Benefits and Financial Implication of Entrepreneurship Education in South African Public Schools

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Abstract: This paper examines the benefits and financial implication of entrepreneurship education in South Africa public schools. The core problem this study address revolves around the lack of financial support given to public schools to initiate entrepreneurship education. The study adopted qualitative research approach. In addition, semi-structured questionnaire was distributed to 54 principals; to ascertain the support and programmes in place to promote entrepreneurship education. Furthermore, interviews were conducted to find the effective strategies to introduce entrepreneurship programmes in South Africa public schools. A purposive sampling method was used to select the participants for the case study. In this study, thematic analysis techniques were also used to analyse the survey data. The findings of this study reveal that there is a gap in entrepreneurship training in South Africa public schools. Secondly, the literature view revealed that educator's lack relevant knowledge about entrepreneurship education. The results from literature review further revealed that benefit of entrepreneurship education can be used as a strategic approach to mitigating the young unemployment in South Africa. The study proposes a framework to enhance entrepreneurship education in South Africa public schools. In addition, make funding for small business enterprise to be accessible to the young in the rural areas and township.

Keywords: Entrepreneurship education, financial implication, public schools, Economic, entrepreneurial skills, benefit.

1. Introduction

In South Africa, during Covid-19 small business enterprise needed financial support and government initiated financial relief support. Despite the effort from government to support small business enterprises, most small business enterprises are closing. Contrast to this, in South Africa entrepreneurs are faced with lack of financial support and lack of entrepreneurial skills both in the formal and informal businesses. This study seek to address the benefits and financial implication of entrepreneurship education in South Africa public schools. In South Africa entrepreneurship education is the priority, the government planning to introduce entrepreneurship in public school to insist entrepreneurial skills from grass root. Youth unemployment is one of the most persistent and contentious economic challenges in South Africa. Due to the high level of unemployment rate in South African among the young. The adoption of practical subjects such as robotic and coding in educational curriculum can improve the skills of learners to open business venture.

2. Research Context: Background

Developed and developing countries use entrepreneurship education as tool to encourage young to venture in the business world. In addition, entrepreneurship education is significance to create job and growth of the economy (Herrington et al. 2017). Global Entrepreneurship Monitor (GEM) discovered that the 42% of youth and adult between the ages of 18-64 are not keen to start a business. In South Africa developing skills of young is imperative. The advent of legislation such as Skills Development Act (SDA) 97 of 1998 to encourage on-going training (Ayanda & Houghton 2017; Mohammed & Nzelibe 2014). In addition, entrepreneurship education should be used as strategy to develop township economy. The Department of Small Business Enterprise core function is to support small business enterprises with funds and business skills. In South Africa the economy is structured such that the small business plays a major role in creating jobs for young and the economy of the country as stated by (Malebana 2017:75). The South Africa unemployment rate rose to 30.1% in the first quarter of 2020 from 29.1% in the previous period and above market expectations of 29.7%, it is the highest jobless rate on record since quarterly data became available in 2008, as the number of unemployed people increased by 344 thousand to an all-time high of 7.1 million as supported by (Skae 2017:1). On the other hand, youth unemployment rate in South Africa increased to 59% in the first quarter of 2020 from 58.10% in the fourth quarter of 2019. As South Africa’s efforts to attract R1.2 trillion in investment over five years gain momentum. In his State of the Nation Address (SONA), President Cyril Ramaphosa has emphasised the importance of South Africans embracing a culture of entrepreneurship and implement entrepreneurship.
education in public schools. Contrast to this, countries such as Botswana entrepreneurship related programmes is offered to young who have already left school and this have yield positive result.

3. Literature Review

The literature review is about to ascertain what other researchers have found about the research problem and gathering information to support or contest an argument (Bell, 1993:32; de Vos, 2002:650).

![Figure 1.1: Model of social cognitive career theory](image)

**Theoretical framework**

Theoretical framework is the cornerstone and blueprint of a research study (Cresswel, 2018). Hence, this study adopts social cognitive career theory. The rationale for choosing this theoretical framework is due to the fact that the social cognitive career theory focuses on matters relating to educational and career interests. Social cognitive theory focuses on maturing skills of learners and link factors influencing career decision-making (Atadero, Rambo-Hernandez & Balgopal, 2015:58; Lent et al., 1994). In addition, the following diagram shows the link between personal determinants, environmental determinants and behavioural determinants.

- Developing career interests
- Making, forging, enacting and revising occupational choices
- Achieving career success

**The international context**

In New Zealand entrepreneurship education have yielded positive result (Daniel et al., 2016; Foster et al. and Mazzarol, 2016). Furthermore, the study conducted by Warren and Smith (2015) on rule-breaking and legitimacy: A failure of artful navigation, in New Zealand revealed that “public perceptions of entrepreneurs vary over time, highlighting problems for those who fail to navigate socially contextualised rules”. On the other hand, the innovation by New Zealand called Kumikumi Trust, have assist secondary schools and change entrepreneurial mind-sets for young (Velocity & Centre for Innovation and Entrepreneurship, 2017). In addition, New Zealand entrepreneurial programmes and competitions such as Dig My Idea has yielded positive result. In Nigeria is a developing country like South Africa and they have same socio-economic status. As back as Nwachukwu (2012) reported that the youth unemployment rate in Nigeria at 23.9%. A study conducted by Agboola (2014) on entrepreneurship education and youth unemployment problem in Nigeria, revealed that “seventy-one percent (71%) of graduate students from Nigerian Universities and other forms of tertiary institutions are yet to get job”.

In the similar vein, Iro-Idoro, Ayodele, Jimoh (2015) stated that over 38million Nigerians are unemployed. Scholars such as Iro-Idoro, Ayodele, and Jimoh (2015) further stated that graduates from Nigeria universities are roam in the street due to the fact that lack of entrepreneurial skills. In addition, an entrepreneur is a person who produces goods and services which he/she then sells in order to make money. Furthermore, an entrepreneur is a person with knowledge and the skills to combine factors of production. Tende, (2014) further explain that entrepreneur is an individual who organises, owns, manages and takes the risks of a business and individual that identifies new business opportunities.

**South African context**

In South Africa, the government have programs to assist the start-ups and township small business to grow the economy. The biggest problem is the implementation. The Minister of Small Business Development share that they have plan to fund start-up business. In addition, one billion of funding is available start-ups business. The target is more than 100 000 youth entrepreneurs that will benefit from this initiative. The government encourages the students to be innovating and venture in to entrepreneurship to develop a culture of self-employment. Furthermore, StatsSA, (2020) revealed that...
58% of youth in South Africa are unemployed. The graph will illustrate the unemployment rate by level of education.

![Unemployment Rate by Level of Education](image)

**Figure 1.2:** Unemployment Rate by Level of Education

Source: Statistics South Africa (2020)

Despite the programs in place by government to mitigate the high rate of young unemployment. Young unemployment is challenge against the youth to date. In addition, a study conducted by Mahendra (2017) on effect of entrepreneurship education on entrepreneurial intention mediated by motivation and attitude among management revealed that black small business owners lack basic financial skills. Moreover, they is misalignment between the Department of Basic Education and Department of Small Business Development, they is no collaboration to assist public schools to impart entrepreneurial skills to learners, when they want to venture in entrepreneurship world. No programmes for the side of Department of Small Business Development to assist the young. According to a study conducted by Nieuwenhuizen and Groenewald (2008:129) revealed that individuals who have attended entrepreneurial courses are more likely to start up their own businesses as compared to those not attending any entrepreneurial courses.

Hence, the researcher agrees with the findings by Nieuwenhuizen and Groenewald (2008:129) and entrepreneurship education can be used to benefit South African Public Schools. Furthermore, a study conducted by Chepurenko, (2015) on entrepreneurship theory: new challenges and future prospects, Chepurenko (2015) focused on perceptions of learners about entrepreneurship, the findings revealed that little entrepreneurship knowledge is taught in public schools. On the other hand, little research has been done to assess Benefits and Financial Implication of Entrepreneurship Education in South African Public School. Hence, the core purpose of this study looks into the programmes and available funding at school level.

**Purpose of the paper**
- What are the benefits of adopting entrepreneurship education as a subject across curriculum in South Africa public schools?
- What are the financial implications associated with the adoption of entrepreneurship education?

**4. Methodology**

The research approach can be defined as a logical strategy used by the researcher to achieve the research objectives as supported by (Yin, 2016). The most common research approaches are qualitative, quantitative and mixed methods. Hence, for this study qualitative research method was used to get the in depth understanding of the principals views of the benefit entrepreneurship education in public schools. This approach allows the individual conducting research to explore perceptions, attitudes and motivations in order to understand how they are formed and seeks to describe, decode, translate and reach a consensus with the meaning of certain naturally occurring events (Bryman 2014:382). The approach has the capability of producing the detailed description of participants’ positions and interprets the meanings of their actions.

Kumar, (2019) defines interview as a conversation between the researcher and participants about the research problem. Hence, in this study semi-structured interviews are adopted as a method of data collection. In addition, interviews were used to gather qualitative data. The benefits for the interviews researcher can always make a follow up on something that the interviewee has said. Each interview last between 30 - 60 minutes, This is done to ensure anonymity and confidentiality. In addition, the interviews was conducted using zoom and micro team, the researcher adopt these strategy to observe protocol of Covid-19. The benefits of using online platforms the interview can be recorded automatically and this assist the researcher to analysis the response from participates.

Thematic analysis refers to a method of analysing qualitative data through identifying themes or patterns within the data as supported by (Clarke and Braun 2013).In this study the researcher analysed the data by familiarising with the data, creating of codes, searching for themes, reviewing themes, defining and naming the themes and finally producing a report. The rationale of using thematic analysis is that is easy to use, the study used thematic analysis for data analysis, and thematic analysis carried out manually. In addition, participants for this study will be coded as follows.

<table>
<thead>
<tr>
<th>Code</th>
<th>Description of code</th>
<th>Data collection mechanisms</th>
</tr>
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<tbody>
<tr>
<td>PS</td>
<td>Public school 1-5</td>
<td>Document analysis</td>
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<tr>
<td>P</td>
<td>Principals</td>
<td>Semi-structured interviews and</td>
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**Table 1.1:** Coding of Participants and Schools
5. Findings

Data collected from interviews conducted high school principals. This section caters for objective of this study with is to make recommendations to implementation to entrepreneurship in public schools and reduce youth unemployment through entrepreneurship education. It is imperative to include themes during presentation of data and analysis because themes act as an umbrella construct identified by the researcher before or after the data collection (Welman, Kruger and Mitchell 2005: 211). Furthermore, the following themes emerged from the research data. These themes are as follows: (1) financial support to implement entrepreneurship (2) training of youth to start business (3) challenges associated with the adoption of entrepreneurship education (4) receive any support from small business enterprise or NYDA (5) area promoting entrepreneurship against the youth (6) entrepreneurship programmes are offered by uMgungundlovu district municipality (7) knowledge and experience gained doing business studies to start a business (8) beneficial about business studies (9) successful entrepreneurs (10) teachers involvement in a marketing day

Theme 1: Financial support to implement entrepreneurship

“Principal 1 and principal 8, indeed public schools do need financial support and proper facilities to implement entrepreneurship to learners and currently they are a lack of textbooks, financial support will assist to buy textbooks”

“Principal 3 and principal 5, shared the views expressed by participant 1 and 8, but added that they is need to employ educators who are skilled to teach entrepreneurship education. Financial support for implementing entrepreneurship can yield good result. Furthermore, without proper financial support can result to fail”

Respondents, all agreed to the question and revealing that the entrepreneurship education in public schools requires a proper financial support to be implemented effectively. Student entrepreneurs should deliver sustainable enterprises that have a positive impact on the lives and communities of its citizens as reported by (Usaf, 2018). In addition, unemployment continues to be a crisis in South Africa, and should be wary about its negative effects on people and society in general. Socio-economic impacts society at the micro, meso, exo and macro levels. “Unemployment has both individual and social consequences that require public policy interventions. Furthermore, unemployment can cause psychological distress, which can lead to a decline in life satisfaction. It can also lead to mood disorders and substance abuse. Unemployment can affect one’s social status ascription as well, which manifests through stigmatisation, labelling, unfair judgement, and marginalisation as reported by (Ayandibu & Houghton 2017; Mohammed & Nzelibe 2014).

Theme 2: Training of youth to start business

“Principal 3 and principal 4 share the similar views that youth need to be trained on the following skills: financial training, business skills, personal and development training, management skills and business skills”.

Respondents were in agreement towards the question the training of youth in the following aspects: financial training, business skills, personal and development training and management skills. In line with the views by Sehume, (2018), these aspects should be included under the theme entrepreneur: entrepreneurial qualities; entrepreneurial skills; and self-knowledge. The South African traditional education system deadened the requisition of attributes and skills to produce entrepreneurs as reported by (Mbiza, 2018).

Theme 3: Challenges associated with the adoption of entrepreneurship education

“Principal 9 and principal 10 share the similar views that challenges associated with the adoption of entrepreneurship education includes the following: financial challenge, lack of entrepreneurship education in schools, barriers of entry to business, lack of support from departments and lack of knowledge about how to start a business”

All participants agreed to the question that they are challenges with the adoption of entrepreneurship and these challenges include financial challenge, lack of entrepreneurship education in public schools and lack of support. The Stats SA further indicates that the unemployment rate amongst the youth population remains high, at about 64.4% for those between the age of 15-24 years, and at 42.9% between the ages of 25-34 years. This reflects the fact that the country is still struggling to somehow find alternative ways of absorbing the younger generation into spaces where there are skills development programmes or work-related opportunities on offer. Youth unemployment remains a threat to the democratic order as supported by (Munyanyiwa and Mutsau 2015).

Theme 4: Receive any support from small business enterprise or NYDA

“Participants agreed to the question that they are no support in public schools from local small business and NYDA (Principal 6 and principal 7)”.

These findings are in line with Ladzani and Van Vuuren (2002:156) “mention that organisations wishing to develop entrepreneurship education are of the view that the main reason for venture failure is lack of entrepreneurship education. In the Buffalo City Metropolitan Municipality in the Eastern Cape Province of South Africa, there are various institutions that support SMMEs. The institutions include, but are not limited to, the Small Enterprise Development Agency (SEDA), commercial banks and Khula Enterprise Finance”. This study calls for both public and private sectors to really reflect on what they can offer as partners to improving unemployment and the upliftment of the youth. There needs to be the promotion of partnerships across sectors to aid the recovery of the nation’s economy. Promoting domestic and international investments is a good step for the country but the loss of confidence in government betrays a negative perception about South Africa in general as supported by (Munyanyiwa and Mutsau 2015). It is
important, therefore, that our government put some energy into combating corruption and rebuilding the citizenry and investor confidence. This may improve the odds for possible employment and decrease the intimidating high rate of unemployment among the young members of our society.

Theme 5: Area promoting entrepreneurship against the youth

“Principal’s responses were divided towards the most areas entrepreneurship education is not promoted against the youth (Principal 4 and principal 8)”.

Unemployment rate (34, 4%) increased by 1, 8 percentage points. Absorption rate (37, 7) declined by 0, 3 of a percentage point while labour force participation rate (57, 5) increased by 1, 1 percentage points. Finance (278 000), Community and social services (166 000) and Manufacturing (83 000) recorded the largest employment losses. The number of not economically active decreased by 386 000 in Q2:2021 compared to Q1:2021.

In rural areas they are no entrepreneurial skills of innovation and creativity, no access to information, and lack role model as reported by (Leibbrandt et al., 2021; SA news, 2021)

Theme 6: Entrepreneurship programmes are offered in South Africa

“Participants disagreed that entrepreneurship programmes are offered by public schools at uMgungundlovu district. Grade 12 learners leaving school without entrepreneurship knowledge cannot venture into business (principal 2 and principal 7)”.

According to SEDA (2010), is an agency of the South African Department of Trade and Industry (DTI). It is mandated to implement the government’s small business strategy; design and implement a standard and common national delivery network for small enterprise development; and integrate government-funded small enterprise support agencies across all tiers of government.

Theme 7: Knowledge and experience gained doing Business Studies to start a business

“Participants agreed that those learners are will be able to start their business; the problem is business knowledge of the business taught in business studies (Principal 8 and principal 3)”.

As reported by Gouws (2002:45) explains that the “teachers cannot continue to teach in the old rote memorization style”. An additional contribution to unemployment in South Africa that should be investigated is connected to a lack of access to education post schooling that could lead to access into the job market. This also makes it difficult for employees to then afford opportunities to those that are disadvantaged (Barral, Ribeiro & Canever, 2018)

Theme 8: Beneficial about Business Studies

“Participants agreed that the beneficial about business studies helps learners to understand the following aspects:

understanding the legislation that fact business, understanding business functions and the information of operational of the business (principal 6, principal 4 and principal 7)”

There is congruent positive response that the most benefit about business studies is to understanding the legislation that fact business, understanding business functions, the information of operational of the business, understanding the legislation that fact business, understanding the legislation that fact business. In addition, learners should be taught how to do the books, calculate the cash flow and be able to do a cost-benefit analysis, not only the strengths, weaknesses, opportunities and threat (SWOT) analyses as supported by (Mbiza, 2018).

Theme 9: Successful entrepreneurs

“Participants share the similar views that our school focus on getting good result in grade 12 and would like to interact with successful entrepreneurs to need insight on the operation on business (principal 10 and principal 3)”.

There is congruent positive response that interact with successful entrepreneurs may give insight on the operation of business. Hence, the need for private public partnership with small business to assist public schools in developing entrepreneurship spirit to learners. A notable incident that exposed this threat in our country was the recent unrest that saw a large number of young people getting involved in looting shops, with others committing other crimes in the process. Most of the reports that emerged following the unrest indicated that the lack of jobs and hunger, as a result, were some of the motivations behind the actions of the looting spree as supported by (Munanyiwa and Mutsau, 2015).

Theme 10: Teachers involvement in a marketing day

“Principal 4, mentioned that learners need assist during the marketing day to buying stock that they will sell”

There is congruent positive response that educators assist learners about buying stock that they will sell during the marketing day (Aulia & Hadi, 2018). The researcher disagree with the findings by Tomkins-Bergh and Miller (2015) that the inclusion of entrepreneurship education in public schools may not yielded success as expected due to poor definitions of context and goals of entrepreneurship education programme. In contrast to the views shared by Tomkins-Bergh and Miller (2015) the researcher views is that, in order to be able to curb the youth unemployment, the adopting entrepreneurship education in public schools as a subject to teach learners entrepreneurial skills can yield positive result.

6. Discussion

In this study, it was found that public schools do need financial support and proper infrastructure to implement entrepreneurship to learners. The department should employ educators who are skilled to teach entrepreneurship education in South Africa public schools. In addition,
current they is a lack of textbooks, financial support to assist to buy textbooks in public schools. This study further finds that financial support to public schools can yield good result for implementing entrepreneurship education and without proper financial support can result to fail. According to Surbhi (2015:1) entrepreneurship training of learners can be effective and productive for South Africa public schools. The finding revealed that young in South Africa are in need of the following skills financial training, business skills, personal and development training and management skills; this should be incorporated in business studies curriculum. In addition, the findings indicated that South Africa public schools are more effort to getting good result in grade 12 and they is lack of entrepreneurship education. Practical knowledge in the curriculum taught in grade 10 to 12 is lacking. Business studies focus on the theory. The study finds that introducing entrepreneurship education in South Africa public schools young will be able to venture into business world without problem. Most educators share similar views that interacting with successful entrepreneurs to get insight on the operation perspective of the business can be helpful and beneficial. This study further finds that access to finance is extremely difficult in South Africa. The lack of access to finance and the sluggish economy is a challenge. Entrepreneurship education programmes to young can improve business skills. Based on the current economic status of South Africa, entrepreneurship education can improve township business and economy. The findings revealed that entrepreneurship education programme in South Africa public schools can benefit young to participate in township economy and in job creation.

This study reveals that there is a gap between business studies and entrepreneurship education in South Africa public schools. Educators are unable to complete their syllabus as set. The practical side of entrepreneurship education is neglected. Initiative such as market day competitions should be encourage enabling learners to excel in this field. There is also lack of entrepreneurial activities. Local businesses should assist in the teaching of entrepreneurship South Africa in public schools. In addition, learners are not exposed to entrepreneurs so as to get real business advice. Entrepreneurship programmes should offer students opportunities for learners to be involved to local businesses holiday jobs. This will increase practical experience. With regards to the methods should comply with the prescribed literature and should conform to the global trends of how is done. They should also adhere to what is prescribed by the national curriculum statement policy documents. In addition, they lack link to real life situations. There is also lack link of involvement of local business in teaching the subject.

The manner in which entrepreneurship education is offered demotivates learners to becoming entrepreneurs after finishing school. The content on the current entrepreneurship education does not make mention of an entrepreneurship model and therefore places on capital and business plan the most important requirements to start a business. The entrepreneurship programme does not distinguish between an idea and an opportunity and thus learners are not aware of the fact that not ideas are necessarily good business opportunities. The entrepreneurship programme covers all relevant aspects of entrepreneurship processes. Learners are equipped with knowledge of how to compile a business plan. The youth unemployment is high at around 70% so it is critically important for the youth to be entrepreneurship wise so as to build their own future. People should not be scared to take risks and start their own small businesses. Information to this should be communicated through talk, seminars to drive home the importance of business.

Both private and public universities should be encouraged to focus on entrepreneurship education across disciplines. In universities, entrepreneurship should be made one of the core modules to at least the second level. This will assist students in having a sound grasp of the subject and may use it for their future endeavours and able them to start their own businesses. The government is promoting the introduction of entrepreneurship so as to address the high youth unemployment. The higher education department introduced entrepreneurship seminars to try and instil to students an entrepreneurial spirit, so as to develop a business mind-set that necessitate entrepreneurial goals to the youth. The government initiative should be part of the curriculum so that the students be visited regularly to motivate them. The study concludes that the entrepreneurship education programme currently offered at Grade 10-12 level in high schools fails to achieve the goal of entrepreneurship education.

7. Recommendations and Conclusion

In conclusion, South Africa economy is failing to create job opportunities. Private sector and government should work hand in hand to create job opportunities for the young. On the other hand, small business enterprises are closing down and employees are losing job due to the negative impact caused by covid-19. The literature review revealed between the ages 18 to 34 the unemployment rate is above 70% in South Africa. In addition, it is important for the youth to be entrepreneurship wise and venture to business. Young should have mind set of build their own future business. Young should not be scared to take risk and start their own small businesses in rural and township areas. Programs to assist the unemployed young should be developed by the government and private sector. Entrepreneurship information should be communicated through seminars and career guidance. On the other hand, universities should be encouraged to focus on entrepreneurship education across disciplines. The role of Small Enterprise Finance Agency (SEFA), National Youth Development Agency (NYDA), Department of Trade and Industry (DTI), Small Enterprise Development Agency (SEDA) and National Empowerment Fund (NEF) should run more awareness campaigns on media platforms used by students. A transparent monitoring and evaluation system for entrepreneurship training and skills development of young must be implemented. It is critically important for young to be involved in training programmes. South Africa public schools should be empowered with skills so that they are able to impart the knowledge to upcoming learners. The Department of Small Business enterprise should have facilities within the core establishment for training and development of entrepreneur’s skills and organisational skills. This unit will
be better placed to evaluate the performance of entrepreneur’s and thus enhance talent development of entrepreneurs.

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