Young Entrepreneurship Policy and Strategy Framework

June 2009
**List of Acronyms**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>BBBEE</td>
<td>Broad Based Black Economic Empowerment</td>
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<tr>
<td>CoJ</td>
<td>City of Johannesburg</td>
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<tr>
<td>DED</td>
<td>Gauteng Department of Economic Development</td>
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<tr>
<td>DoE</td>
<td>Department of Education</td>
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<tr>
<td>DoL</td>
<td>Department of Labour</td>
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<tr>
<td>EPWP</td>
<td>Extended Public Works Programme</td>
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<tr>
<td>GDS</td>
<td>Growth and Development Strategy</td>
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<td>GEDA</td>
<td>Gauteng Economic Development Agency</td>
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<td>GEP</td>
<td>Gauteng Enterprise Propeller</td>
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<td>GEM</td>
<td>Global Entrepreneurship Monitor</td>
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<td>HDI</td>
<td>Historically Disadvantaged Individual</td>
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<td>HDS</td>
<td>Human Development Strategy</td>
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<td>HSRC</td>
<td>Human Sciences Research Council</td>
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<td>IDC</td>
<td>Industrial Development Co-operation</td>
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<tr>
<td>ITC</td>
<td>Information and Communication Technology</td>
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<tr>
<td>JEDPS</td>
<td>City of Johannesburg Economic Development Policy and Strategy</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>NYC</td>
<td>National Youth Commission</td>
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<td>NYDPF</td>
<td>National Youth Development Policy Framework</td>
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<td>SAIE</td>
<td>South African Institute for Entrepreneurship</td>
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<td>SALGA</td>
<td>South African Local Government Association</td>
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<td>SETAs</td>
<td>Sectoral Education and Training Authorities</td>
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<td>SMME</td>
<td>Small, Medium and Micro Enterprise</td>
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<td>UYF</td>
<td>Umsobomvu Youth Fund</td>
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<td>PDI</td>
<td>Previously Disadvantaged Individuals</td>
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<td>CSI</td>
<td>Corporate Social Investment</td>
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<td>ECD</td>
<td>Early Childhood Development</td>
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<td>FET</td>
<td>Further Education and Training</td>
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Definitions

In this Young Entrepreneurship Policy and Strategy Framework (hereafter “the Policy”), the following words and expressions shall have the meaning assigned hereunder, unless the context indicates otherwise:

“The City”: ‘the city of Johannesburg’ and ‘the city’ refers herein to the municipality and all its municipal owned entities and jurisdiction.

Youth: Global definition: The standard United Nations definition states that youth include people between 15 and 24 years of age (United Nations, 1992).

South African: The National Youth Act of 1996 describes youth as persons in the age group 14 to 34 years.

Young persons: A young person refers to people aged between 10 to 18 years.

Learner: Refers to a person who is attending high school from Grade 6 to 11.

Drop-out: Refers to any young person of school-going age who has attended school but for any reason dropped out without completing or reaching grade 12.

School leavers: Refers to young people who have completed matric but did not find work or enrol in a tertiary education.

Entrepreneurship: Any attempt to enter into a new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, teams of individuals, or established businesses. (Global Entrepreneurship Monitor……1999)
Vision

To increase the rate and the success of entrepreneurship activity in the City of Johannesburg, thereby helping South Africa to become the leading country in entrepreneurship development amongst the Developing World by 2025.

Mission Statement

Removing the barriers of poverty and unemployment through early development of business skills, knowledge and entrepreneurial activism, to “Young People” in the City of Johannesburg, thus enabling a culture of wealth and employment creation.

Executive Summary

Anecdotal arguments all around the developing world suggest that the youth (age 15 to 35) as a designated social group suffer the most inhumane socio-economic injustices. Empirically the recent World Bank Development Report (2007) makes the observation that the general worldwide view is that by age 24, almost all youth in developing countries have left school and entered a new stage of life – some begin wage work, some engage in home enterprises, some form households and raise families, and others engage in a combinations of these activities. According to an International Labour Organisation (ILO) study in 2006, the number of unemployed young people increased from 74 million in 1995 to 85 million in 2005, representing an increase of 14.8 per cent globally. However the Human Research Council (HSRC – 2006) indicated that for South Africa, Youth are twice as likely to be unemployed with an unemployment rate of 58% for young people aged 15 to 19, and 50 % for those aged 20 to 24.

The biggest contributing factor according to Gideon Horn (2006) is the unemployability of the school leavers with or without matric due to conditioned demand for skilled labour. The viable option henceforth would be a brave convergence to entrepreneurship and self-employment. Sadly, according to the South African Institute for Entrepreneurship (2007); ‘South Africa has the lowest entrepreneurial activity rate of all the developing
countries with just 5.1 of adults in South Africa being involved in an entrepreneurial activity.

The enhancement of institutional entrepreneurial advocacy at the level of economic growth specifically for young people aged 14 to 18 is championed by this Policy herewith. This policy and strategy document outlines the role the City of Johannesburg would like to play in inculcating the culture of entrepreneurship amongst the young people of Johannesburg. It provides a framework for projects and programmes to be developed to achieve this objective.

1. Introduction

To some economists, the entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit. Others emphasize the entrepreneur's role as an innovator who markets his innovation. Still other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied. Business expert Peter Drucker (2005) took this idea further, describing the entrepreneur as someone who actually searches for change, responds to it, and exploits change as an opportunity.

Most economists today agree that entrepreneurship is a necessary ingredient for stimulating economic growth and employment opportunities in all societies. In the developing world, successful small businesses are the primary engines of job creation, income growth, and poverty reduction. Therefore, government support for entrepreneurship is a crucial strategy for economic development.

As the Business and Industry Advisory Committee to the Organization for Economic Cooperation and Development (OECD) said in 2003, "Policies to foster entrepreneurship are essential to job creation and economic growth." However much has been done in terms of policy advocacy with specific reference to historically disadvantaged individuals and social groups.

In this regard, National Policy Frameworks that relate to targeted groups have formed a legislative base for developmental agencies to develop policies and strategies as statements of commitment to the development of targeted groups. However as per definition, "Youth" as a targeted group always relates to people aged 16 to 35. As a matter of strategic intervention, this policy framework refers specifically to the school going and young persons aged 10 to 18.

1.2 Rationale for the policy

The rationale is informed by the city’s mission to make strategic and timely interventions to the City’s economy to facilitate achievement of our long-term goals of 9% growth that would contribute to the growth rate of 6% for the national economy. Notwithstanding
other economic factors that contribute to economic growth, the underlying rationale that motivate the development of this strategy conforms to the ethos that urge culture of entrepreneurship and business activism among young people. Acknowledging that early development of these entrepreneurship and business skills would ease the pressure on the labour market for those youth who are unable to gain access to higher education institutions.

The rationale is also driven by the ambitions of the United Nations’ Millennium Development Goals, to halve poverty by 2015; this requires countries in Sub-Saharan Africa to make prudent interventions to both the economy and the mechanisms that enhance economic growth. The scarcity of business that creates prosperous jobs is not only a threat to growth of the economy of the country but also slows the pace of its developmental trajectory. The Department of Economic Development in the City of Johannesburg, as the custodian of economic development and growth in the region, sought to introduce a policy and strategy framework for entrepreneurial skills development for the young people in the city’s jurisdiction. This is aimed at increasing the scope and the pool of players in business, thus propelling economic growth.

As mentioned earlier, the study by the World Bank Development Report (2007) makes sweeping observations arguing that youth by the age of 24, in developing countries have left school and entered a new labour market or engage in enterprises. While this assumption holds true for some youth, the evidence suggests that for the majority, the transition from school to work is much more complex than it used to be.

In general, many young people are unable to realize this conventional expectation. Amongst the many constraints that they face, unemployment and 'unemployability' emerge as two of the key factors that make it difficult for youth to enter the labour market and take advantage of existing opportunities for healthy and sustainable livelihoods. According to an ILO study in 2006, the number of young people unemployed increased from 74 million in 1995 to 85 million in 2005, representing an increase of 14.8 per cent. At present, global youth unemployment is estimated at 13.5 per cent, compared to 6.4 per cent for the overall global unemployment rate, and 4.5 per cent for the adult unemployment rate. As such, youth unemployment is generally 2-3 times higher than the adult unemployment rate.

The current levels of youth unemployment must be contextualized within the youth bulge that exists worldwide. The current youth population is the biggest ever in human history. In 1995, the UN estimated that there were some 525 million young men and 500 million young women between the ages of 15 and 20 in the world. Within a time lag of a decade, the World Bank Development Report (WBDR) 2007 estimates that the next generation will mainly be constituted of young people because of the interplay between rapidly falling fertility rates and the inertia in population growth caused by existing large numbers of child-bearing population.
Accordingly, the number of young people aged between 12 and 24 stands at 1.5 billion. Most importantly, 90 per cent of the 1.5 billion can be found in developing countries. South Africa is no exception. According to Census 2001, youth constitute 41 per cent of the population and just over 70 per cent of the unemployed. According to the 2006 Labour Force Survey, the strict unemployment rate for youth aged 15-24 was no less than 50.2 per cent – almost double the general unemployment rate of 25.5 per cent. Reasons for this situation are many and multifaceted. Some refer to the notion of “jobless growth”, suggesting that the economic growth rate failed to generate employment. Others dispute this argument and argue that the rate of population growth, especially amongst the youth, far exceed the number of jobs created by the economy.

Recent research studies also indicate that there is a mismatch between the supply and demand of labour, stressing that the quality of education is not in line with the competitive nature of the current labour market, resulting from the technological revolution and the transition to a knowledge-based economy. This alludes to the fact that the problem is not only about unemployment, but also about the ‘unemployability’ of young people. The high percentages of graduate unemployment confirm the essence of this argument. At the same time, out-of-school youth, the majority of whom come from disadvantaged backgrounds, are the ones hit hardest by the unemployment scourge.

Anecdotally the out of school youth are therefore susceptible to substance abuse and criminal elements. Alongside this “unemployment explosion”, there are major initiatives implemented by government, civil society organisations and to some extent, by the private sector, to alleviate the situation.

Since 1994, government has embarked on several large scale initiatives aimed at absorbing the labour capacity of the country through which young people have benefited. These include structured programmes integrating theoretical learning with workplace experience in the form of learnerships; the Expanded Public Works Programme, and some targeted interventions for youth including National Youth Service, and youth entrepreneurship programmes. Despite increased investment in education and training, social and economic development, entrepreneurship, and establishing structures to facilitate youth employment, these interventions have not yielded the desired results.

Anecdotic argument would dictate the reason behind the failure of the aforementioned interventions as that their point of departure is off the mark. These policies and strategies seek to make intervention to already ‘developed’ individuals. The age group 18 to 35 youth is assumed to be ready to operationalise programmes and projects meant for them. However what is clear is that young people don’t have the foundation knowledge to successfully sustain these interventions.

1.3. Correlation between Education and Unemployment

There are some worrying trends when we look at youth unemployment by education. Someone in the age group of 15 to 24 with incomplete secondary school education has a 75% chance of being unemployed, dropping to 66% if they have matric. Those who
have a tertiary qualification but not a degree have a 50% chance, while those with a degree have a 17% chance of not having a job. So early school leavers make up the bulk of the jobless. They should be entering Further Education and Training (FET) and that’s a key policy question. What is happening there? Something is amiss in the schooling system if the rate of unemployed learners with matric has increased. The highest increase has been among the unemployed with tertiary qualifications. We face the looming problem of graduate unemployment, most of them people with a post-matric certificate. We are focusing on the overall matric pass rate but the pass rate for university entrance is much lower. An inappropriate field of study means that a university degree is not a sound condition for employment. There is also a malfunctioning labour market information system and young people find it hard to access information about jobs and careers. A broad dialogue is needed between employers and learning institutions. How many students have our colleges placed in employment?

1.4. Entrepreneurship in South Africa

According to the Global Entrepreneurship Monitor (GEM), South Africa is a country lacking in numbers of entrepreneurially minded individuals. GEM also indicates that since South Africa first participated in the Global Entrepreneurship Monitor Report in 2001 it has almost consistently declined, year on year, in terms of its level of entrepreneurial activity relative to all participating companies (see table below).

<table>
<thead>
<tr>
<th>Year</th>
<th>Ranking</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>2001</td>
<td>14 of 29</td>
<td>(48%)</td>
</tr>
<tr>
<td>2002</td>
<td>19 of 37</td>
<td>(51%)</td>
</tr>
<tr>
<td>2003</td>
<td>22 of 32</td>
<td>(69%)</td>
</tr>
<tr>
<td>2004</td>
<td>20 of 34</td>
<td>(59%)</td>
</tr>
<tr>
<td>2005</td>
<td>25 of 35</td>
<td>(71%)</td>
</tr>
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Table: 1 (see GEM Report for 2005)

The report further argues that from 2002 to 2005 in all measures of entrepreneurship, South Africa ranks the lowest of all developing countries. The report indicates that not only is South Africa the lowest raking country in the developing world, with the exception of Mexico, South Africa has the lowest success rate of start up business.

1.5 Youth and Entrepreneurship in South Africa

Over and above the dismal performance of entrepreneurial activism in South Africa, youth entrepreneurship has been particularly low as well. This is because of socio-
economic conditions that youth should go look for meaningful employment rather than employment creation. The picture becomes gloomy if one considers the non-
employability of young people in the country. The current figure being discussed for unemployment is about 40%. In the age group 15 to 24, about 30% of all people in that age group are unemployed. In the age group of 25 to 34, it is 41% who are unemployed. The total unemployment rate for both age groups is 70%. And when one asks what proportion of the unemployed generally are young people the answer we get is the same: 70%. So the problem of unemployment in South Africa is one of youth unemployment. Statistic indicates that at age 15 one in three 15 year olds has a job, while the ratio is balanced at 1:1 by age 28. While our absolute rates of unemployment are much higher than the global rate, unemployment in this country has a strong youthful dimension.

What are the key determinants of unemployment in our society? The unemployment rate for Africans in the age group of 15 to 24 is 78%, while that for African females is 84% and the figure is the same for African women in rural areas which is at 84%. In the age group of 25 to 34 unemployment rates decrease, so age is a strong predictor of the probability of being unemployed. And all that young people have to offer is their years of education. 85% of 15 to 24 year olds have never held a job and this is the case a decade after democracy in South Africa. The vast majority of the unemployed (especially young people) are in this category.

Race, gender and location are the key determinants of unemployment and the most disadvantaged person in the labour market is likely to be an African female living in a rural area. There is a mismatch between labour demand and supply, which means people are unable to take up the jobs on offer. There has been a massive growth in the services industry but the demand is for skilled labour. The unemployment rate has increased since 1994 and the key reason is not the notion of jobless growth. This is because new entrants to the labour market have increased far faster than the ability to create jobs. Aggregate employment since 1994 has grown by 16% while the labour force has increased by double that amount.

1.6 Global Perspective on Entrepreneurship

As mentioned earlier in this policy, South African definition of youth is a person that is aged between 15 and 35 as according to the National Youth Framework. However, international perspective seems to concede that early development is best in inculcating the culture of saving and entrepreneurial activism. The National Young Entrepreneurship Strategy Framework in Wales, Ireland Scotland has identified children as young as 5 years old as their target group (see The Wales Entrepreneurship Strategy 2005).

The same route is followed by the countries which are in transition in Central and Eastern Europe. Much like South Africa, these countries are developing countries having a developmental state approach in their policy frameworks. The Estonian Research and Development and Innovation Strategy 2007-2013 “Knowledge-based Estonia highlight programmes and project aimed young people aged from 6 to 19 years as suitable for entrepreneurship development
2. Methodology and Approach

The Department of Economic Development, as custodians of economic development, has the constitutional mandate and responsibility to provide economic upliftment opportunities for the city’s citizens. The department is strategically positioned and exposed to local and micro-local conditions. Thus it is able to triangulate the interests of the unemployed and key sectors of the local labour market through programmes that screen and train the jobless, sustaining meaningful livelihood, self development and business skills for the unemployed.

2.1 Methodology

The policy is informed and grounded on the desk research and literature review of various government policy and strategy documents on the same discourse. This policy and its strategies also include existing strategies that are profiled by various departments in the City of Johannesburg, projects from civil society, non governmental organizations and private firms that are involved in social development initiatives.

The policy is also informed by interviews with industry captains, City managers, civil society and development agencies. Noting a concerted and coordinated effort by various government institutions to entrepreneurially skilling historically disadvantaged individuals, the policy concentrates on a niche, younger groups that would feed to the successful initiatives of the aforementioned institutions.

2.2 Approach

Noting the general wide scope of the definition of the term ‘Youth’ (aged 15 to 35), and the degree of saturation of programmes and projects that seek to have economic interventions for this group, the policy needs to have a niche approach to have a value adding product. The strategic choice of the sample is informed by the aforementioned argument. Strategically anecdotal evidence indicates that the age group of 10 to 18 has more access to dispensable income.

According to Teenage Research Unlimited the average American teen spent more than $104 a week in 2001, up from $78 just four years ago. However, more recently figures have escalated. According to Mintel (2006), teen spending was valued at $175 billion in 2003 a figure that increased to $ 190 billion in 2006. What is frightening in developmental terms is that this figure surpasses the gross domestic product of many countries in the world. The same research indicates that, families with teens spent $100 billion on them with projected spending for 12 to 17 year olds as $128.5 billion. The South African teens are no different. According to the Marketing-web the South African teen in age group 12 to 17, spent R76 billion in 2006 alone.
2.3 Targeted Sample

The policy intervention is aimed at the young people aged 10 to 18 learners who are school going age and the school drop outs.

Categories:

Category A: 10 to 13 years: These are new entries to high school where allowance allocation becomes considerably higher from primary school lunches. In school terms, the groups form the grade 8 to 10 learners.

Category B: 14 to 16 years. These are grade 10 and 11 learners, who from 52% of the populations that Marketer called Buying Influence. They have more pressure in increasing the allowance at home.

Category C: Matric candidate. As school leavers and faced with ambiguity of choices as next step in life.

Category D: School drop out: Any persons who falls in the age group of 10 to 18 years, who has not been able to complete formal schooling. This is a group that puts more pressure on the labour market and is more susceptible to criminal elements.

3. Policy and Legislative Frameworks

This policy is influenced by the following national policy and legislative frameworks on youth development, namely:

(a) The Constitution of Republic of South Africa 108 of 1996
(b) The National Youth Commission Act, (Act No. 19 of 1996)
(c) The National Youth Policy 2000
(g) The Municipal Finance Management Act, (Act No. 56 of 2003)
(i) Other policies, legislation and guidelines that impact on youth development:
   • The Skills Development Act, (Act No. 97 of 1998)
   • The Skills Development Levies Act, (Act No. 9 of 1999)
   • The Employment Equity Act, (Act No. 55 of 1998)
   • The South African Schools Act, (Act No. 84 of 1996)
• The Broad Based Black Economic Empowerment Act, (Act No. 53 of 2003)
• The National Curriculum Statement, 2002
• The Child Justice Bill, 2002
• The Accelerated and Shared Growth Initiative for South Africa (ASGISA)

4. Stakeholders and Partners

4.1. The South African Institute for Entrepreneurship (SAIE) has provided entrepreneurship education training to schools located within the City of Johannesburg i.e. Alexandra and Midrand. The City would collaborate and cooperate with SAIE to sustain and grow this initiative. Potential donors have been identified to provide funding for effective implementation of this policy and they include IDC,, Umsobomvu Youth Fund, Gauteng Enterprise Propeller, Anglo American Chairman’s Fund, Department of International Development – United Kingdom.

Non-governmental organizations would be brought on board to mobilize young school dropouts within communities and to provide training. The Gauteng Department of Education (GDoE) would be requested to provide the CoJ with the list of schools within the City that could benefit from this entrepreneurial initiative. The Department of Education (DoE) would also give policy guidance more especially on the National Curriculum Strategy. Lastly, the inclusion of National Youth Commission, Gauteng Department of Economic Development, Department of Labour, South African Local Government Association, etc is aimed at aligning sector processes in a more efficient manner.

5. Institutional Arrangements:

5.1. Political Leadership:

The policy framework identifies the Executive Mayor and MMC for Finance and Economic Development as Political champions for the Framework. The policy framework also identifies the ward councillors as political leaders at a community level to play a political oversight for the projects and programmes that would be born out of the strategy.

5.2. Administrative Leadership:

The Department of Economic Development would assume the responsibility of administrating the projects and programmes both at the planning and implementation stages of this policy. The Department of Economic Development would accord technical support or source any other technical support from the private sector in ensuring that all the programs and projects envisioned by the policy are implemented with the desired effect.
The Department of Economic Development shall provide strategic leadership while regions, potential partners and any other identified stakeholders will provide technical support. As and when need arises, technical working groups would be established, that would be made up of CoJ officials, Government Officials from other spheres of government and other relevant stakeholders.

5.3. Community Based Forums:

At the ward level, existing structures will be co-opted to participate and assist in the rolling out of projects and programmes identified by this policy and strategy framework. The expertise of Community Development Workers (CDW), who already have extensive experience in dealing with local communities, would be tapped into as and when is necessary.


6.1. Policy Positions

6.1.1 To facilitate poverty eradication through the development of entrepreneurship that could lead to profitable business enterprises in the future.

6.1.2 To develop a policy and strategy framework that will encourage and inculcate the culture of entrepreneurship among young people between the ages of 10 to 18, including those who are still in school and drop outs. The aim of the policy and strategy is to provide the City of Johannesburg and all stakeholders with base line policy direction that would assist relevant units or directorates in the implementation of entrepreneurship strategic plan. To remove all obstacles that stall entrepreneurship activity among the designated groups identified by the policy.

6.1.3 To develop individual capacity to identify business opportunities based on their skills, natural resources and favourite activities, in the areas they live in.

6.1.4 To reduce the level of unemployment in the city by encouraging young people to create employment opportunities for themselves rather than looking for employment thus flooding the labour market.
6.2. Policy Recommendations

6.2.1 Department of Economic Development must lead a media campaign to teach young people the economic logic of saving thus leading to “cash positive” start-up business financed through personal savings rather than debt financed business.

6.2.2 Noting the deprecating problem relating to lack of access to finance and the age restrictive trading policies within the South African Banking Systems, the Department of Economic Development through its envisaged Community Bank must design financial products that young people can access both through peer groups and within cooperatives led by their parents or guardians.

6.2.3 Support Mechanism that are currently offered to SMME’s and adult entrepreneurs through SMME Directorate located in Economic Development; must accord some degree of attention to young entrepreneurship wishing to access advice on business and financial modelling.

6.2.4 Department of economic development must lead in the development of Mentors and Mentorship programmes that young entrepreneurs would use as support structures in their entrepreneurial skill development.

6.2.5 The City must hold annual competitions, annual summits, awards ceremonies, international exchange programmes to facilitate and promote success stories of young entrepreneurs.

6.2.6 The Department of Economic Development with other stakeholders shall coordinate inter-regional schools engagement between what is known as Model C schools and those referred to as Historically Disadvantaged Schools to assist the exchange of ideas in the discourse.

6.2.7 The Speakers Office must coordinate the activities of the Youth Council to ensure that young entrepreneurship development is tabled as a discussion item in the Council meetings.

6.2.8 Department of Economic Development in collaboration with Community Development Workers (CDW), ward counsellors and committees shall coordinate and facilitate the carrying out of the needs analysis in the communities to enhance young entrepreneurship projects and programmes.

6.2.9 Noting the correlation between education and unemployment, the City of Johannesburg, as a long term vision, should engage its educational stakeholders and partners to contribute to the development of a
curriculum for learners in Higher Primary and High school which would introduce learners to business practices and norms.

6.2.10 The City of Johannesburg must, as a long term vision, engage with Gauteng Department of Education and National Department of Education on modular forms in curriculum development to introduce entrepreneurship development as a career path at high schools level.

END
Young Entrepreneurship Strategy and Implementation Framework

Introduction

This strategy and implementation plan is based on four strategic pillars

• **Recognizing the Opportunity and taking initiatives**

To create a greater awareness of the opportunities and benefits of entrepreneurship in order to encourage more young people to start a business or to grow the business they are in, and to develop a greater entrepreneurial culture within our institutions, communities and businesses.

• **Creating Entrepreneurial culture**

To create a greater number of sustainable start-up businesses in the City of Johannesburg with potential for furthering growth particularly by under-represented groups within society such as the youth.

• **Going for Growth**

To increase the number of businesses in the City of Johannesburg that are run by young people with potential to grow, thereby creating wealth, employment and opportunity.

• **Culture of Savings**

To inculcate at a very young age the culture of saving, thus enabling young people to start cash positive business without the burden of servicing debt.
Strategy 1: Mentorship and Peer Motivational Programme

Strategic vision

To monitor the development of the individual young entrepreneur through linkages of successful local peer entrepreneurs and seasoned entrepreneurs in a Local Based Mentorship Programmes (LBMP) where the transferring of skills and knowledge can be facilitated on an individual case bases.

Over and above any school based educational programmes; entrepreneurship can be succinctly and effectively transferred through individual interaction on experience and best practices levels. The argument is that textbook logic is abstract without the practical learning experience from established individuals or institutions. The strategy identifies importance of mentorship programmes where both peers who have successfully started their own businesses can share their experience and achievements. In this regard the strategy would use both adult and peer entrepreneurs to act as Mentors.

Strategic Objectives

• Highlight success stories of young persons owned enterprises to flag them to other young people within the city to encourage them to take up entrepreneurship as a career.
• Flag seasoned entrepreneurs success stories in local areas and encourage them to provide both business support and mentorship.
• Producing of entrepreneurial minded young people with business and social skills.
• Entrepreneurship skills transfer through information sharing.

Implementation Action Plan

• Engage regional and community based business forums to assist in the identification of local successful entrepreneurs and profiling of their business and life stories.
• Grouping of learners proportionally and linking them according to the availability of peer and role model entrepreneurs in the area.
• Organizing visitation seminars to individually owned and run enterprises for site educational visits
• Organizing visitation seminars to corporate organizations for site educational visits.
• Hosting of the junior entrepreneurs annual summit by the City of Johannesburg for young entrepreneurs where local entrepreneurs will be sharing platform with national and international entrepreneurs in impacting knowledge to young entrepreneurs in the programmes
• Facilitating the undertaking an International Young Entrepreneurship Exchange Programmes with countries that has highest success rate of young entrepreneurs (as according to Global Entrepreneurship Monitor) to exchange best international practices.
Targeted Time Lines:

<table>
<thead>
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<th>Year</th>
<th>Activity</th>
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<tr>
<td><strong>Year 0 (May to June 2009)</strong></td>
<td>• Department of Economic Development to set up a Steering Committee that would coordinate all organizational functions under this programme.</td>
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| **Year 1 (July-December 2009)** | • Launch the Young Entrepreneurship Policy and Strategy Framework  
• Engage various regional business forums to compile a database of locally run entrepreneurial enterprises. The database would include both young and adult run businesses.  
• Establish regional databases of candidates to participate in the programme and proportional allocation into groups according to the local entrepreneurs’ databases. |
| **Year 1**               | **January 2010 – June 2010**                                                                                                                                                                     |
|                         | • The development and implementation of all activities for Local Based Mentorship Programmes (LBMP).  
• The Department of Economic Development to coordinate and host the inaugural Annual Young Entrepreneurship Conference/Summit.  
• Begin with the preparations for the bi-annual International Young Entrepreneurship Exchange Programme |
| **Year 2**               | **July 2010 - June 2011**                                                                                                                                                                       |
|                         | • The City of Johannesburg to facilitate the bi-annual International Young Entrepreneurship Exchange Programme with countries from both developed and developing world thereby exchanging best practices. |

Targeted Impact:

Allow for early detection of young individuals with exceptional entrepreneurial skills and channel them to the business development career path.

Strategy 2: Growth Sector and Enterprise Development (Link aspiring entrepreneurs with different sectors of the Joburg economy)
Strategic Vision

Creation of linkages between this Programme and certain clearly identified City’s economic sectors for the benefit of aspiring young entrepreneurs in the City of Johannesburg.

The 2008 City of Johannesburg Economic Development Policy and Strategy Framework identifies growth of particular sectors as a strategy for economic development for the city. This policy identifies the development of these sectors as a vehicle for the development of entrepreneurial spirit among the young people.

Strategic Objectives:

- To introduce and expose young entrepreneurs to different opportunities that are presented by various sectors, thus soliciting industry interest for each entrepreneur.
- To link best performing sectors in the city’s economy with project and programmes aimed at the development of young entrepreneurs.
- Over and above entrepreneurship development, help young people identify possible career paths both in business and further education ambitions.

Implementation and Action Plan

- The department of economic development shall assist the young entrepreneurs in organizing themselves into co-operatives and business ventures to formally access opportunities in the identified sectors within the City’s economy. The City’s Departments and MOEs will play a leading role in terms of availing these opportunities.

Strategy 3: Support Mechanism and Graduation Model

Strategic vision

To provide technical and knowledge based support and mechanisms for young entrepreneurs through institutional referral to ensure smooth progression to other interventions programmes that are aimed at older age groups.
This strategy attests to the ethos that the failure of current entrepreneurship development is that the support structures and targeted beneficiaries are older with little or no prior knowledge about the discourse. To reverse the trend, the strategy aims to act as a ‘feeding scheme’ for Youth Entrepreneurship Projects which are normally aimed at 18 to 35 age groups. The strategy argues for the early development of these support structures.

Implementation and Action Plan

- Engaging various national and provincial departments, state owned agencies and other players that are offering entrepreneurship development programmes to older age groups, (i.e. 18 to 35), thus allowing this strategy to act as a graduation model that feeds entrepreneurially minded young people to these Youth Programmes.

- Engaging with various business chambers and business forums coordinating presentations where young people would be informed of the procedural requirements for joining the said business chambers or forums.

Targeted Impact

The desired outcome envisaged through this strategy is minimizing the rate of business failure started by entrepreneurs because of the lack of continuation in terms of Business Support.

Strategy 4:

As a long term goal, to embed entrepreneurship into the New National Curriculum Statement and Schools Act to contribute in the creation of entrepreneurial culture specifically amongst children and young people in the City Of Johannesburg.

The introduction of the entrepreneurial based education materials not only as a subject but an extra curriculum activity in school especially new entries to high school will assist in the introductions of entrepreneurial and enterprise concepts to learners. The strategic goal is to use the existing structures, resources and human resources in identified schools to plan, coordinate the implementation of the project. The aim of the strategy is to introduce entrepreneurship as an alternative and viable career path.
Strategic Objectives:

1. To coordinate entrepreneurship curriculum development in selected high school’s to provide appropriate support, materials and experience to a targeted group in schools, including teachers, in the delivery of enterprise education and promoting the concept of entrepreneurship.
2. To provide basic introductory classes that would introduce learners to concepts like money, savings, economy and what it means to them.

Implementation Action Plan

- Sensitizing Provincial educational agencies such as Gauteng Department of Education, Gauteng Education and Training Council and School Governing Bodies at community levels about project intentions.
- Identify schools with the city that would be used as flagship school Role Out the initiation phase of the project.
- Compile a data base of the entrepreneurship educational practitioners within schools, communities and NGO in and around the jurisdiction of these schools.
- Compile a data base of possible suppliers of educational materials that would be used during the class.
- Identification of potential donor and project sponsors from private and public enterprise through Social Corporate Investment (SCI) funding.

Targeted Impact:

Equipping every historically disadvantaged school in the City of Johannesburg with the necessary support, materials, resources and trained teachers to provide on-going entrepreneurial education to learner.