

**DEVELOPING SMALL BUSINESSES WITHIN THE CULTURAL
INDUSTRIES AS A STRATEGY FOR REDUCING YOUTH
UNEMPLOYMENT**

by

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Abstract

Small businesses are vital for the well-being of an economy and the livelihoods of the citizens of a country. The nation of South Africa is currently faced with three main economic challenges; poverty, income inequality, and unemployment (Centre for Development and Enterprise and Parliament, 2017).

The purpose of this dissertation is to develop a way to empower small businesses owned by youth in cultural industries, such as drama (theatre), arts, crafts, music, manufacturing of beads, and design of traditional apparel and painting as a strategy of creating employment and self-employment. This study advocates for the use of entrepreneurship, mainly in the cultural industries (creative arts) to help reduce youth unemployment. A quantitative research method was utilised in the research. Secondary data was obtained from public databases.

Results from the statistical model show that Tourist arrivals, Gross Domestic Product, and Youth unemployment have a direct influence on employment in Arts and Culture. Therefore, proving that an investment in the cultural industry is essential to create employment for youth. Economic policy initiatives that will increase economic growth to help reduce youth unemployment need to be adopted. Cultural entrepreneurship training and other forms of entrepreneurship training programmes need to be designed to empower youth.

Keywords: Employment in Arts and Culture; Youth Unemployment; Cultural Entrepreneurship; investment in cultural entrepreneurial education and training; Gross Domestic Product (GDP)

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1. INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

This research study will discuss ways to empower entrepreneurs within the cultural industries as a way of reducing unemployment mainly among youth. The main aim of this paper is to develop a methodology to support cultural entrepreneurship amongst youth to reduce unemployment.

The methodology will involve skills training to equip youth with business management expertise and the inclusion of entrepreneurship as a module in the high school syllabus to build an entrepreneurial mindset in young people.

Unemployment has continued to rise in South Africa, especially among the youth. Therefore, developing businesses in the cultural sector and other industries is imperative to fight the scourge of unemployment among youth in South Africa. Small businesses create employment in an economy; empowering cultural micro-businesses will help generate jobs for the unemployed youth. Local economic development policies should be designed to uplift informal cultural small businesses, which are a source of livelihoods for most households in South African communities.

Culture is who we are as people, how we do things, how we live, how we dress, and are the identification features that differentiate a Zulu person from a Venda person and others; for example, language, customs, and tradition (Cole, 2019). Culture involves believing in the same things and doing things in a uniform manner as a tribe. Culture means human habits that have been adopted by humans and transferred to every generation (Birukou et al., 2009). Culture is a shared set of values and practices within a group of people (Mesoudi, 2011).

1.2 DEFINITIONS USED WITHIN THE CULTURAL SECTOR

The creative economy consists of people with creative abilities working in the creative industries. Educationally, an increasing number of youths aspire to enter the sector (Guile, 2010). This creates opportunities for employment and youth entrepreneurship in the cultural sector. Culture and innovation are essential for economic growth in this civilized world. The fields of culture and art are becoming popular and growing exponentially contrasted to other parts of the economy (Klamer, 2011; Abbing, 2016) and (Toghraee and Monjezi, 2017).

1.3 CULTURAL ENTREPRENEURSHIP

Cultural entrepreneurs are people who utilise their natural talents, and cultural skills to embark on self-employment as a way of earning a living. Examples of cultural skills that can be used to start a small business include drama, music, painting, ceramics, weaving of traditional clothing, and sculpture making.

The Goldsmiths University, Harvard University, University of Warwick, and Birmingham City University have included cultural entrepreneurship in their curriculum for specific courses to encourage enterprise education in cultural subjects (Naudin, 2015). Cultural entrepreneurs differ from artists because they specialise in producing artefacts (Suwala, 2015).

Cultural entrepreneurs use their creative thinking skills and talents to design products which they sell in the marketplace to generate revenue to improve their standards of living and to deliver goods to satisfy the needs and wants of customers. Cultural entrepreneurs communicate who they are through their artwork, their identity, their life circumstances, and the secret to their inspirations (Dethridge, 2018). For example, a cultural music artist like Maskandi (isiZulu guitarist) inspires that target audience through singing about what happens in real life and how people overcome life challenges (Dethridge, 2018).

1.4 PRIMARY RESEARCH OBJECTIVE

The major objective of this research report is to discuss ways to empower small businesses within the cultural industries as a strategy to create employment for youth. The reason for this research is to develop a methodology (a high school syllabus with entrepreneurial education and training) to instil an entrepreneurial mindset in youth. The

research purpose is to develop a method to promote cultural entrepreneurship among youth to create employment in the Arts industries. The cultural entrepreneurship framework will include education and skills training to equip youth entrepreneurs with business management skills, financial literacy, business planning, bookkeeping, and the provision of financial support for the emerging youth cultural entrepreneurs. Small businesses within the cultural industries will be empowered to help create employment for youth.

1.5 PRIMARY RESEARCH QUESTION

How can cultural entrepreneurship be used to create employment and self-employment for youth? (Dethridge, 2018) argues that cultural entrepreneurship is a field that involves people establishing businesses based on the arts, culture, and heritage of their community. This makes cultural entrepreneurship important because it is pivoted on utilising local talents of community members to showcase their natural skills through pursuing an entrepreneurial career in the creative arts industries to provide a livelihood for their families.

1.6 SECONDARY RESEARCH QUESTIONS

1.6.1 How can cultural entrepreneurship help alleviate poverty, inequality, and create employment in Arts and culture in South Africa? This encompasses the solutions that cultural entrepreneurship presents to society as a means of reducing poverty, inequality, and creating employment. Entrepreneurship generates income for business owners, hence enhancing the standards of living of households in communities. When young people engage in cultural entrepreneurship this will help them to generate income to provide for the basic needs of their households and therefore improve their standards of living.

1.6.2 How can creating employment and self-employment opportunities in the cultural industries increase the standard of living of cultural entrepreneurs and their families? When employment in arts and culture is stimulated and small businesses specialising in cultural industries (indigenous skills) are boosted, the households of the communities will enjoy the benefits of employment growth, income growth, and availability of basic goods and services.

1.7 SECONDARY OBJECTIVES

1.7.1 To indicate how cultural entrepreneurship will help to alleviate poverty, inequality and create employment in the Arts and culture industries in South Africa

Cultural entrepreneurship is essential to assist youth to start their own small businesses in the creative industries, which will empower youths to become economically active and reduce youth unemployment in South Africa.

1.7.2 To show the impact of cultural entrepreneurship on alleviating poverty, inequality, and unemployment

The impact of cultural entrepreneurship on alleviating poverty, inequality, and unemployment is tremendous, because when youth start their small businesses specializing utilizing their creative skills (cultural or natural talents), this will translate into many households' standards of living increasing, Gross Domestic Product rising and youth employing other people.

1.8 STATEMENT OF THE PROBLEM AND RESEARCH SUPPORT

Youth unemployment is one of the three challenges South Africa is faced with, namely, poverty, inequality, and unemployment. Therefore, this study seeks to address the current issue of youth unemployment through advocating for the empowerment of cultural industries to create employment and self-employment opportunities for youth.

1.9 KNOWLEDGE GAP

It has been widely indicated in literature that entrepreneurship is one of the possible solutions to youth unemployment, but few literatures have recommended the empowerment of industries such as the cultural industries to create employment and self-employment opportunities for youth. This study has come to close this gap.

1.10 CULTURAL ENTREPRENEURSHIP COMPARED TO OTHER FORMS OF ENTREPRENEURSHIP

The difference between cultural entrepreneurship and other types of entrepreneurship is that cultural entrepreneurs specialize in the production and trade of cultural products (creative arts) and services such as drama (theatre), film production, music production, beads production, traditional reed mats manufacturing, traditional apparel design, pottery,

fine arts, sculpture design, and crafts, whereas other forms of entrepreneurship specialize in the production and trade of other forms of goods and services. An example is the Cultural Entrepreneurship Hubs project which was implemented in South Africa and other countries in 2017 by the Goethe-Institute located in Germany (Cultural Entrepreneurship Hubs, 2021).

1.11 TYPES OF ENTREPRENEURSHIPS

According to Priyanshi (2021) of Economics debate, there are seven forms of entrepreneurship namely: Intrapreneurship, Technopreneurship, Agripreneurship, Cultural Entrepreneurship, International Entrepreneurship, Social Entrepreneurship, and Ecopreneurship.

1.11.1 Intrapreneurship

Gifford Pinchot coined the term Intrapreneurship in 1973 (Priyanshi, 2021). An Intrapreneur is a person who works in a big company to turn a novel idea into a high-quality product that increases the company's profitability (Priyanshi, 2021). Intrapreneurship is entrepreneurship within an established large company (Fischer, 2021). Intrapreneurship enables growth by influencing employees to embrace change (Fischer, 2021).

1.11.2 Technopreneurship

Technopreneurship is a type of entrepreneurship that focuses on using technology to create goods and services. Technopreneurship is the process of merging entrepreneurial and technological abilities and capabilities (Priyanshi, 2021). This type of entrepreneurship involves bringing together people who are smart, creative, tech-savvy, and passionate, as well as those who are willing to take calculated risks (Priyanshi, 2021). Technopreneurship is the integration of technology, innovation, and entrepreneurship (Licera, 2020).

Technopreneurship involves a process of using developments brought about by innovations of humans with the help of creative mindsets (Licera, 2020). Bill Gates (Microsoft), Steve Jobs (Apple), Sergey Brin and Larry Page (Google), Mark Zuckerberg (Facebook), and Jack Dorsey (Twitter) are some of the most well-known Technopreneurs

(Priyanshi, 2021). Another successful technopreneur is Elon Musk, the owner of Space X and Tesla.

1.11.3 Cultural entrepreneurship

Cultural entrepreneurs design, produce and sell cultural goods and services, generating economic, cultural, and social opportunities while adding value to customers (Priyanshi, 2021). Cultural entrepreneurs specialise in the design, production and sales of cultural goods and services to create value to customers. Cultural entrepreneurs start their own businesses for the benefit of all community members cultural entrepreneurs specialise in improving the livelihoods of people in society through the supply of goods to meet the needs of community members. For cultural entrepreneurs, business prosperity and positive impact in society are simultaneously vital, for example, initiatives like solutions to access quality drinking water and ethical urban development (Dethridge, 2018).

1.11.4 International entrepreneurship

When a business owner is involved in business activities all over the world, this is referred to as international entrepreneurship (Priyanshi, 2021). Exporting, licensing, and having sales offices in other countries are all examples of international entrepreneurship (Priyanshi, 2021). The primary goal of international entrepreneurship is to meet the needs and desires of society's citizens (Priyanshi, 2021). International entrepreneurship is pivoted on an entrepreneur desiring to explore opportunities outside national borders to gain a competitive advantage (Tabares, 2020).

1.11.5 Ecopreneurship

Green entrepreneurship, also known as Ecopreneurship, entails the creation of a business through entrepreneurship while incorporating an ecologically friendly perspective into the entrepreneur's operations and aims (Priyanshi, 2021). Environmental entrepreneurship is another term for Ecopreneurship (Priyanshi, 2021). Ecopreneurship is an intentional human activity to increase the availability of natural resources and enhance the quality of the environment (Gunderson, 2013). An entrepreneur uses his or her entrepreneurial skills to start a company to solve environmental problems, for example a renewable energy company that transforms harmful refuse into energy to generate electricity (Gunderson, 2013).

1.11.6 Social entrepreneurship

Societal entrepreneurship, according to Professor Muhammed Yunus, is any creative and inventive approach used to alleviate social problems (Priyanshi, 2021). A social entrepreneur is an individual who starts a company with the aim to satisfy social needs for poverty reduction (Tyre, 2021).

Muhammad Yunus the founder of the Grameen Bank, a microfinance bank based in Bangladesh is a social entrepreneur (Tyre, 2021). Social entrepreneurship brings concepts, skills, and capital needed for long-term community (Priyanshi, 2021). Social entrepreneurs are innovative the benefit society, for example, a businessperson establishes a company to take care of orphans and old people (Shethna, 2020).

1.11.7 Agripreneurship or Entrepreneurship in Agriculture sector

The agriculture industry is critical to the economy's long-term growth and development (Priyanshi, 2021). Agribusiness encompasses all operations related to the production and distribution of agricultural products (Priyanshi, 2021). Agripreneurship refers to operations involving the production, propagation, and sale of agricultural goods and services, such as floriculture, horticulture, biotechnology, aquiculture, and animal husbandry (Priyanshi, 2021). Agripreneurship is when an entrepreneur establishes a business specializing in the production of Agriculture products such as a farmer who is an entrepreneur (Sharma, 2020).

1.12 MODEL FOR SUPPORTING EMERGING CULTURAL ENTREPRENEURS

The researcher's model for assisting young businesses is depicted in Figure 1.1.

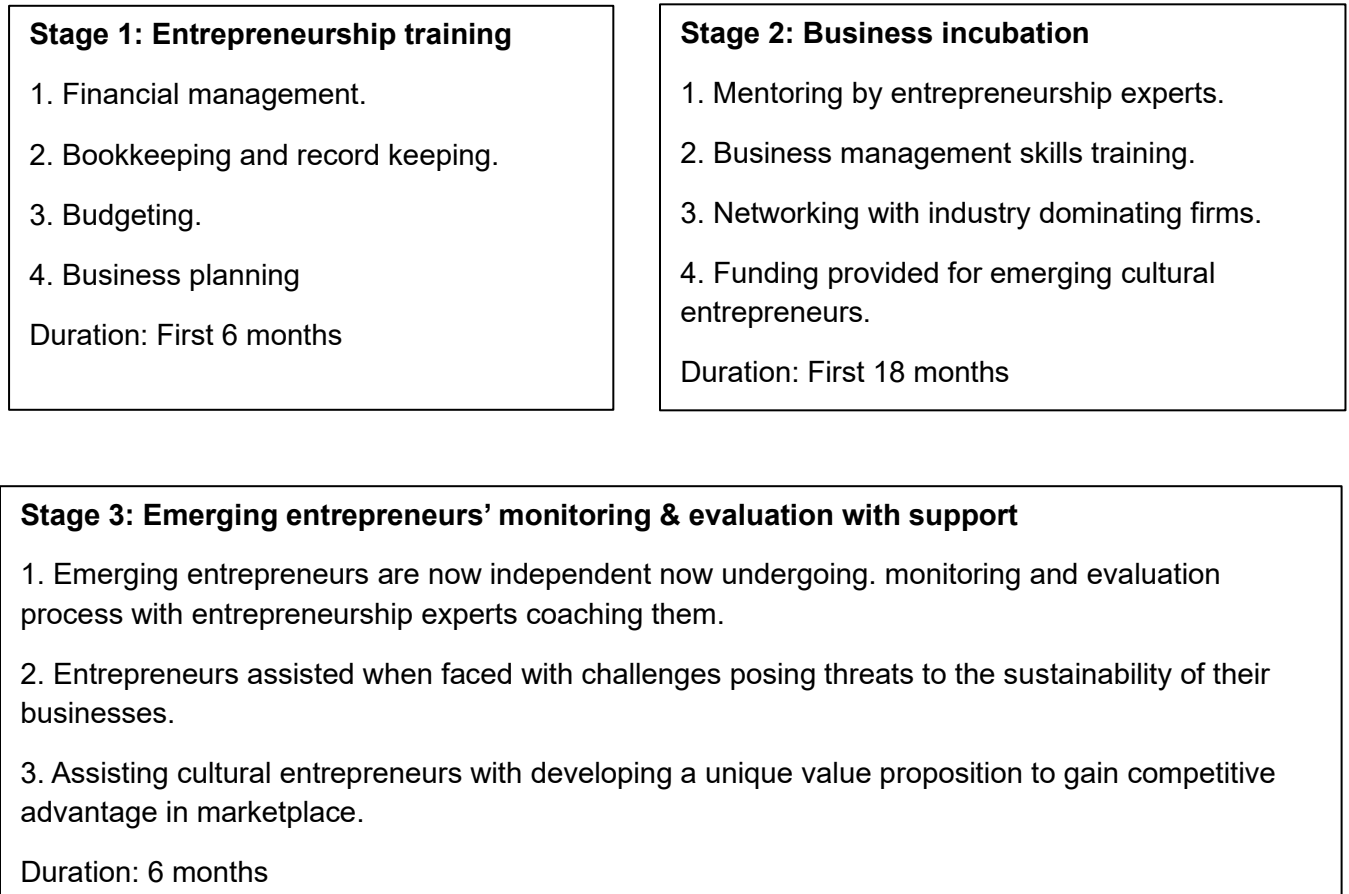


Figure 1.1: Model for supporting emerging cultural entrepreneurs

Source: Researcher's own design

1.13 ENTREPRENEURSHIP PROMOTION IN SOUTH AFRICA

In South Africa, entrepreneurship is critical to reducing poverty. The following are some of the small enterprise support channels accessible in South Africa, which include the Small Enterprise Development Agency (Seda), Cooperative Incentive Scheme, Black Business Supplier Development Programme, the Small Enterprise Finance Agency (SEFA) and National Youth Development Agency (NYDA) (Republic of South Africa Government Communication and Information System, 2022).

1.13.1 Small Enterprise Development Agency (Seda)

Seda helps small businesses expand, for example, whether an entrepreneur needs assistance in starting a business or if he or she currently has one and wants to strengthen

and benefit from it (Republic of South Africa Government Communication Information Systems, 2022). Seda provides the following support to entrepreneurs:

- i. **Information, advice, and referrals:** provision of support on application information, advice on how to run small businesses and assisting entrepreneurs to get referrals. Emerging entrepreneurs are assisted with skills on how to navigate the small business funding application websites, complete application forms and obtaining business referrals to provide recommendations to potential sponsors on their behalf.
- ii. **Tender information and advice:** provision of advice on tender applications. Entrepreneurs who need assistance with project tenders' applications are assisted by experts and provided with information on how to easily navigate the tender application process.
- iii. **Import and export training:** assisting entrepreneurs with training on import and exports expertise. Emerging entrepreneurs are trained and equipped with all skills required in terms of importing and exporting goods.
- iv. **Trade information:** entrepreneurs assisted with of trade information. Entrepreneurs are equipped with relevant information required for trading purposes. This involves information needed to comply with trading rules, regulations, and policies for small businesses.
- v. **Business assessments and business mentoring:** entrepreneurs assisted with business assessments and mentoring support. This means that emerging entrepreneurs are trained by experienced successful entrepreneurs equipping the trainees with skills to successfully run small businesses.
- vi. **Technical support:** entrepreneurs provided with technical support. This means that business owners are equipped with technical skills like data analysis to better understand their customers' habits and behaviour.
- vii. **Market access:** entrepreneurs provided with market access support. Emerging entrepreneurs are assisted with the incorporation of their businesses into the formal value chain for the purpose of access to markets.

- viii. **Business linkages:** entrepreneurs assisted with business linkages to industry experts. Entrepreneurs are teamed up with successful businesspeople to help them with skills transfer to successfully run their small businesses.

(Republic of South Africa Government Communication Information Systems, 2022)

1.13.2 Cooperatives Incentive Scheme

The Department of Trade and Industry (DTI) manages this initiative, which awards financial subsidies to successful applicants to help them strengthen their cooperatives and expand their companies (Republic of South Africa Government Communication Information Systems, 2022). Textiles, services, energy, agricultural, print, film and video production, consumer and housing cooperatives are all helped under the Cooperative Incentive Scheme (Republic of South Africa Government Communication Information Systems, 2022). Entrepreneurs operating their small businesses in the form of cooperatives are assisted under the Cooperative incentive scheme which involves providing finances for daily operations purposes for businesses.

1.13.3 Black Business Supplier Development Programme

This program provides funds to black-owned businesses under a cost-sharing plan with the goal of improving their business abilities (Republic of South Africa Government Communication Information Systems, 2022). The Black Business Supplier Development Program assists black-owned firms in developing their skills and management abilities, as well as increasing their competitiveness (Republic of South Africa Government Communication Information Systems, 2022).

Businesses must generate less than R12 million per year and have been in operation for at least a year to qualify (Republic of South Africa Government Communication Information Systems, 2022). Enterprises must be registered with the Companies Intellectual Property Commission (CIPC) and the South African Revenue Service (SARS), with a maximum award of R100 000 available to a single firm (Republic of South Africa Government Communication Information Systems, 2022).

1.13.4 Finance for Small businesses

1.13.4.1 Khula Enterprise Finance Ltd. now called Small Enterprise Finance Agency

(SEFA)

SEFA's Khula credit guarantee scheme assists small, micro, and medium enterprises in obtaining bank loans (Republic of South Africa Government Communication Information Systems, 2022). Khula works with small company owners assisting with the provision of mentorship services and being an intermediary between small businesses in need of finance and commercial banks through the Khula Credit Guarantee scheme (SEFA, 2022).

1.13.5 Support for Youth**1) National Youth Development Agency (NYDA)**

The National Youth Development Agency (NYDA) ensures that all major stakeholders, including the government, the private sector, and civil society, prioritise youth development and contribute to identifying and implementing long-term solutions to youth development challenges (National Youth Development Agency, 2021). NYDA develops and conducts programs aimed at improving the lives of young people and providing them with possibilities.

1.12 CONCLUSION

Supporting small businesses, mainly those owned by young people specialising in the cultural industries, is essential for the livelihood of local communities and bringing about local economic development in South Africa. Cultural entrepreneurship is a powerful tool that can be used to uplift youth and their families to come out of the cycle of poverty and inequality that has kept them bound for a long time. In this chapter, the difference between cultural entrepreneurship and other forms of entrepreneurship, as well as a model for supporting emerging South African entrepreneurs, have been discussed.

Economic policies targeted towards empowering and promoting entrepreneurship activity in the cultural industries are necessary for redirecting the economy of South Africa towards economic prosperity and improving the GDP per capita of each household nationwide. Therefore, promoting and supporting cultural entrepreneurship will help jobless youth to become economically active and increase their standard of living.

2. LITERATURE REVIEW

2.1 INTRODUCTION

Tourism provides people living in developing countries, mainly in isolated rural communities, with long-term economic opportunities (Baur, 2018). The cultural industries contribute to the tourism sector income because arts and crafts goods are exported from South Africa to other countries. Many of these rural communities are remote from contemporary infrastructure and miss out on the growing industrialisation that urban areas enjoy (Baur, 2018). This is because rural areas have less developed economic infrastructure compared to urban places.

People in rural areas use their abilities and skills to create sculptures and other artistic products that they sell at taxi stands and, in their communities, to supplement their livelihood. For example, in the Mpumalanga province, the 'Amandebele' women make exquisite beads and other things to sell at taxi ranks and public areas to make a living. Who we are is what culture is about, the good moral values, respect, humanity and all those qualities that empower individuals in society (Baur, 2018).

This assertion is correct since traditional customs, norms, and values define an individual's identity. Clay pots, traditional reed mats for sitting, traditional clothing, and fine arts are further examples of cultural objects that individuals in various cultures utilise to create revenue. The International Labour Organisation considers youth unemployment to be a global issue (Abisuga-Oyekunle and Fillis, 2017).

For many years in South Africa unemployment has been increasing and has become one of the main social problems (Abisuga-Oyekunle and Fillis, 2017). Therefore, dealing with joblessness among youth needs to be a key strategy should be the priority in economic reformation through the creation of an entrepreneurial culture and zeal among young people by making entrepreneurship a compulsory secondary school module in the education curriculum.

The International Labour Organisation considers youth unemployment to be a global issue (Abisuga-Oyekunle and Fillis, 2017). South Africa's high rates of youth unemployment must be addressed by stimulating the country's economy to become more labour-

absorbing, with re-industrialisation as a vital component (Abisuga-Oyekunle and Fillis, 2017). This means that the government of South Africa, in partnership with private sector partners, must invest more in infrastructure and factories, resulting in more work opportunities for local inhabitants.

The fundamentals: talent identification, creative diligence, start-up, advancement, and growth phases of creative entrepreneurship training is all part of a lifelong learning process (Abisuga-Oyekunle, 2015b). Handicraft preservation will not be compromised in the future thanks to youth vocational training in handicraft businesses (Abisuga-Oyekunle and Fillis, 2017).

The above statement is correct since vocational training will provide teenagers with the skills needed to find work and start their own businesses. Informal training or learning by doing, apprenticeships and business management training are some of the approaches for human resource and entrepreneurship development that can be used in South Africa (Abisuga-Oyekunle and Fillis, 2017). This is true because a culture of entrepreneurship needs to be created through training programs and mentorship to help alleviate unemployment, especially among young people.

The government needs to invest in the provision of basic goods and services like building bridges, roads, water and electricity and empowering entrepreneurs specialising in handicrafts (Abisuga-Oyekunle and Fillis, 2017). High school leavers need to be empowered with craft education and practical training to help them become economically active through pursuing entrepreneurship.

Dropout youths will benefit from craft education programs that will help them gain technical skills and become economically active by starting their own enterprises. Creating a craft market training centre will be critical in equipping teenagers with the skills they need to start their own craft companies (Abisuga-Oyekunle and Fillis, 2017). This methodology of empowering young people with cultural entrepreneurship skills is necessary for creating an entrepreneurial culture in communities which will translate to youth employment and crime reduction in the long term.

The craft training facility will help communities to develop craftsmen, lowering the level of unemployment. Entrepreneurs benefit from business incubation facilities through

receiving tailored business assistance (Rogerson and Masutha, 2015). Incorporating young cultural entrepreneurs into business incubator programs will go a long way toward helping them grow and sustain their businesses, thereby creating job opportunities.

The education system is the major hindrance to building more entrepreneurs in South Africa because it fails to empower youth with practical training and business training ability (Herrington et al., 2018). Education that teaches financial literacy, business management skills, accounting, bookkeeping and mathematics literacy, will be beneficial in equipping people with basic entrepreneurial skills. The Global Entrepreneurship Monitor measures entrepreneurial activity through a statistic called Total Early-stage Entrepreneurial Activity (TEA) (Herrington et al., 2018).

TEA is the percentage of people owning small businesses. TEA between the ages 18 to 24 years was 8.4 percent during 2019 which is below the African average of 11 percent (Bowmaker-Falconer and Herrington, 2019). The TEA for youths aged 25 to 34 was 12.6 percent which is below the African 2019 average of 13.3 percent (Bowmaker-Falconer and Herrington, 2019). The appetite for starting small business in South Africa is low, especially among youths, and this is worrisome because most unemployed people are youths.

The TEA for South Africa was higher among people in the age-group 45 to 54 years; 14.3 percent compared to the 2019 African average of 11.7 percent (Bowmaker-Falconer and Herrington, 2019). The higher small business ownership rate among older people (ages 45 to 54 years) could be because these people have acquired skills and knowledge through education and working experience, therefore building confidence in their capabilities.

Even though literature like the Global Entrepreneurship Monitor South Africa argues that entrepreneurial appetites are low amongst youths in South Africa, there are opportunities for young people to be empowered by targeting the cultural industries through entrepreneurship programmes, education, and training. The South African education system is vital in terms of successfully building an entrepreneurial culture amongst youths which focuses on cultural industries. This research study is in some support of microeconomic policies that empower youth with entrepreneurship skills to enable them

to become self-sustainable.

2.2 POLICY ON YOUTH ENTREPRENEURSHIP, NATIONAL AND INTERNATIONAL

2.2.1 Youth Entrepreneurship Policy Guide

It is vital to develop an integrated national youth entrepreneurship plan to find strategies to reach out to young entrepreneurs (United Nations, 2015). This previous statement has a connection to this statement, “Youth are an asset of the country. Without youth, there can be no reconstruction and development program. Without youth, there is no future. Their needs are immeasurable and urgent” (May, 1999; Oseifuah, 2010). Complicated regulatory processes implemented by the government, as well as heavy business registration charges, are some of the biggest impediments to youth entrepreneurship (United Nations, 2015). Lessening the negative attitude about business failure and fostering the spirit of perseverance are two measures that can be taken to support adolescent entrepreneurship (United Nations, 2015).

Entrepreneurship education for youth to acquire the skills needed to successfully operate small businesses (financial literacy, business management skills, bookkeeping skills, and other business skills) is another method of empowering youth entrepreneurship or stimulating an entrepreneurial ecosystem for young people (United Nations, 2015).

There is a need to increase vocational training by establishing more Technical Vocational Education and Training institutions nationwide to provide youth with practical training to prepare them for entrepreneurship (United Nations, 2015). Technology and innovation are critical tools for economic success (United Nations, 2015). Access to technology and innovation will help support small firms owned by young entrepreneurs to establish better business models using business incubators fully equipped with technology (United Nations 2015).

Funding access, collateral requirements, high bank rates, lack of goods tailored to youth entrepreneurs, and a lack of financial literacy skills are among the other obstacles faced by young entrepreneurs (United Nations, 2015). Some of the programmes that have been established to support youth entrepreneurs include the Child and Youth Finance International which provides youth with access to finance and the Youth Business International that supports the excluded youth entrepreneurs with finance to start

companies and grow them (United Nations, 2015).

2.2.2 Youth Entrepreneurship Policy Brief

2.2.2.1 Barriers that youth face when starting a business

Low education levels and reactions of other people towards upcoming young entrepreneurs, no funding and no entrepreneurial traits are hindrances that block youth from pursuing entrepreneurship and succeeding (Radebe, 2019). The policy recommendation is that entrepreneurship training, social support for youth entrepreneurship, and easy access to entrepreneurial funding for young people are needed (Radebe, 2019).

1) Social attitudes

Interventions to support youth entrepreneurship contribute to youth social and economic empowerment (Ndedi, 2013). Kantor (2001) agrees that entrepreneurship raises the self-esteem and self-confidence of youths, which leads to self-dependence (Ndedi, 2013).

To understand entrepreneurship based on the essential behavioural patterns evoked by social, economic, and supernatural abilities, programs targeted at empowering entrepreneurs and the development of effective support initiatives should be prioritized to increase total entrepreneurial activity in South Africa (Ndedi, 2013).

2) Education and training programmes

Education is the key to success in building an entrepreneurial culture in South Africa, which depends on government agencies, teachers, and learners (Isaacs et al., 2007). Including entrepreneurship as a module in the high school syllabus will help to create employment and self-employment after learners complete schooling (DuToit and Kempen, 2018). At the 2017 Global Entrepreneurship Conference, Vice President Cyril Ramaphosa agreed to educate young entrepreneurs, indicating that the school syllabus should include entrepreneurship education and training to prepare youths to be employers as opposed to employment seekers after finishing schooling (City Press, 2017; DuToit and Kempen, 2018). This indicates the importance of including entrepreneurship education in the South African secondary school curriculum.

3) Lack of work experience

Low employment among youth is caused by an oversupply of graduates without the working experience required in the labour market which include creative thinking, analytical thinking, communication, numeric literacy, and many more (Marumo & Sebolaaneng, 2019). Career guidance in high school and college is important to help youth to pursue the education streams that will help to prepare them for the workplace (Marumo & Sebolaaneng, 2019).

4) Lack of finances

As result of the strict conditions during loan applications, such as borrowing history, financial statements, and assets to use as security for loan defaults, youth battle to receive funds from banks and other financial organisations.

Kativhu et al. (2021) argues that small businesses owned by most young people in the Thulamela community faced operational challenges caused by financial deficiencies. Financial deficiencies in youth-owned small businesses include the ability to buy their own cars for business purposes, pay community fees, and buy trade stocks in bulk due to a lack of funds (Kativhu et al., 2021). Other restrictions on the operations of youth-owned small businesses include the difficulty of building good business infrastructure due to a lack of finances (Kativhu et al., 2021).

5) Lack of networks

When young people have access to business professionals with extensive entrepreneurial experience, they are prepared with training and expertise to pursue entrepreneurship. By the time young people graduate from high school, there is not enough information to help them create good resumes and access post high school education opportunities (Graham et al., 2020). African youth in poor families have few efficient social networks to assist them in finding and applying for employment opportunities (Graham et al., 2020).

The first thing to do is to create a culture of entrepreneurship as a career option among young people through incorporating cultural entrepreneurship and general entrepreneurship as subject in the education system. This transformation in the education system will help youths to pursue entrepreneurship as a career after completion of studies.

This will translate to high entrepreneurship levels in the country and the availability of more jobs for the youth.

2.3 YOUTH ENTERPRISE DEVELOPMENT STRATEGY

2.3.1 Introduction

This section will discuss strategies that have been designed and implemented to help youths to become economically active in South Africa. Firstly, constraints to youth economic upliftment will be discussed by the researcher. Secondly, entrepreneurship profiles will be discussed. Thirdly, a critical literature review discussion will be conducted by the researcher. Fourthly, the researcher will discuss seven successful entrepreneurs in South Africa who started with nothing. In this section the researcher would like to analyse the challenges to youth economic participation to give recommendations on how to improve youth economic involvement in South Africa.

2.3.2 Constraints to Youth economic upliftment

2.3.2.1. Inadequate Gross Domestic Product

Inadequate Gross Domestic Product is hindering youth from being economically active and pursuing entrepreneurship DTIa (2013). Economic growth policies are necessary to help to grow the economy to be able to create enough jobs and a conducive climate for entrepreneurship among youth to become possible DTIa (2013).

When analysing the overall production capacity (GDP) from 2015 until 2018, it can be seen that the percentage change quarter-on-quarter started at -2.3 percent during 2015 quarter 2, increased during 2015 quarter 3 by 0.4 percent; 2016 quarter 2 increased by 3.2 percent, 2016 quarter 3 increased by 0.9 percent; 2017 quarter 2 increased by 3 percent, 2017 quarter 3 increased by 2.8 percent, 2017 quarter 4 increased by 3.4 percent; 2018 quarter 3 increased by 2.6 percent, and 2018 quarter 4 increased by 1.4 percent (Stats SA, 2019). These trends in South Africa's GDP data show that the economy has been increasing at slow rates and magnitudes, which gives an indication why the economy is failing to create enough employment opportunities to employ youth.

During 1998, South Africa was severely affected by the global financial crisis, resulting in a negative growth rate for the first time, which negatively impacted the growth of vital

sectors such as mining, textiles, automotive, and manufacturing (DTIa, 2013). Primary and secondary sectors are important for the creation of employment and self-employment in the economy because they are labour-intensive.

South Africa's Gross Domestic Product remains lower compared to its trading partners namely Brazil, Russia, China, and India because firstly the country is small and has a large national customer base.

Secondly, South Africa's low savings and investment rates are partly due to the low savings culture of the population and low investment confidence in the private sector, which has slowed down the economic growth (DTIa, 2013). Majority of people in South Africa are experiencing debt challenges, that is why there are many asset repossessions by banks and other lending institutions.

Thirdly, although 6.1 percent of South Africa's national budget is spent on education; there is a large shortage of skilled labour that the market needs (DTIa, 2013). Fourthly, the Rand is unstable discouraging stock and forex traders therefore reducing our export competitiveness (DTIa, 2013).

Fifth, although our infrastructure is much better than other parts of Africa, there are serious bottlenecks, including power shortages, which are in urgent need of improvement (DTIa, 2013). An example of this is the situation in Eskom where there is a lot of load shedding trying to recover electricity generation capacity, because of past misuse of funds meant for upgrading of power plants.

Figure 2.1 shows that overall output (GDP) growth in South Africa has been unstable, increasing and decreasing from 2007 to 2020 (World Bank, 2020).

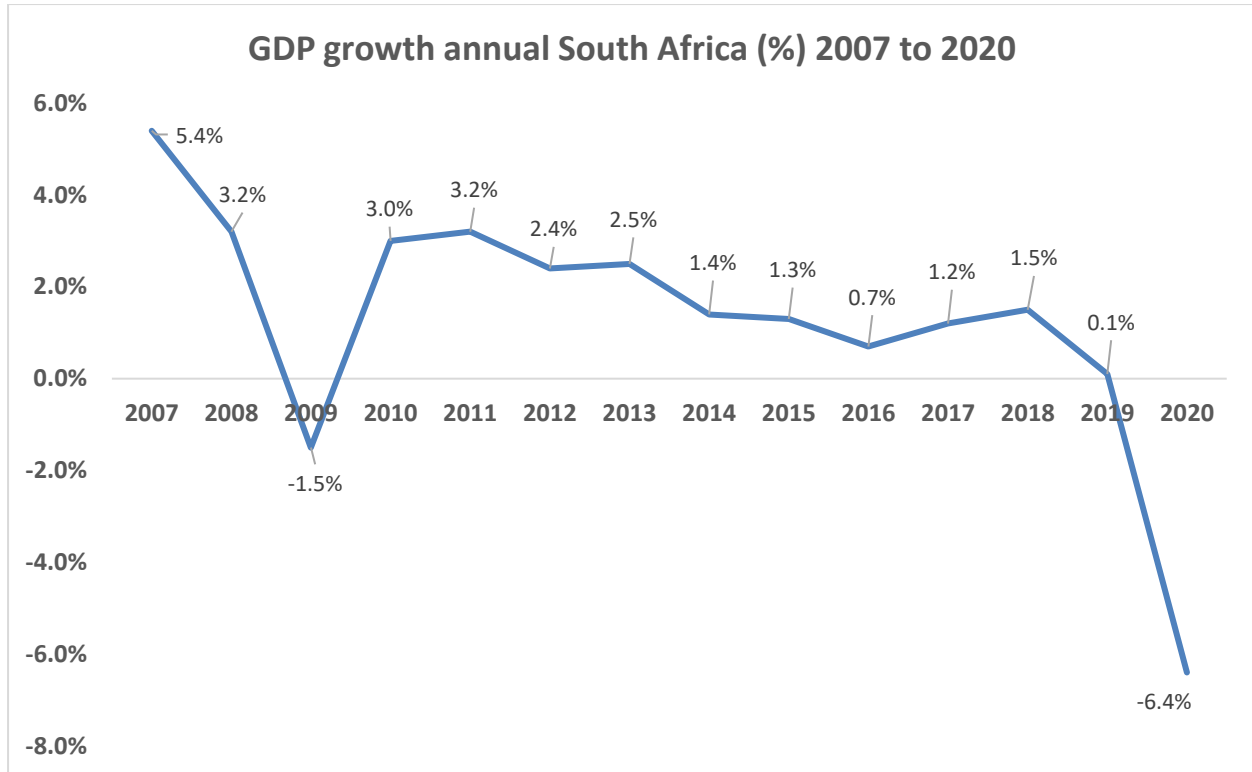


Figure 2.1: South Africa's Gross Domestic Product growth (annual %) 2007 - 2020

Source: World Bank, 2020

The trends in the data depicted in Figure 2.1 show that South Africa's economic growth has been growing at a very slow rate to be able to generate enough jobs to reduce youth unemployment (World Bank, 2020). To help the South African economy to grow, there is a need for the government to empower the small businesses sector (National Planning Commission, 2012).

A strong small businesses sector translates into high national output (GDP), thus lessening joblessness, low standards of living, and empowering pioneering movement (Sitharam and Hoque, 2016).

It is essential that South African youth be groomed from the time when attending high school level (grade 9 to 12) to become small business owners after completion of studies through the inclusion of entrepreneurial education and training into the high school curriculum. This strategy of including entrepreneurial education and training into the high school curriculum will help deal with the problem of inadequate work experience needed in the labour market and to enable youth to start small businesses.

2.3.2.2 Widening income gaps

The widening income gaps in the country hinder youth economic participation and business development DTIa (2013). This is true because small businesses development and youth empowerment programs require funding from government and other institutions. South Africa enjoyed relatively strong economic growth rates for most of the early 2000s, but the economy remained the highly nation in the world in terms of households' incomes DTIa (2013). The GINI index is an indicator used to measure income inequality in economies and the statistics ranges from 0% to 100%. The closer the statistic is to 100%, the highly unequal an economy is and the closer the statistic is to 0% the less unequal an economy is in terms of income equality distribution among citizens (World Population Review, 2021).

An analysis of Table 2.1 shows that South Africa's Gini coefficient was 63% in 2014, second only to Namibia (59.1% in 2015), indicating that South Africa is one of the countries with the most unequal income distribution globally (DTIa, 2013). This means that approximately 40% of South Africa's wealth is owned by the richest 10% of families in the country (World Population Review, 2021).

Table 2.1: Countries with the highest Gini Coefficient income inequality rates (above 50%)

Country	GINI Coefficient as a percentage	Year
South Africa	63	2014
Namibia	59.1	2015
Zambia	57.1	2015
Eswatini	54.6	2016
Mozambique	54	2014
Brazil	53.4	2019

Source: World Population Review, 2021

A high overall national output (GDP) increases people's standards of living which decreases income inequality levels. However, if the Gini index is high (income inequality high) as shown by Table 2.1, it means that even though the economy is growing, majority of people's incomes may be low, hence high poverty rates (World Population Review, 2021).

2.3.2.3 The small business establishment rate for youth

The small business establishment rate for youth was 8.4% during 2019 which comprised about 10% equivalent to 0.9% of the overall entrepreneurship levels nationwide (Bowmaker-Falconer & Herrington, 2019). In 2019, 3 300 people were surveyed as participants in the Global Entrepreneurship Monitor (GEM) South Africa study (Bowmaker-Falconer & Herrington, 2019). Table 2.2 shows that youth aged 25 to 34 years are the majority in terms of entrepreneurship activity and comprise 36% of all start-up activities in 2010. In contrast, youth small business owners aged 18 to 24 years old have a low share of entrepreneurial activities, representing only 20 percent.

Table 2.2: The small business establishment rate (TEA) by age groups

Age group	Total Early-stage Entrepreneurial Activity (TEA)	2019 African TEA average
18 to 24 years	8.4%	11%
25 to 34 years	12.6%	14.4%
35 to 44 years	9.2%	13.3%
45 to 54 years	14.3%	11.7%
55 to 64 years	8.5%	6.8%

Source: Bowmaker-Falconer & Herrington, 2019

Table 2.2 shows that the age group 45-54 years accounted for high percentage of business establishment rate followed by the age group 25-34 years showing that youth are starting to value pursuing entrepreneurship. The rise in the youth small business establishment rate was because of high government investment in the development of small businesses to create jobs. This is true because there have been many policies that have been designed to stimulate youth economic involvement in South Africa, but the problem seems to be political will to implement those policies.

2.3.2.4 High levels of youth unemployment rates

Youth aged 15 to 34 years constitute 34% (20.4 million) of the total population of South Africa which is about 59 million (Stats SA, 2020). The unemployment rate of youth aged 15 to 34 years was 43.2 percent in the first quarter of 2020 (Stats SA, 2020). For every 1 adult who is unemployed there are 3 unemployed youth, that is the ratio of unemployment in South Africa is 1:3 for youth and adults (DTI, 2013). Dagume and Gyekye (2016) argue skills training programmes and on-the-job training programmes are important to help jobless youth.

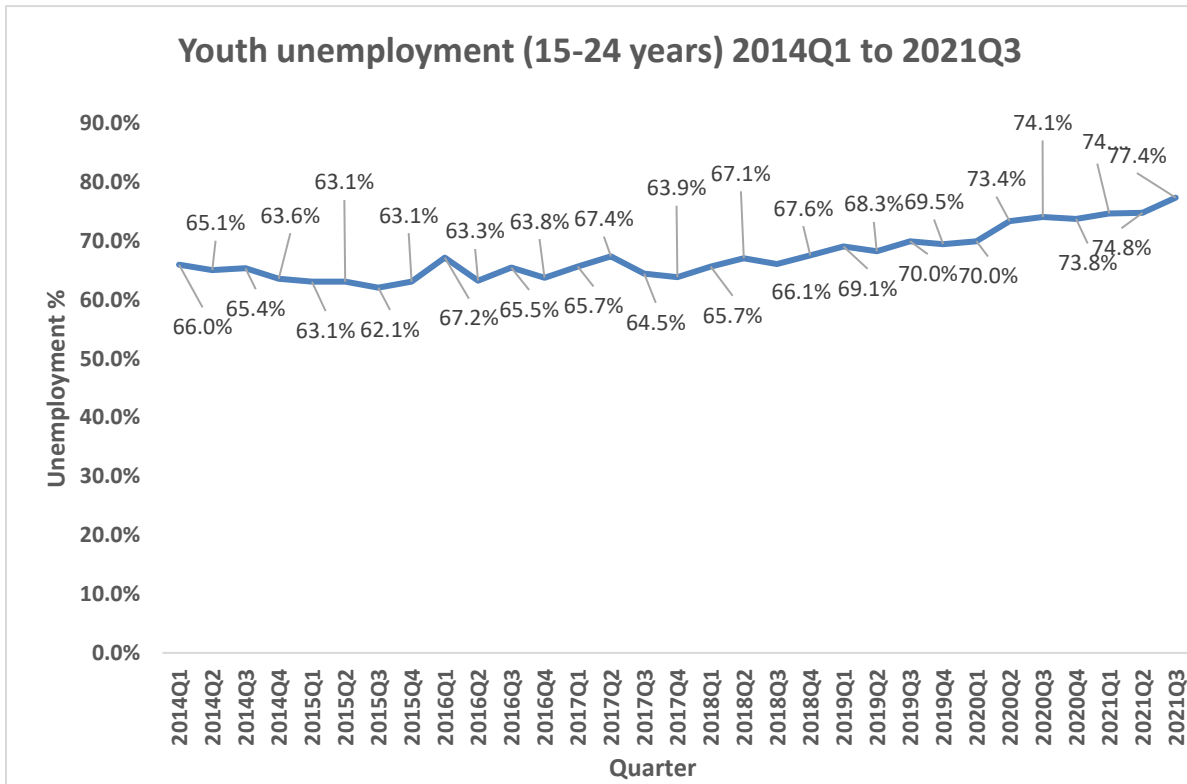


Figure 2.2 South Africa's youth unemployment rate for the period Q1 2014 to Q3 2021

Source: Stats SA QLFS, 2021Q3

Figure 2.2. depicts the unemployment rate for the period 2014 quarter 1 to 2021 quarter 3. The unemployment rate in South Africa has remained above 50 percent since 2014 quarter 1 (January to March), which is not a healthy economic sign. The causes of high unemployment rates include inadequate work experience matching available job opportunities, lack of job search ability, employers see recruiting youth as being risky and expensive, and the population growth rate of youth exceeds the number of available job opportunities which youth qualify for.

The introduction of digital technologies in the world of work has shifted economies from relying mostly on traditional industries like Agriculture, Mining and Manufacturing for labour supply to relying on skills-oriented industries that require high level of expertise because of technologies used in production processes (Graham and De Lannoy, 2016). This transformation in the South African economy has led to most youth failing to enter the labour market because they are low-skilled. Youth empowerment needs to be

prioritised during policy making and local economic development plans need to be implemented.

2.3.2.5 Inadequate management and entrepreneurship ability

The Apartheid government excluded that Africans from main stream employment and the pursuit of business opportunities DTIa (2013). The following statement issued by the top Senate politician in 1954 well reflects the destruction of Bantu education: "When Bantu children cannot use mathematics in practice, what is the use of teaching it?" (Bantu Education Act, 1953: p.2). Most African youth nowadays lack skills to enter the labour market or pursue entrepreneurship activities due to the exclusion of their parents from quality education and entrepreneurship support activities during Apartheid government rule, leading to youths growing up in poor households.

Young whites were more exposed to business management knowledge during helping in family businesses, therefore gaining the practical application of entrepreneurial skills. On the contrary, many black youths did not have this opportunity, which in turn led to low or no entrepreneurial activities among black Africans DTIa (2013). Economic policies focusing on African youth entrepreneurship training need to be implemented in South African provinces through incorporating such training programs in schools and colleges to empower youth.

Some people would argue to say education is not vital for entrepreneurial success, which is true to a certain extent, depending on what kind of education the entrepreneur possesses. Basic business management skills can be learnt from other successful entrepreneurs, internet, college, and other channels.

2.3.2.6 Entrepreneurship profiles

1) Entrepreneurs by age group

Most entrepreneurs were within the ages 30 and 34 years, 35 and 39 years, 40 and 44 years, and 45 and 49 years during 2019 quarter 3, 2020 quarter 2, and 2020 quarter 3 (Table 2.3). Small business owners that increased in number during all three quarters were within the age groups 25 to 29 years (5.8%), 45 to 49 years (2%) and 65 to 69 years (11%).

The results depicted in Table 2.3 and Figure 2.3 indicate that most entrepreneurs in South Africa are aged 25 to 29 years and 60 to 64 years.

Table 2.3: Entrepreneurs by age group

Age group	2019Q3		2020Q2		2020Q3		Quarterly change	
	Number	%	Number	%	Number	%	Number	%
15-19 years	7 779	0.3%	5 037	0.2%	5 045	0.2%	8	0.1%
20-24 years	66 435	2.5%	86 557	3.6%	63 336	2.7%	-23 221	-26.8%
25-29 years	216 591	8.2%	189 503	7.8%	200 433	8.5%	10 930	5.8%
30-34 years	373 005	14.1%	335 466	13.9%	332 306	14.1%	-3 160	-0.9%
35-39 years	421 588	15.9%	372 405	15.4%	339 547	14.4%	-32 858	-8.8%
40-44 years	407 630	15.4%	362 659	15%	349 661	14.8%	-12 998	-3.6%
45-49 years	378 584	14.3%	336 116	13.9%	343 005	14.5%	6 888	2%
50-54 years	342 264	12.9%	310 414	12.8%	286 598	12.1%	-23 816	-7.7%
55-59 years	219 362	8.3%	210 475	8.7%	212 446	9%	1 971	0.9%
60-64 years	116 668	4.4%	114 796	4.7%	129 124	5.5%	14 324	12.5%
65-69 years	63 366	2.4%	64 718	2.7%	71 877	3%	7 159	11%
70-74 years	25 736	1.0%	24 094	1.0%	23 108	1%	-986	-4.1%
75-79 years	14 416	0.5%	9 539	0.4%	7 031	0.3%	-2 508	-26.3%
Total	2 653 424	100%	2 421 780	100%	2 363 513	100%	-58 267	-2.4%

Source: Stats SA QLFS, 2020Q3

These statistics are in line with the findings published in the report titled SMME Quarterly update 2021 1st Quarter, which indicates that majority of entrepreneurs are aged 30 years to 49 years (Seda, 2021).

Looking at the data in Table 2.3 and Figure 2.3, most entrepreneurs in South Africa are from the age 30 years and above contrasted to the 15 to 24 years age group which has a high unemployment rate of 75% according to Stats SA QLFS Trends 2008 to 2021 quarter 2 (Stats SA, 2020). Thus, it is essential to design youth entrepreneurship support programmes comprising of training and funding with business start-up grants tailored for youth small businesses' needs.

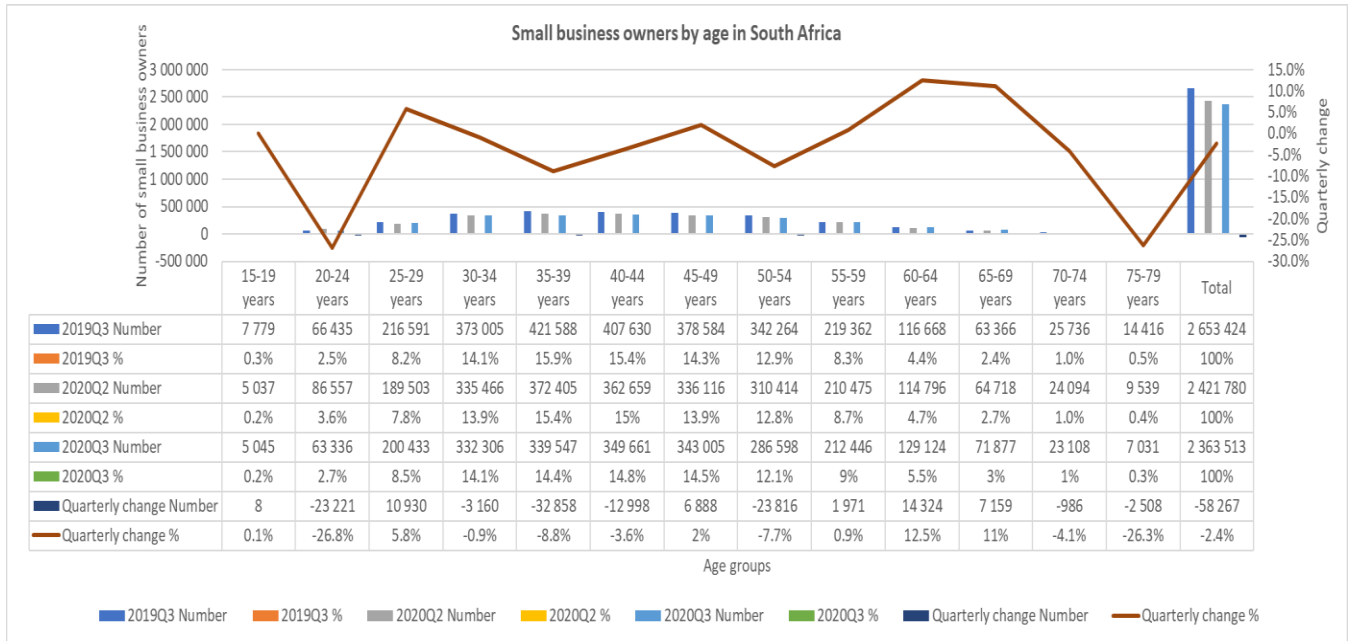


Figure 2.3: Entrepreneurs by age group

Source: Stats SA QLFS, 2020Q3

The Small Enterprise Development Agency also indicated in their report titled SMME Quarterly update that most of small business owners are within the age range of between 30 years and 49 years old (Seda, 2020). It is therefore important for the South African government to develop youth entrepreneurship support programmes comprising of training and funding with business start-up grants tailor-made for youth small businesses' needs.

2) Entrepreneurs by Education group

Table 2.4 and Figure 2.4 show that most entrepreneurs were in possession of secondary incomplete and secondary education qualifications during 2019 quarter 3, 2020 quarter 2 and 2020 quarter 3. Small business owners with no schooling increased in number by 8%, small business owners with a secondary education qualification increased by 4% during 2019 quarter 3, 2020 quarter 2 and 2020 quarter 3.

Table 2.4: Entrepreneurs by Education group

Education group	2019Q3		2020Q2		2020Q3		Quarterly change	
	Number	%	Number	%	Number	%	Number	%
No schooling	73 713	2.8%	46 287	1.9%	49 848	2.1%	3 561	8%
Less than primary complete	232 247	9%	201 252	8%	188 343	8%	-12 910	-6.4%
Primary obtained	124 540	5%	124 461	5%	94 137	4%	-30 325	-24%
Secondary incomplete	863 905	32.6%	817 479	34%	851 798	36%	34 319	4%
Secondary obtained	745 217	28%	683 668	28.2%	682 670	29%	-998	-0.1%
Tertiary	559 040	21%	525 788	22%	475 303	20%	-50 486	-9.6%
Other	54 763	2%	22 845	0.9%	21 415	0.9%	-1 430	-6.3%
Total	2 653 424	100%	2 421 780	100%	2 363 513	100%	-58 267	-2.4%

Source: Stats SA QLFS, 2020Q3

Seda published a report titled SMME Quarterly update 1st Quarter 2021 in August 2021, which indicated that majority of entrepreneurs possess a less than secondary qualification and secondary qualification which supports the data being communicated by Table 2.4 above (Seda, 2021).

Figure 2.4 shows that majority of small business owners have acquired low education qualifications which translates to low skills levels. This shows the need for entrepreneurship education and training to be integrated into the high school syllabus starting from secondary to tertiary level to upskill emerging entrepreneurs, which will improve the operations of their businesses, leading to business growth. The entrepreneurship education and training programs should include modules like business management, accounting, basic numeracy, financial planning and how to write a good business plan.

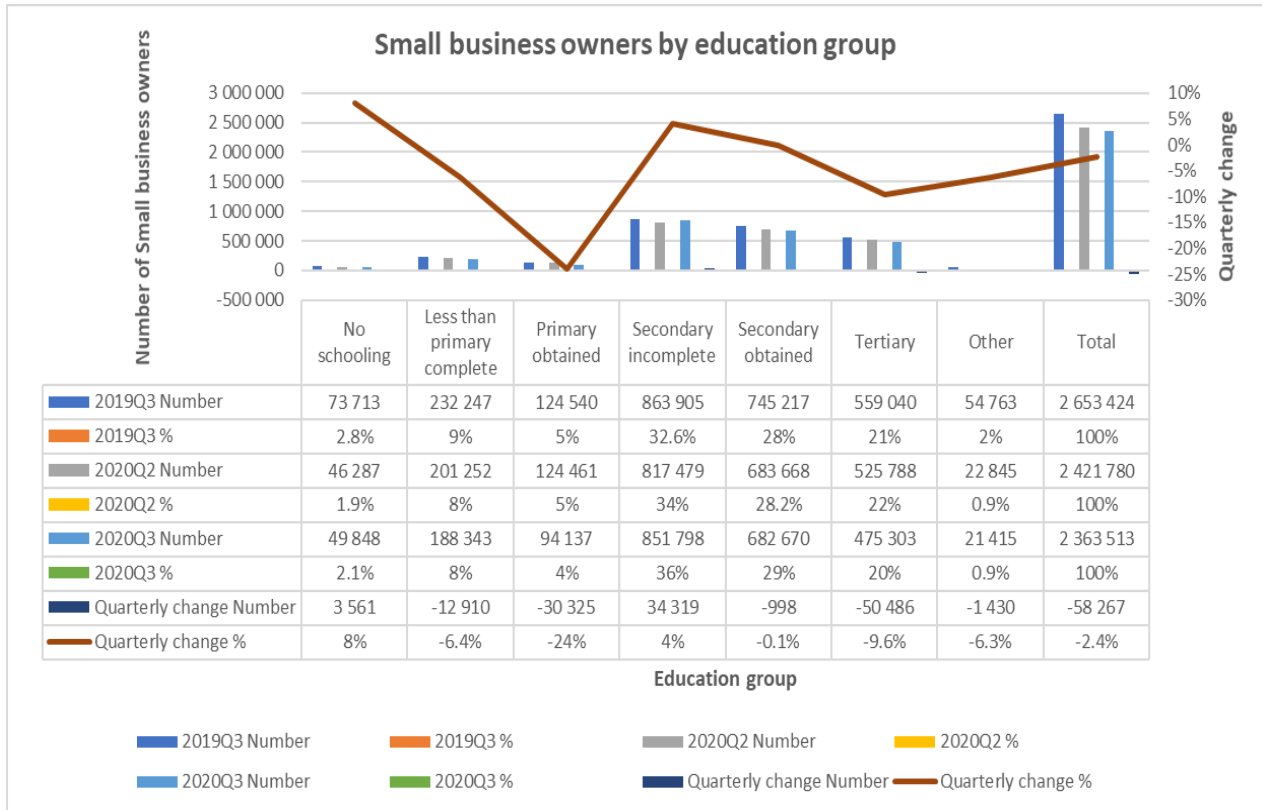


Figure 2.4: Education levels of entrepreneurs

Source: Stats SA QLFS, 2020Q3

The secondary education system of South Africa needs restructuring to become more skills orientated compared to the current theoretically orientated nature. Learners need to be equipped with technical skills like engineering, computer literacy, programming, entrepreneurship education and other practical skills that will help them to become employable and self-employed after completion of studies. For example, in Ghana a well-known successful entrepreneur Nana Yaw Banahene has called for a transformation in the education curriculum from a theory-based system to one that empowers youths with practical skills needed in the labour market (GhanaWeb, 2021).

3) Entrepreneurs by industry

The industries that had the largest number of small business owners during 2019 quarter 3, 2020 quarter 2 and 2020 quarter 3 were Trade and accommodation, Finance and bus services, and Community (Table 2.5 and Figure 2.5). The Electricity, gas, and water (54%), Construction (0.1%), and Other category (3%) industries experienced an increase in the

number of small business owners during 2019 quarter 3, 2020 quarter 2 and 2020 quarter 3 (Stats SA, 2020Q3).

There is a need for the development of more government support programmes according to the needs of the small business owners within the Electricity, gas, and water; Construction; Finance and bus services, and Community industries to improve small businesses' operations in South Africa.

Table 2.5: Entrepreneurs by industry

Industry	2019Q3		2020Q2		2020Q3		Quarterly change	
	Number	%	Number	%	Number	%	Number	%
Agriculture	73 549	2.8%	113 305	4.7%	104 189	4.4%	-9 116	-8%
Mining	2 226	0.1%	10 626	0.4%	2 188	0.1%	-8 439	-79%
Manufacturing	236 778	8.9%	217 199	9%	198 740	8.4%	-18460	8.5%
Electricity, gas & water	0	0%	988	0%	6 406	0.3%	5 419	54%
Construction	376 254	14%	338 647	14%	339 120	14%	473	0.1%
Trade & accommodation	1 076 910	41%	935 406	38.6%	922 250	39%	-13 156	1.4%
Transport & communication	179 650	6.8%	166 210	7%	151 815	6%	-14 395	-9%
Finance & bus services	355 278	13%	310 943	13%	308 932	13%	-2 011	0.6%
Community	343 632	13%	294 811	12%	304 234	13%	9 423	3%
Other	9 148	0.3%	33 646	1.4%	25 639	1%	-8 007	-24%
Total	2 653 424	100%	2 421 780	100%	2 363 513	100%	-58 267	2.4%

Source: Stats SA QLFS, 2020Q3

2.4 ENTREPRENEURIAL CULTURE AND ENTREPRENEURSHIP EDUCATION

Entrepreneurial culture is the beliefs, common values, and norms of a specific society (Afriyie et al., 2014). This means that entrepreneurial culture is the way members of the community practice entrepreneurship as a means of survival and providing necessities of life for their families. Building an entrepreneurial culture is a long-term goal which involves the co-operation of the state, private companies, community members, academics, and parents to instil an entrepreneurship mindset in the youth and older people in society (Gouws, 2002; Afriyie et al., 2014).

Building an entrepreneurial culture (mindset) is a long-term goal which involves the co-operation of the state, private companies, community members, academics, and parents

to instil an entrepreneurship mindset in the youth and older people in society (Gouws, 2002; Afriyie et al., 2014). The most effective way of building an entrepreneurial culture in a community is through education. In South Africa, the most vital factor, which has been a hindrance to the growth of entrepreneurial culture, is education and training (Driver and Wood, 2001; Afriyie et al., 2014). There are only a few young people who pursue the career of entrepreneurship (Herrington and Kew, 2017).

2.5 GROOMING LEARNERS THROUGH TRAINING TO BECOME ENTREPRENEURS

The number of unemployed youth unemployment rose from 53.7% during July 2018 to 63.3% during January 2021 (Trading economics, 2021). Some of the main causes of youth unemployment include rural to urban migration, low education levels, poverty, corruption, inflexible labour laws and economic recession (Meyer, 2014). This is true, because youth unemployment in South is caused by youth moving from the rural areas where there are poor living conditions, in search for employment in urban areas where there are better economic conditions. Youth are structurally unemployed, meaning that they have little or no work experience which matches with the available employment opportunities. Government, educational institutions, community members and the private sector must work together to facilitate programmes that will empower youth with entrepreneurship skills to become self-employed and create employment in communities.

High corruption in Africa is one of the reasons for youth joblessness, because the money budgeted for supporting entrepreneurship and small business development is diverted and stolen (Uddin and Uddin, 2013; Odusegun, 2014; Meyer, 2014).

Economic recession is another cause of youth joblessness in South Africa, which causes small businesses and bigger firms to shut down or lay off workers to continue trading (Meyer, 2014). A fall in the Gross Domestic Product because of tough economic conditions negatively affects companies and causes a decline in employment levels. Entrepreneurship should be prioritised and facilitated in countries with high youth unemployment to help reduce poverty (Meyer, 2014). The Government and private educational institutions should include practical expertise training and entrepreneurship in the syllabus to instil an entrepreneurial mindset in youth.

2.6 METHODOLOGY FOR REDUCING YOUTH UNEMPLOYMENT THROUGH JOB CREATION IN THE ARTS AND CULTURE INDUSTRIES

Figure 2.5 depicts a methodology that can be used by the government and educational institutions to reduce youth unemployment through promoting job creation in Arts industries through incorporating entrepreneurship education into the school syllabus. Cultural entrepreneurship education will equip youth with the skills needed to start and operate small businesses successfully.

For this methodology proposed by the researcher in Figure 2.5 to succeed, the Ministry of Education, community leaders, and the youth need to work together with a common goal of building a culture of entrepreneurship (mindset) among youth.

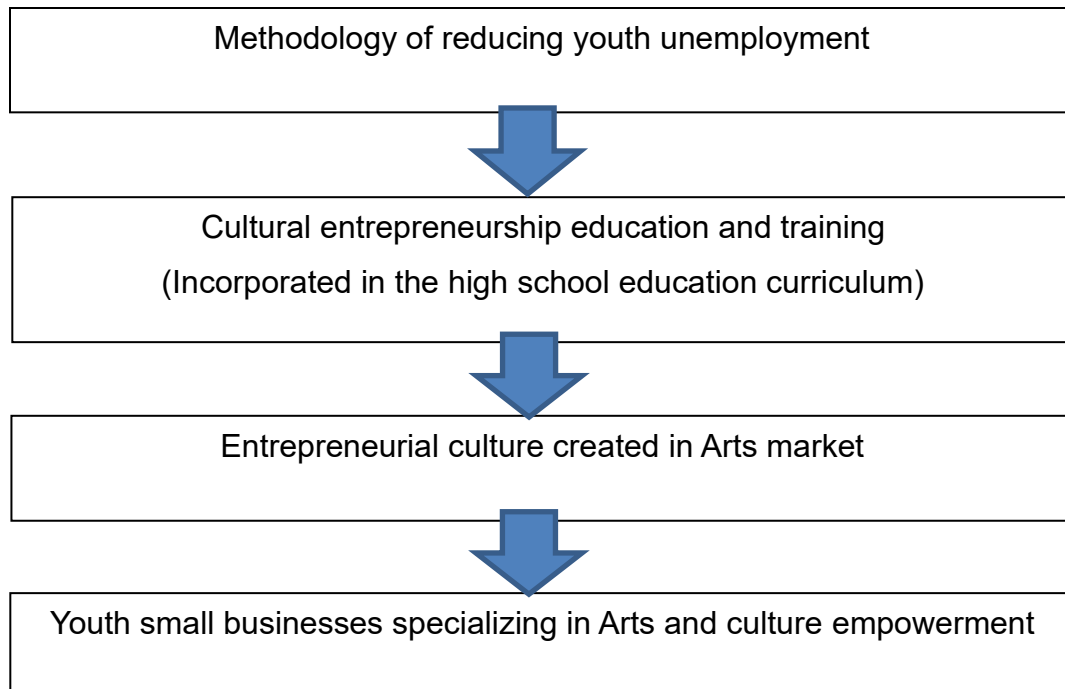


Figure 2.5: Methodology for reducing youth unemployment and creating employment in Arts and culture

Source: Researcher's own design

2.7 EMPLOYMENT PER PROVINCE

This segment discusses employment per province in South Africa. Migration within provinces is another cause of joblessness. The top 5 provinces which experienced the highest growth in employment during the period 2019 quarter 3 to 2021 quarter 2 were Gauteng, Western Cape, KwaZulu Natal, North West and Mpumalanga (Table 2.6). This

trend in the employment per province data shows that the five provinces mentioned in the previous statement had the best economic conditions to create employment compared to Northern Cape, Eastern Cape, and Limpopo provinces.

Table 2.6: Employment per province

Employment per province in South Africa and national 2019Q3-2021Q2												
Place	July-Sep 2019	Oct-Dec 2019	quarter to quarter change 2019Q3-2019Q4	Jan-Mar 2020	Apr-Jun 2020	quarter to quarter change 2020Q1-2020Q2	Jul-Sep 2020	Oct-Dec 2020	quarter to quarter change 2020Q2-2020Q4	Jan-Mar 2021	Apr-Jun 2021	quarter to quarter change 2021Q1-2021Q2
National	K	K	%	K	K	%	K	K	%	K	K	%
		38 582	38 727	0.4	38 874	39 021	0.4	39 167	39 311	0.4	39 455	39 599
Western Cape	4 664	4 686	0.5	4 708	4 731	0.5	4 753	4 766	0.3	4 796	4 818	0.5
Eastern Cape	4 301	4 313	0.3	4 325	4 336	0.3	4 348	4 369	0.5	4 371	4 382	0.3
Northern Cape	804	806	0.2	808	810	0.2	812	816	0.5	815	817	0.2
Free State	1 908	1 910	0.1	1 911	1 913	0.1	1 915	1 917	0.1	1 918	1 920	0.1
KwaZulu Natal	7 135	7 161	0.4	7 188	7 214	0.4	7 240	7 268	0.4	7 291	7 317	0.4
North West	2 609	2 620	0.4	2 630	2 641	0.4	2 651	2 661	0.4	2 672	2 682	0.4
Gauteng	10 410	10 459	0.5	10 508	10 557	0.5	10 607	10 634	0.3	10 704	10 753	0.5
Mpumalanga	2 958	2 969	0.4	2 980	2 990	0.4	3 001	3 016	0.5	3 023	3 034	0.4
Limpopo	3 793	3 804	0.3	3 816	3 829	0.3	3 841	3 864	0.6	3 865	3 877	0.3
Key: K means thousand												

Source: Stats SA QLFS, 2021Q2

2.8 PERCENTAGE CHANGE IN EMPLOYMENT PER PROVINCE IN SOUTH AFRICA

Table 2.6 above shows that Gauteng (0.5%), Western Cape (0.5%), KwaZulu Natal (0.4%), and Mpumalanga (0.4%) provinces experienced the largest growth in employment during the period 2019 quarter 3 to 2019 quarter 4 (Figure 2.6). During the period 2020 quarter 1 to 2020 quarter 2, Western Cape (0.5%), Gauteng (0.5%), KwaZulu Natal (0.4%), North West (0.4%), and Mpumalanga (0.4%) provinces experienced the largest growth in employment (Figure 2.6). This shows that there is migration in between provinces which causes changes in the level of employment in the labour market.

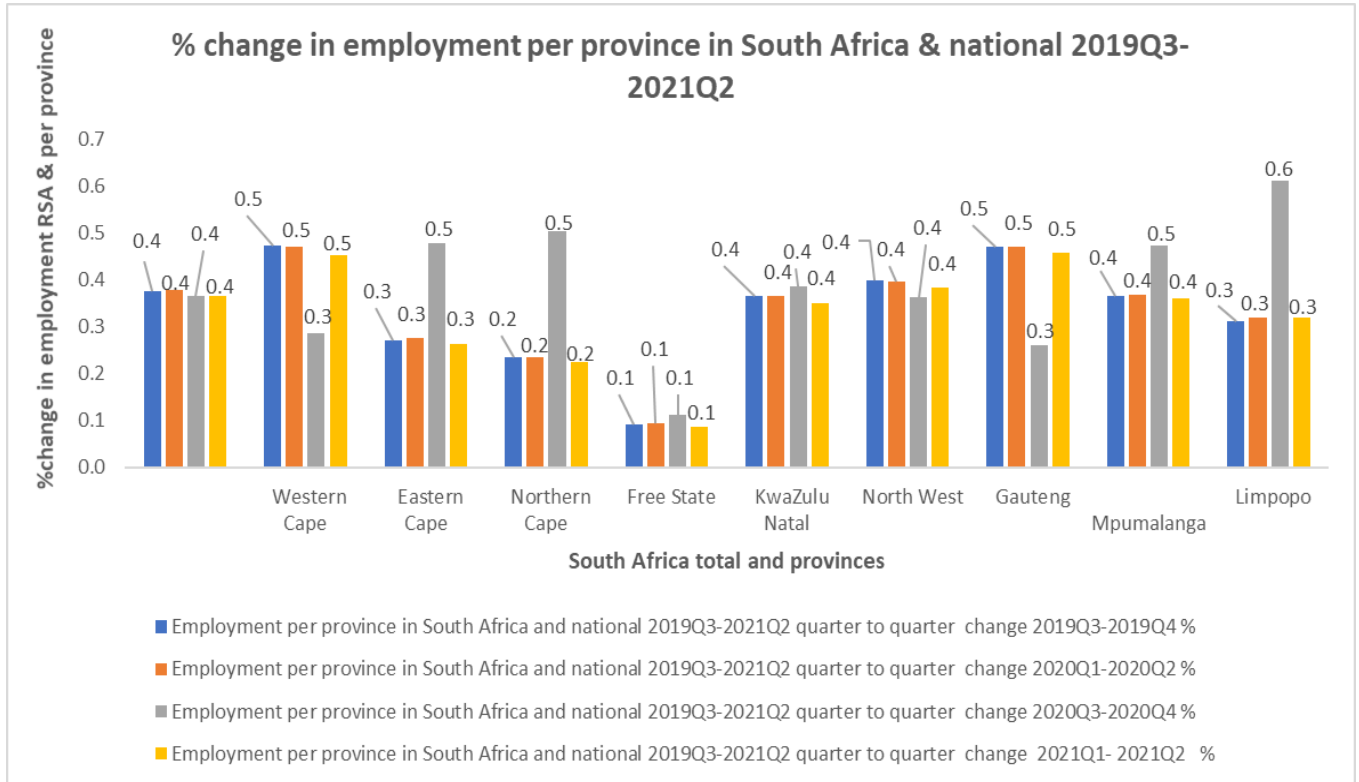


Figure 2.6: Percentage (%) change in employment per province

Source: Stats SA QLFS, 2021Q2

The top 4 provinces with the largest change in employment from 2019 quarter 3 to 2021 quarter 2 were Gauteng, Western Cape, Mpumalanga, Northwest and KwaZulu Natal (KZN) (Figure 2.6). During August 2021, most small businesses were in the Gauteng, KZN, Northwest, and Eastern Cape provinces (Seda, 2021).

2.9 USING ENTREPRENEURSHIP TO SOLVE JOBLESSNESS PROBLEM IN REMOTE AREAS

The lack of work-based methods in the university syllabus, lack of infrastructure, government policies of universities, lack of work-based methods, lack of infrastructure and government policies are some of the barriers to adequate entrepreneurship training and enhancing entrepreneurship levels in communities (Gamede and Uleanya, 2018). Entrepreneurship should be incorporated as a module in the education system and partnerships between universities and companies to facilitate work-based learning should be established (Gamede and Uleanya, 2018). Making entrepreneurship education mandatory in high school is vital for increasing the entrepreneurial activity in South Africa.

2.10 ENTREPRENEURSHIP AND JOB CREATION IN REMOTE AREAS

Knoll (2017) indicates that the focus of economic development in majority of developing countries in the world is urban centres, which causes overcrowding in large cities leading to few employment opportunities. People living in rural areas move from home towns to urban cities which are more developed in search for better economic means (Stats SA, 2021).

2.11 ENABLERS AND INHIBITORS OF ENTREPRENEURSHIP EDUCATION

The lack of infrastructure and technological hubs; infrastructure and technological hubs are required in the recent entrepreneurial practices (Murioz, Pablo, Pena & Salinero, 2016). This is true, because technology has become so fundamental in terms of doing business and making the processes of the delivery of products and services to the target market effective. Entrepreneurs need to be fully competent with the latest technologies for their businesses to survive.

The lack of experience and skills is a limiting factor to entrepreneurship in South Africa (Ntuli & Allopi, 2014; Gamede & Uleanya, 2018). This is true, because young people often lack work experience and business management skills to be able to successfully operate their own small businesses. The lack of entrepreneurial activity among South African youth has inhibited productivity that would have been beneficial to the economy (Gamede and Uleanya, 2018). Whenever there is high entrepreneurial activity, the GDP of a nation will increase, hence causing the standards of living of citizens to improve.

The remote areas are usually occupied by low-skilled persons because of skilled people migrating to the cities in search for better economic opportunities (Gamede and Uleanya, 2018). The previous statement holds true, because majority of skilled people leave their rural hometowns which are less developed in terms of economic infrastructure moving to cities to look for better employment opportunities. Dani and Shah (2016) recommend that people in rural areas be equipped with training to become self-employed (Gamede and Uleanya, 2018).

The nature of career guidance provided to youth regarding the field of entrepreneurship influences their career choices (Leibowitz and Bozalek, 2014) cited in (Gamede and Uleanya, 2018). This is true, because youth are usually not given enough advice regarding

the benefits of pursuing the entrepreneurship career, which include self-dependence and flexibility in terms of working schedule

Entrepreneurs need to stay motivated to remain resilient during hard times and succeed in their entrepreneurial journey. (Caurkubule and Rubanovskis, 2014) argue that policies designed for university learners can be utilised to motivate students to becoming successful entrepreneurs (Gamede and Uleanya, 2018). The lack of good mentorship programmes can contribute to the collapse of entrepreneurship (; Gamede and Uleanya, 2018).

Mentorship programmes help young entrepreneurs to gain skills from experts which teach them how to survive through challenges that come along during the entrepreneurship journey and business growth phases. Employers are encouraged to have budget for internships to recruit graduates who have entrepreneurial potential (Gamede and Uleanya, 2018). This is true, because recruiting fresh minds and creative youth will help improve performance organisations and equip young people with the working experience needed to successfully manage small businesses.

2.12 WAYS TO REDUCE JOBLESSNESS

Youth need encouragement to register at technical skills training colleges to gain practical expertise which include plumbing, arts, electrical engineering, catering and hospitality management, sewing, carpentry, fashion design, business management and to pursue entrepreneurship after completing schooling (Graham et al., 2016).

Jubane (2020) recommends that the Government should design investment programmes which will fund infrastructure development in the rural areas to help reduce the problem of rural to urban migration in search for employment opportunities (Graham et al., 2016).

2.13 A PLAN FOR PROMOTING YOUTH'S EMPLOYMENT

Employment opportunities attainment increases as people become more educated, especially after acquiring post-secondary qualifications Mayer et al (2011). The more educated a job applicant is, the higher the probability of being hired by the recruiters. Figure 2.7 shows unemployed persons by education status.

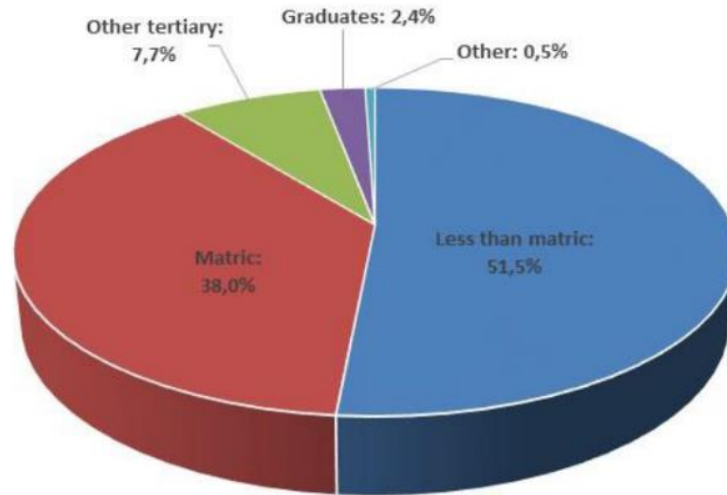


Figure 2.7: Percentage of unemployed people by education status

Source: Stats SA QLFS, 2021 Quarter 2

Figure 2,7 depicts that 51.55 of 7.8 million unemployed people in South Africa during 2021 quarter 2, were in possession of education qualifications below matric (Stats SA, 2021). This indicates that more than 50% of the unemployed persons in South Africa are high school dropouts. Of the 7.8 million unemployed people 38% had matric qualifications. Just 2.4% of the unemployed persons were graduates, whereas 7.7% of the unemployed people were in possession of other tertiary level education qualifications (Stats SA, 2021). Of the unemployed (7.8 million persons) 0.5% were in possession of other educational qualifications. The trend in the unemployed persons by education status data shown in Figure 2.7 indicates that the low levels of education among people is a cause of joblessness.

2.13.1 Review of current youth empowerment programmes

The purpose of reviewing youth empowerment interventions is to identify gaps and weaknesses in the programmes to design a strategy to solve the problems identified in the process (Mayer et al., 2011). According to Mayer et al (2011) the government programmes that are currently being used to integrate youth into the labour market include the following:

2.13.1.1 Formal education – formal education involves the process of learners attending physical classes to learn, complete assessment tasks and writing external examinations designed by the Department of Education. Formal education is offered at primary schools, secondary schools, and private education colleges.

2.13.1.2 Vocational training – vocational training involves both theoretical and practical classroom education and training of learners to equip them with technical skills which include plumbing, carpentry, garment sewing and design, engineering, construction, and many other artisan qualifications. After the completion of vocational education training, learners are awarded with a National Certificate that qualifies for employment or to seek funding to start their own small businesses.

2.13.1.3 Public employment and deployment programmes

1) Public employment programmes

The National Public Works Programme (NPWP) was established by the South African government in 1994 to assist unemployed youth to secure jobs to earn income to support their families (Mayer et al., 2011). Public finances have been allocated for unemployed people to be recruited through the NPWP to serve within government departments for a certain period and earning salaries.

2) Public deployment programmes

The National Youth Service programme (NYP) has been implemented in South Africa to assist unemployed youth to get employment to earn income for their livelihoods (Mayer et al., 2011). The National Youth Development Agency (NYDA) is the organisation responsible for the administration of the NYP, starting from 1996 (Mayer et al., 2011). The Umsobomvu Youth Fund was one of the youth programmes which was focused on the economic empowerment of the youth under the administration of the NYDA (Mayer et al., 2011).

3) Entrepreneurship programmes

The NYDA has been tasked with the assignment of awarding youth with grants and grooming them to become entrepreneurs (Mayer et al., 2011). Entrepreneurial education and training are important to equip youth with the expertise to become entrepreneurs after

completion of studies. It is therefore vital for the high school syllabus to comprise of entrepreneurship education and training to groom youth to become entrepreneurs.

The following section will propose solutions to gaps and weaknesses of the above youth empowerment programmes. Mayer et al (2011) suggest that from an international experience view, youth employment intervention programmes should include the following:

3.1) Job matching procedures. Job search assistance, updating youth on available job opportunities and candidate screening services for recruitment assistance. This means that empowerment programmes should be designed to equip youth with soft skills, knowledge of available job opportunities and recruitment. Most young people in South Africa come from poor families and rural areas, where they have had no access to technologies like smart phones and laptops to be able to familiarise themselves with job searching engines and hence secure jobs (Republic of South Africa Government Communication Systems, 2019).

3.2) Improve human capital by training and re-training people. This means that programmes should be designed to train people to empower them with skills. The main goal of these training programmes is to help reduce structural youth unemployment caused by the misalignment of expertise provided jobless youth and the expertise required by employers. Joblessness in South Africa is structural in nature, meaning that the skills supplied by youth do not match with skills needed by employers (Graham and De Lannoy, 2016).

3.3) Increasing opportunities for vocational training and rewrite opportunities. Dropouts affordable second chance education programmes should be implemented to assist youth who have fallen out of the high schooling system to attain secondary education qualifications. Youth in South Africa are lowly skilled because most of them have not been exposed to practical skills during their studies at high school level. The solution to the problem of low skills among youth in South Africa is to include practical skills training in the form of entrepreneurial education into the secondary education system curriculum to close that gap which exists between skilled and unskilled people in communities (Graham and De Lannoy, 2016).

3.4) Increase the demand by using enterprise development, self-employment, and public works. This means that programmes should be designed to encourage youth entrepreneurship and employment. The Government, educational institutions and private companies should partner to develop entrepreneurial education and training initiatives to help unemployed youths to gain practical skills to be able to start their small businesses.

3.5) Using employment subsidies. Motivate employers to absorb jobless youth (National Treasury, 2011). An example of this is the Employee Tax Incentive scheme that was introduced by the National Treasury in 2011 to help jobless low skilled youth to be hired by private and public companies through learnerships and internship programmes to get trained to acquire working experience.

The root cause of youth joblessness in South Africa is the low quality of education youth are being exposed to, which grooms employment seekers instead of employment creators or entrepreneurs. The South African education system curriculum should be restructured at secondary level to include modules like computer coding, entrepreneurship education and training, bookkeeping, business planning, project management, and other practical skills.

2.13.2 Low quality education in South Africa resulting in a poverty trap

Matric results just mirror the representation of a large portion of the students who began schooling 12 years prior, on the grounds that half of the absolute students selected from grade 1 drops out prior to arriving at matric level, fundamentally in grades 10 and 11. Therefore, it is imperative for the quality of the high school syllabus to be enhanced to groom high performing learners who will excel at Tertiary education level, and secure jobs (Spaull, 2015).

2.13.3 The reasons why learners drop out from high school

As indicated by Martin Gustafsson, South African students exit high school, in view of the absence of money, looking for work, low performance, female pregnancy, and the bad quality of foundational grade 1 to 9 education (Spaull, 2015). This is valid because most individuals who are jobless in South Africa, as per Stats SA Quarterly Labour Force Survey for 2021 quarter 2, have not obtained a matric qualification (Stats SA, 2021). This shows that students do not have the fundamental literacy and numeracy to prevail at the high

school level.

2.13.4 The connection between the schooling system and the labour market

After more than 20 years of national independence, majority of African children continue to receive low quality education which keeps them at a lower-class level where there is poverty and unemployment (Spaull, 2015). The low standard of schooling syllabus is exacerbated by gaps in terms of income distribution in communities which results in a situation where children inherit the social position of their parents despite being motivated to succeed. Therefore, the low standard of schooling syllabus creates a poverty trap from which people fail to escape (Spaull, 2015).

The previous statement is true, because a good quality education prepares learners for the workplace, through equipping them with skills which include numeracy, basic accounting, confidence, good English literacy, computer skills and other soft skills. Most public schools in South Africa lack textbooks, computers, and highly qualified teachers, which are the necessary resources for empowering learners to succeed in their studies and penetrate the labour market (Equal Education, 2013).

2.13.5 Policy options to improve the standard of education

2.13.5.1 Implement a nationwide reading campaign

The implementation of a nationwide reading campaign at all public schools will help learners to acquire literacy and numeracy skills (Spaull, 2015). This holds true, because most learners in South Africa fail to pass secondary schooling because of a lack of foundation numeracy and literacy skills.

All public schools should be fully equipped with books for learners to have free access to reading resources (Equal Education, 2013). Children should be motivated by parents and teachers to read books on literacy and numeracy to help them to become literate starting from foundation phase grades one to three. If young people can read, it will be easy for them to secure jobs and succeed in managing their small businesses if they choose to become entrepreneurs after completing studies (Equal Education, 2013).

2.13.5.2 Improve teachers' capacity and teaching skills

Programmes which involve teacher workshops and training to empower teachers with the relevant skills should be designed and implemented by the government through the Department of Education and training (Spaull, 2015). South African teachers must be fully equipped to improve their skills, which will enhance learners' performance. Teachers act as mentors and coaches that instil skills in youths preparing them for their future.

2.13.5.3 Lower the number of high schools drop-outs and youth pregnancy

Young mothers at secondary school level need to be accommodated to help them to complete their studies for the benefit of both the mother and child (Spaull, 2015). Teenage pregnant mothers need to be included in the secondary schooling system and assisted to complete their studies up to grade 12. This will help reduce the level of teenage mother dropout rates from secondary school (Spaull, 2015).

2.14 CRITICISM OF LITERATURE

2.14.1 Advantages and disadvantages of entrepreneurship

2.14.1.1 Advantages

Fineloans (2018) indicates that the advantages of entrepreneurship include better salary, flexibility, quick decision-making, more control, and job creation (Fineloans, 2018). Connectus (2019) on the other hand argues that the advantages of entrepreneurship include opportunity for growth of the entrepreneur, independence, opportunities to explore, an opportunity for the entrepreneur to earn based on their potential and the entrepreneur must get involved in the community to improve the wellbeing of people (Connectus, 2019).

2.14.1.2 Disadvantages

Connectus (2019) indicates that the disadvantages of entrepreneurship include no guaranteed income for the entrepreneur, no fixed working hours, therefore the entrepreneur works long hours to get more money, the entrepreneur carries all business management responsibilities alone (Connectus, 2019). Fineloans (2018) argues that the disadvantages of entrepreneurship include missing out on the benefit of guaranteed work pay, long working hours to maximize revenue, stress of carrying all business

responsibilities alone, risk of losing investment, time sacrificed by the entrepreneur to succeed (Fineloans, 2018).

2.15 SEVEN SUCCESSFUL ENTREPRENEURS WHO STARTED WITH NOTHING

2.15.1 Marnus Broodryk

Marnus Broodryk, the owner of Beancounter accounting company, holds a degree in Accounting that he obtained at UNISA while working for an auditing company and completing his articles (Phillpott, 2018). Marnus learnt discipline and endured suffering for a short time while studying late at night after coming home from work at the auditing company where he was doing his articles, while his friends enjoyed partying until 10 pm (Moltke-Todd, 2017). Marnus became a member of the auditing team that led a large Afrimat audit as part of the team's negotiation bid on the Johannesburg Stock Exchange (Phillpott, 2018).

After Marnus realised that his dream was to start an accounting company to assist small businesses to grow and succeed, he then moved from Harrismith to Johannesburg to establish the Beancounter in 2009, when he had turned 25 years old (Phillpott, 2018). Marnus Broodryk started his accounting company with only R37 000 in his bank account (Moltke-Todd, 2017). Marnus kept his costs low and invested money back into his company, buying property and company shares (Moltke-Todd, 2017).

2.15.2 Sisa Ngubelana

Sisa Ngebulana is the owner and Chief Executive Officer of Billion Group and Rebasis Property Fund, South Africa's first black-owned property fund registered on the Johannesburg Stock Exchange (Albertyn, 2019). Sisa Ngebulana is an award winner who won the African Business Excellence award in 2014 (Billion Group, 2015).

Sisa Ngebulana has contributed to Mthatha's economic development in the Eastern Cape province by building a city he named after his grandfather (Sobuwa, 2018). Sisa Ngebulana has developed Baywest mall, the biggest mall located in the Eastern Cape (Sobuwa, 2018). Sisa Ngebulana's malls created 25 340 jobs between 2002 and 2015, making him to be the largest investor and largest job creator (Sobuwa, 2018).

2.15.3 Priven Reddy

Priven Reddy's father taught him the value of working hard from the time he was a young boy (Albertyn, 2019). Priven and his 4 siblings would compete in entrepreneurial games (Albertyn, 2019). Priven Reddy has built a superspeed aeroplane in Dower to speed-up transportation of goods (Siliconindia, 2021).

2.15.4 Tim Hogins

Tim Hogins promised himself that he would one day build recreational parks that anyone would visit, mainly underprivileged children like himself (The Young Achievers, 2020). After completing Matric in 1996, Tim Hogins worked as a security officer at a company's top industrial areas (The Young Achievers, 2020). Tim studied a computer programming course which empowered him with the expertise he is using in the financial services industry (Albertyn, 2019).

Tim has worked as an Information Technology specialist in top performing companies (The Young Achievers, 2020). Tim Hogins established his company Green Outdoor Gyms during 2012 which is successful earning millions of revenues in the first year of inception (The Young Achievers, 2020).

2.15.5 Max Lichaba

Max Lichaba is the owner of a Jewellery production company and local companies (Albertyn, 2019). Max was brought up by his family in Virginia, Welkom who struggled financially to provide the basics of life for Max and his siblings (Buzz South Africa, 2021). Max Lichaba studied in a school for the underprivileged children because his family could not afford to pay his school fees (Buzz South Africa, 2021). Max further studied at Harmony Gold Jewellery school which was established by the local gold mining company to upskill community members (Buzz South Africa, 2021). After completing his studies at the mining school, Max Lichaba worked in the mining sector, and he now owns 4 companies (Albertyn, 2019).

2.15.6 Bertus Albertse

Bertus Albertse realised that he could create his own success through discipline and remaining focused on the things he had control over like his school marks and training

(Albertyn, 2019). Bertus observed the degree of perseverance his mother exercised in her daily life which influenced his perception of work (Albertyn, 2019). Bertus Albertse launched an R80 million franchising company named Body20 Global, a fitness company, in 2013 (Von Moltke-Todd, 2018).

Bertus was driven, he got good marks in his studies, captained the sports team he played in, and would train on Friday nights while other youth were partying (Von Moltke-Todd, 2018). Today Albertse owns more than 50 Body20 studios across South Africa (Body20, 2022). Body20 has international branches allowing global entrepreneurs to capitalise on the growing success of the Body20 brand (Body20, 2022).

2.15.7 Sibongile Manganyi-Rath

Sibongile Manganyi-Rath's exposure to working in her deceased father's small business taught her fundamentals that assisted her to build a successful company (Albertyn, 2019). Sibongile Manganyi-Rath gained customer service training at age 12 years while managing one of her father's fruits and vegetables business at a train station (Albertyn, 2019). Sibongile resigned from her corporate job at the age of 26 years to establish her own company Kulani Group which grew from being a small architectural company with only 2 employees into an award-winning infrastructure development management company (Manganyi-Rath, 2017).

After pursuing her passion of entrepreneurship, Sibongile Manganyi-Rath's business has grown to include Indigo Kulani Group (Albertyn, 2019). Sibongile has been invited to present business speeches, including some universities inviting her to present lectures on the fundamental principles of starting and sustaining a business (Manganyi-Rath, 2017).

2.16 CONCLUSION

Entrepreneurship is vital for the economic inclusion of youth in South Africa, hence the inclusion of entrepreneurial education and training in the high schools, tertiary institutions and technical colleges syllabus will assist youth relevant skills. Cultural entrepreneurship which entails people utilising their natural talents and creative skills to run small businesses is essential for reducing youth unemployment.

Another method that can be used to build an entrepreneurial culture among young people involves encouraging youth to apply and study at vocational education training institutions to acquire practical skills to become self-employed. From the literature, entrepreneurship proves to be an effective tool of fighting joblessness and poverty through empowering jobless people in nations. Building an entrepreneurial culture or a society where entrepreneurship becomes a major career path among citizens of nations will take a joint effort among government, the private sector, educational institutions, and community members.

Transformation of the education syllabus, especially in many African countries where post-secondary education has been theoretical in nature, will involve the incorporation of practical skills and entrepreneurial education into the curriculum to help learners to become self-employed after completing studies. The lessons learnt from the seven successful entrepreneurs in South Africa who started with nothing is that hard work pays in the long-term, even if you come from a poor family. Whenever you have a dream, you work hard starting with the little you have and staying focused on achieving your dream (vision), one day you will succeed.

3. RESEARCH METHODOLOGY

3.1 INTRODUCTION

This segment of the report will discuss the nature of the data which will be used, the sources of the data, the frequency of the data, data preparation and cleaning process, the methods of data analysis and discussion of each variable used in the econometric regression model. The researcher used secondary data in the study. Secondary data is data which has already been collected and prepared for research purposes. The frequency of the data is quarterly data starting from 2010 quarter 1 and ending in 2019 quarter 4. Tables and graphs will be created by the researcher to illustrate the trends in the data to support the economic theory of this study.

3.2 METHODOLOGICAL APPROACH

The researcher applied the quantitative research method with a statistical model to conduct data analysis. Secondary data was obtained from public databases in format of time series data. A statistical model (equation) was employed on the data using EViews 8 statistical modelling software to determine the degree influence of each regressor on the regressand employment in arts and culture.

3.3 NATURE OF THE DATA

The dependent variable in the econometric regression model (equation) is Employment in Arts and Culture. The selected independent variables are Gross Domestic Product (GDP), Youth unemployment (YUP) and Tourists arrivals (Tourists). Quarterly time series data was retrieved from public databases.

3.4 DATA PREPARATION AND CLEANING PROCESS

Secondary time series data was sourced by the researcher from public databases. The time series data was cleaned in Microsoft Excel and then imported into EViews 8 econometric regression software for analysis.

3.5 REGRESSION EQUATION:

$$EmpArt \sim 1 + GDP_t + YUP_t + Tourists_t$$

Where Employment in Arts and Culture (EmpArt) is the dependent variable (regressand). The subscript t in the statistical model represents time series.

The selected independent variables (regressors) for the econometric regression model are the following:

1. Gross Domestic Product (GDP).
2. Youth unemployment (YUP).
3. Tourists or Tourism.

3.6 EXPECTATIONS FROM THE RESEARCH METHODS USED

The aim of the researcher in this research methods procedure was to measure the degree of influence that each regressor has on the regressand employment in arts and culture to support the economic theory which indicates that building a culture of entrepreneurship through investing in entrepreneurial education and training works to create employment in Arts and culture industries. The research aims to prove the existence of a statistical connection between Employment in Arts and Culture and the regressors Gross Domestic Product, Youth unemployment and Tourist arrivals. This research is conducted to motivate the support of and development of small businesses within the cultural industries for the benefit of youth.

3.7 EXPLANATION OF EACH VARIABLE USED IN THE ECONOMETRIC REGRESSION MODEL

3.7.1 EMPLOYMENT IN ARTS AND CULTURE (EMPART) THE DEPENDENT VARIABLE

The Employment in Arts and Culture variable data frequency is quarterly time series data starting from 2010 quarter 1 to 2019 quarter 4. The variable Employment in Arts and Culture was selected to be the dependent variable (regressand) because when GDP is high enough companies can be able to create jobs for youth.

3.7.2 OVERALL NATIONAL PRODUCTION OUTPUT (GDP)

The overall national production output variable which represents national economic output is quarterly times series data starting from 2010 first quarter to 2019 fourth quarter. In South Africa the GDP has failed to grow high enough to create enough employment opportunities for the youth who are mostly lowly skilled.

3.7.3 YOUTH UNEMPLOYMENT (YUP)

The YUP variable data frequency starts from 2010 first quarter to 2019 fourth quarter. The variable YUP was selected to be an independent variable (regressor) in the regression because the aim of this research is to reduce youth unemployment.

3.7.4 TOURISTS OR TOURISM

The Tourists or Tourism variable data frequency starts from 2010 first quarter to 2019 fourth quarter. The variable Tourists arrivals was chosen to be an independent variable in the regression because the Tourism industry has a large potential to create employment and self-employment for youth especially in hotels, restaurants, lodges, arts performance, entertainment, and game reserves. South Africa is endowed with beautiful nature reserves and wildlife which attracts many international tourists to visit the country. The South African Tourism industry has a large potential to generate employment and self-employment for cultural entrepreneurs, because Tourists love entertainment through drama and music and buy cultural artefacts during their visits to heritage sites. This creates employment and self-employment for youth in the cultural industries, therefore reducing unemployment.

3.8 CONCLUSION

This segment of the research aims to examine if the results of the statistical regression model and the trends in the data analysis agree with the economic theory. The following question will be answered by the results of the economic regression: Does the selected independent variables have an influence in the Employment in Arts and Culture?

Joblessness is one of the root causes of poverty and crime worldwide, affecting mainly youth who have little or no training to get jobs. When the economy is stimulated through demand-side policies (expansionary fiscal and monetary policies) and supply-side policies (entrepreneurship education and training, income subsidies, internships, and human capital development in the form of skills training), thus unemployment will decline resulting in the improvement of the standards of living of people. Government should invest money in programmes to empower the Tourism industry to boost cultural entrepreneurs, generate jobs for youth and reduce unemployment.

4. RESULTS AND FINDINGS DISCUSSION

4.1 INTRODUCTION

This segment of the dissertation will discuss the results and findings after the data analysis process. Time series data was collected from public databases. The reason for this segment is to support the economic theory. Summary tables, graphs and an econometric regression model will be constructed in this chapter as part of data analysis.

4.2 ECONOMETRIC REGRESSION MODEL

This segment will discuss the outcome of the statistical model conducted in the research. Figure 4.1 shows the statistical or linear regression.

Linear regression model:

$$EmpArt \sim 1 + GDP_t + YUP_t + Tourists_t$$

Estimated Coefficients:

Variable	Estimate	SE	t-Stat	p-Value
(Intercept)	-5.6348e+06	4.3609e+05	-12.921	2.6637e-12
GDP	2.5711	0.16641	15.451	5.6864e-14
YUP	17607	4165.4	4.2271	0.00029644
Tourists	0.38343	0.14332	2.6754	0.013231

Number of observations: 28, Error degrees of freedom: 24

Root Mean Squared Error: 4.38e+04

R-squared: 0.952, **Adjusted R-Squared: 0.946**

F-statistic vs. constant model: 159, p-value = 5.66e-16

Figure 4.1: Econometric regression model

Source: Researcher's own design

4.3 INTERPRETATION OF RESULTS:

The results in the above regression model show that all 3 independent (explanatory) variables namely, Gross Domestic Product (GDP), Youth unemployment (YUP) and Tourists are statistically significant with t-statistics of 15.45, 4.22 and 2.68 respectively which are all above 2. The probability values for GDP, YUP and Tourists are $5.6864e^{-14}$, 0.00029644 and 0.013231 respectively, which are all below 0.05 significance level, indicating the statistical significance of these 3 explanatory variables. GDP, YUP and Tourists or Tourist arrivals have higher explanatory power in terms of the degree of their influence on Employment in Arts and culture (EmpArt) the dependent variable.

The adjusted R-squared of the econometric regression model is 0.946 indicating that 95% of the variation in the dependent variable (Employment in Arts or EmpArt) is explained by GDP, YUP and Tourists, while only 5% of variation is explained by unknown explanatory variables that have been captured in the error term or residuals. The high adjusted R-squared indicates that the econometric regression model is fit to be utilised for statistical inference. The probability of the F-statistic is $5.66e^{-16}$, which is less than 0.05 significance level, indicating that the econometric regression model is overall statistically significant.

4.4 REGRESSION MODEL CORRELATION MATRIX

A correlation value indicates the strength of the relationship between two factors in the statistical model, and ranges between -1 (high negative perfect correlation) to 1 (high positive perfect correlation). There is a positive relationship between Employment in Arts and Youth unemployment because youth do not possess the skills needed to penetrate the cultural industries. The solution is to educate and train youth to equip them with cultural entrepreneurship skills to enable them to gain entrance into the Arts and culture sector through formal employment and entrepreneurship.

Employment in the Art market is positively influenced by 3 key factors: Economic Output (GDP), Tourism and Youth Unemployment.

YUP is Youth Unemployment, EmpArt is the employment in art and culture. Tourists is Tourism, GDP is economic output. This is important for 3 reasons which include the following:

1) As youth cannot find work, they are absorbed into the cultural industry. Youth will move into the cultural industry through internship programmes, government investment programmes that fund unemployed youth with talents in the creative arts industry to start small businesses and government funded entrepreneurship programmes focused on grooming cultural youth entrepreneurs.

2) The economic output is also important; output may be limited to certain sectors which triggers opportunities in the cultural sector. This is because tourists involve entertainment in the form of drama, cultural music, cultural artefacts like traditional paintings, sculptures, historical materials that represent the diverse cultures of indigenous people which Tourists visit the country to learn about.

3) Tourism creates jobs in the cultural sector. This is because Tourists visit in large numbers to view the nature and animals in South Africa which creates a demand for hospitality services in the form of hotels, lodges, guest houses, heritage sites, beach visits, game reserves, restaurants, and many other related services. In this case, mass employment is created by the tourism industry to serve international tourists.

Figure 4.2 shows the correlation among the variables in the regression model. The red colours indicate the statistically significant variables. Youth Unemployment is not correlated to GDP or even Tourism, but it is correlated to Employment in the Art market.

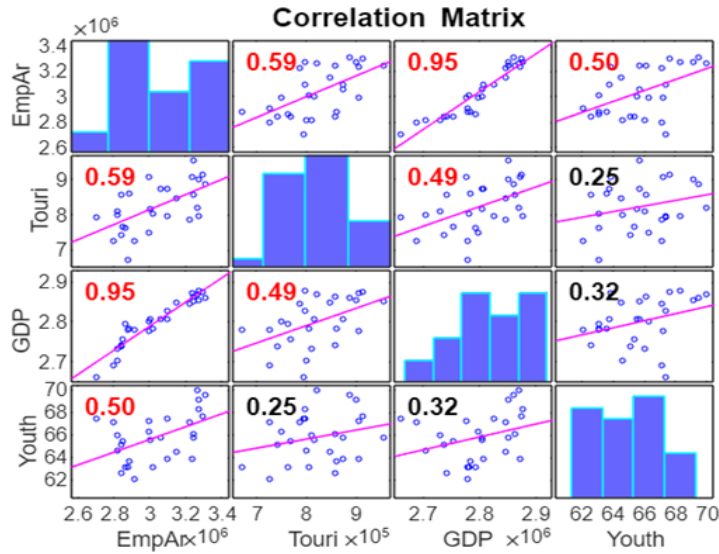


Figure 4.2: Correlation Matrix
Source: Researcher's own design

Variables are independent of each other using Anova test as seen below in Table 4.1.

Table 4.1: Anova test

	SumSq	DF	MeanSq	F	p-Value
1 GDP	4.5710e+11	1	4.5710e+11	238.7313	0
2 YUP	3.4212e+10	1	3.4212e+10	17.8680	0.0003
3 Tourists	1.3705e+10	1	1.3705e+10	7.1578	0.0132
4 Error	4.5953e+10	24	1.9147e+09	1	0.5000

Source: Researcher's own design

All data is stationary using KPSS test. Ljung Box test for the absence of serial autocorrelation. The Durbin Watson (DW) statistic is a test for autocorrelation, showing positive autocorrelation (Eviews Help, 2020). After detecting autocorrelation in the data, then the first thing the researcher should do is to try to find whether it is pure. If it is pure, then one can transform it into the original model that is free from pure autocorrelation.

Autocorrelation is a characteristic of data in which the correlation between the values of the same variables is based on related objects. It violates the assumption of instance independence, which underlies most of the conventional models. It generally exists in those types of datasets in which the data, instead of being randomly selected, is from the same source.

The most common form of autocorrelation is first-order serial correlation, which can either be positive or negative.

- Positive serial correlation is where a positive error in one period carries over into a positive error for the following period.
- Negative serial correlation is where a negative error in one period carries over into a negative error for the following period.

The graph below (Figure 4.3) shows that residuals of the regression model in Figure 4.3 are normally distributed.

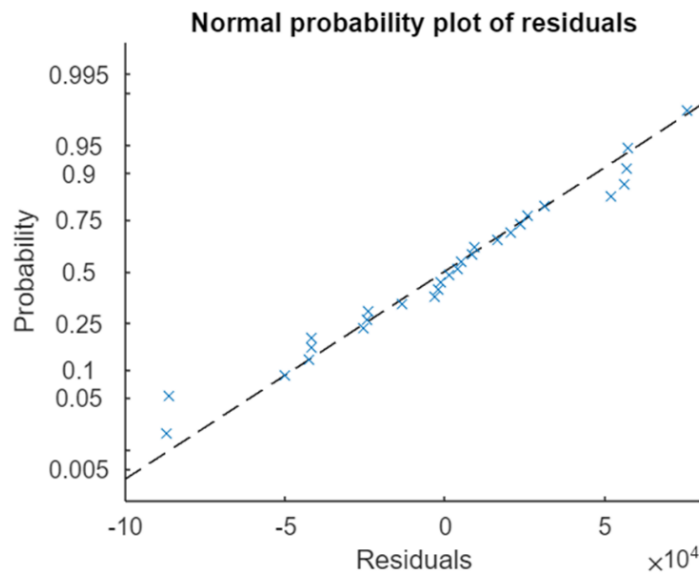


Figure 4.3: Normal probability plot of residuals

Source: Researcher's own design

4.5 CONCLUSION

The analysis of the relationship between youth unemployment and GDP showed that there is a negative relationship between the changes in the two variables during the period Q1 2008 through Q3 2019. The problem is that the GDP is not growing high enough to be able to generate enough jobs to reduce youth unemployment in South Africa.

The employment by industry analysis results for the period 2014 quarter 1 to 2021 quarter 2 showed that the industries which experienced a rise in employment levels in South Africa include the Trade, Transport, and other services. Majority of industries excluding the previously mentioned experienced a decline in employment levels. One of the reasons for the decline in employment levels is the economic crisis caused by the COVID-19 lockdown restrictions which affected economic activity, the demand for labour, and supply value chains.

The results of the econometric regression revealed that the variables GDP, Youth unemployment and Tourists are statistically significant in explaining the variability or changes in the dependent variable Employment in Arts and culture. The results of the correlation matrix show that there is high negative correlation between the variables GDP and Employment in Arts and culture (0.95) which is close to 1 (represents a positive high perfect correlation among factors). There is moderate positive correlation between Tourists and Employment in Arts (0.59) because it is just above 0.5 which represents moderate correlation in the model. This indicates that there is a need for government and the private sector to invest money into the Tourism and Cultural industries to stimulate employment creation to help jobless youth.

5. CONCLUSION AND RECOMMENDATIONS

This segment will discuss the conclusion and recommendations of the research. The methodology which is proposed by the researcher in this study involves the inclusion of Cultural entrepreneurial education and training into the South African education system curriculum at high schools, technical colleges, and universities to help to groom youth cultural entrepreneurs and investing money in cultural industries to create employment in Arts. This will create more youth entrepreneurs, mainly in cultural industries, hence reducing youth unemployment. For the youth who have dropped out of school, development programmes funded by the state and private companies should be designed and implemented to empower jobless youth with cultural entrepreneurship expertise.

The literature discussed in this research established that youth joblessness is caused by many factors which include the following:

1) Political factors: These factors include Town planning strategies by the Apartheid government which excluded non-white racial groups from benefiting from economic opportunities. This caused the fathers and mothers of the current youth to become poor because of the exclusion from operating small businesses and participating in other economic opportunities. The current youth have inherited the effects of the deliberate exclusion of their parents from participating in economic opportunities.

2) Economic factors: These factors include slow economic growth of the South African economy, causing an inability to generate viable job opportunities. The economic recession and the COVID-19 lockdown restrictions have negatively impacted companies and the small business sector, causing job losses in many labour-intensive industries. This has caused joblessness in South Africa to rise, mainly among the youth who are lowly skilled.

3) Social factors: include the behaviours of people in society and their decisions which affect their lifestyles. A major social factor that has caused most South African citizens to remain out of the labour market for a long include pride and self-value (Khumalo, 2021). Most people do not want to accept low paying job opportunities which might be an opportunity to gain working experience for future employment opportunities or business opportunities.

4) Technological factors: These factors include advanced technology which has been introduced into most industries causing low skilled jobs to be replaced by self-service vending machines and drones. Robotics, Artificial Intelligence, and drones have been introduced in industries like Construction, Banking and Mining to speed-up the production processes. People should be trained to operate this new technology to help preserve labour.

5) Legal factors: These factors include the inflexibility of the job market and the power of labour unions to influence the industry wages. This causes employers to fail in recruiting fresh and young minds who have little working experience into the labour market. There is a need for the development of policies that will accommodate lowly skilled youth to help them enter the labour market to gain working experience.

To address the previously mentioned causes of youth joblessness, targeted microeconomic and macroeconomic policies need to be implemented. The examples of microeconomic policies include entrepreneurship and public-private sector partnership programmes to help absorb youth into the labour market, internships, learnerships, apprenticeships, graduate programmes, and many other initiatives.

The macroeconomic policies which can be used to alleviate youth joblessness include expansionary monetary policy; reducing interest rates to increase money supply and encourage consumer spending and expansionary fiscal policy; reducing taxes like Value-Added Tax and increasing government spending on public infrastructure like roads, affordable business premises for small businesses, and infrastructure investments to stimulate production capacity.

Investment in cultural entrepreneurial education and training is vital to stimulate employment in the cultural industries will help unemployed youth to get employment or to start their own small businesses. It is imperative for the private sector, community leaders, political leaders, and educational institutions to partner to ensure that entrepreneurial education and training is promoted in schools and communities to empower unemployed youth. Parents, guardians, schoolteachers, lecturers, career coaches, and community leaders need to encourage youths to pursue the career path of entrepreneurship.

The output of the statistical model in Chapter Four indicated that the independent factors

namely GDP, Youth unemployment and Tourists or Tourism are statistically significant in explaining the variability in the dependent variable Employment in Arts and culture. The researcher, therefore, recommends that economic policies targeted to the inclusion of cultural entrepreneurship into the syllabus of high schools, technical colleges, business colleges and universities to empower youth with cultural entrepreneurship expertise. The following segment will discuss the conclusions of each chapter of this study.

5.1 FINDINGS CONCLUSION

The aim of this research is to develop small businesses in the cultural industries to reduce youth joblessness. The study fulfils the research objectives indicated in chapter 1.

- 1. To indicate how cultural entrepreneurship will help to alleviate poverty, inequality and create employment in the Arts and culture industries in South Africa.**

Cultural entrepreneurship is an essential tool for the creation of employment and self-employment of youth in South Africa, which will assist to reduce poverty, inequality, and unemployment.

- 2. To show the impact of cultural entrepreneurship on alleviating poverty, inequality, and unemployment.**

The results shown in table 2.2 indicate that youth aged 25-34 accounted for the second-highest percentage in terms of small business establishment in South Africa. This shows that entrepreneurship among the youth is increasing. Therefore, the introduction of more initiatives to instil a culture of entrepreneurship among youth and stimulate small businesses in the cultural industries will increase youth self-employment.

In Chapter 1, seven types of entrepreneurship were discussed in this research study namely, Intrapreneurship (entrepreneurship of employees within a large organisation), Technopreneurship (entrepreneurship which uses technology to generate goods and services), Cultural entrepreneurship (entrepreneurship based on utilizing natural talents like art, music, drama, crafts workmanship, sculpture making, fashion design and many others to produce goods and services for the market place), International entrepreneurship (when a firm has operations all over the world), Ecopreneurship (this is

also known as green entrepreneurship, that is environmental entrepreneurship which aims to boost natural resources), Social entrepreneurship (entrepreneurship for the purpose of solving community challenges for example to tackle poverty through the provision of financial inclusion to people to improve their standards of living), and Agripreneurship (this is entrepreneurship specializing in agricultural produce and management).

5.2 FINDINGS CONCLUSION

In Chapter 2, this research study discussed the barriers faced by youth when establishing small businesses which include the following:

- 1. Social attitudes:** youth being stereotyped by family members and community members for pursuing the entrepreneurship career because no family member has never been an entrepreneur.
- 2. Education and training programmes:** fail to empower youth for small business ownership.
- 3. Lack of work experience:** the school and college curriculum does not empower youth with practical training needed by employers.
- 4. Lack of finances:** youth are not given small business finance because creditors do not trust them to be able to pay back loans due to them not having assets to use as loan collateral.
- 5. Lack of networks:** youth do not have access to mentors who will coach them through the entrepreneurship journey to succeed.

The constraints to youth economic upliftment include low GDP and job growth, high inequality and low levels of economic activity, small business establishment rate of youth, high rates of youth joblessness, and lack of managerial and entrepreneurial skills.

The research study also discussed the advantages and disadvantages of entrepreneurship in the criticism of literature segment to highlight the necessity and relevance of the entrepreneurship career in terms of reducing youth joblessness. Lastly, this research highlighted the seven successful entrepreneurs in South Africa who started with nothing to teach youth about the benefits of the entrepreneurship career when pursued with diligence, passion, perseverance, patience, dedication, and focus.

5.3 FINDINGS CONCLUSION

In Chapter 3, the research discussed the methodological approach taken by the researcher to conduct this research which involved a quantitative research method with a statistical model used for data analysis. Secondary time series data was collected from public databases. The frequency of the time series data spanned from 2010 quarter 1 to 2019 quarter 4. The data was cleaned and prepared in Microsoft Excel and then imported into EViews 8 for econometric regression analysis. The econometric regression equation is $EmpArt \sim 1 + GDP_t + YUP_t + Tourists_t$, where *EmpArt* is employment in Arts and Culture, *GDP* is Gross Domestic Product, *YUP* is youth unemployment, and *Tourists*.

Each variable was discussed starting with the dependent variable 'Employment in Arts and Culture', followed by the independent variables namely, *GDP*, *YUP* and *Tourists*. Lastly the researcher concluded by giving policy recommendations which include demand-side policies (expansionary fiscal policy like tax rates cut and expansionary monetary policy like interest rates cut) and supply-side policies (entrepreneurship, education and training, income subsidies, internships, and human capital development in the form of skills training). Lastly, the Government should invest money in programmes to empower the tourism industry which will help to create jobs for youth in the cultural industries, thereby reducing unemployment.

5.4 FINDINGS CONCLUSION

In Chapter 4 the results and findings from the statistical model were discussed. The output of the statistical model in Figure 4.2 shows that *GDP*, *Youth unemployment*, and *Tourists arrivals* are statistically significant.

The R-squared of the statistical model and the Adjusted R-squared are very high which means that the highest proportion of variation in the dependent variable *Employment in Arts and culture* is explained by *GDP*, *YUP*, and *Tourists*, while a small proportion of the variation in the dependent variable is explained unknown variables.

5.5 CONCLUSION AND RECOMMENDATIONS

In summary, the research recommends the design and piloting of a youth entrepreneurship policy in South Africa. Another strategy involves inclusion of entrepreneurship education and training in the high school curriculum starting from Grade 9 until high school level at colleges and universities.

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ANNEXURES

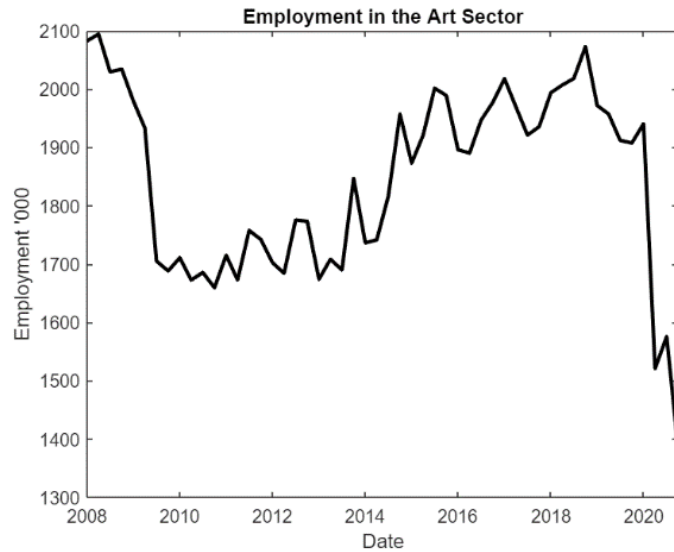


Figure A1: Jobs in the Art and Cultural Sector

Source: Quantec, 2020

Figure A1 above shows that Employment in the Art sector has dropped from 2 090 000 people during 2008 to 1 370 000 people during 2020 (Quantec, 2020).

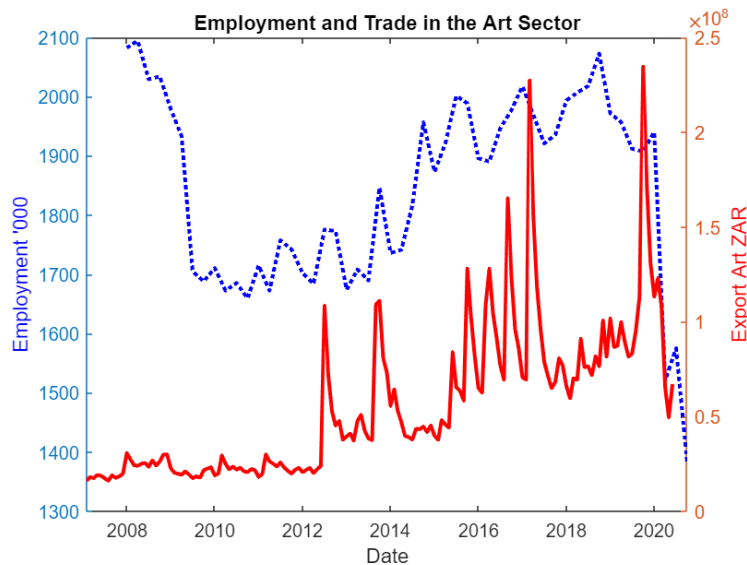


Figure A2: Employment and trade in the Art Sector

Source: Quantec, 2020

Figure A2 above shows that Employment in the Art sector (blue coloured dotted line graph)

is positively related to Trade (Export of Art) in the Arts sector (Quantec, 2020). Trade in the Arts sector increased from ZAR20 million during 2008 to ZAR60 million during 2020 (Quantec, 2020).

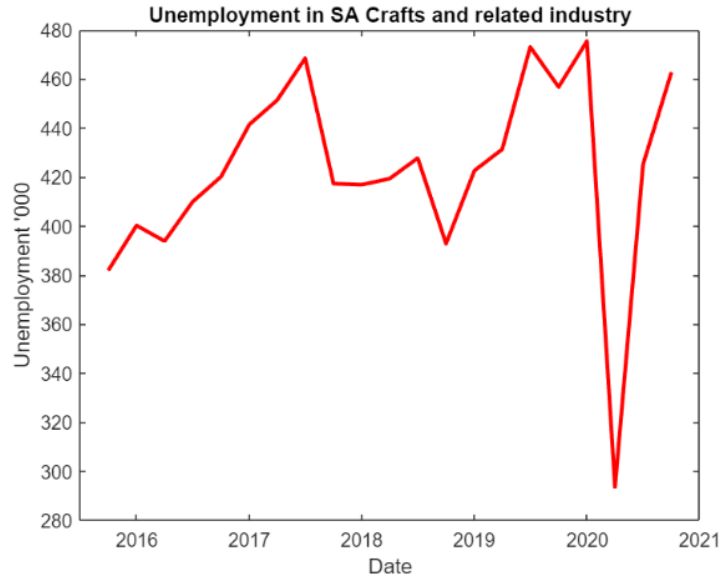


Figure A3: Unemployment in the Arts and Cultural sector of SA

Source: Quantec, 2021

Figure A3 above shows that Unemployment in South Africa's Crafts and related industries increased from 381 0000 people during 2016 to 461 000 people during 2021 (Quantec, 2021).

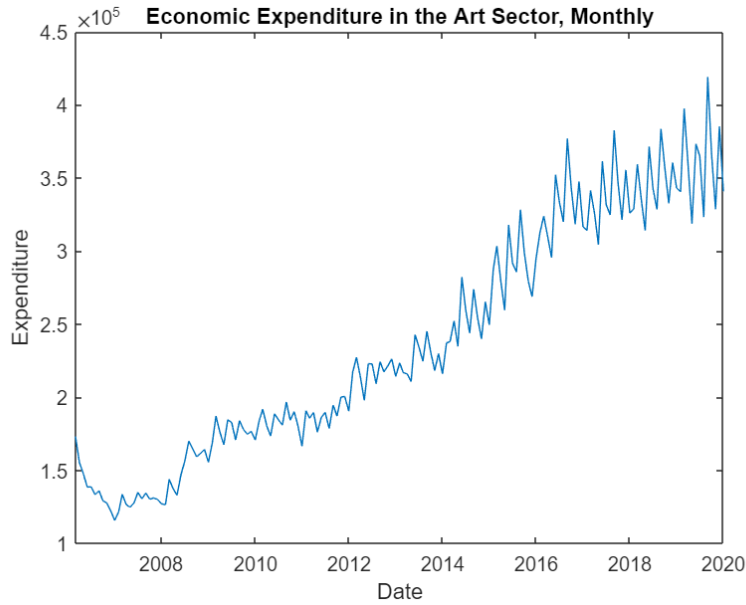


Figure A4: Economic Expenditure in the Art Sector, Monthly

Source: Quantec, 2020

Figure A4 above shows that monthly Expenditure in the Art sector increased from ZAR170 000 during 2006 to ZAR380 000 during 2020 (Quantec, 2020).

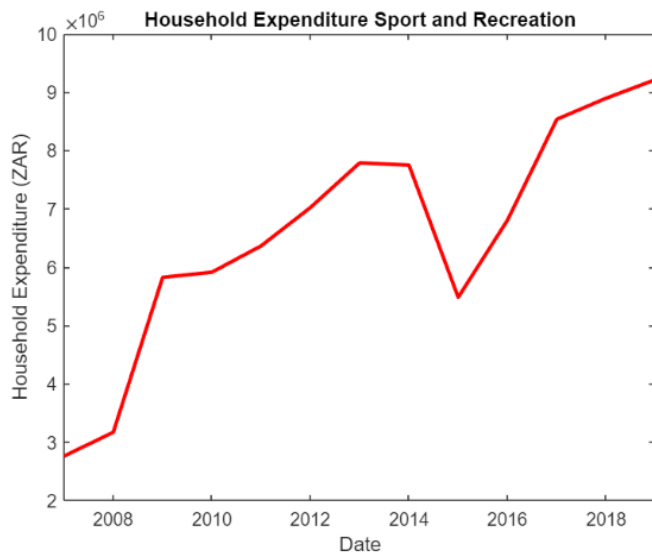


Figure A5: Household Expenditure Sport and Recreation

Source: Quantec, 2018

Figure A5 above shows that Household Expenditure on Sports and Recreation increased

from ZAR280 000 during 2006 to ZAR900 000 during 2020 (Quantec, 2020).

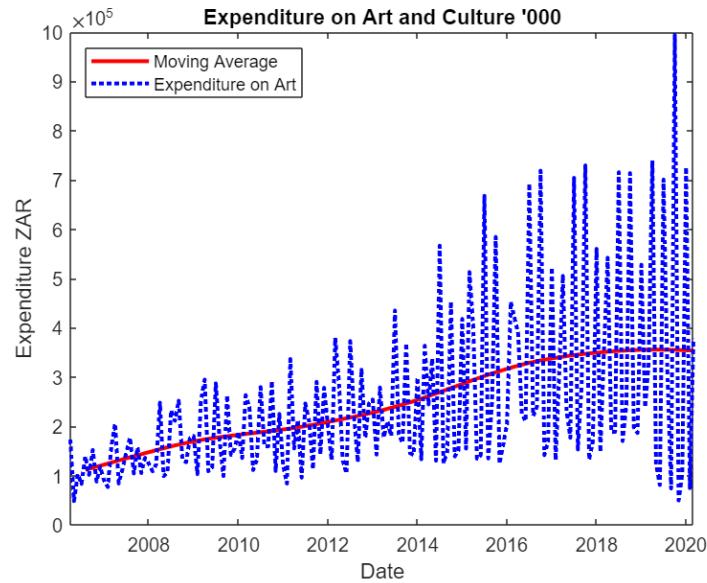


Figure A6: Expenditure on Art and Culture

Source: Quantec, 2020

Figure A6 above shows that Expenditure on Art and Culture increased from ZAR190 000 during 2006 to ZAR700 000 during 2020 (Quantec, 2020). The Moving average (red coloured line) increased from ZAR100 0000 during 2006 to ZAR380 000 during 2020 (Quantec, 2020).

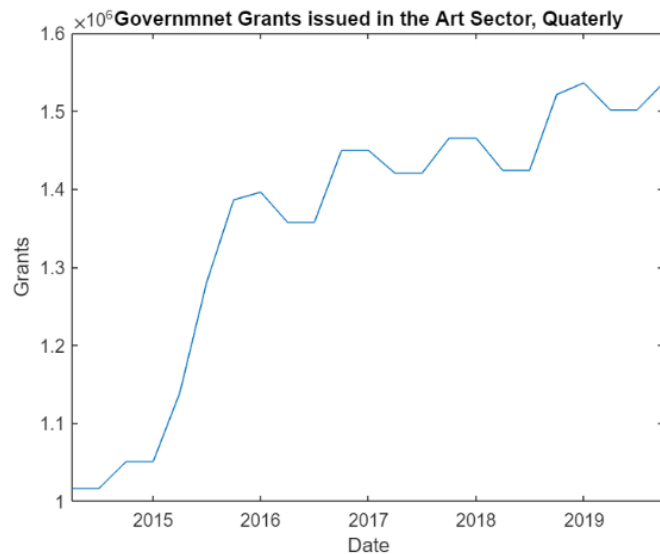


Figure A7: Government Grants issued in the Art Sector, Quarterly

Source: Quantec, 2019

Figure A7 above shows that quarterly Government grants awarded to the Art sector increased from 100 000 grants during 2014 to 153 000 grants during 2020 (Quantec, 2020).

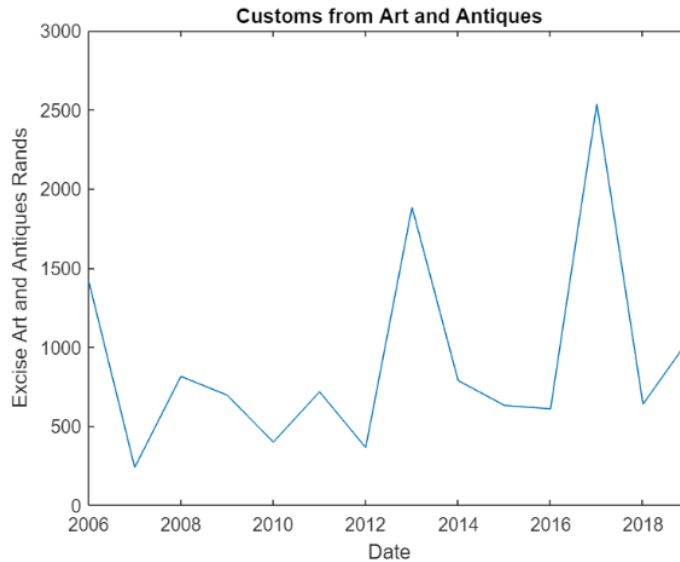


Figure A8: Customs from Art and Antiques

Source: Quantec, 2020

Figure A8 above shows that Excise duties on Art and Antiques charged by Customs declined from ZAR1 400 during 2006 to ZAR1 000 during 2020 (Quantec, 2020).

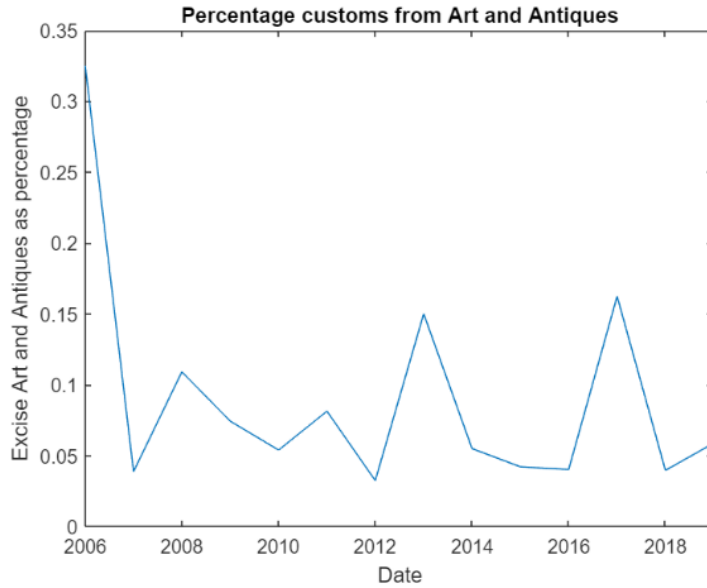


Figure A9: Percentage customs from Art and Antiques

Source: Quantec, 2020

Figure A9 above shows that the percentage excise duties charged by Customs on Art and Antiques declined from 0.32% during 2006 to 0.05% during 2020 (Quantec, 2020).

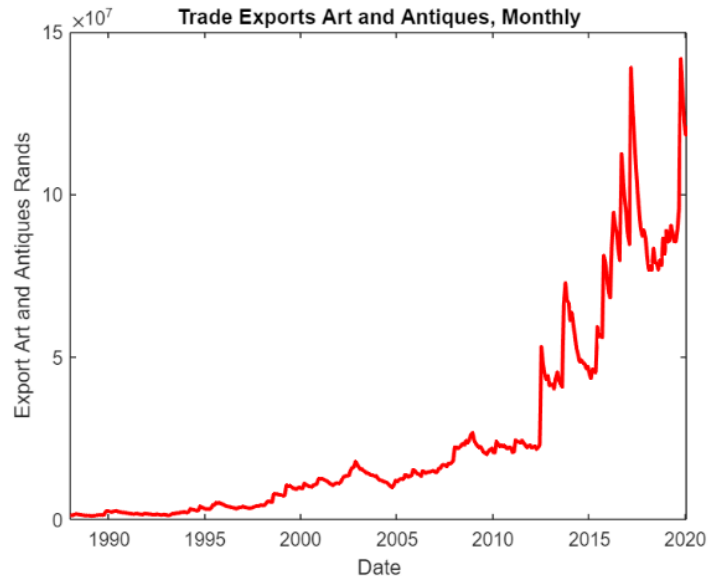


Figure A10: Trade Exports Art and Antiques, Monthly

Source: Quantec, 2020

Figure A10 above shows that the monthly Trade on Exports of Art and Antiques increased from ZAR10 000 during 1985 to ZAR1 200 000 during 2020 (Quantec, 2020).

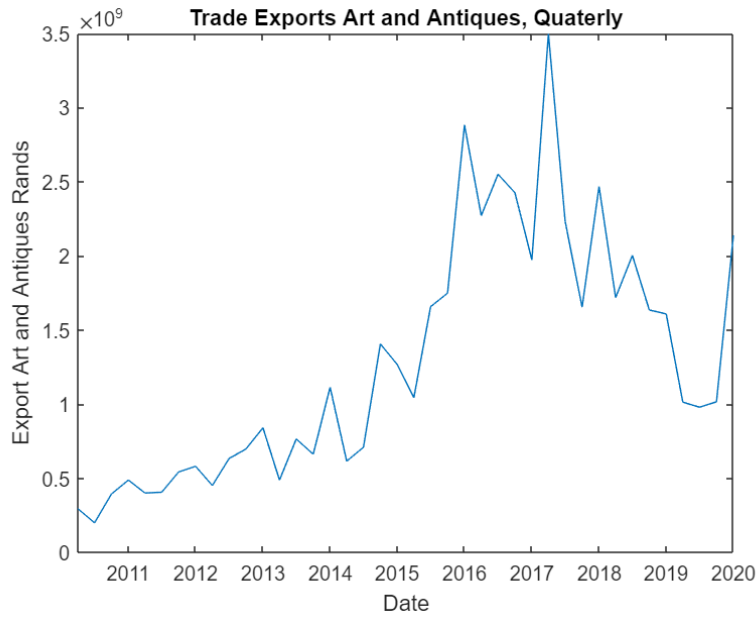


Figure A11: Trade Exports Art and Antiques, Quarterly

Source: Quantec, 2020

Figure A11 above shows that quarterly Trade on Exports of Arts and Antiques increased from ZAR30 000 during 2010 to ZAR210 000 during 2020 (Quantec, 2020).

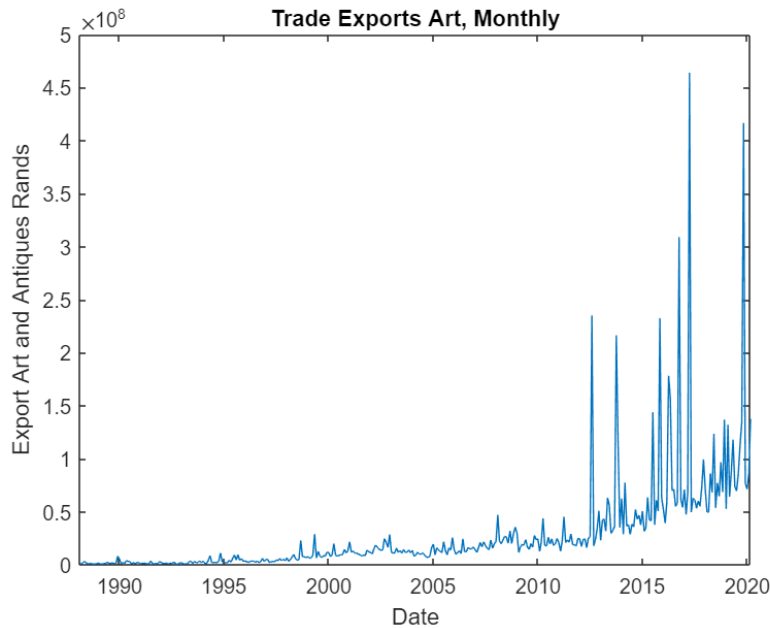


Figure A12: Trade Exports Art, Monthly

Source: Quantec, 2020

Figure A12 above shows that monthly Trade on Exports of Art increased from ZAR10 000 during 1985 to ZAR410 000 during 2020 (Quantec, 2020).

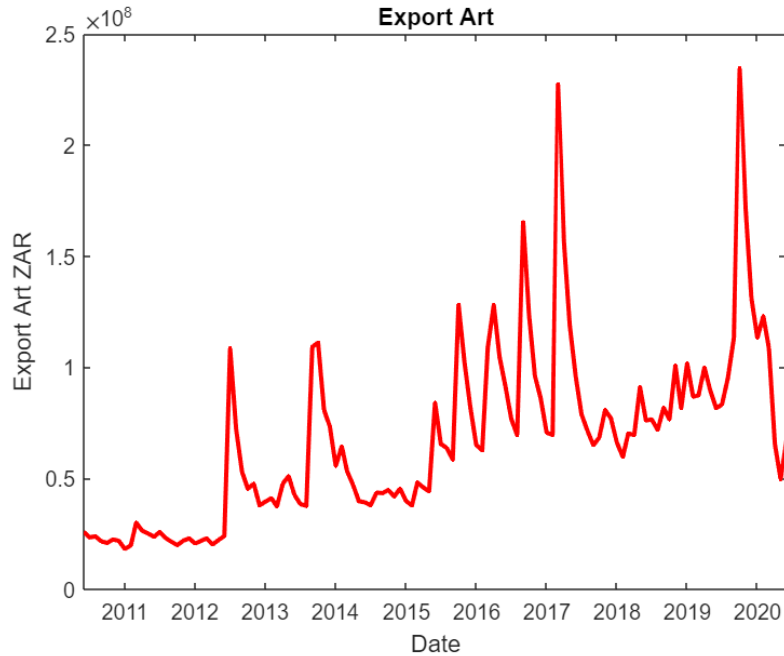


Figure A13: Export Art

Source: Quantec, 2020

Figure A13 above shows that Export of Art works increased from ZAR20 000 during 2010 to ZAR60 000 during 2020 (Quantec, 2020).

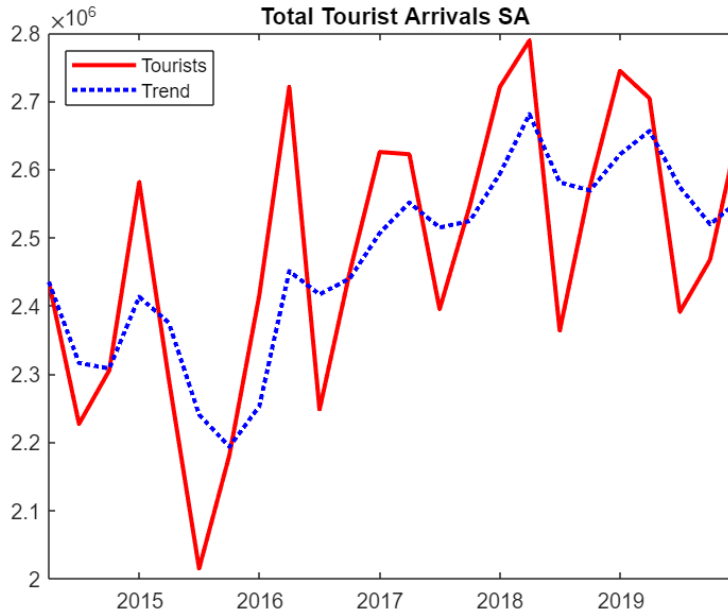


Figure A14: Tourist Arrivals SA

Source: Quantec, 2019

Figure A14 above shows that Total Tourist arrivals into South Africa increased from 244 000 people during 2014 to 268 000 people during 2020 (Quantec, 2020). This shows that there is a need to create initiatives through policy making to create jobs in the Tourism sector, especially in the Arts and Culture which is a related sector. The trend (blue coloured line) moved in an upward direction indicating an increase in Total Tourist arrivals (Quantec, 2020).

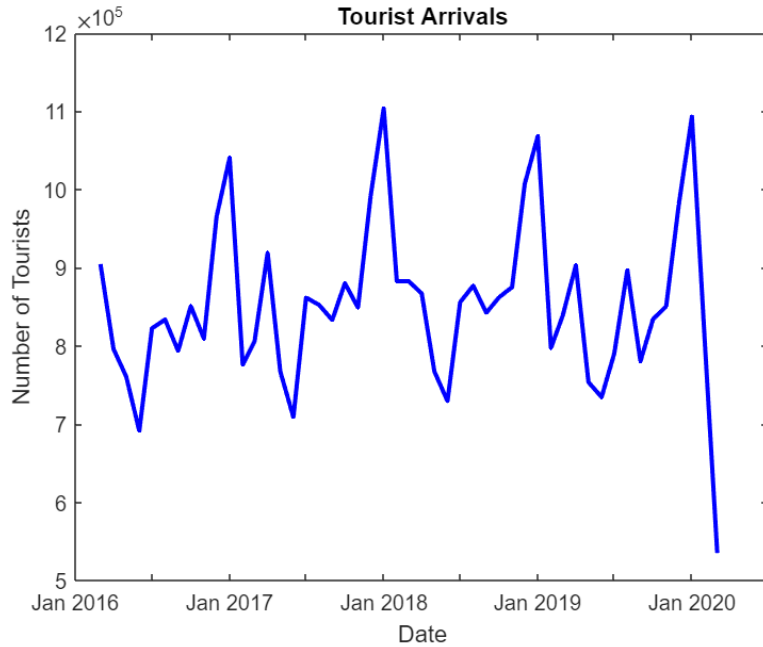


Figure A15: Tourist Arrivals

Source: Quantec, 2020

Figure A15 above shows that the number of Tourists dropped from 900 000 during January 2016 to 530 000 during January 2020 (Quantec, 2020). The outbreak and announcement of the COVID-19 pandemic could be the result of the drop in the number of Tourists.

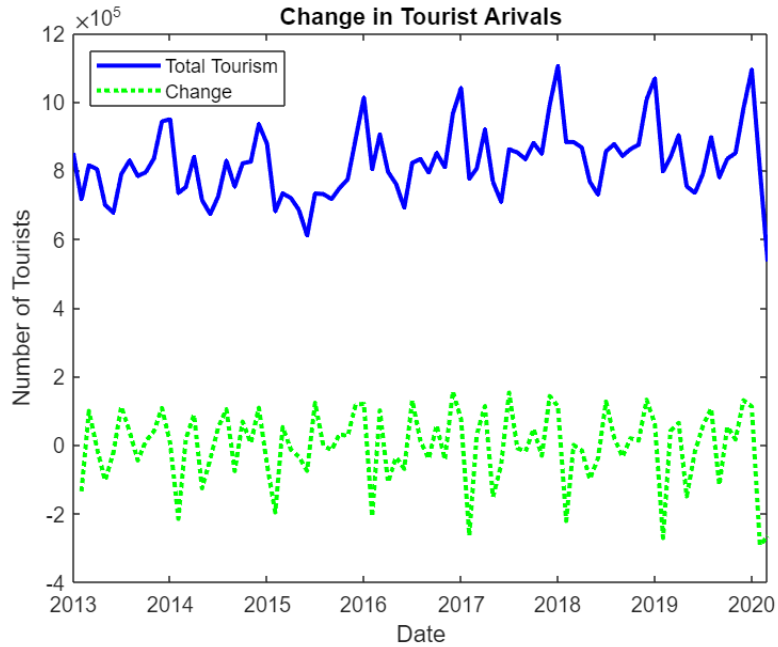


Figure A16: Change in Tourist Arrivals

Source: Quantec, 2020

Figure A16 above shows that the Change in Tourist arrivals dropped from -200 000 during 2013 to 300 000 during 2020 (Quantec, 2020).

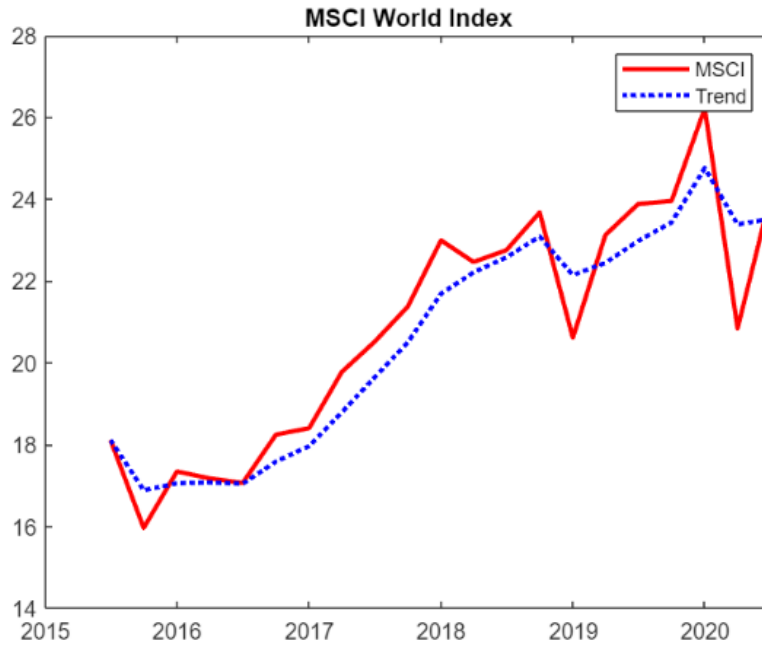


Figure A17: Morgan Stanley Capital International index (MSCI)

Source: Quantec, 2020

Figure A17 above shows that the Morgan Stanley Capital International Index which measures worldwide stock markets performance increased from 18% during 2015 to 24% during 2021 (Quantec, 2021).

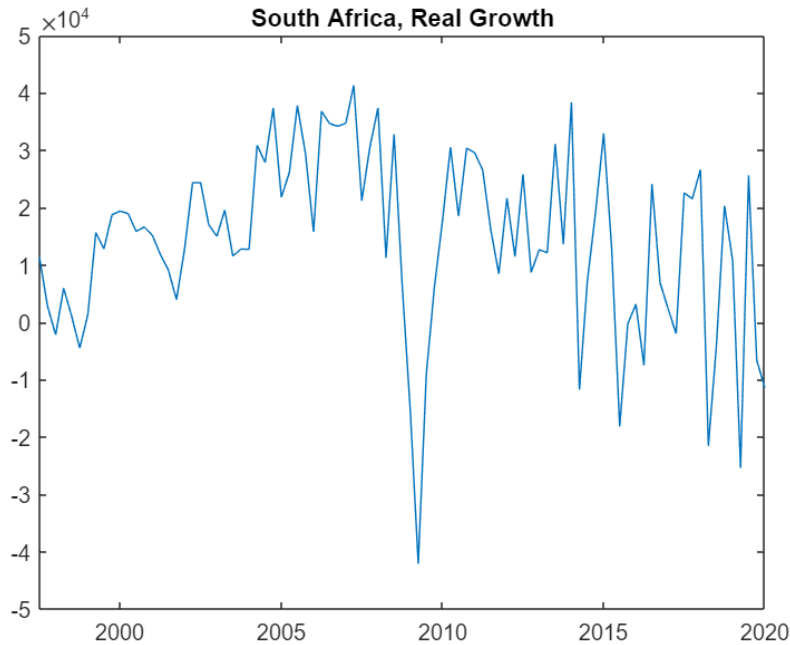


Figure A18: SA Economy, South Africa, Real Growth

Source: Quantec, 2020

Figure A18 above shows that the Real growth in the economy of South Africa declined from 1% during 1995 to -1% during 2020 (Quantec, 2020). National output has not been increasing fast enough to generate enough jobs to reduce joblessness among youth.

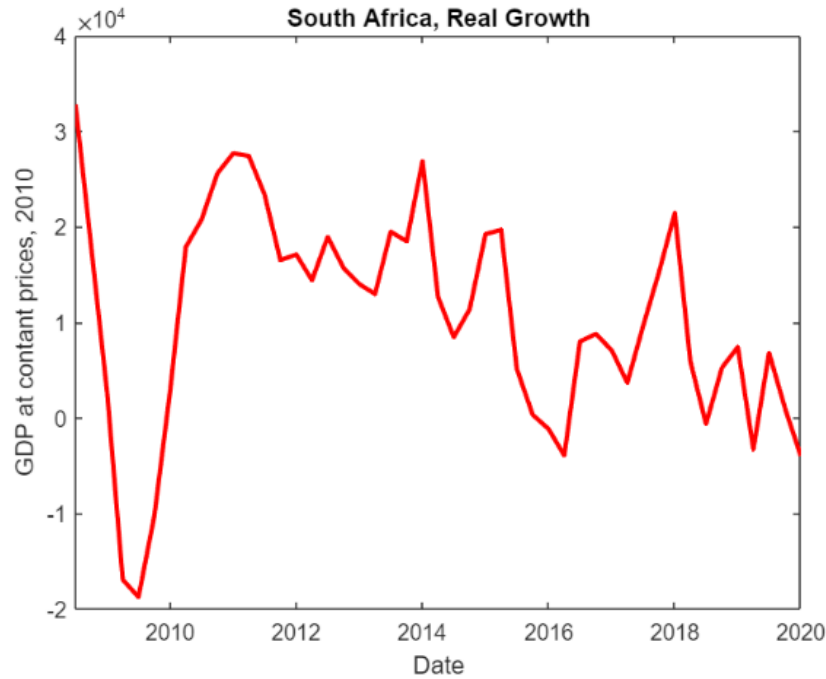


Figure A19: South Africa, Real Growth versus GDP at constant prices

Source: Quantec, 2020

Figure A19 above shows that the Real economic growth and GDP at constant prices at 2010 base year declined from ZAR320 000 during 2008 to -ZAR40 000 during 2020 (Quantec, 2020). This could be because of the global outbreak of the SARS virus pandemic that negatively impacted economic performance of nations.

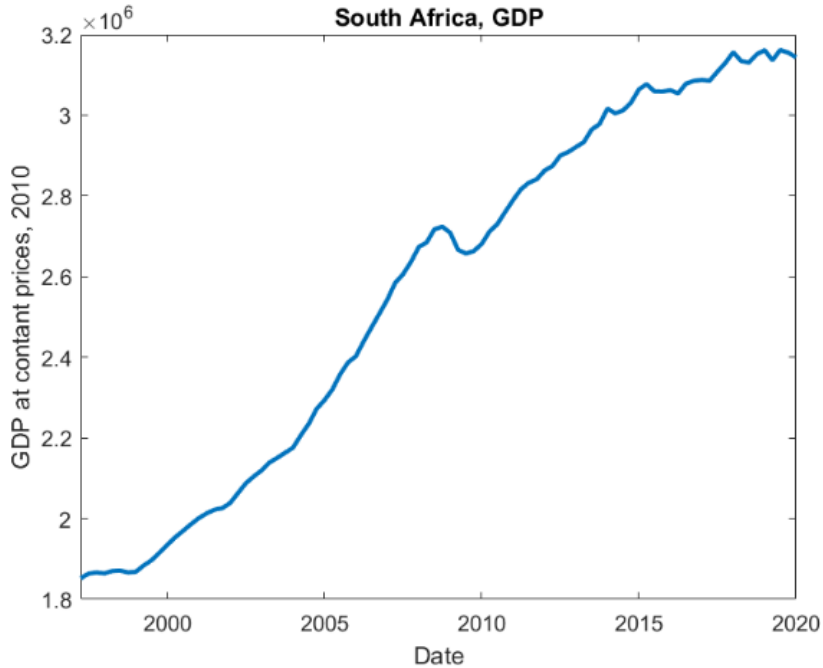


Figure A20: South Africa, GDP versus GDP at constant prices

Source: Quantec, 2020

Figure A20 above shows that GDP in South Africa compared to GDP at constant prices with base year increased from ZAR1 830 000 during 1995 to ZAR3 180 000 during 2020 (Quantec, 2020).