Promotion of Entrepreneurship Education - A Remedy to Graduates and Youth Unemployment – A Theoretical Perspective

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ABSTRACT The study sought to understand why young people, especially graduates struggle to find employment. The economy is currently (reportedly) shedding jobs more than it creates. The contention of this paper therefore, is that a strong entrepreneurship culture/spirit among the young people, that is, learners or students, can go a long way to addressing this challenge and a myriad of socio-economic and cultural maladies facing the youth such as, poverty, crime, violence, substance abuse, prostitution and the spread of HIV/AIDS. An enquiry in the form of a qualitative method consisting of observations, interviews and extensive desk-top document analysis has been adopted to address the research problem. A purposeful sampling technique was used to collect data from (n=12 teachers; n=32 learners and n=3 government of ficials). Extensive documentary evidence shows a mismatch between educational outputs and the type of employment opportunities. This study reveals that teachers bemoan lack of resources, meeting curriculum deadlines, while learners indicate minimal exposure to opportunities to display their entrepreneurial flair, energy and creativity. Furthermore, indications are that very little strides are made in terms of deliberate strategic programmes to foster a paradigm shift from being "job-seekers to job creators' among the graduates in this country. The study not only provides evidence to justify the underlying hypothesis, but also makes recommendations to enhance the promotion of entrepreneurial culture amongst the youth.

INTRODUCTION

Within the context of rising unemployment rates in a skills-constrained economy, rising graduate unemployment is particularly worrying. While in absolute numbers, graduate unemployment is not comparatively large, it remains an important area of study for two reasons (Development Policy Research Unit (DPRU) 2006). Firstly, as a category, despite the small absolute numbers, relative to the approximately 8 million broadly unemployed, it has been the fastest growing education cohort of unemployed since 1995. Secondly, for an economy faced with severe skills shortages, it is particularly worrying that we are unable to generate sufficient job opportunities for these individuals who apparently have the highest probability of finding employment. Indications are that this is a result of a mismatch between educational outputs and the type of employment opportunities available (Kraak 2005; Mlatsheni 2005; Oosthuizen 2005). The report by the International Labour Organisation (ILO) (2006) estimates that about 86 million young men and women were unemployed in 2004, accounting for 45 per cent of the 191 million unemployed globally. South Africa has not fared any better, as it faces two most pressing challenges namely, job creation and poverty alleviation (Burger Mahadea and O’Neill 2004). The Mail and Guardian as cited by the Statistics South Africa (Stats SA) (2009) reports that South Africa’s official jobless rate increased to 24.5% of the labour force in the third quarter of 2009, from 23.6% in the second quarter, while the labour force fell sharply. Additionally, in its latest quarterly Labour Force Survey, Statistics South Africa (Stats SA 2009) indicated that the total number of unemployed people stood at 4.19 million in the three months to September 2009. The number of employed people fell by 484 000 to 12.89 million. The rise in unemployment was exacerbated by a decline in employment, with 510 000 people either giving up looking for work or taking themselves out of the labour force completely, with some opting to further their studies. These patterns suggest that there was a shift from employment to unemployment, discouragement and inactivity (Stats SA 2009). The continued deterioration in the South African labour market shows that job losses were widespread, affecting most industries (Stats SA 2009).

With unemployment endemic among the youth in many countries and the potential social costs of an inter-generational unemployment high, these important principles are now taking a central position across different dimen-
tions of national development planning and international development cooperation. Furthermore, while solutions are individual, there is much to be gained by policy makers and programme managers from hearing and sharing the experience – both the successes and failures – of other countries (ILO 2006). It is for this reason that politicians and education policy makers are now looking carefully at entrepreneurship and enterprise education as a way of harnessing young people as assets, and making students more realistic or ambitious about the world of work and the community in which the youth will reside. Congruent with the notion of entrepreneurship promotion, in his newspaper report Ibiam (2007) argues that neglecting the days of small beginnings in life may be dangerous. For all ages, these have been great landmarks and successes in business, education or in various other areas of life. Starting with little or nothing at their disposal and with the progression of time, hard work and careful planning, people can achieve great feats.

Despite the South African government’s invigorating plans and strategies such as skills levy, learnerships, etc., to address the unemployment challenge in the country, graduate and youth unemployment still remains a thorn in the flesh for the authorities in this country. How is it possible that graduates with college and university qualifications fail to secure a job? What could be the causal factors to this state of affairs, and possible remedies? It is for this reason that this paper vigorously presents and advocates cultivation of entrepreneurship culture (that is, job creators instead of job seekers) at school and university level as a possible remedy for this youth unemployment challenge facing the country. Myriad of strategies are advanced towards attainment of this goal.

African Youth and Unemployment – Local and Continental Perspectives

Africa’s population of young people is growing exponentially. While Africa’s youth currently comprise 37 percent of the continent’s working age population, they account for 60 percent of the total unemployed (World Bank 2008). South Africa reflects the continent’s pattern. In March 2006, the Statistics South Africa’s Labour Force Survey estimated the country’s youth unemployment rate at 50 percent among 14 to 24 year olds – almost double the general unemployment rate. Thirty percent of 25 to 35 year olds were unemployed. Among young people who had left secondary school before completing their senior secondary education, unemployment is as high as 59 percent. The chances of these young people finding employment through networks or further education are minimal; the majority of them live in poverty-stricken households where older family members are also likely to be unemployed. According to the Labour Force Survey (2007), almost two-thirds of South Africa’s young people aged 15 to 24 live in households with expenditure of less than R1 200 per month, as do 60 percent of youth aged 25 to 34.

The study conducted by Tarantino (2003) from 1995-2004 reveals that unemployment among the youth is a particular problem in Africa. At 21 per cent in Sub-Saharan Africa and 22.8 per cent in North Africa, the unemployment rate for youth ages 15–24 was twice that of the overall labour force in 2003 (ILO 2006; Bhorat 2006). In Sub-Saharan Africa unemployed youth, as a share of the total number of unemployed was 63 per cent, even though the youth made up only 33 per cent of the labour force. These much higher unemployment rates for the youth hold true for both males and females. The study conducted by Kingdon and Knight (2004) found that unemployment is very inequitably distributed in South Africa and certain groups are much more likely to enter it, and to stay in it, than others. Young uneducated Africans living in the homelands and remote areas are most vulnerable to unemployment. There are two particularly striking features of South African unemployment: firstly, the fact that rural unemployment rates are higher than urban rates is atypical among countries and is explained by historical policies restricting mobility. Secondly, the majority (62%) of the unemployed have never held a job before, that is, they entered unemployment from the time of entering the labour force. The very long duration of unemployment (>1 year) among a high proportion (68%) of the unemployed suggests that the demand-side of the labour market is responsible for a large part of the unemployment problem. In this paper, the researcher intends to narrow the debate and focus exclusively on the strange pattern developing in this country, where graduates are finding it tough to find employment.
Explaining Graduate Unemployment

Education is often used as a proxy for the skills level of a labour force participant. Given the structural change in the economy and the current skills shortages experienced by firms, the expectation is that unemployment among graduate labour market participants should be declining. However, as shown in the literature, this has not been the case. In this section, the researcher intends to explore the possible reasons behind the graduate unemployment problem, drawing on number of studies done on this subject, for example, the survey conducted by the DPRU (2006). Figure 1 depicts the picture of the state of affairs regarding the graduate unemployment and where the biggest challenge might be lying.

Causes of Graduate Unemployment in South Africa

Graduate unemployment can be very frustrating to those experiencing it. There are a variety of causes that contribute to the problem of graduate and youth unemployment. In his research study on the unemployment in South Africa – descriptors and determinants, Bhorat (2006) identified the following possible causes of unemployment; output and employment; LFP growth rates; labour demand-supply mismatch; wages and employment; the role of trade unions and bargaining councils; labour regulation and the nature of economic growth. Similarly, DPRU (2007) posits that many graduates are unemployed because they have chosen the wrong field of study; the quality of education is not up to standard; continued racial discrimination favours whites; they lack soft skills, workplace readiness and experience; their expectations are too high. Can subject choice help reduce the level of unemployment among graduates? Table 1 shows the breakdown of common tertiary unemployment by type of field of study for the period 2000 – 2005.

It is important to note that, while demands for students with qualifications in social sciences and humanities are less acute, those are the fields that do not directly prepare them for professions, which takes them longer to find jobs than graduates in economic and management sciences and natural sciences (DPRU 2007).

Youth unemployment is high not only because there are no jobs at all but also because youth, especially well educated youth, face a costly search process early on in their career. They may prefer to wait for well-paid jobs in the formal sector instead of going into low-level jobs in the informal sector (United Nations Economic Commission for Africa (UNECA) 2005).

Table 1: Breakdown of tertiary unemployment by type and field of study, 2005

<table>
<thead>
<tr>
<th>Field of study</th>
<th>Share (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Business, Commerce and Management Studies</td>
<td>30.5</td>
</tr>
<tr>
<td>Education, Training and Development</td>
<td>25.6</td>
</tr>
<tr>
<td>Physical, Mathematical, Computer and Life Sciences</td>
<td>11.3</td>
</tr>
<tr>
<td>Manufacturing, Engineering and Technology</td>
<td>8.6</td>
</tr>
<tr>
<td>Health Sciences and Social Services</td>
<td>5.8</td>
</tr>
<tr>
<td>Human and Social Studies</td>
<td>2.7</td>
</tr>
<tr>
<td>Other/Unspecified</td>
<td>15.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
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Justification for the Study

The problem of unemployment and poverty requires the rethinking of strategies to tackle this challenge, especially as it affects the young people in this country. Evidently, the old paradigm of the twentieth century is being replaced with the new paradigm of the entrepreneurial society – a society which rewards creative adaptation, opportunity seeking and a drive to make innovative ideas happen (ILO 2006). In fact, most commentators would now agree that a spirit of entrepreneurship is one of the principal factors in whether communities can successfully overcome the difficulties that global changes have generated. While entrepreneurship is now mostly commonly associated with business creation, with much of the world’s media having created an image of the modern day entrepreneur as the inspirational figure of our age, building a business empire out of nothing and in so doing, creating wealth and prosperity for him/herself and others, the true meaning of entrepreneurship goes far beyond the act of starting and running a business (ILO 2006).

Therefore, focusing attention on learners and students is likely to yield positive and lasting results regarding the difficulty of unemployed youth, which according to the research findings by Bhorat (2006), 200,000 (3%) of all the unemployed are graduates (up from 2% in 1995) and only 18% of unemployed graduates have degrees. Clearly, the bulk of the problem is with diplomas and certificates. It is the contention of this paper therefore, that the ability of any developing country to successfully meet the challenges of competitiveness and growth, that is, job creation, depends on dynamic entrepreneurship. Research suggests that there is a positive correlation between entrepreneurship and economic growth (COM 2006). Furthermore, Burger et al. (2004) maintain that the public and private sectors have, in recent times, been shedding labour in response to the economic imperatives of domestic and global circumstances. As the number of people without employment rises, more and more individuals especially those with previous work experience might take the route of entrepreneurship by starting up small or micro ventures. School leavers and new entrants to the job market need to be aware of the realities of the changing market conditions in South Africa and should consider enhancing their employment prospects by taking the entrepreneurial path as job-creators rather than job-seekers. Obviously, they need to have the right entrepreneurial attitudes.

As attitudes and cultural references take shape at an early age, education can play a major part in successfully addressing the entrepreneurial challenge. Education should, therefore, develop an awareness of entrepreneurship from an early age. Introducing young people to entrepreneurship develops their initiative and helps them to be more creative and self-confident in whatever they undertake and to act in a socially responsible way (COM 2006). In addition, a culture of entrepreneurship can unleash the economic potential of young people. As the World Bank states, “Societies that appreciate entrepreneurship and promote its values and norms can create a dynamic and vibrant class of young entrepreneurs” (2008). Entrepreneurship and business creation are also a growing alternative for young people whose age group often faces a labour market with double digit unemployment rates.

The significance of cultivating entrepreneurship or enterprise education is captured succinctly by the following report of ILO (2006)”entrepreneurship education encourage students to think innovatively around their future career or employment options, as well as how they can contribute directly to their community’s wellbeing’. The most successful programmes promote and stimulate an entrepreneurial spirit by unlocking the talents, imagination and creativity of the youth as drivers of change, addressing important economic, environmental, health and food security issues within their communities as part of the programme’s framework. Such programmes are helping to reduce youth vulnerability, social marginality and poverty, especially in distressed or disadvantaged communities.

Problem Statement and Aim of the Study

It is very interesting to note that since the dawn of democracy in this country, more African children have access to education as well as higher education. Yet, statistics still show that most of them still struggle to become absorbed into the labour market. Are there historical nuances associated with these trends, or could open access to education be the underlying cause for
this problem? Notwithstanding these critical questions, the basis of this study stems from a general outcry regarding the alleged alarming rate of unemployed youth among South African graduates and among the youth in general. This has prompted not only the need for proper diagnoses of the underlying causes of this problem, but is also an opportunity for some valuable recommendations that can aid the process of remedying this situation. The following two fundamental research questions will help to illuminate both the underlying purpose and hypothesis of this study:

- What factors contribute to the unemployment of graduates?
- How can entrepreneurship education be the remedy for unemployed graduates?

**METHODOLOGY**

**Research Design, Sampling Technique and Data Collection**

To address the research problem, an inquiry using a qualitative ethnographic approach, which is both descriptive and exploratory in nature was undertaken to solicit the opinions and experiences of Business Studies teachers (n=12); some grade 12 learners (n=32), as well as (n=3) members of the Free State Provincial Department of Economic and Development with a view to further informing the research agenda and policy debates. The researcher used a multi-method strategy, employing a variety of data-gathering methods, including observation, in-depth interviews, and extensive desk-top document analysis to understand the current didactical approaches adopted by South African schools, and the FS Provincial Economic Development Department’s strategies and approaches to advance the cultivation of a sustainable culture of entrepreneurship in various sectors of the economy, especially among the youth. The rationale for employing data triangulation the researcher attempts to use more than one source to gather rich and accurate information in order to ensure that a theory is tested in more than one way to reduce bias and to increase validity and reliability of the conclusions (White 2003). Owing to the small size of the sample population (n=47), inferences and assertions made in this article provides an indication of how entrepreneurship is cultivated among the youth in this country, without laying any claim to the generalisability of the results.

**RESULTS**

The findings of this study stem from the responses of the three categories of respondents namely: (n=12) teachers – HoDs at their respective schools with an average of 10.2 years of work experience between them; (n=32) learners – taking Business Studies as a grade 12 subject; and (n=3) FS Government of officials – Economic Development Department.

**Category A: Teachers**

a) Do you know what entrepreneurship is? Please explain your answer below.

The intention here was to determine the extent to which respondents are familiar with the topic and subject of entrepreneurship prior to proceeding to elicit their responses to questions that were built on their comprehension. All the respondents indicated full comprehension of what entrepreneurship is. One teacher argued that “It has to do with the creation or development of business owners of tomorrow”. Similarly, another responded that “a course or subject that deals with the promotion of job creation among young people.”

b) Do you teach entrepreneurship? Please briefly explain your answer.

The purpose of this question was to check their current or previous encounter with the topic or subject entrepreneurship. All teachers claim to be either teaching entrepreneur-ship currently or have done so previously.

c) Do you teach it any differently from say English or Mathematics? Please explain your answer.

The question intended to determine if they were conscious of its unique nature or its similarities to other subjects that they might have encountered in their teaching career. The following remarks summed up the current status of entrepreneurship within the education system in most public schools in South Africa. One teacher argued that “we want to but it is not practically possible; we work in very rigid, pre-determined curriculum timelines, with no resources and no support. How can we teach it any differently, even if we wanted to? Another teacher maintained that “it is just a tiny part of
Business Studies as well as Life Skills; it is not a stand-alone subject. Besides, our congested timetable does not give us the opportunity to focus on this area”. Similarly, another teacher stated that “this (entrepreneurship) component, by its very nature demands a lot of research, but we don’t have time to assist and mark such projects; we are unfortunately chasing paperwork against unreasonable time-frames, so we try to give our learners sensible and reasonable projects, but marking and submission is always a challenge.”

Category B: Learners

After determining whether the learners were doing Business Studies as a subject, which incorporates entrepreneurship, the following questions were put to them, (that is, a single class consisting of 32 learners).

a) Do you enjoy this part (that is, entrepreneurship) of Business Studies? Please explain your answer.

By a show of hands, the majority (n=21) of the learners indicated that they do enjoy this component. A follow-up question was ‘why?’ One learner who did not enjoy the component complained that “we are made to collect, if not marketing materials, newspapers non-stop, solve some flimsy business problems, and get no meaningful feedback from our teacher.” Another learner concurred by saying that “the subject is not really difficult; I think it is the way it is taught. It is made out to be very difficult and is boring.” Conversely, another respondent replied: “I want to be a successful businesswoman one day and I think that by doing well in this subject I will be able to succeed and achieve my dreams”. Similarly, yet another said: “I agree with .... Nobody at home is working and I know of a number of my friends in a similar situation. I am hopeful that when I finish matric, this subject will help me create some job opportunities for myself and my family. If only I could get some money from a bank!”

b) What do you think is the significance of a subject such as entrepreneurship? Please explain your answer.

The intended purpose of this question was to explore the perception and attitudes of respondents concerning entrepreneurship. The following responses featured prominently for both learners and teachers (not listed in any particular order).

1. Job creation, that is, employment opportunities;
2. Earn some money of your own, and choose how you spend it;
3. Eradicate unemployment and poverty;
4. Supplement your income;
5. Give one the skills to start and own one’s own business;
6. Makes one creative and innovative;
7. Provides a platform for self-empowerment, self-enrichment and independence; and
8. Affords one the opportunity to be rich when you have your own business.

c) Do you consider entrepreneurship as a possible career option for yourself? Please explain your answer.

An overwhelming number of the learners (that is, 93%) view entrepreneurship as a possible career choice. “Most of us have good ideas about starting up a business. If all of us here start our own businesses, can you imagine how many job opportunities can be created. If only banks and government would be willing to give us start-up capital” argued one learner. Similarly, another learner remarked that “most people own construction companies, catering companies, etc., so it is my wish to also run my own business one day”. Additionally, “being your own boss is very fashionable these days; look at these tenderpreneurs! The only bad thing is that corrupt behaviour is associated with wealth accumulation” complained another learner.

Category C: FS Provincial Department of Economics and Development

a) How do you promote and cultivate entrepreneurship particularly among the youth in the province? Please explain your answer.

The question was intended to establish whether there are existing strategies that foster entrepreneurship culture in the province, across various sectors of society. Two broad types of entrepreneurship programmes were evident, namely:

- Business start-up programmes
- Programmes specifically for young women and disabled people
- Programmes in which young people make up a large proportion of the participants
- Programmes designed to promote or foster a more entrepreneurial culture, for example,
An innovation and socio-economic development hub in central South Africa – a joint project between the Central University of Technology and the FS government.

It can be safely inferred that the following responses from the Free State provincial authorities are indicative of the general state of youth entrepreneurship in most provinces in this country. The official said: “We have a number of excellent youth empowerment programmes. Unfortunately, time for effective implementation, including monitoring, support and evaluation is always problematic, due to a constant change of leadership, deployments, etc. Another official complained that “bureaucracies, budgets and indecisiveness are to blame for our poor delivery on this mandate.”

**DISCUSSION**

It is evident from the findings that the promotion and cultivation of entrepreneurship among the youth, especially at school level is far from enough. Strict compliance and rigidity of the pedagogic milieu in terms of completion of curriculum within a specified timeframes, makes it difficult for a conducive and enabling climate for entrepreneurial culture to flourish. Learners report a minimal exposure, at least at theoretical level, while teachers bemoan time and resources constraints. At (provincial) government level, besides their political bickering reliance on universities to assist in the development of entrepreneurial promotion programmes is attributable to their failure to vigorously tackle this youth unemployment challenge.

A comprehensive and inclusive strategy on job creation cannot be left to government alone. Deliberate efforts to target education as an appropriate ‘change agent avenue’ is the logical way to go. Schools and universities are best placed to instill a progressive paradigm shift among the youth, that is, in terms of cultivating the ‘job creators instead of job seekers’ mentality as well as ‘valuing and embracing blue collar jobs not just white-collar jobs’. It is essential therefore, to indicate how entrepreneurship promotion at school level and universities can serve as a possible remedy in addressing this youth unemployment challenge. It is equally imperative to ensure that those youth and graduates fortunate enough to find employment are encouraged and supported to have an attitude and work ethic which is beyond reproach, so that they do not cheaply lose their jobs.

**CONCLUSION**

This study aimed to explore the causes of graduate unemployment as well as advocating for the promotion and cultivation of entrepreneurship culture among young people in this country. The primary consternation from the documentary evidence leads to a mismatch between educational outputs and the type of employment opportunities. The contention of this paper is that the impact of the recent world-wide economic down-turn (that is, market contractions, limited job opportunities) and a lack of finance (that is, start-up capital, support for SMMEs) demands an overhaul of current strategies, but also an attitudinal change towards the advancement of entrepreneurship among the youth. A number of solutions present themselves, most importantly perhaps the almost clichéd suggestion that education needs to be improved. For years, more education was seen as the solution to the structural unemployment problem. However, as more students were enrolled and graduated from tertiary qualifications, so the unemployment rate among graduates has increased. The focus should now shift to better, more appropriate education (DPRU 2006).

The South African government has introduced skills levy, learnerships, etc., as a way of promoting job creation among South Africans. However, no deliberate effort has been made to identify entrepreneurship as a strategic attempt to address graduate unemployment. It is the contention of the paper that cultivation of entrepreneurship culture among learners and students could be the remedy to escalating unemployment challenge among the youth. A paradigm shift from being ‘job seekers to job creators’ needs to be emphasized as well as the significance of promoting the ‘blue-collar work not just ‘white-collar work’ could help address this youth unemployment challenge. Through the acquisition of practical learning, work and life skills, programmes should improve the ability of students to anticipate and respond to changes in society more easily. With classroom-based learning more explicitly connected to its real life applications, the evidence so far suggests that students taking part in entrepreneurship and enterprise education programmes are rediscov-
ering a reason to learn and a renewed sense of optimism in their future. Furthermore, these programmes are challenging societal beliefs about what is meant by entrepreneurship and entrepreneurial behaviour (ILO 2006).

**RECOMMENDATIONS**

The recession and a lack of finance can arguably be cited as the two most recent bottlenecks against the advancement of entrepreneurship. Notwithstanding, creativity and innovation are the imperatives and pillars of any endeavor. Young people and graduates are the imperatives and pillars of any effort of job creation and employment in any economy. Young people and graduates are the very foundation of business creation and employment. In essence, the literature seems to indicate that there is a skills gap regarding the requirements of industry and what is being taught at universities. 

Evidently, stimulating and cultivating an entrepreneurial spirit among the youth requires a different pedagogical approach. Amongst an array of strategies available, the following suggested approaches are the most practical and viable in terms of enhancing entrepreneurship amongst learners and students:

- **Problem-based Approach** – This approach requires that learners or students be hands-on; therefore, action-research should be an integral feature in the problem-solving approach.

- **Emphasis on Simulations and Role-play** – Experimentation; that is, grasping the ac-

- **Establishing a Business Studies Laboratory/ Incubators** – If entrepreneurship is to be vocationalized, schools, colleges and universities will have to think of developing and introducing custom-made laboratories for business projects for the purposes of simulations and role-play. This will also assist with idea generation and development.

- **Mandatory Work-integrated-Learning (WIL) in All Academic Programmes** - It is critical that students be exposed to educational activities that integrate theoretical learning with its application in the workplace. University learning has been criticized for concentrating too much on an increase in ‘declarative knowledge’, or ‘knowing about’ things, and insufficiently on professionally relevant understandings or ‘functioning knowledge’ (Leinhardt et al. 1995; Entwistle and Entwistle 1997; Biggs 1999).

**REFERENCES**


International Labour Organisation (ILO) and United Nations Educational, Scientific and Cultural Organisation


