



FOSTERING ENTREPRENEURSHIP EDUCATION IN SOUTH AFRICA: THE ROLE OF SECTOR EDUCATION TRAINING AUTHORITIES (SETA)

Kachesa E Bbenkele¹ and Alain A. Ndedi²

University of Johannesburg, South Africa

Abstract: Programmes which aim at developing entrepreneurship are numerous in South Africa but tangible results are difficult to see, if any, as unemployment is still high. The reasons are twofold: either there are not many new enterprises that are being created or there is insufficient growth that is taking place within existing enterprises.

The present study investigates some of the interventions which have been introduced by the South African government through its various agencies to support entrepreneurship and points out the challenges they face, namely policy development, operational and pedagogic impediments. A simple model is suggested for development of entrepreneurship training and suggests roles to be played by the Sector Education Training Authorities (SETAs) and other development agencies.

Keywords: Entrepreneurship Education, South Africa, Employment.

INTRODUCTION

The interdependence of economic development and socio-political change is generally recognized by social scientists (Adelman and Morris, 1965). Entrepreneurship is considered to be an important mechanism for economic development through employment, innovation, and welfare effects (Wennekers and Thurik, 1999; Baumol, 2002). The importance of developing entrepreneurship to

contribute to economic development has been widely recognised.

However, Orford Herrington and Wood (2004) caution that though this is a widely held desire, entrepreneurship is poorly understood. This poor understanding is also from the fact that the “animal” usually referred to as the entrepreneur, is more complex than the way described by the classical economists like Schumpeter (1931, 1934)

¹ K. E. Bbenkele is HOD of Entrepreneurship at the University of Johannesburg, ZA, Email: ebbenkele@uj.ac.za

² A. A. Ndedi is a lecturer at the Department of Entrepreneurship, University of Johannesburg, ZA, Email: Ndedi.alain@gmail.com

who saw him as a person who does things “that are not generally done in the ordinary course of business routine. He is an ideas man and a man of action who possesses the ability to inspire others and who does not accept the boundaries of structured situations, the creative destructor”. Say (1803; 1996) furthered the work of Schumpeter and distinguished the entrepreneur and the capitalist and further linked the entrepreneurs and saw them as agents of change.

De Vries (1977) describes the entrepreneur as “an individual often inconsistent and confused about his motives, desires and wishes, a person under a lot of stress who often upsets us by his or her seemingly ‘irrational’ impulsive activities”. This positioning is behavioural and useful when we consider efforts aimed at supporting and developing entrepreneurs. This also suggests the difficulty of providing assistance or support to entrepreneurs. Indeed, many countries have been implementing many programmes and spending a lot of money in establishing institutions around this and no tangible benefits have been realised by many.

In simple terms, Antonites (2003) defines an entrepreneur as an individual with the potential to create a vision from virtually nothing. Timmons (1994, 7) regards the process of entrepreneurship as follows:

Entrepreneurship is creating and building something of value from practically nothing; a human creative act. It involves finding personal energy by initiating and building an enterprise or organisation, rather than by just watching, analyzing, or describing one. It requires vision and passion, commitment, and motivation to transmit this vision to other stakeholders.

This chapter investigates the challenges which government and other agencies face

in developing entrepreneurship in South Africa. The policies and strategies used are discussed and an approach suggested. The value of the paper is in guiding policy makers on how best to build entrepreneurship in South Africa for the needed contribution to economic growth.

THE THEORETICAL FRAMEWORK

If entrepreneurship is understood to be based on the needed behavioural patterns which are influenced by social, economic and psychodynamic forces, any attempts aimed at supporting entrepreneurs should recognize these forces and develop effective interventions to increase the total entrepreneurial activity in South Africa. Orford et al (2004) in their Global Monitor Report define entrepreneurial activity as the rate at which a nation creates new businesses. There are many reasons motivating this posture is multiple. Although most individuals are pulled into entrepreneurial activity because of opportunity recognition, others are pushed into entrepreneurship because they have no other means of making a living and are unemployed. For those who are pulled to entrepreneurship, two major drivers of opportunity entrepreneurship can be identified: those who are pulled primarily because they desire independence, and those who are primarily pulled to entrepreneurship because they want to increase their income as compared to, for instance, being an employee. The remaining share includes people who maintain that they have no other way of earning a living (necessity-motivated entrepreneurs) and people who became involved in entrepreneurial activity primarily to maintain their income.

The Total Entrepreneurial Activity index (TEA) for South Africa was 5.4% in 2004

and this placed it in the 24th position out of the 34 countries in the GEM studies. This is lower than the ETA of other developing countries. However, the creation of new business should not be overemphasised as not all businesses which are created survive and grow for them to contribute to national economic development through wealth creation. What the TEA index reveals is the low level of creation of new enterprises in South Africa. For more entrepreneurs to be developed there is a need to deal with the three forces mentioned above which influence entrepreneurial behaviour through effective training interventions.

This section explores the theories which underpin entrepreneurial education and development approaches necessary to deal with the complex personality of the entrepreneur which if effective would lead to increased creation of new enterprises and their growth. Education theories are used here because there is a need to change the attitude and outlook of people in society for entrepreneurial activities to take place, and has the potential to do this education if done correctly. This is supported by the Shay and Wood (2005) when they assert that, "The education system plays an important role in developing entrepreneurial skills and sharing attitudes in several ways".

This is also supported in the work on the concept of entrepreneur by Dolabela (1999) who define it as "a state of being – a lifestyle, ... a way of thinking, an orientation towards innovation and a capacity to produce changes in one self, the environment and the means of seeking self actualization, including reaction patterns to ambiguities and uncertainties".

Other authors like Timmons (2004) and Shane (2003) have described an entrepreneur as some one who is able to identify,

seize and take advantage of opportunities, searching for and managing resources so as to transform opportunities into successful business". This understanding describes the entrepreneurs as a sophisticated person and aptly supported by higher levels of thinking which only education can provide.

However, the later works of Filion (1991) did not help much as describing the entrepreneur as a complexity animal. He takes a system approach and looks at an entrepreneur as, "...someone who imagines, develops and realizes visions", a person who defines contexts. From this underpinning emerged the school of thought which looked at entrepreneurial development as a process of preparing someone to develop higher cognitive skills to be able to design contexts. Hence, it is argued that entrepreneurial education is important as it equips one with a feeling of autonomy, independence or self confidence which are all important aspects in starting a business.

Apparently, the apartheid educational policies did not allow this to take place especially amongst Africans. The legacy still seems to linger on thirteen years after the new political dispensation. The work of Shay and Wood (2005) supports this when they report that "The proportion of young people in South Africa who believe they have the skills to start a new business is significantly lower than that in other developing countries like Argentina etc."

The various definitions point out the complexity of an entrepreneur and the fact that entrepreneurship can be learned and its development in a country like South Africa can be supported. It is how this learning is conducted and the nature of the support structures which will determine impact made in the creation of

entrepreneurship. The following section develops entrepreneurship education.

Entrepreneurial Education

Entrepreneurship education seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings. A strategy for entrepreneurship in education is a strategy to strengthen the individual's ability to see and exploit opportunities in an economic, social and cultural context. Entrepreneurship in education includes development both of personal qualities and attitudes and of formal knowledge and skills, together these two main elements will give pupils/students competence in entrepreneurship. Personal qualities and attitudes increase the probability of a person seeing opportunities and doing something about them. Work on entrepreneurship in education must primarily place emphasis on development of personal qualities and attitudes. In that way a basis is laid for later utilization of knowledge and skills in active value creation. Knowledge and skills concerning what must be done to establish a new enterprise, and how to be successful in developing an idea into a practical, goal-oriented enterprise. (European Commission, 2006)

Entrepreneurship in education includes development both of personal qualities and attitudes and of formal knowledge and skills that will give students competence in entrepreneurship. Personal qualities and attitudes increase the probability of a person seeing opportunities and doing something to transform them into reality. Work on entrepreneurship in education must primarily place emphasis on development of personal qualities and attitudes. In that way a basis is laid for later utilisation of knowledge and skills in active value creation. (Ndedi and Ijeoma, 2008) Knowledge and skills

concerning what must be done to establish a new enterprise, and how to be successful in developing an idea into a practical, goal-oriented enterprise.

According to ODEP (2009), in order to be able to concentrate on the objectives of entrepreneurship in the education system, there are four factors that apply to all levels of the education system:

1. Entrepreneurship as an integrated part of instruction: Entrepreneurship must be defined as an objective in education, and be included in the instruction strategy.
2. Collaboration with the local community: Instruction in entrepreneurship requires close collaboration between schools and the local business and social sector. There is therefore a need for more arenas for contact between educational institutions and various players in society. In such arenas educational institutions and the local social and business sectors will get to know one another better, and cultural barriers may be dismantled.

This will result in mutual benefit inasmuch as it will increase the quality and relevance of education and strengthen recruitment to the local business sector and development of competence.
3. Teachers' competence: Teachers are important role models. A positive attitude among young people in schools toward entrepreneurship, innovation and re-orientation requires that teachers have knowledge of this. It is therefore important to focus on entrepreneurship in teacher training, and also provide courses in competence development to working teachers.
4. The attitudes of school-owners and school managers: School-owners must follow up the focus on entrepreneurship

in curricula and management documents, and build competence and insight among school managers.

It is important that educational institutions are given legitimacy and motivation to work on entrepreneurship. School managers must be able to follow up, encourage and motivate teachers to be good role models and disseminators of knowledge. Both school-owners and school managers must take the initiative in collaborating with the business sector and other agencies in the municipality. To successfully address unemployment across youth people, certain things need to be developed regarding the training of potential entrepreneurs through tertiary institutions. Entrepreneurship education is a common course of study in higher education settings. A wide variety of curricular approaches exist, though many common elements are found across institutions and settings. These texts and programs must be structured to introduce the concept of entrepreneurship and provide hands-on experience and working models for students to develop skills as entrepreneurs. The principles of entrepreneurship must be considered valuable for students at all levels.

In response to the rapidly changing national landscape, not only of high unemployment but more generally of economic growth and job creation, entrepreneurship is being increasingly emphasized as a critical resource. Timmons and Spinelli (2007) recognise that there is no substitute for actually starting a company, but it is possible to expose students in all fields to many of the vital issues and immerse them in key learning experiences through cases studies of successful entrepreneurs. Concerning this point on students' capacity building in entrepreneurship, a multi-sectorial policy, going from higher education institutions to centres of training, is needed. For a long

period of time, many graduates in all fields of study were not trained in entrepreneurship. However, many universities are engaged in various programmes dealing to fill this gap on training of potential entrepreneurs. The courses included entrepreneurship and small business management, innovation and creativity, opportunity recognition and business plans. These courses are aimed in developing and unleashing graduates' expertise about entrepreneurship. As it has always emphasized in the case of US, the proliferation of entrepreneurs was associated with the emergence of centres and higher education institutions specialised in entrepreneurship.

Henry, Hill and Leitch (2003: 12) point out that entrepreneurship training can complement the early stage awareness-raising function of entrepreneurship education, as it provides the more practical skills that entrepreneurs require when they are ready to set up their business. Ladzani and Van Vuuren (2002: 156) state that organisations wishing to develop entrepreneurship education presuppose that the lack of training of entrepreneurs is the main reason for venture failure. In the same line, Pretorius, Nieman and Van Vuuren (2005: 424) add that the transfer of the requisite knowledge and skills is the easiest part of training and is incorporated in most training programmes on entrepreneurship. However, the behaviour to engage in the start-up process is what really matters and is what is lacking in most entrepreneurship programmes.

In summary, Entrepreneurship education seeks to prepare people, particularly youth, to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers by immersing them in real life learning experiences where they can take risks, manage the results, and learn from the outcomes (ODEP, 2009)

DATA AND METHODOLOGY

The approach used to collect data for the paper was two fold; first desk research was conducted on selected work both local and international in the area of entrepreneurial education. This was done to select a best practice in education programmes aimed at developing entrepreneurs.

Review of critiques on the current training programmes in entrepreneurial education was also conducted especially in the new venture creation programme. Documents from the department of labour were also used as a good resource to identify the work being done by the Sector Education Training Authorities and other government agencies. As expected, this source of information was not very good in identifying problems faced so far as it was not critical.

The second source of information was information collected from empirical investigations on the impact made by the various SETAs in supporting small, medium and micro enterprises (SME) levy payers in skills development. The SETAs are not identified but whatever is mentioned is common to many of them.

In addition to the information from SETAs, data is also used from impact assessment studies conducted for the Department of Trade and Industry and Department of Science and Technology.

RESULTS

This section first presents the interesting models which have been suggested in developing entrepreneurship and an analysis is made on how useful these could be to South Africa. The current approaches in entrepreneurial development are then

presented and a suggestion made on a possible new approach.

Crucial activities for entrepreneurial development

Before the various models are presented, a useful scenario to use in reviewing entrepreneurial education programmes is suggested by Janssen, Eeckhout, Gailly and Bacq (2009). They use the model developed by Fayolle (1999) model which identifies three critical areas or stages crucial for entrepreneurial development. These are identified as;

- a. Mobilization programmes aimed at developing the entrepreneurial spirit among budding entrepreneurs in society.
- b. Entrepreneurial training programmes which aim at moulding intending entrepreneurs for the needed change in entrepreneurial attitude and aptitude to establish new ventures or develop new ways of creating additional wealth in existing businesses. This is done mainly through educational programmes aimed at giving students skills and entrepreneurial abilities.
- c. Entrepreneurial support programmes (ESPs) tend to select students who already have a business opportunity to exploit and aim at giving personal assistance and advice to exploit the opportunity.

This scenario is a useful typology for developing entrepreneurship educational programmes. However, their effectiveness in South Africa requires that attention be emphasised to rekindle the needed entrepreneurial spirit, killed by apartheid policies especially among blacks, which did not allow blacks to owning and running businesses.

As a result of the historical past, Shay and Wood (2005) propose that the low rate of entrepreneurial activity in South Africa

is due to most South Africans not having a "...belief in their own ability to start a business...". At this stage, it is suggested that educational programmes would need to open and change mindsets for students by providing an environment where successful entrepreneurs receive wide recognition as is the present case of Mr. Richard Maphonya² with his opening of the largest shopping centre in the southern hemisphere based in Soweto.

Davies (2004) concludes that "professional or corporate careers are generally held in greater esteem than business ownership". This emphasizes the importance of the first stage of mobilizing entrepreneurship in South Africa.

The second stage requirement is partly explained from the conclusion made by Davies (2004) above. This suggests that entrepreneurial training programmes especially in educational institutions should be strong enough to make students have dreams of owning businesses as opposed to being employed. Currently there is a tendency for many faculties especially in the sciences at universities to embrace this view and hence not support the introduction of entrepreneurship skills training in their programmes.

Further, where some education institutions have entrepreneurship departments, these have tended to attract students with low matric scores and these departments are seen as departments of last resort. There is a need to effectively position entrepreneurship programmes in a number of universities in South Africa. This would suggest offering unique programmes in building entrepreneurs and not placing so much emphasis on numbers for the programmes to be offered.

The third point is that the identification of students should be a deliberate process

and implemented in the early stages of the entrepreneurial development process. If this is not done a lot of students will be taken on board and will be eliminated in the later stages. If selection happens in the early stages, it will save resources as efforts will be concentrated on people who want to take the entrepreneurial route. Further, support would be concentrated on these.

The above suggests the need of considerable efforts aimed at changing the attitude of society toward entrepreneurship and this is an aspect that can only be effectively changed through the proper positioning of entrepreneurial development modules at all educational levels in South Africa. The model we propose in sections below will deal with these aspects

Interesting international entrepreneurial education models

The first model presented in this paper posits that the most useful way of providing entrepreneurial education is to build individuals who are able to "dream and organize themselves to make their dreams come true", (Filion and Dolabela, 2007). The process involves fundamental approaches necessary to transform societal norms for entrepreneurial development for members of society to portray autistic behaviours related to having a collective, structuring and activity dreams (see Filion and Dolabela, 2007).

In terms of classroom pedagogy students are asked two questions: What is your dream in terms of what you want to become? What is your project to make this dream come true? The entrepreneurial pedagogy methodology (EPM) is suggested by Filion and Dolabela (2007, 24).

This model would be useful in the development of an entrepreneurial mindset

starting from primary schools to higher institutions of learning. This approach would revolutionize the way entrepreneurship is taught and would make students choose entrepreneurial careers as attractive as opposed to the low risk professional paths. This would be the beginning of developing an entrepreneurial spirit in South Africa.

Another useful way of thinking of educational programmes is the need for an interdisciplinary approach in the entrepreneurial programmes suggested by Janssen et al (2009). Many universities education providers have used the multi disciplinary approach where several disciplines are combined to broaden the scope of learners. On the contrary, the interdisciplinary pedagogy involves the opposite; it integrates disciplines. This is supported in the early works of Petrie (1992) and Campbell (1969) when they argued that "...any interdisciplinary approach has to rely upon the disciplines in order to ground its credibility".

This model uses the principles of integration, collaboration and synthesis which emphasizes teacher, learner, knowledge and processes pedagogy propounded by Houssaye (1993) to assist in developing entrepreneurship. This provides a better approach as it considers the methodology used more than the content.

The significance of this approach in South Africa is important as a lot of efforts have been given to the development of entrepreneurial programmes like the new venture creation programme. However, this has not been very successful as the processes have been weak in the areas of the "doing aspect", the after care aspects during the business management and improvement stages and the processes usually poorly managed.

Role of Sector Education Training Authorities

Entrepreneurship education in South Africa has a number of players including all levels of education institutions. In particular the government has attempted to readdress the low levels of entrepreneurship in the country by introducing entrepreneurship to form part of Economic Management Sciences from grades three up to 9 in primary schools.

Shay and Wood (2005) report three problems in teaching entrepreneurship programmes in schools. The first problem relates to apathy and as a result many schools do not include entrepreneurship in their curricula. Secondly, they point out that there is a paucity of suitable teachers who can teach entrepreneurship. It seems that entrepreneurship is regarded as an unimportant teaching subject and not sought after by students doing teacher training. The last problem is that materials are not available in many of the primary schools especially those in the rural areas.

The importance of the principles of integration: teacher, learner, knowledge and processes are put to test in the South African education system. In particular the processes in managing the system would need serious considerations for education to be an effective vehicle for the cultivation of an entrepreneurial spirit among the youth in South Africa.

Other important players in entrepreneurship education are universities, South African Institute for Entrepreneurship and the Foundation for Enterprise and Business Development. In the GEM report of 2005, these business venture programmes are favourably reviewed.

The larger challenge of skills training in South Africa rests with the SETAs. The accepted role of SETAs is not usually seen as support developing entrepreneurship but to address the skills problems inherited from the apartheid regime. It is only through the new venture creation learnerships that entrepreneurial training is seen to be sported by the SETAs. Further, the SETAs support the SME levy payers to transfer skills but little, if any, entrepreneurial development is seems to be done.

The National Skills Development Strategy (NSDS) was drafted by the Department of Labour to guide the efforts of government in addressing the human resource capacity problems inherited from the apartheid regime. The mission of the NSDS is,

“To equip South Africa (ns) with the skills to succeed in the global market and to offer opportunities to individuals and communities for self-advancement to enable them to play a productive role in society”. This entails that people in places of work contribute to and make their own decisions about their place of work. This in essence should be regarded as building intrapreneurship and entrepreneurs within South African companies.

This paper posits that the SETAs have tended to regard skills training to mean technical training for workers. This blurs their focus as being facilitators to make South African enterprises be more productive and being more competitive in the global village. This would not happen if the entrepreneurs do not receive the appropriate receive inappropriate to start, maintain and grow their enterprises. Entrepreneurial education should be encouraged and openly supported by SETAs.

Further, many SETAs have identified the support of small and medium enterprise levy payers as an important target group to assist in skills transfers. Again the common thinking is the technical skills for workers and not entrepreneurial skills.

Table 1 above shows the typical training programmes in one of the SETAs. What is prominent to note is the wide range of programmes offered. This paper argues that entrepreneurial education should be underpinned in the learnerships and the structured learning programmes offered by SETAs. To some extent new venture creation has been used by the SETAs on a pilot basis with no encouraging results and yet the Global Enterprise Monitor reports success in the new venture programmes used at schools developed by SAIE and FEBDEV.

In terms of challenges faced in implementing the skills development programmes, the results show a number of issues raised as follows below.

- Forty two percent saw no challenges in implementing skills development programmes
- Fifteen percent mention cost factors as an impediment. These costs related to training staff who would then leave the firm or become too expensive to retain; too small to do training (time) and to bear the administrative burdens.
- With industry manuals not available, firms are not sure of courses to put staff on. It was also pointed that some of the unit standards are not applicable to the industry. (11%)
- The third problem was mentioned by 9% of the firms who felt that the bad communication with the SETA made it

Table 1 Common Skills Programmes offered

<i>Work Skills Programme</i>	<i>Learnerships</i>	<i>Structured Learning</i>
<i>General skills</i>	<i>General skills</i>	<i>General skills</i>
Sales training	TTI programme	Management & strategic management courses
Supply chain management	Sales training	Book keeping and financial management
Customer service	General travel and business travel	HR, LLB, B. Com
Induction training	Performance management	Induction courses
Telephone techniques	Process skills	In all functional areas, IT, Excel etc
Security	Computer training	Presentation skills
Policies and procedures training	Health and occupation and safety	Customer care, business awareness
Industrial relations and supervisory skills	HIV/AIDS awareness	ABET
Health and safety and HIV/AIDS		Management development courses, industrial relations
Motivational training		Supervisory training
<i>Specific skills</i>	<i>Specific skills</i>	<i>Specific skills</i>
Accommodation services provision and house keeping	Chef and customer care	Waiter programmes
Food preparation and front office	Waiter training	Semi skilled kitchen course
Waiter training	Technical training in cookery, Hospitality, Food, drink and Beverage services	Hotel management, cooking
Computerised reservation systems like Galileo, Amadeus	Accommodation services	Tourism courses
Specific product training		Occupational Health and Safety
Green keeping, technical		Child minding
Driving		

difficult to know areas to target for skills development.

- Seven percent reported that trainees in cases are not interested to be trained
- Six percent mentioned problems of company culture, impact of HIV/AIDS, lack of management support, organizational demands and cultural issues as problems.

Other issues which emerge as challenges include the following:

- The level of structured industry training is low in South Africa as compared to the other trading partners
- Expenditure on skills development in the critical sectors, which promise future growth and employment, is low, especially among the SMEs.

- In most industries training has remained very informal and at a very superficial level, with most lower level workers not empowered. This trend will need to be addressed as it perpetuates the apartheid legacy.
- There is a failure by many companies especially SMEs to recognize the importance of training within the immediate and external environment for training to be integrated in company strategic objectives.
- There is a shortage of high quality management
- Skills development programmes do not seem to be demand driven, i.e. taking place within a job related framework
- Some of the training programmes are ill conceived and too short for the desired impact
- Entrepreneurial training has always been sacrificed for technical training
- Women and the physically challenged continue to be marginalized.

Mobilization: Developing culture of dreamers and using entrepreneurship to meet dreams.

The first stage involves the creation of the right mind set for the development of entrepreneurship in South Africa. We call this the ontology stage in that it aims at defining the desired state of being by members of society. This will involve developing the entrepreneurial dreams and defining how these will be achieved through well articulated entrepreneurial activities.

This stage will also require the cultivation of fertile ground for the development of entrepreneurs through conceived Adult Basic Education and Training (ABET)

programmes. Without this, phase two becomes a problem to implement. All skills development efforts by levy payers, including government departments, need to implement ABET as the first priority. SETAs have a role to play in this regard and their efforts should be continued and enhanced.

Further, the role of mobilization will have to be performed by the SETAs to ensure that the right entrepreneurial mindset is created among levy payers. Most important is to re position the support to levy payers to give prominence to entrepreneurial skills transfer as opposed to technical skills training offered to workers only.

To support the SETAs, the education system at all levels needs to be supported so that entrepreneurial education receives the desired status for materials to be supplied and teachers trained as content and process managers. Later, we shall argue for partnerships to be established between SETAs and educational institutions including public and private; a strategy which is long over due. This will require that the SETAs operate in an effective business manner in this partnership. The current problems identified in terms of capacity and operational problems need to be ironed out (Department of Labour, 2006).

From being dreamers to visioning the dreams

The second phase is more concerned with epistemology, that is, the content of imparting entrepreneurial skills through the use of appropriate methodologies. Two revolutionary methodologies are suggested, first the integration paradigm and the EPM. If these methodologies are recommended the educational institutions and SETAs through learnerships, skills to support behaviour for dream realization, support knowledge pillars

erected from various disciplines to mould the entrepreneurial students to be able to know what to do and learn through doing thereby being able to hoard experience.

The SETA learnerships are best suited for this stage and the suggested role is for them to move closer and partner with levy payers for market driven learnerships to be implemented. Most importantly, epistemology would suggest that attention be paid to the trainers, selection of learners, providing the right knowledge and being able to manage the process. This is a big challenge for the SETAs and effective strategies are needed through joint design processes where a few selected partners are used for consultations to develop process that will work.

Continued effective support services for entrepreneurs

The above stages point out that entrepreneurship can be learned and useful methods are needed and these are suggested. The tendency of government departments to stick to old methods of doing things is a far cry for needed social intrapreneurship. This will entail that government officers be innovative to find new and better ways of meeting their noble objectives, in this case developing entrepreneurs in South Africa.

This stage posits that the new entrepreneurial "animal" should not be left alone in a hostile business environment. There is a need of support services in access to finance for short, medium and long term capital gearing, technology transfer to improve quality of products, market linkages and development to tap bigger and better local and export markets and the continued coaching and counselling to ensue that the acquired knowledge achieves grounded integrity. Many times, learners have reported that after effective SETA supported training

interventions, they were left alone and could not consult any one when problems arose and in most situations this made them to revert back to the old way of doing things.

It is recommended that the SETAs closely work with other government agencies for an effective roll out of entrepreneurial support services. These government agencies would include the Small Enterprise Development Agency, Khula and the South Micro Finance Fund, the Industrial Development Agency, National Empowerment Fund, Umusobomvu Youth Fund, the local government economic development agencies like Gauteng Enterprise Propeller, Ethekewini Local Business Development Service Agency etc.

SUMMARY AND CONCLUSIONS

Recommendations

Therefore, the real challenge is to build inter-disciplinary approaches, making entrepreneurship education accessible to all students, and where appropriate creating teams for the development and exploitation of business ideas, mixing students from economic and business studies with students from other faculties and with different backgrounds.

Innovation and effectiveness stem primarily from action-oriented and student-inclusive teaching forms, teaching students "how to" so that they can understand the more theoretical aspects more easily, involving students heavily and actively in the learning process, and involving "outsiders" in the learning process. The people doing the teaching should be to some extent entrepreneurs themselves, building their input on real-life experience. Crossing the boundary of the university and the world outside

is one of the reasons why such teaching is often experienced by the students as very different from the traditional teaching experience in higher education.

Professors should have a background in academia, and recent experience in business, such as in consulting for, or initiating, entrepreneurial initiatives. Ideally they should maintain strong personal links with the business sector. The best professors are teachers who have the required teaching competences as well as real professional experience in the private sector. For those with no experience in the private sector, specific teaching modules should be integrated into the curriculum of future professors, such as "How to devise and teach a case study".

Supporting students' business ideas

A distinction needs to be made between awareness raising and education, and actual business support. This Report focuses primarily on building awareness and on offering education programmes, courses and activities. The emphasis is on creating the entrepreneurial mindsets and capacity. Support for university spin-offs is a vast and complex issue, for which a specific Expert Group would need to be created. Moreover, the concept of innovative spin-offs is not particularly relevant for businesses started by students, who do not have formal links with the university. It seems therefore more appropriate to speak of innovative, knowledge-based businesses launched by students and university graduates. Such students would benefit from dedicated advisory and support programmes.

Efforts of increasing entrepreneurial activity in most African developed countries have not used appropriate methods to realize the contribution of entrepreneurship

to economic development. Most of these countries still face unemployment problems.

This study has explored the nature of entrepreneurial development by first looking at the complexity of the unit of analysis entrepreneurship. This complexity on the nature of things to be done in entrepreneurship has suggested the need for well designed entrepreneurial development efforts.

An appropriate scheme of what needs to be done has been suggested in terms of cultivating an entrepreneurial spirit providing training and concentrating efforts on supporting the growth of the new ventures. Most appropriate institutions and what needs to be concentrated on have been identified in the suggested model. In universities, courses in entrepreneurship must be implemented at all levels and in all fields. The course "entrepreneurship" focusing on the management of creativity and innovation develops the nature of creativity and innovation, and how entrepreneurship involves the ability to identify market opportunity based on new ideas. The course may assist the student to recognise any opportunity around him. However, the course on Entrepreneurship and New Venture Creation are intended to build personal appreciation for the challenges and rewards of entrepreneurship; and to foster continued development of venture ideas, suitable as career entry options or for investments. (Löwegren, 2006) A social sciences or engineering student needs the same entrepreneurial skills that the business student; the same with the medical doctor student. A business plan is needed to open a clinic or a law firm. An opportunity recognition is not there for only business students, but to all those who are willing to embark in any entrepreneurial activities.

This chapter concludes that South Africa has established well intentioned government departments and agencies. However, very little coordination has taken place and worse is the fact that entrepreneurial development has been overshadowed by skills developed. If the skills development programmes had succeeded in the first phase of the National Skills Development Plan, South Africa would have a cadre of highly skilled people with few people to drive the enterprises.

This study concludes that the SETAs need to re-examine their role to take up the challenge of developing entrepreneurs and collaborating with other government departments to provide the needed support services. The erection of Silos around government departments has done more harm than good for entrepreneurs.

A model has been suggested for an integrated approach to be used by government at each of the stages. For this model to work a coordinating committee has to be established to ensure alignment of programmes to reduce duplication.

REFERENCES

- Adelman, I. and C. T. Morris (1965). "Factor Analysis of the Interrelationships between Social and Political Variables and Per Capita GNP," *Quarterly Journal of Economics* 79, 555-78.
- Antonites, A.J. (2003) *An action learning approach to entrepreneurial creativity, innovation and opportunity finding*. Unpublished DCom Business Management thesis. Pretoria: University of Pretoria.
- Baumol, W. J. (2002). *The Free-market Innovation Machine: Analyzing the Growth Miracle of Capitalism*. Princeton: Princeton University Press.
- Campbell, D, T. 1969. Reforms as experiments. *American Psychologist*. 24, P. 407-429.
- Davies, T (2004), *Developing a nation of entrepreneurs: The Venture Creation Learnership Model*, Research Monograph Series, Book 1, NASRA and Services SETA.
- De Vries, K (1997): The Entrepreneurial personality: a person at the crossroads, *Journal of Management Studies*, Volume/Issue 14; 1 page 36.
- Dolabela, F. 1999. Entrepreneur workshop methodology: a new way of teaching. proceedings of the 44th ICSB world conference. Naples, Italy: June 20-23.
- European Commission. (2006). *Fostering Entrepreneurial Mindsets through Education and Learning*. Oslo, 26 - 27 October 2006 Final proceedings.
- Fayolle, A. 1999. L'ingénieur entrepreneur Français : Contribution à la compréhension des comportements de création et reprise d'entreprise des ingénieurs Français, Paris : l'Harmattan.
- Filion, L (1991), Visions and relations: elements of an entrepreneurial metamodel, *International Small Business Journal*, 9 (2), 26-40.
- Filion, L and Dolabela, F (2007), the making of a revolution in Brazil; the introduction of entrepreneurial pedagogy in early stages of education,: In Fayolle, A (2007) Ed, *Handbook of research in entrepreneurship education*, volume 2, Edward Edgar Publishing, UK
- Henry, C., Hill, F. and Leitch, C. (2003) *Entrepreneurship Education and Training*. Aldershot: Ashgate Publishing
- Houssaye, J (1993), 'Le triangle pédagogique, our comment la situation pédagogique. In Jassen et al (2007).
- Janssen, F., Eeckhout, V., Gailly B., and S. Bacq (2009), "Interdisciplinarity in Cross-Campus Entrepreneurship Education", in West, P., Gatewood, E.J., and K.G. Shaver (eds.), *Handbook of University-Wide Entrepreneurship Education*, Cheltenham-Northampton: Edward Elgar Publications.

- Ladzani, W.M. and Van Vuuren, J, J. (2002). Entrepreneurship training for emerging SMEs in South Africa. *Journal of Small Business Management*, 40(2):154-161.
- Löwegren, M. (2006). *Entrepreneurship Education: Developing Project-based Learning*. National Council for Graduate Entrepreneurship, Working Paper 051/2006. December 2006.
- Minister of Labour: National Skills Development Strategy April 2001-March 2005: Skills for Productive Citizens for All, Government of South Africa.
- Ndedi, A, A and Ijeoma, E, O, C. (2008). *Addressing the problem of graduate unemployment in South Africa: The roles of tertiary institutions*. Paper presented during the Ronald H. Brown Institute for Sub-Saharan Africa conference in Addis Ababa, Ethiopia 20-22 August 2008.
- ODEP. (2009). Encouraging future innovation: youth entrepreneurship education. Available at <http://www.dol.gov/odep/pubs/fact/entrepreneurship.htm> (assessed the 13th January 2009)
- Orford, J, Herrington M, Wood, E (2004): Global Entrepreneurship Monitor, South Africa Report, UCT Graduate Schools of Business.
- Petrie, H. 1992. Interdisciplinary education: Are we faced with insurmountable opportunities? In G. Grant (Ed.), *Review of research in education* (pp. 299-333). Washington, DC: American Educational Research Association.
- Pretorius, M., Van Vuuren, J. J. and Nieman, G.H. (2005). Critical evaluation of two models for entrepreneurial education: An improved model through integration. *The International Journal of Educational Management*, 19(5):413-427.
- Say, J (1996), *Cours d'economie politique autres essays*, Paris: GF-Flammarion
- Shane, S (2003), A general theory of entrepreneurship: The individual-opportunity, in Filion, L and Dolabela, F (2007).
- Shay D and Wood, E (2005): Can entrepreneurship education in schools equip South Africa's future entrepreneurs?, Global Entrepreneurship Monitor, South Africa Report, UVT Graduate Schools of Business
- Schumpeter, J (1931). Theories der Wirtschaftlichen Entwicklung, C Auf, Munchen, und Leibzig: Duncker und Humblat
- Schumpeter, J. (1934) *The theory of economic development*, Cambridge, MA: Harvard University Press.
- Timmons, J (2004). Opportunity recognition, in Filion, L and Dolabela, F (2007) *ibid*.
- Timmons, J and Spinelli, S. (2007). *New Venture Creation: Entrepreneurship for the 21st Century*. 7th Edition. New York, NY, McGraw-Hill/Irwin, International Edition.
- Wennekers, A.R.M. and A.R. Thurik (1999). "Linking Entrepreneurship and Economic Growth," *Small Business Economics*, 13(1), 27-55.

SECTION – IV
Globalisation and the Role of Diaspora

