H. 2010. Youth entrepreneurship: Restless Development. Youth Business International
- [19] Kyei, K.A. and Gyekye, K.B. 2012. Unemployment in Limpopo Province in South Africa: Searching for Factors. Journal of Emerging Trends in Economics and Management Sciences (JETEMS) 2(1): 54-61
- [20] Malebana, M. 2012. Entrepreneurial Intent of Final Year Commerce Students in the Rural Provinces of South Africa. Unpublished thesis of University of South Africa, Pretoria.
- [21] Manpower Group. 2012. Youth Unemployment Challenge and Solutions: What Business Can Do Now, (1-33)
- [22] Muiya, B.M. 2014. The Nature, Challenges and Consequences of Urban Youth Unemployment: A Case of Nairobi City. Kenya: Universal Journal of Educational Research, 2(7)
- [23] South Africa National Treasury. 2011. Confronting youth unemployment. Policy options for South Africa. Discussion Paper.
- [24] Nichols, A., Mitchell, J. and Lindner S. (2013). Consequences of Long-Term Unemployment. Washington D.C: The Urban Institute
- [25] Nkechi, A., Ikechukwu, E.J. and Okechukwu, U.F. 2012. Entrepreneurship development and employment generation in Nigeria. Problems and prospects, 1(4)
- [26] Obadire, O.S., Mudau, M.J., Zuwarimwe, J. and Sarfo-Mensah, P. 2014. Participation Index Analysis for CRDP at Muyexe in Limpopo Province, South Africa. J Hum Ecol, 48(2): 321-328
- [27] OECD [ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT]. 2009. Promoting Pro- Poor Growth: Employment. Paris: OECD, pp. 119-139
- [28] Petrus, J. 2009. Enterprise Governance and Enterprise Engineering. Netherlands: Soget Nederland
- [29] Schoof, U. 2006. Stimulating Youth Entrepreneurship: Barriers and incentives to enterprise start-ups by young people. Geneva: International Labour Organisation
- [30] Small Enterprise Development Agency. 2010. The Small Business Monitor, 6(1)
- [31] Smith, R. 2014. Future possible: the business vision for giving young people the chance they deserve. United Kingdom: CBI.
- [32] StatsSA [Statistics South Africa]. 2014. National and Provincial Labor Market: Youth- Statistical Release, Pretoria: Statistics South Africa
- [33] United Nations Industrial Development Organisation. 2013. Creative Industries for Youth. Geneva: UNIDO
- [34] Welman, J.C, Kruger, S.J. and Mitchell, S. 2005. Research Methodology. 3<sup>rd</sup> ed. South Africa: Oxford University Press Southern Africa.
- [35] World Economic Forum. 2014. Global Risks. 9<sup>th</sup>ed. Switzerland: World Economic Forum.
- [36] YEDS [Youth Enterprise Development Strategy]. 2013-2023. Creating New Business Opportunities for Young Women and Men in South Africa. Pretoria: Department of Trade and Industry