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CAPACITY DEVELOPMENT CHALLENGES FOR ORGANS OF CIVIL SOCIETY IN EKURHULENI

by

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Submitted in partial fulfilment of the requirement for the Degree of Master of Management in the field of Public Management at the University of the Witwatersrand

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Abstract

This study examines the challenges among organs of civil society in Tsakane Township, Ekurhuleni Metropolitan Municipality. One way of promoting development in townships is through building the capacities and skills of members of the community. The organs of civil society have a critical role to play in such capacity building and development.

However, they experience challenges that make them ineffective. Although both the government and the organs of civil society have put a lot of effort and finances into capacity building and skill development of previously disadvantaged people in Tsakane, with the aim of alleviating poverty, not many of the beneficiaries have been able to become self-employed.

The purpose of this study is to identify and document the challenges of the organs of civil society involved in training the beneficiaries of entrepreneurial skill development in alleviating poverty and reducing unemployment in the Ekurhuleni region. This study focused on AFMOLED, a non-profit organization based in Ekurhuleni and involved in entrepreneurial skills development, and is exploratory, descriptive and qualitative in nature.

Results indicated that the most common challenges of organs of civil society include risk propensity; opportunity identification; and role models.

The study recommends that government should improve the effectiveness of its support mechanisms and the model of training by the organs of civil society should be contextualized. These recommendations, if applied properly, will reduce the challenges faced by sectors of civil society and make capacity building interventions more effective.

Declaration

I, Bolutife Bolorunduro Osameyan, declare that this research report is my own unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management (in the field of Public and Development Management) in the University of Witwatersrand, Johannesburg. It has not been submitted previously, in part or in its entirety, for any degree or examination to this or any other university for the purpose of obtaining a qualification.

_____

Bolutife Bolorunduro Osameyan

_____ day of _____ 2010

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LIST OF ABBREVIATIONS

- AFMOLED Africa Missions Outreach and Leadership Development
- COPE Client-Oriented, Provider-Efficient
- ETB Education and Training Boards
- GEAR Growth, Employment and Redistribution
- HRD Human Resource Development
- ISRDP Integrated Sustainable Rural Development Strategy
- NDA National Development Agency
- NEDLAC National Economic and Labour Council
- NGO Non-Governmental Organizations
- NPO Non-Profit Organizations
- NSBC National Small Business Council
- NSDS National Skills Development Strategy
- RDP Reconstruction and Development Programme
- SACN South African Cities Network
- SACOB South African Chamber of Business
- SETA Sectoral Education and Training Authority
- UNDP United Nations Development Programme
- VAT Value Added Tax

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- Map of Ekurhuleni

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CHAPTER 1

INTRODUCTION

1. 1. Introduction

The Ekurhuleni Metropolitan Municipality is geographically based in what used to be the East and/or Far East Rand and it is an amalgamation of the five East Rand towns of Alberton, Benoni, Boksburg, Germiston and Kempton Park, which have been merged with the three Far East Rand towns of Brakpan, Nigel and Springs (Machaka and Roberts, 2004, p. 2). According to SACN data (2004) the combined Ekurhuleni metropolitan area is currently the fourth most densely populated of South Africa's six metropolitan municipalities.

The Ekurhuleni Metropolitan Municipality has the aim of developing different townships and one of the ways of doing so is by developing capacities and skills of the members of the community. The role of civil society organizations is essential. However, they experience some challenges that make them ineffective in the development of the community where they have been allocated. This research report aims to explore the participatory importance of civil society organizations and the challenges they experience in the development of Tsakane township in Ekurhuleni Metropolitan Municipality.

The United Nations Development Programme (UNDP) (1998) defines participation as the act of ensuring that stakeholders have genuine ownership and control over development processes. Batliwala, however, questions the genuineness of the 'ownership and control' in the UNDP's definition when he argues that the constraints to the effectiveness of the Europeans' good ideas and strategies is sometimes the lifting out of political and historical context in which they evolved, and rendering them into formulas for other countries without taking into consideration the cultural specificity and political content (Batliwala, 2007, pp 2-10).

It is becoming clear that there is need to empower citizens for the development of their communities. In support, Mahlati (2000) states that the urgent problems in the

rural areas of South Africa are poverty and unemployment. Therefore, entrepreneurship and training are encouraged by the South African government as a means to address the challenges of unemployment (South Africa, Department of Labour, 2001, pp 5-6). Thus, in an effort to alleviate poverty, the Ekurhuleni Metropolitan Municipality decided to partner with organs of civil society in achieving their aim.

Civil society faces challenges in this regard and this research will attempt to identify and document these challenges and make recommendations. An examination of the challenges confronting capacity building will provide knowledge about the intersection of entrepreneurial skills development, and will also attempt to clarify the entrepreneurship approach most appropriate for development in the Ekurhuleni Metropolitan Municipality.

1. 2. Background

In exploring the capacity development challenges of civil society, it is essential to investigate the root of the problems in South Africa as this will help in proposing solutions to issues of poverty. Ngwane, Yadavalli and Stiffens (2002) state that although income-based poverty focuses on an important dimension of poverty, it only gives a partial picture of the many ways in which human lives can be blighted. General thinking on poverty eradication strategies focuses on the conceptualization of poverty as multifaceted rather than on being a lack of income alone (Chemhuru and Nhamo, 2004, p. 62). In support, the UNDP stated that, "Since income is not the sum total of human lives, the lack of it cannot be the sum total of human deprivation" (United Nations Development Programme, 1998, p. 25).

The Millennium Development Goals, as articulated at the Millennium Summit in 2000, state an aim of eradicating extreme poverty and hunger by 2015 (Chemhuru and Nhamo, 2004, p. 62). In the South African context, however, it has been articulated that one of the greatest challenges facing South Africa is job creation and development of people's skills (Kotzé and Staude, 1996), rather than simply eradication of poverty and hunger.

Positively, Gordon indicated that "Entrepreneurship in South Africa has the potential to drive growth, reduce unemployment" (2006, p. 10). Unfortunately, the problem of entrepreneurship is a challenging issue in South Africa. It is stated that "South Africa's inability to create jobs is one of the biggest disappointments of the post apartheid era, despite tough policies adopted by the government which revitalized the stagnating economy and eventually led to growth of 2.5% a year. At the same time, university education, which costs on average R13,000 a year is out of the reach of most black South Africans" (Entrepreneurship in South Africa, 2007). This has a significant impact on the potential for enskilling the labour force. In any event, as explained by Dorothy Blacklaws, of the secretariat of the National Entrepreneurship Education initiative, "only 42% of people can expect to find a job after a tertiary degree". She further stated that the university is not a guarantee anymore and the only other option worth looking at is to be self-employed (Hambly, 2007).

Research conducted by the University of Cape Town's Graduate School of Business on the factors that inhibit entrepreneurial behaviour in South Africa indicated that these include a lack of business knowledge; inappropriate education; legislation and bureaucracy; costs of entry; discrimination; being blocked by established industry players; difficulty of access to finance; and the lack of mentorship and government assistance (Study highlights factors that inhibit entrepreneurship in SA, 2004 . *Retrieved on July 25, 07 from http://www.ey.com/GLOBAL/content.nsf/South_Africa/31_March_04_- Study_highlights_factors_that_inhibit_entrepreneurship_in_SA*

The South African government, with the intention of alleviating poverty, began to group different municipalities together with the intention of deepening the impact of poverty alleviation strategies on the basis of economy of scale. The Ekurhuleni Metropolitan Municipality was established after the municipal elections of December 2000 and it operates on a balanced budget approach, a capital budget of about R1-billion, largely loan financing. Its population of 2.5 million represents 20% of Gauteng's production, accounting for 6.9% of the national employment and 21% of Gauteng's employment.

The Ekurhuleni Metropolitan Municipality decided that one of the key focuses for its 2025 agenda for poverty alleviation is entrepreneurial skills development. The aim is

to have a skilled community, exhibiting capabilities in self-reliance and innovation as well as continued re-skilling to satisfy a growing economy (Summit for Growth and Development in Ekurhuleni, 2006, p. 12-26).

Tsakane is a township in the south of Brakpan close to two other townships, KwaThema and Duduza on the East Rand. Tsakane was founded in the early 1960s when black people living close to Brakpan were moved to a newly designated area. The previous residential area is fondly known as "Old Location" by Tsakane residents and comprises Sotho, Zulu and Tswana-speaking people located into different extensions. Since Tsakane falls geographically into Ekurhuleni, the government decided to financially support different organs of civil society involved in development.

1. 3. AFMOLED (Africa Missions Outreach and Leadership Development)

AFMOLED is a non-governmental organization established in 2002 in Benoni, Ekurhuleni after Dr. Nicholas Osameyan realized the need for leadership and empowerment among the Christian communities of Africa. Drawing from his then over twenty-five years experience Christian Ministry involvement in Africa, some materials were development and leadership in African context.

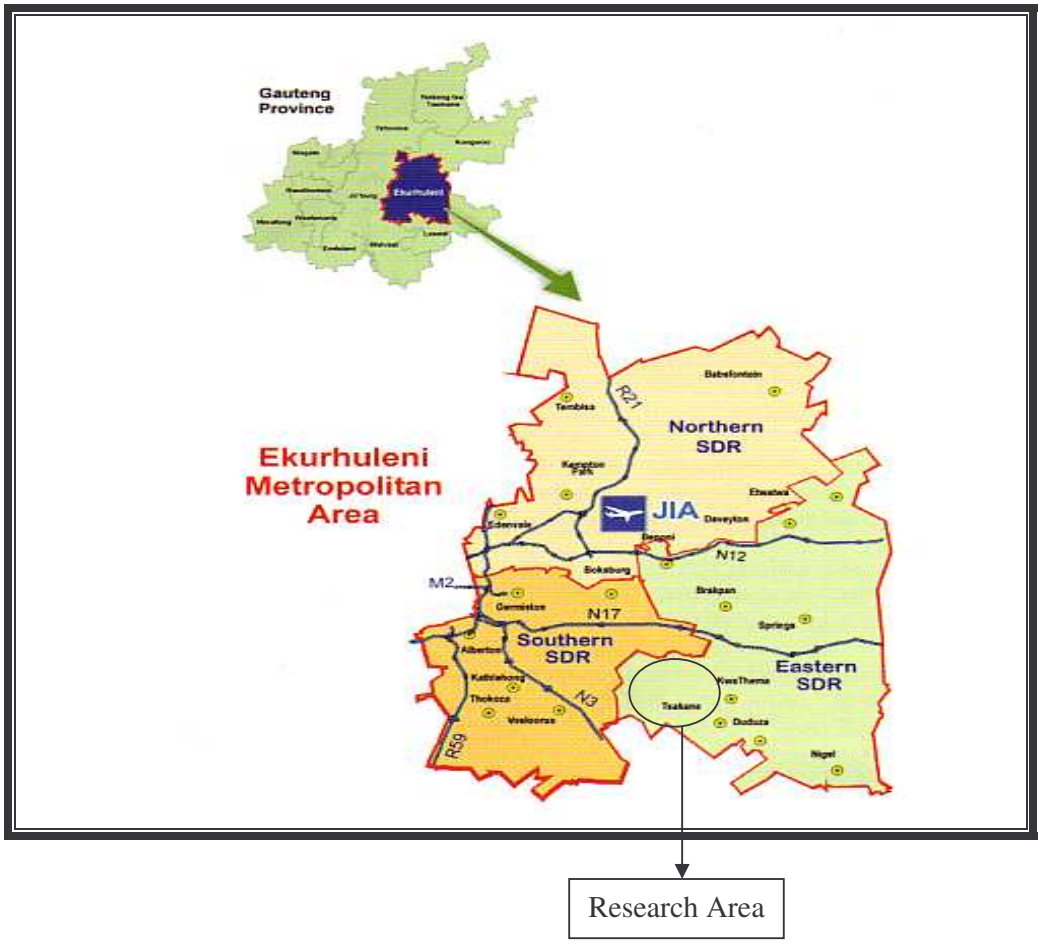
The purpose of the organization is skills and capacity building for Church members in entrepreneurial training, empowering pastors in ministry and marketplace leadership and management. Although there are a number of trainings being conducted by AFMOLED, for the purpose of this research capacity development in the area of information technology will be examined. The effectiveness of training is to improve learner practices depending on many factors: who is trained and where, what learners are learning, how the information is taught, whether training is reinforced, and how training results are measured.

Training usually begins with a thorough understanding of learner's abilities, needs and the settings in which they live. How skills acquired during training can be sustained is important to consider during this early planning. Some questions to be asked are: What knowledge, skills, experience and attitudes do learners already have?

What do learners further need and want? Who should receive training? Answering these questions, formally called a "needs assessment," is essential.

Training may involve a few designated individuals, a team or an entire staff. Teams make recommendations for improvement and, because they made the suggestions, they usually carry them out. This way of motivating learners to identify their own training needs is called the Client-Oriented, Provider-Efficient (COPE) approach. Each learner completes an assessment questionnaire. Under the COPE system, training is usually done at the work site rather than taking learners to another location.

AFMOLED has conducted training in different black townships but with the researcher's focus on Tsakane it is hoped that this will provide a benchmark for the organization in refining its future trainings.



Summit for Growth and Development in Ekurhuleni, 2006, p. 4

1.4 Problem Statement

The Ekurhuleni service delivery region has developed different initiatives to address the participation and ownership of the various integrated development plans and programmes under its growth and development strategy towards the year 2025. One of its strategic imperatives in alleviating poverty and reducing unemployment is to promote entrepreneurial skills development (Summit for Growth and Development in Ekurhuleni, 2006, p. 3).

Although both the government and organs of civil society have put a lot of effort and finances into capacity building and skills development of the previously disadvantaged communities in Tsakane, with the aim of alleviating poverty, not many of the people who participated in such programmes have been able to become self-employed. There is therefore a strong need to examine these interventions.

1.5 Purpose Statement

The purpose of this study is to investigate the factors leading to lack of capacity among the organs of civil society involved in training the beneficiaries of entrepreneurial skills development. This study will present the findings, interpret and analyse the findings, make recommendations on strategies for consideration in developing capacity in alleviating poverty and reducing unemployment in the Ekurhuleni region.

An understanding of capacity development will be gained through the literature, contributions from the entrepreneurs in Tsakane community and trainers in entrepreneurial skills development in Ekurhuleni. The challenges will be identified and the findings of this study used to make recommendations for Ekurhuleni which will in turn be a model for other municipalities in South Africa to replicate.

1.6 Research Questions

The research will examine the following questions:

- What are the factors leading to lack of capacity among organs of civil society involved in training?
- Can civil society organizations help in addressing the capacity development challenges of Ekurhuleni?
- What are the trends in capacity development?
- What are the best strategies for achieving synergies in entrepreneurial skills development in these kinds of partnerships?

1.7 Significance of this Study

Despite these constraints and other limitations that may be present, the researcher believes that this research, which draws together the experiences and reflections of entrepreneurs and the writings and reflections of others in the various theoretical fields, will produce useful insights. These can be drawn on in the construction of effective training programmes for entrepreneurial skills development.

Ultimately this research aims to contribute to the field of entrepreneurship training for young people by promoting dialogue between young people in the community and their educators within the discourse of entrepreneurship, in order to transform the ways that young people capacitate themselves and others. This study illustrates some of the common experiences of entrepreneurs and the way that entrepreneurial skills development has been distorted in certain instances.

Exposure to entrepreneurship can help to articulate these contradictions, make young people more aware of their own need for self-development, and help them develop their confidence to name and challenge those contexts in which they are not developing skills. They can also be enabled to see their role as agents of change and the need to take responsibility for this. This study also demonstrates the apprehensiveness that young people may feel about how to sustain this new

knowledge and confidence in an environment that is often dismissive of young people who assert themselves.

In addition, the research points to some of the key elements in entrepreneurial skills development that can be applied in institutions which will be more capacitating and supportive of organs of civil societies. This research aims to support the important work of those who are developing a detailed entrepreneurship curriculum. It is hoped that the positioning of the researcher's argument contribute to the discourse.

1.8. Limitations

The interviews were difficult to organize as civil society organization officials and entrepreneurs were chosen randomly and they have different time-tables which made the research costly and mitigated against follow-up interviews. In some cases it was difficult to arrange venues in which to meet.

1.9 Chapter Outline

The report is structured as follows:

Chapter 1: Introduction: In this section, the research will give an overview of the study, the background, problem statement, the purpose of the research, and questions to be answered.

Chapter 2: Literature review: The literature review will focus on the theoretical framework with reference to national and international authors. These theoretical guidelines will be integrated into the South African context.

Chapter 3: Methodology: This section will address the research questions and research method used in gathering information and why they were chosen. The qualitative research method is used.

Chapter 4: Data presentation and findings: This section will focus on the presentation and details of the research findings.

Chapter 5: Data interpretation and analysis of the research findings: This section will focus on the analysis of the data collected in accordance with the topic of the research report.

Chapter 6: Conclusion and recommendations. Concluding remarks will be given in this section and recommendations will be made on how to bring about solutions to the challenges of capacity building in the organs of civil society.

1.10. Conclusion

The main objective of this research has been to contribute to the theoretical debate on entrepreneurial capacity development challenges. This report represents a modest attempt on the part of the authors to add some momentum to this theoretical inquiry. The case study of AFMOLED has been used.

CHAPTER 2

LITERATURE REVIEW

2. 1 Introduction

Literature review is defined as a body of text that aims to review the critical points of current knowledge and methodological approaches on a particular topic. Literature reviews are secondary sources, and as such, do not report any new or original experimental work. Its ultimate goal is to bring the reader up-to-date with current literature on a topic and forms the basis for another goal, such as future research that may be needed in the area (Wikipedia, 2009).

A literature review discusses published information in a particular subject area within a certain time period. It usually has an organizational pattern and combines both summary and synthesis. The focus of a literature review is to summarize and synthesize the arguments and ideas of others (University of North Carolina, 2009). Similarly, literature review is defined as an evaluative report of information found in the literature related to a selected area of study. The review should describe, summarize, evaluate and clarify the literature (Wikipedia, 2009).

A thorough, sophisticated literature review is the foundation and inspiration for substantial useful research. The complex nature of education research demands such thorough, sophisticated reviews (Educational Researcher, 2005).

The primary purpose of this literature review is to provide a foundation to address capacity development challenges among organs of civil society. The literature review also includes the views and experiences of scholars that provide evidence on how certain parallel challenges of capacity development have been addressed elsewhere. The chapter also examines the theoretical concepts and processes that underlie entrepreneurship. Neuman (1997, p. 89) contests that the literature review is critical in convincing the reader of the legitimacy of the research.

2.2 Civil Society

Active participation of community members is of great importance. Mandating and reporting back to elected representatives must be the vanguard of any community, lest formations become merely loose groups of individuals.

It is required of communities to organize themselves through the establishment and formation of credible, legitimate and representative structures through which they will participate in the activities of local municipalities. The formation of these structures facilitates the involvement of communities in governance – structures such as Local Development Forums, Project Steering Committees, Civic Associations, Women and Youth Organizations, must all find representation on ward committees.

"Civil society is composed of the totality of voluntary civic and social organizations and institutions that form the basis of a functioning society as opposed to the force-backed structures of a state (regardless of that state's political system) and commercial institutions" (Civil Society, 2007, p. 1).

The Centre for Community Networking Research (2005, p. 1) defines civil society as "an all-encompassing term often used to refer to social structures and interests beyond the household and outside state institutions, including voluntary associations and non-profit organisations where people combine for their collective interests. These voluntary associations draw from community, neighbourhood, work and other connections. Civil society includes social movements or community based organizations where people come together to advance their interests".

Materson (2007) stated that civil society can be traced back to the 16th century, during the age of enlightenment when Adam Ferguson, a Scottish philosopher and historian, suggested linkages between civil society and the development of the economic state. The German philosopher, Hegel, presented a definition that was widely accepted and adapted by Marx, describing civil society as a dividing stage between the macro-community (the state) and the micro-community (the family).

2.3 AFMOLED (Africa Missions Outreach and Leadership Development)

AFMOLED is a non-governmental organization. It has designed programmes that help individuals in strengthening their entrepreneurial motive in acquiring skill and capabilities necessary for playing an entrepreneurial role effectively. Entrepreneurial training is an organized and systematic effort. It is now regarded as a tool and a solution to the unemployment problem. The most significant aspect of entrepreneurial training is to motivate a person for an entrepreneurial career to identify and exploit successful opportunities for the enterprise.

The participants are exposed to a general knowledge of entrepreneurship such as factors affecting small-scale industries, the role of the entrepreneur in economic development, entrepreneurial behaviour, and the facilities available for establishing small-scale enterprises. These training inputs are aimed at inducing and increasing the need for achievement among the participants. Efforts are made to inject confidence and positive attitudes about business among the participants, and encourage them to start their own business enterprise after the completion of the training programme.

Successful entrepreneurs are invited to speak about their experiences in setting up and running a business, emphasising the need for managerial skills. Since a small entrepreneur is not able to employ a manager she/he should be empowered with the requisite managerial techniques in the functional areas like finance, production and marketing. Knowledge of managerial skill enables an entrepreneur to run her/his enterprise smoothly and successfully. Field trips are arranged in order to familiarize the participants with real-life business situations and to provide examples of how to run an enterprise smoothly and successfully. The ultimate objective of the entrepreneurship training programme is to prepare the trainees to start their own enterprise after the completion of the training programme.

The objectives of this training may be divided into two categories, with short-term and long-term objectives.

2.3.1. Short-Term Objectives

These are the objectives which are to be achieved immediately after the completion of the programme, such as preparing a person mentally for the entrepreneurial venture, and making them competent to scan the environment and situation within the existing regulatory framework.

2.3.2. Long-Term Objectives

In the longer term, an entrepreneurial development programme seeks to equip the participant with all the skills required for the establishment and smooth running of business ventures. The ultimate objective is that the participant under training should establish her/his own venture.

2.3.3. Objectives of Entrepreneurial Training

1. To reset the objectives for the business and work individually and along with the group for the realization of these.
2. To prepare the trainee to accept unforeseen risks of business for a long time after such training.
3. To enable the trainee to take a strategic decision.
4. To enable the trainee to build and integrate a team equal to the demands of the future.
5. To communicate fast, clearly and effectively.
6. To develop a broad vision for the business as a whole and to integrate the trainee's function with it.
7. To enable the trainee to relate her/his product and industry to the total environment; to find what is significant in it and to take it into account in her/his decision and actions.
8. To enable him cope with and co-ordinate the different types of paper work, most of which is statutorily obligatory.
9. To encourage the trainee to subscribe to industrial democracy, that is, accepting workers as partners in enterprise.

10. To strengthen the trainee's passion for integrity, honesty and compliance with the law.

2.4. Capacity Building

The California Wellness Foundation defined capacity building as "the development of an organization's core skills and capabilities, such as leadership, management, finance fundraising, programmes and evaluation, in order to build the organization's effectiveness and sustainability. It is the process of assisting an individual or group to identify and address issues and gain the insights, knowledge and experience needed to solve problems and implement change. Capacity building is facilitated through the provision of technical support activities, including coaching, training, specific technical assistance and resource networking" (2001, p. 1).

Capacity building is an integral part of development theory and practice. Eade defined capacity building as an act of enabling institutions to be more effective in the implementation of development projects (2005, p. 44). She illustrated that capacity building approach to development involves identifying the constraints of different individuals and their experiences in realizing their basic rights and finding appropriate vehicles through which to strengthen their ability to overcome the causes of their exclusion and suffering (p. 34). Similarly, the United Nations Development Programme defined capacity building as "sustainable creation, retention and utilization of capacity in order to reduce poverty, enhance self-reliance and improve people's lives" (World Bank, 2005, p. 6).

The definitions above focus on the empowerment of subjects of capacity building, contrary to Linnell's description of capacity building focusing on the objects involved. He defines capacity building as the activities involved in improving the organization's ability to achieve its mission (2003, p. 13). However, the European Commission integrated the subject and object of capacity building in its definition, stating that structures are strengthened and developed through capacity building, including the institutions and procedures that ensure transparency and accountability (World Bank, 2005, p. 6). With the above understanding, the researcher will use McNamara's definition which states that capacity building in organs of civil society

can be described as the actions taken to improve effectiveness in relating with its environment (2007, p. 1).

2.5. Challenges of Capacity Building

Capacity building may be considered as improvement of skill in this regard. However, it faces some challenges. It is therefore necessary to address these challenges in the organs of civil society.

Deng stated that the "modern African state is the product of Europe" (1997, p. 28). In support, Batliwala argued that the effectiveness of the Europeans' good ideas and strategies is sometimes the lifting out of political and historical context in which they evolved and rendering them into formulas for countries in Africa without taking into consideration the cultural specificity and political content (2007, pp. 1-10). An example is that development was conceived as a means of receiving basic services from the state rather than as a process of growth and collective accumulation of wealth that could in turn be invested in further growth (Deng, 1997, p. 28).

According to Levin, the major challenge of capacity building is implementation. He further stated the government's efforts to build skills have been constrained by a range of factors including institutional weaknesses, a poor capacity for human resource management, planning and development, widespread gaps in quality and relevance of training and institutions, poor linkages and partnerships between government and training providers and an inadequate focus on norms, values, attitudes and orientation officials (2005, p. 6).

In support, Deng illustrated that one of the challenges is ethnicity, namely the embodiment of values, patterns of behaviour and worldview (1997, p. 28). Another problem identified by Levin is the lack of credible data and a limited capacity for basic analysis and planning along with a consistent failure to monitor the cost effectiveness of training. The current training resources are not configured to provide skills needed for development. Informal approaches to skills development such as mentoring must be recognized (2005, p. 8).

Meyer-Starmer identified some challenges of capacity building in South Africa. Firstly, the political leaders emphasize the important role that entrepreneurship is supposed to play in black economic empowerment. However, unrealistic expectations often result, which then leads to the existence of a large number of hopeful black entrepreneurs who have little or no idea of what business entrepreneurship involves. Secondly, emerging black entrepreneurs tend to be unsuccessful because their mindset is rarely driven by the desire to identify potential customer needs and un-served market niches. Thirdly, promotion of entrepreneurship is not made easier by the confusion which exists around the term. Entrepreneurship is not automatically equated with business entrepreneurship. It is more likely to be linked to community entrepreneurship or political entrepreneurship (2002, p. 5-8).

For effective capacity development in relation to entrepreneurial skill development, it is necessary to have an understanding of entrepreneurship.

2.6. Entrepreneurship

2.6.1 What is an Entrepreneur?

In order to effectively tackle the challenges of entrepreneurship, there is a need to have a good understanding of the entrepreneur. Richard Cantillon (1697-1734) described an entrepreneur as someone who specializes in organizing business activities and assuming the risks of business in return for profits. Joseph Schumpeter (1883-1950) redefined the term to mean someone who uses innovation to destroy the existing economic order by introducing new products and services, by creating new forms of organization and by exploiting new raw materials. Recently, scholars have come up with a number of different definitions (Short & Dunn, 2002).

Bygrave (1997) defines an entrepreneur as someone who takes note of an opportunity and forms a medium to make use of it. The entrepreneur, according to Kirzner (1973), is the person who possesses information that is unknown to other parties and thereby adds value to the intermediary role. Furthermore, Nieman described an entrepreneur as “a person who sees an opportunity in the market, gathers resources and creates and

grows a business venture to satisfy these needs. He or she takes the risk of the venture and is rewarded with profit if it succeeds" (2002, p. 58).

In a Harvard Business School colloquium in 1983, participants agreed on the following definition: Entrepreneurship is the attempt to create value by an individual or individuals (a) through the recognition of significant (generally innovative) business opportunity; (b) through the drive to manage risk-taking appropriate to that project; and (c) through the exercise of communication and management skills necessary to mobilize rapidly the human, material, and financial resources that will bring the project to fruition (Kao & Stevenson, 1984).

Barnett investigated the viewpoints of more than seventy authors on entrepreneurs and entrepreneurship and concluded by stating that, "An attempt to arrive at a consensus definition from the literature on entrepreneurship encounters … the 'untidiness of views' on the subject" (1993, p. 8).

There are three key perspectives from which the entrepreneur has been viewed: Firstly, the economic perspective which considers the role of the entrepreneur in the economic development of a nation, region or locality; secondly, the sociological perspective which sees the entrepreneur as a member of a social system and who both is influenced by and through their entrepreneurial activities, the social environment and the personality traits that the sociological system engenders; and thirdly, idiosyncratic perspective which focuses on the entrepreneur as an individual with a unique combination of personal characteristics and beliefs.

2.6.2. What is Entrepreneurship?

The understanding of entrepreneurship owes much to the work of economist Joseph Schumpeter and the Austrian economists such as Ludwig von Mises and von Hayek. The Austrian economist Joseph Schumpeter defines entrepreneurship as an event that introduces a new product, a new product method, new markets or a new form of organization (Entrepreneurship, 2004).

In Schumpeter (1950), an entrepreneur is a person who is willing and able to convert a new idea or invention into a successful innovation. Entrepreneurship forces 'creative

destruction' across markets and industries, simultaneously creating new products and business models. In this way, creative destruction is largely responsible for the dynamism of industries and long-term economic growth.

According to Burch, "Entrepreneurship is the act of being an entrepreneur, a derivative of the French term *entreprendre* which means to undertake; to pursue opportunities; to fulfil needs and wants through innovation and starting business" (1986, p. 4). In addition, Drucker (1985) stated that entrepreneurship is not stated or limited to the economic sphere but also pertains to all activities of human beings other than those that might be termed existential rather than social.

Wickham (1998, p. 25) refers to entrepreneurship as "… bringing about change and making a difference. Entrepreneurship is about exploiting innovation in order to create value which cannot always be measured in purely financial terms." Similarly, Cole defined entrepreneurship as "The purposeful activity (including an integrated sequence of decisions) of an individual or group of associated individuals, undertaken to initiate, maintain or aggrandize a profit-orientated business unit for the production or distribution of economic goods and services" (1959, p. 7).

Cunningham and Lischeron (1991) defined entrepreneurship as the the act of 'x'trapreneurship. This can be, as shown, either an entrepreneurial action leading to the establishment and management of an enterprise or an intrapreneurial action leading to innovation within an existing firm. Similarly, Lazear (2005) stated that a modern synthesis of the entrepreneur is someone who specializes in taking judgmental decisions about the co-ordination of scarce resources.

There has been no agreement on the precise, common definition of an entrepreneur, but the common point of departure in the definitions above is that there are individuals and opportunities. Therefore, for the purpose of this study, an entrepreneur will be described as an individual or individuals efficiently maximizing the identified opportunity or opportunities. The action involved in the efficiency and maximization of available resources is known as entrepreneurship.

2.6.3. History of Entrepreneurship Development

Cooper, Hornaday and Vesper (1997, p. 13) point out that from the historical perspective the first entrepreneurial programme was taught at the Harvard Business School as early as 1947. Plaschka and Welsch (1990, p. 102) regard entrepreneurship's existence and its right to exist as one that was characterized by a long struggle to develop an identity and acquire some recognition.

The first hurdle was possibly the battle to differentiate between the differences existing between "entrepreneurship" and "small business management" as disciplines. The small business sector has been renowned for being a sector with a lack of growth and innovation as well as for the "mother" and "father" image. It was therefore difficult to ascertain a separate identity for entrepreneurship without stigmatizing it as a part of that sector.

The authors point out that entrepreneurship was initially a part of general management. Vesper (1980, p. 12) regards this phase (the pre-1970s phase) as one where entrepreneurship accepted "borrowed" or "stolen" principles that did not put the establishment of the identity at the forefront. Plaschka and Welsch (1990, p. 105) quote Vesper where he points out entrepreneurship, as a subject, could be viewed as follows: "….entrepreneurship was a tangential activity, academically flaky, and lacking in a scholarly body of knowledge. Little research in entrepreneurship goes on and consequently the literature on it remains thin."

The authors argue that the development of entrepreneurship as a discipline went through four fundamental phases before it could be acknowledged as an acceptable academic subject.

As a historical background to the research and development of entrepreneurial behaviour and skills, Timmons (2000, p. 218) provides the following development time-frame (as adapted):

Date	Researchers	Characteristics
1848	Mill	Risk Propensity
1917	Weber	Source of formal authority
1934	Schumpeter	Innovation and initiative
1954	Sutton	Need for responsibility
1959	Hartman	Source of formal authority
1961	McClelland	Risk propensity and need for achievement
1963	Davids	Ambition; need for interdependence, responsibility, and self confidence
1964	Pickle	Driving force, communication, technical knowledge
1971	Palmer	Risk assessment
1971	Hornaday & Aboud	Performance motivation, autonomy, aggression, power, innovation and independence
1973	Winter	Power need
1974	Borland	Internal locus of control
1974	Liles	Performance need
1977	Gasse	Personal value orientation
1978	Timmons	Driving force, self confidence, calculated risk, internal locus of control, creativity and innovation.
1980	Sexton	Energy, ambition, positive failure management
1981	Welsh & White	Need for control, responsibility, self confidence, challenge need, calculated risk propensity
1982	Dunkelberg & Cooper	Growth orientation, independent orientation, skills orientation
1982	Schere	Acceptance of uncertainty and chaos
1983	Pavetti & Lau	Conceptual skills
1985	Macmillian, Siegel & SubbaNarishimha	Knowledge of market and leadership
1986	Ibrahim & Goodwin	Ability to delegate, managing consumer and employee relationships
1987	Aldrich & Zimmer	Networking
1987	Hofer & Sandberg	Motivation and synergy
1987	Schein	Management skills
1987	Timmons, Muzyka, Stevenson & Bygrave	Opportunity-seeking propensity
1989	Wheelen & Hunger	Implementation of business skills
1992	Chandler & Jason	Self – analysis and opportunity identification
1992	McGrath, MacMillan & Scheinberg	Individualism, uncertainty and temperament

2.6.4. Characteristics of Entrepreneurship

Harbison and Myers (1990) stated that the entrepreneurial function involves directing maximized production towards supplying the complex human wants, and that it has to be broken up and given into the hands of a specialized body of employees, or to use a general term, of businessmen; who 'adventure' or 'undertake' its risks; who bring together the capital and labour required for the work; who arrange or 'engineer' its general plan; and who superintend its minor details.

According to Morris and Kuratco (2001), there are four key components that entrepreneurship possesses. Firstly, it involves a process and is therefore manageable. Secondly, it creates value in organizations and the market place where there was nothing before. Thirdly, it requires resources uniquely integrated to create the value. Fourthly, it is the outcome of an identified opportunity. Further, they stated that the degree of entrepreneurship is dependent on three dimensions – innovativeness, risk-taking and proactiveness.

Knight (1967) and Drucker (1970) stated that entrepreneurship is about taking risk. The behaviour of the entrepreneur reflects a kind of person willing to put his or her career and financial security on the line and take risks in the name of an idea, spending much time as well as capital on an uncertain venture. Knight classified three types of uncertainty:

- Risk, which is measurable statistically (such as the probability of drawing a red coloured ball from a jar containing 5 red balls and 5 white balls).
- Ambiguity, which is hard to measure statistically (such as the probability of drawing a red ball from a jar containing 5 red balls but with an unknown number of white balls).
- True Uncertainty or Knightian Uncertainty, which is impossible to estimate or predict statistically (such as the probability of drawing a red ball from a jar whose number of red balls is unknown as well as the number of other coloured balls).

The act of entrepreneurship is often associated with true uncertainty, particularly when it involves bringing something novel to the world, whose market has not previously existed. Before the Internet, for example, nobody knew the market for Internet related businesses such as Amazon, Google, YouTube, Yahoo etc. Only after the Internet emerged did people begin to see opportunities and markets in that technology. However, even if a market already exists like the market for cola drinks (which has been created by Coca Cola), there is no guarantee that a market exists for a particular new player in the cola category. The question is whether a market exists and if it exists for that particular person.

Further, Burch identified nine characteristics of entrepreneurs. Firstly, he stated that all entrepreneurs must have the desire to achieve; secondly, they must be hard workers; thirdly, they must possess the ability to watch over a venture until it can stand alone; fourthly, they must be fully responsible and accountable for all their ventures; fifth, they must be reward-oriented, including in the form of recognition and respect; sixth, they must be optimistic; seventh, they must be excellence-oriented, having the desire to achieve something that is outstanding; eighth, they must be able to bring all the components of a venture together to achieve their goals; and lastly, they must be profit-oriented as it serves as the gauge of achievement and performance (Burch, 1986, pp. 28-29).

Watson (2008) identified five characteristics of entrepreneurship:

i. Characteristic of a Replicable mindset. An entrepreneur has a replicable mindset that allows the enterprise creation process to be replicated time after time. This helps in going through the entrepreneurial process continuously without refraining from it.
ii. Characteristic of Sustainability of the resultant enterprise. This is a traditional cycle of the various stages of development that a corporate enterprise goes through; and each stage typically needs a different type of management and leadership – to grow to the next stage therefore will often require new management, and the traditional entrepreneur must have the ability to move on to their next entrepreneurial cycle of new enterprise creation.

iii. Characteristic of Innovative knowledge creation. While individual actors within the enterprise stage may be better at their individual skill sets, the entrepreneur combines the pieces in unique creative ways to identify new opportunities, organize and select the best available combination of individual talents and skill sets, manage the development and execution of an organizational structure to serve the new opportunity, and manage the risk that the entrepreneur is assuming in the creation of this new enterprise.

iv. Characteristic of Leadership. The entrepreneur must be able to inspire people with a vision of what the new enterprise will be, inspire investors and stakeholders involved in the creation of this enterprise, and provide the leadership to guide and manage the implementation and execution of the business plan to grow the enterprise.

v. Value of Ethics. The entrepreneur should be able to inspire people with a vision, and have the confidence of investors and customers.

Thus a true entrepreneur has the ability to identify opportunities; provide the leadership to creatively innovate new solutions to serve those opportunities; organize, manage, and execute a plan to serve those opportunities; inspire and motivate stakeholders, investors, managers, and team members; lead the enterprise into the future; and pass the mantle of leadership to others when the organizational needs change. Finally, they should have the ability to replicate this process when the opportunity presents itself.

Although the definition and characteristics of the entrepreneur have been identified, it is also important to highlight the theories of entrepreneurial skill development for effective participation of the beneficiaries. The place of the disharmony-creating and idiosyncratic entrepreneur in traditional economic theory (which describes many efficiency-based ratios assuming uniform outputs) presents theoretical challenges.

2.6.5. Theories of Entrepreneurship

2.6.5.1. Classical Economic Theory

The economic approach to entrepreneurship raises two basic societal concerns which are vital in development. The first concern is the ability of the society in creating wealth while the second concern is the efficient distribution of the wealth thus generated.

In attempting to respond to the concerns above, Adam Smith's opinion of capitalists is that there is the combination of basic resources of land, labour and capital in successful enterprises. Classical capitalism as an economic theory, however, lacked the rigorous logical framework and foundation for mathematical description that would provide a predictive characteristic to the model (Short & Dunn, 2002).

According to Hodge & Anthony (1984), this school of thought can have three major points of criticism levelled against it. Firstly, the school utilizes a mechanistic and machine-like analogy for the studying of management and organizational phenomena. Secondly, the critical economic theory emphasized a search for universally applicable principles of management. Lastly, it does not give sufficient attention to the management environment and the factors around it, focussing instead largely on internal efficiency.

2.6.5.2. Neoclassical Economic Theory

In the late 19th Century, Leon Walras and Alfred Marshall developed a theory that is similar to the classical theory, but the difference is that it integrated a logical framework capable of mathematical analysis. This involves the interaction of the consumer and the supplier, thereby ensuring perfection in the market. Kirchhoff pointed out that America's adoption of neoclassical theory and the domination of large firms after World War II led many Americans to believe that large corporations were the source of wealth creation and distribution (Kirchhoff, 1997, pp. 26-34).

Barreto (1989), however, argued that there is no space for an entrepreneur in neoclassical theory. In his book, *The Entrepreneur in Microeconomic Theory*, he argued that the economists lost track of the entrepreneur because the framework of assumptions does not allow for a consistent implementation of entrepreneurial behaviour. He sees the perfect rationality assumption as a problem because there is no room for 'real' choice, thereby making the role of the entrepreneur redundant in nature. Schumpeter's legacy can be regarded as the outcome of such reflection.

Similarly, Baumol (1993) argues that management operates as "a passive calculator that reacts mechanically to changes imposed on it by fortuitous external developments over which it does not exert, and may not even attempt to exert, any influence" (1993, p. 23).

2.6.5.3. The Austrian School

According to Hayek (1945), in the Austrian school of thought, the economic problem consists of the social mobilisation of tacit knowledge. This is done through entrepreneurial actions, with entrepreneurs directing their efforts toward the achievement of potential profits and thereby weighing the reality of situation. As Kirzner (1997, p. 64) explained: "In the neoclassical world, decision makers know what they are ignorant about. One is never surprised. For Austrians, however, to abstract from these qualities of imagination, boldness, and surprise is to denature human choice entirely." Entrepreneurship, therefore, is human action "seen from the aspect of the uncertainty inherent in every action" (Mises, 1949, p. 254).

A number of entrepreneurship sources used a capitalist approach. Although the Austrian school identified with social ownership, it can be argued that it is incompatible with the mobilisation of tacit knowledge through entrepreneurial activity, as in the socialist calculation debate. However, the Austrian contribution to that debate consists of a critique of neoclassical central planning and neoclassical market socialism, both based on state ownership (Adaman & Devine, 1996).

2.6.5.4. The Early Schumpeterian Entrepreneur

According to Schumpeter, under constant conditions consumers' and producers' goods of the same kind and quantity would be produced and consumed in each successive period, with people abiding by their previous experience and following established methods in familiar ways. Schumpeter then questions what would happen if change occurs, disturbing the smooth flow of economic life. Thus, "It is the spontaneous and discontinuous change in the channels of the flow, disturbance of equilibrium, which forever alters and displaces the equilibrium state previously existing" (1911, p. 64).

Schumpeter emphasises the importance of the entrepreneurial function while distinguishing the entrepreneur from the capitalist and acknowledging that entrepreneurs may need to borrow initial capital in order to carry out their new combinations. Schumpeter also distinguishes his entrepreneur from the 'inventor' by claiming that "As long as they are not carried into practice, inventions are economically irrelevant. And to carry any improvement into effect is a task entirely different from the inventing of it, and a task, moreover, requiring entirely different kinds of aptitudes' (1911, p. 88).

Schumpeter identifies five types of new combination: the introduction of a new good; the introduction of a new method of production, not yet tested by experience; the opening up of a new market; the conquest of a new source of supply of raw materials or semi-manufactured goods; and the implementation of a new organisation of industry, such as the creation or breaking up of a monopoly position. Schumpeter is careful to point out that the entrepreneur 'may risk his reputation' (1911, p. 137).

2.6.5.5. The Kirznerian Entrepreneur

Kirzner uses the Misesian notion of 'human action' to analyse the entrepreneurial role: 'the human action concept, unlike that of allocation and economizing, does not confine the decision-maker (or the economic analysis of his decisions) to a framework of *given* ends and means' (Kirzner, 1973, p. 33).

Thus, the entrepreneurial element in human decision-making is defined by Kirzner (1973, p. 35) as 'the element of alertness to possibly newly available resources and to possibly newly worthwhile goals which is absent from economizing behaviour but present in human action.' The Kirznerian entrepreneur notices "profit opportunities that exist because of the initial ignorance of the original market participants and that have persisted because of their inability to learn from experience" (Kirzner, 1973, p. 14). In this setting, the knowledge required for entrepreneurship is alertness, defined as 'knowing where to look for knowledge' (Kirzner, 1973, p. 35).

However, he argues that 'the entrepreneurial market process may indeed reflect a systematically equilibrate tendency, but this by no means constitutes a *guaranteed* unidirectional, flawlessly converging trajectory' (Kirzner, 1997, p. 72). Kirzner (1992) emphasises that ownership and entrepreneurship are completely separate functions. The pure entrepreneur starts out with no means and must acquire from the capitalist the capital with which to initiate entrepreneurial activity.

The field of entrepreneurship continues to struggle with the development of modern theory of entrepreneurship (Gartner, 1988). This is due to the fact that the scholars have not come to a consensus or generally accepted theories of entrepreneurship, they are often more radical than each other but the phenomena of entrepreneurship have three central features: the nature of entrepreneurial opportunities (Kirzner, 1979; Shane and Venkatraman, 2000); the nature of entrepreneurs as individuals (McClelland, 1961); and the nature of decision-making contexts in which entrepreneurs operate (Knight, 1921).

The importance of entrepreneurial behaviour for economic development has always been stressed in economic history but the existence of entrepreneurship in orthodox economic theory has almost been undetectable. Some economists question why the entrepreneur has almost vanished in economic theory (Barreto, 1989).

2.6.6. Types of Entrepreneurship

According to Schumpeter, there are five basic types of entrepreneurship projects. The first is the introduction of a new good in the market. This involves the invention of something that has never been available in the market. In simple terms, whenever a new invention is developed, it is seen as an act of entrepreneurship.

The second type of entrepreneurship is the introduction of a new method of production, since production of goods is a pillar of the economy. By new method, it is assumed that the method is effective and efficient and is able to improve on an existing production method.

The third type of entrepreneurship is the opening up of a new market. Whenever such resources are provided that enables the population to benefit, whether economic, educational or any other benefit, it establishes a new opportunity that is known as a new market for using that particular resource.

The fourth factor is the conquest of a new source of supply. Economists believe that a new supply source allows the industry to increase its productivity. This new source can be in many forms including the discovery of a natural resource (oil, steel) or attracting a labour force that has not been exposed to that industry.

The last type of entrepreneurship is the establishment of a new organization or industry that will improve human welfare.

In Schumpeter's opinion, the most influential is the introduction of the new product in the market (invention) that will directly improve human welfare. The remaining four factors indirectly affect human welfare by reducing the cost. Therefore, in order for the remaining four factors to contribute, it is important that the first factor be present and this is only possible with the invention of a new product (Entrepreneurship, 2004).

2.6.7. Entrepreneurship in Participatory Context

2.6.7.1. An Evaluation of the Literature on Entrepreneurship

The researcher has chosen to examine the link between literature on entrepreneurship and the activity in relation to an economic organisation.

Firstly, there are assumptions made by major authors on entrepreneurship that it is a capitalist system based on the private ownership of capital. The Austrian school claims that social ownership is incompatible with the mobilisation of tacit knowledge through entrepreneurial activity, as in the socialist calculation debate. However, the Austrian contribution to that debate consists of a critique of neoclassical central planning and neoclassical market socialism, both based on state ownership. Although the Austrian claims that their critique necessarily applies to any form of socialism, it may be regarded as mere assertion because it has never been theoretically established (Adaman & Devine, 1996).

Secondly, most literature assumes that entrepreneurial activity is generally socially productive, with the possible relationship between the existence of a capitalist system and unproductive entrepreneurial activity. However, the possibility of systemic bias in a capitalist private ownership system towards unproductive entrepreneurial activity should be considered.

Adaman & Devine (1996) identified four roles of entrepreneurship which are probably complementary in the literature, namely:

(i) the equilibrating activities of alert individuals in pursuit of their private gain as the essence of the way in which the market process works;
(ii) the innovative activities of heroic individuals of a special mould forcing through non-incremental change as the way in which the economy develops;
(iii) decision-making in conditions of uncertainty; and
(iv) the exercise of individual or collective competence in establishing new means–ends relationships in uncertain, open-ended conditions.

Similarly, there are five principal and recurring themes that have emerged from entrepreneurship literature. First, the tacit nature of much of the knowledge relevant for entrepreneurial activity is recognised by both the Austrian and the competence perspectives. Second, it is central to the competence perspective that tacit knowledge arises in relation to both individuals and organisations. Third, it is universally agreed that tacit knowledge is generated, mobilised and articulated through a social process – – the internal processes within the firm, mediated by its routines and discursive practices, for the competence perspective. Fourth, there is a clear distinction that is drawn between the entrepreneur and the capitalist in the literature on entrepreneurship. Finally, there is the question of the motivation giving rise to entrepreneurial activity, which is often not made explicit.

The Misesian–Kirznerian analysis starts from the premise that since the knowledge required for all effective action, however motivated, is tacit and can only be discovered by acting, through trial and error, all human action has an entrepreneurial element. Yet the Austrian school's analysis privileges a subset of entrepreneurs, who have access to capital and are assumed to be motivated to participate in the market process solely or primarily by the prospect of private financial gain. Schumpeterian entrepreneurs, while they may end up with great riches, are motivated more by the need for achievement (Devine, forthcoming; Metcalfe, 1995).

Although discussion of different forms of knowledge more or less co-determined internal firm organisation has proliferated, as economists have come to recognise the tacit, social, path-dependent nature of knowledge and the discursive practices that generate, mobilise and articulate it. However, in all these forms the owners and their hired managers decide if, when and how the other employees of the firm take part in decision-making and, whatever the subjective motivation of the owners may be, the ultimate criterion of survival and success is profitability. Thus, the internal allocation of resources to potential entrepreneurial and innovative activities, the micro level definition of what productive and unproductive activities are, is determined by judgements of expected profitability.

Based on the evaluation above, it may be concluded that entrepreneurial and innovative activity requires an organisational context in which:

(i) the generation, mobilisation and articulation of tacit, social, path-dependent knowledge is facilitated, which we take to involve participation in the discursive practices and decision-making processes within the firm; and

(ii) there exist:

  (a) criteria embedded in the firm's evolving routines for the internal allocation of resources across potential entrepreneurial activities;

  (b) selection mechanisms that select across the output of the firms making up the economy according to socially agreed criteria of social productiveness and unproductiveness,

  (c) processes that allocate capital for future entrepreneurial and innovative activities according to these criteria; and

  (d) feedback processes which enable the outcome of the selection mechanisms in (b) and the allocation processes in (c) to be used to modify the routines in (a).

While a capitalist economic system clearly constitutes such a context, the necessarily limited participation afforded by private ownership and the one dimensional criterion of profitability that animates processes (a) to (d) above suggest that a participatory economic system based on social ownership may have comparative advantages in contributing to human well-being.

2.6.7.2. A New Perspective: Participatory Entrepreneurship

Devine (1988) defined a participatory economic system as an interlocking network of social relationships, mediated through a set of interlocking institutions, in which the values and interests of people in the different aspects of their lives interact and shape one another in a discursive process of decision-making through negotiation and co-operation.

In this case, generalised participation may be thought of as the direct or indirect involvement in social practice, on an equal footing, of all those with either a relevant input to contribute or a legitimate interest in the outcome, i.e. all those who are affected by an activity. With respect to economic activity, the institutional form

corresponding to generalised participation is that of social ownership, or ownership by those with an interest in the use of the assets involved in the activity in question.

Since knowledge is now generally recognised to cover a spectrum from tacit to explicit, with all knowledge consisting of both, albeit in differing combinations, it can be argued that social ownership and the generalised participation are likely to constitute a more efficient form of economic organisation for the social mobilisation of knowledge than either private or state ownership (Adaman & Devine, 1996).

Furthermore, since social ownership involves all those with an interest in the use of the assets that are concerned, the criteria and judgements used in deciding the allocation of those assets across different alternatives can be arrived at through a discursive process of co-operative interaction in which the people constituting the relevant 'community', the social owners, 'come to share an unarticulated background of common understanding' (Tsoukas, 1996, p. 23) which facilitates the more explicit process of negotiation between the different interests.

In evaluating the claim that a participatory economic system would be more efficient at mobilising knowledge than a capitalist system, and would be able to apply wider criteria than profitability for the allocation of resources, there would be an outline of the principal characteristics of such a system.

It follows from the definition of social ownership that the social owners will differ according to the nature of the economic activity in question. The participatory model we advocate rests on the distinction between market exchange and market forces. Market exchange involves the use of existing capacity – selling and buying what can be produced using the existing assets of the firm. Market forces are the process through which changes in the structure of capacity are brought about in capitalist societies. Investment or disinvestment is undertaken atomistically by individual capitalist enterprises.

Hence, the outcome is dependent on the aggregate effect of these atomistic decisions which are then co-ordinated *ex post*. In a system based on social ownership, market exchange would continue but firms would be owned by those who are affected by

their activities. Market forces, however, would be replaced by a process of negotiated co-ordination in which those who would be affected, the social owners at this level, would seek to agree on a coherent package of investments and disinvestments, co-ordinated *ex ante* that would best meet their interests. The social owners with respect to investment decisions would embrace a wider set of interests than the social owners with respect to existing assets.

At the level of the firm, both those who work within it and those outside it who have an interest in its activities constitute the social owners. Representation on the Board of Directors of these internal and external interests enables generalised participation in the determination of strategic objectives and the monitoring of the firm's senior managers and performance. Whether the senior management is appointed by the workforce, on the principle of worker self-management, or by the Board, may be considered a secondary issue, since the concept of generalised participation could be interpreted either way.

The process of generating, mobilising and articulating the tacit, social, path-dependent knowledge that gives rise to potential entrepreneurial and innovative activities within the firm takes place in this participatory context.

The output of the firm's entrepreneurial and innovative activity is then offered for sale in the market. Since the knowledge base or competence of firms is path-dependent, each firm is unique. The internal processes of each unique firm therefore generate variety in the products, both final and intermediate goods that are offered for sale. In the course of market exchange, selection occurs and information is generated, in the form of the degree of capacity utilisation and relative profitability, about which products users prefer.

As for the Austrian school of thought, this creation of 'spontaneous order' is the real attraction of the market process. In the context of the objective of generalised participation, however, a model of democratic planning through negotiated co-ordination provides an alternative to the operation of market forces as a process for consciously selecting across the entrepreneurial and innovative output of firms, and

allocating capital for future entrepreneurial and innovative activities according to socially agreed criteria.

The outcome of the negotiations would be an allocation of capital constituting a co-ordinated programme of investments that balanced considerations of revealed productive efficiency and entrepreneurial competence, the consequences for the communities involved, and the judgements of the social owners as to their priorities for future entrepreneurial and innovative activities.

2.6.7.3. An Evaluation of Participatory Entrepreneurship

The Austrian school claims that the market process is the most, indeed the only, efficient way to mobilise social knowledge and that this process depends on private ownership. Since there has been an argument that the alleged necessity of private ownership is mere assertion and has never been theorised, in this case, there will be a greater focus on the market process.

The Austrian argument is that the tacit knowledge of individual entrepreneurs can only be drawn upon by the individuals themselves, who then discover whether their judgements are correct by engaging in market competition. According to different literature, entrepreneurship concluded, *inter alia*, that 'tacit knowledge arises in relation to both individuals and organisations and that such knowledge is not only tacit but also social and path-dependent'.

Thus, it is the characteristics of the enterprise that are relevant when considering the efficiency with which knowledge is generated and mobilised within the firm. The socially owned firm is a more inclusive and participatory community than the capitalist firm, able to draw on the wider knowledge base of the tacit knowledge of all its social owners, rather than just that of the individual Austrian entrepreneur or the top management of the capitalist corporation or state enterprise. The essential element of trial and error, given the inherent uncertainty associated with entrepreneurial and innovative activity, is present in the competition between firms as they engage in market exchange and discover whether their judgements are well-founded.

Aspiring entrepreneurs and innovators, whether individuals or existing enterprises, need access to capital. The socially owned extra-firm institutions that allocate capital across firms, as in the model, are more inclusive and participatory communities than capitalist financial institutions, also with a wider knowledge base. These institutions would have available as a basis for their decisions the two forms of knowledge that have been conceptualised in the literature on entrepreneurship and innovation, namely explicit and tacit.

Metcalfe (1997), from within an evolutionary framework, argues that parallel projects are a necessary part of technological competition as a trial and error process of discovery and selection. Although Metcalfe's framework is realistic, there is a possibility of rivalry in a capitalist economy. Negotiated co-ordination based on social ownership would make it possible for competition to be combined with co-operation, with the risk associated with radical uncertainty being borne collectively; the outcome of innovative activity resulting in public rather than private knowledge; and the decision on what resources to allocate to which inherently uncertain activities being made by the community that bears the risk and benefits from the outcome.

According to Demsetz's comments on the recent developments in neoclassical theory, "the focus in this effort has led to the neglect of information problems that do not involve agency relationships. These are associated with planning in a world in which the future is highly uncertain, and they include problems of product choice, investment and marketing policies, and scope of operations.' (1997, p. 28).

Although Demsetz's comment is in the context of planning in relation to interdependent privately owned firms, social ownership makes it all the more possible to co-ordinate the interrelated activities of firms through negotiation and co-operation. Indeed, the process of negotiated co-ordination makes it possible to combine the *ex ante* adjustment classically associated with economic planning (Dobb, 1955, 1960) and the *ex post* adjustment classically associated with market forces and the invisible hand. Extra-firm institutions allocate capital according to the criteria they have evolved, taking account of known interdependencies, but they are path-dependent learning organisations able to revise the criteria they use and improve their competence in applying them (Adaman and Devine, 1997).

2.7. Theoretical Framework

The entrepreneurial trainer can be regarded as the individual that provides the scientific basis for the compilation of entrepreneurial curricula and the processing of this in the training situation. Included here is the way in which the potential compilation of an entrepreneurial curriculum with regard to entrepreneurial skills could be construed flowing from the results of the implementation of this study. An acceptable pointer to the professionalism of a discipline is when its existence leads to a career or job opportunity. Sexton and Bowman (1984, p. 93) add to this, observing that "…consequently, colleges and Universities have recognized that starting and operating a business is a viable career alternative that deserves academic attention."

Mahiberg(1995, p. 37) critically states that entrepreneurship as a discipline is one of the few subjects that pushes integration and the combination of functional knowledge and abilities, and knowledge needed for the establishment of a business even differs from the ability and knowledge needed for the growth of the business. From this, one can conclude that entrepreneurship should obviously follow a holistic approach. It is important to notice that entrepreneurship as a process is as complex as any science. Gartner (1989, p. 695) regards entrepreneurship as a non-linear process known for its multi-disciplinary characteristics. Guedallo *et al* (1997, p. 4) adds to this and regards the process as being unstable, holistic and even catastrophic "…rather it is a disjointed, discontinuous, unique event no matter whether it is a mega or a macro venture."

Van Vuuren (1992, p. 26) quotes Bygrave who compares science with physics. He points out that in the hierarchy of Sciences, Mathematics (as basic science) for instance would feature on top, with Sociology at the bottom.

In this context, entrepreneurship should be regarded as an applied science, rather than basic. He furthermore points out that with all the applied sciences, engineering would be on top with entrepreneurship right at the bottom. The multi-disciplinary characteristics of entrepreneurship are proven because some of the basic sciences (mathematics, physics, biology, psychology and sociology) as well as applied

sciences (medical, economic and business management) show a degree of congruence and are mostly contained within the field of entrepreneurship.

Churchill (1998, p. 39) points out that physics as a science had its origin around 5 B.C. (Democritus and Plato). Entrepreneurship, on the other hand, originated in the 18th century, in Adam Smith's era. Training in physics dates back more than 2000 years whilst training in entrepreneurship is only about 30 to 40 years old.

The newness of entrepreneurship as an applied science creates a situation wherein virtually no agreed method, concept, data or accepted practice (training context) exists. The opportunity presents itself therefore to formalize a method in science that complies with academic requirements and this study intends to make a contribution to this discourse.

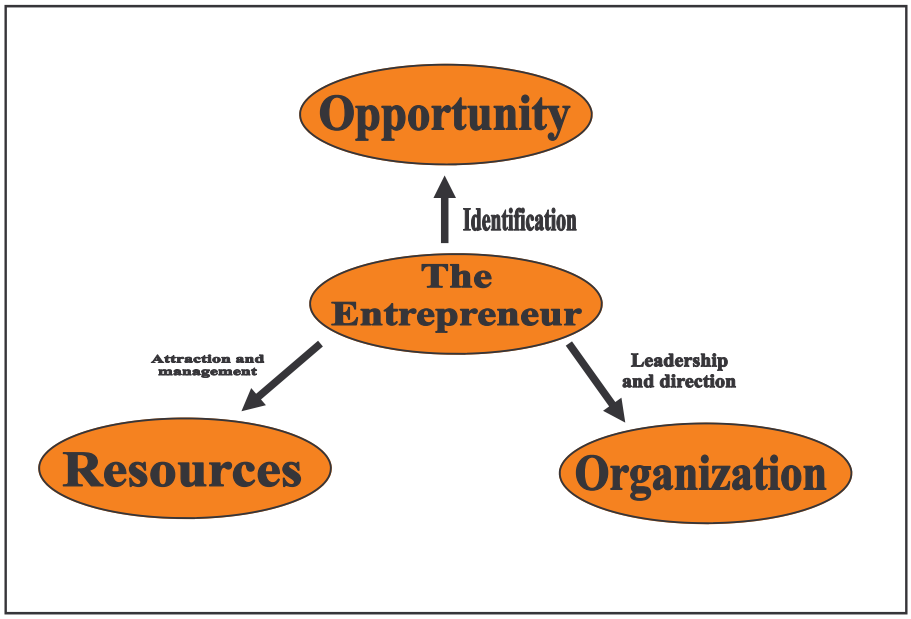
2.8. The Entrepreneurship Training Model

The suggested training model as compiled and applied by Van Vuuren (1997, p. 3), draws on the following multiplication construct E/P=f{M(E/S x B/S}. The contents formula suggests that the construct E/P – Entrepreneurial Performance; M – Performance Motivation; E/S – Entrepreneurial Skills and B/S – Business Skills. One can conclude from this that the increase or decrease in entrepreneurial performance should be seen as the multiplication result of performance motivation (M); Entrepreneurial Skills (E/S) and Business Skills (B/S).

Van Vuuren, who is regarded as the technical developer of this model, uses the Motivational and Expectation Theory of Vroom (1964) as a diversion instrument. Vroom's theory proves that achievement can be seen as a multiplication function of individual motivation (M) and the ability (V) of the individual P = f (M x V). Abilities within this context are regarded as existing and acquired knowledge. Analogous to Vroom's model, Van Vuuren uses the construct "achievement" in the context of "entrepreneurial performance" as well as "business skills" that needs to be present in order to achieve or maintain a level of achievement.

Subsequently it is of the utmost importance to place the development of the model against the backdrop of the entrepreneurial process.

Firstly, the model of Wickham (2000, p. 37) explains the entrepreneurial process within a simplistic framework of value creation:



The entrepreneurial process, as indicated by Wickham, is based on four reciprocating contingencies. The entrepreneur forms the hub and core element in any entrepreneurial process. He or she (or entrepreneurial team) therefore needs certain characteristics and skills in order to explore feasible market opportunities. Wickham notes the significance of the entrepreneur in identifying and exploring opportunities in the market in a differentiating manner. The latter elevates the importance of innovation as a differentiating entrepreneurial skill. An entrepreneurial organization is therefore needed to produce the innovation and exploit the opportunity in the market place. Another differentiating skill (leadership) is needed to create an organization which will grow and expand in an entrepreneurial performance context. The entrepreneur is also responsible for attracting the necessary resources or factors of production to fulfil the expected need on the side of the organization and to achieve set objectives.

Secondly, Gartner (1995) in Kuratko and Hodgetts (2001, p. 44) broadens the model by placing more emphasis on the environmental variables that are role-players in the

development of the entrepreneurial business. The process model sees the individual (entrepreneur) as an element with specific traits (need for achievements, locus of control, risk taking, job satisfaction, work experience, role models, age and education); the organization (type of firm, entrepreneurial environment, partners; strategic variable-cost, differentiation and focus as well as competitive entry mechanisms); the process involved, as compared to the previous process; the business opportunity; resources; marketing of the products or services; the production of product; organizational development; and response to the institutional and societal impact.

The environment forms a pivotal component of the process model including the following variables: the role of venture capital; inclusion of experienced entrepreneurs and mentors; technically skilled labour force; accessibility of suppliers; access to customers and new markets; government influences; proximity of educational institutions; availability of land; transport attitudes of the immediate population; access to support organizations; and basic living conditions. The authors emphasize the interactivity of the model as a process approach as compared to the classical "segmented school of thought".

The role of entrepreneurial training as intervention in the successful achievement of objectives or the desired increase in entrepreneurial performance is a vital part of the entrepreneurial process (Timmons 1999, p. 40) and with this it is meant that the training programme is a fundamental support function in this process. The trainability of entrepreneurs is already accepted as a given as previously mentioned. Training programmes in general are also based on the entrepreneurial process.

The contents of the suggested training model, namely **E/P=f {M (E/S x B/S)}**, is formulated as a synthesis of the above mentioned processes and could be schematically presented as follows:

Entrepreneurial Performance (E/P)	Performance Motivation (M)	Entrepreneurial Skills (E/S)	Business Skills (B/S)
Establishment of own business	Performance motivation	Risk propensity	General management skills
Completion of first transaction		Creativity and innovation	Marketing skills
Growth in net value of Business		Opportunity Identification	Legal skills
Recruitment of employees		Role models	Operational skills
Increasing productivity levels			Human resource management skills
Increasing profitability			Communication skills
			Business plan

(Source: Adapted from Antonites (2000, p. 21))

The various constructs of the model are discussed briefly below:

2.8.1. Entrepreneurial performance (E/P)

Van Vuuren (1997: 3) argues that the following variables should be regarded as entrepreneurial achievement or result with regard to the realizing of set entrepreneurial goals: Firstly, an increase in productivity; secondly, the increase in the number of employees employed, which implies the expansion of the business; thirdly, the net value of the business; fourthly, a core aspect in entrepreneurship, namely the increase in profitability; and finally, the completion of the first market-related transactions.

2.8.2. Motivation (M)

Topical questions on what motivates entrepreneurs have been in existence for a number of years. What motivates an individual seen as an entrepreneur to totally commit himself/herself to the establishment and development of a business? What motive is involved with the high inclination to take a personal risk in the process? Which motivation distinguishes the entrepreneur from the standard business person

and what leads to the absolute striving towards independence versus the security of a set salary and employment?

It is generally accepted that certain personal qualities of the individual distinguish him/herself as entrepreneur or non-entrepreneur or as entrepreneur versus small business person. These qualities include an inclination towards risk, an internal locus of control, the way in which failure is accepted, drive, and energy. Gartner in Naffziger *et al*. (1994, p. 29) argues that personal qualities are virtually totally applicable as generic qualities where the general individual is involved, whom he describes as the "generic everyman". Some of these qualities can therefore be present in anyone's situation.

Endler in Naffziger *et al*. (1994, p. 29) defines behaviour as a function of the interaction between the individual and the environment. Gartner (1989, p. 696) adds to this that entrepreneurial behaviour is central in the process of venture development and that the entrepreneurial process plays a larger and more important role than merely gathering information about "who the entrepreneur really is". Central to this environmental development and entrepreneurial process is the individual's motivation.

Kreitner and Kinicki (1998, p. 189) conceptualize motivation as those psychological processes where consciousness, direction and perseverance of voluntary actions that are purposeful, are created. Sanzotta (1977, p. 72) defines motivation as a threefold construct.

2.6.1.1 Motivation towards competitiveness

Humans or individuals are defined as social beings that are dependent on group behaviour for support and survival purposes. Apart from the fact that humans are socially interdependent beings, competition or rivalry originates as a form of social interaction. This behavioural pattern develops as a comparative measure wherein, for instance, a situation develops where the best possible achievement is sought after. Within this framework, motivation as such is regarded as the nucleus for the origination of rivalry or competition. Motivation can further act as a comparative measure for achievement and failure on the basis of the feedback function, created as

a result of this within a competitive framework. This feedback acts throughout as an inherent formation instrument for further motivation towards higher levels of competitiveness.

(i) Innate Incentive

The construct motivation is further described as a basic explorative incentive, which is derived from the inquisitive nature of man. Explorative behaviour is motivated by the search for new experiences and the flexibility of man that enables him/her to adjust to these so-called new circumstances. This points to an individual who, due to his inquisitive nature, demands to go through a certain learning curve in order to gain the required knowledge to adjust to the "new". This process is driven by motivation.

(ii) Acquired behaviour

It is generally accepted that motivation influences learning and the learning process. Accepting that learning does influence motivation can also turn the argument around. Motivation is thus placed on an equal footing with learning. Motivation is not only taught but represents a vital integration with the learning process. The author states that the individual does not learn effectively if the motivation does not exist. In addition, those individuals who do not learn effectively are possibly not motivated because they have never learnt how to be motivated.

Motivation can therefore be a positive influence on learning as well as in the learning process: "The more you learned how to be motivated in the past, the more easily you transfer that motivation either to new learning, or more importantly, to new levels of incentives". Therefore, as soon as it is easier to move on to higher motivational levels the nature of motivation will change dramatically.

Within this context it is of the utmost importance to investigate the entrepreneur and motivation as a characteristic of the entrepreneur. The motivation of the entrepreneur as an individual becomes absolute when placed within the entrepreneurial performance (E/P) perspective with the aim to integrate motivation as a driving force in the increase of entrepreneurial performance. Entrepreneurial performance as

discussed aims to increase, for instance, the profitability, productivity, net value and growth of the venture.

2.9. Conclusion

The primary purpose of this literature review is to provide a foundation to address capacity development challenges amongst organs of civil society. It has included the views and experiences of scholars that provide evidence on how some parallel challenges of capacity development have been addressed elsewhere.

This chapter has highlighted some of the factors that contributed to development challenges for organs of civil society. The main aim is to address entrepreneurial capacity development challenges. In analysing the problem, this chapter forms a theoretical framework on which this research finds its basis as it helps to develop a good understanding and insight into relevant previous research on the challenges of entrepreneurial capacity development among organs of civil society. Some background knowledge of the research questions was also provided.

CHAPTER 3

METHODOLOGY

3.1. Introduction

According to Copper and Emory (1995, p. 21), research can be defined as systematic enquiry aimed at providing information to solve problems. Business research, on the other hand, can be defined as systematic enquiry aimed at providing information to guide business decision-making.

According to Watson (1994, p. 3) research into the field of entrepreneurship suffers from a lack of communal structure, framework and the generally accepted definitions of construct. The general direction for the future of entrepreneurial research is seen as fragmented. Boshoff and Van Vuuren (1992, p. 372) divided the entrepreneurial theory and research into three main categories: firstly the entrepreneur and his/her actions and qualities; secondly, the entrepreneurial process; and thirdly, the factors involved in increasing the promotion of the development of entrepreneurs and entrepreneurial activity. In support of the importance of the research into the importance of entrepreneurial research (the third factor) Paulin *et al*. in Watson (1994, p. 34) regard this subject as one of the mainstream research areas within entrepreneurship.

The research consisted of a social study to address problems of entrepreneurial capacity development that are only rarely addressed in the professional and academic institutions. Although social research of public spaces has been widely developed in many South African municipalities and is supported by extensive literature and case studies, there has been little research conducted in Ekurhuleni. There have been many urban studies related to Tsakane's historical urban development, and its urban value, but almost no attention has been given to entrepreneurial capacity development issues.

The research involved a study of challenges of entrepreneurial capacity development in which observation and recorded interviews and notes were drawn on in order to obtain information from different interviewees. This study fundamentally aims to

undertake these challenging issues within entrepreneurial research and to identify the challenging areas within entrepreneurial training by suggesting a new framework wherein training can take place.

3.2. Methods

The methodology provides an understanding of how the research was conducted and organized in order to obtain information that could be helpful in addressing capacity development challenges in Ekurhuleni.

The methodology is based on interviews with both entrepreneurs and professionals working with civil society organizations involved in entrepreneurial training. The purpose of this study is to identify and document the challenges of the organs of civil society involved in training the beneficiaries of entrepreneurial skills development in alleviating poverty and reducing unemployment in the Ekurhuleni municipality.

Cooper and Emory contend that there is a lag between the business scientific method and physical sciences because physical scientists have been conducting research long before the business researcher started. Governments and organizations have been supporting physical sciences far longer than the business researcher.

The researcher's stance in relation to the case study was both as a participant observer and non-participant observer. Participant observation includes the researcher in the activities that she/he is observing; and non-participant observation is where the researcher observes from outside of the activity (Cohen and Manion 1989, p. 125). In the initial stages of the research the researcher participated as both the 'teacher' and researcher.

The researcher used both structured questionnaires and interviews to gather the data. While the questionnaires provided useful and detailed information about the participants, the interviews helped in engaging more personally with the participants in, or close to, their home environments. It seemed to provide the best opportunity for

'an interpersonal encounter' where the individuals would be more likely to disclose aspects of themselves, their thoughts, their feelings, and values (Cohen 1989, p. 319).

The interviews took place in homes, a school and a coffee shop where the more informal atmosphere of these venues was conducive to a more relaxed and richer exchange. The researcher holds the view that the people interviewed received something from the research through their meeting. This is a principle that the researcher was anxious to build into the research, so that the research was not seen as simply drawing on interviewees as objects of the research. After the visits the researcher wrote a letter to each of the participants to acknowledge their contributions and to respond to some of the questions they had raised about further resources and ongoing study. The research is qualitative in nature as it seeks to explore capacity development challenges and to understand the social phenomenon.

3.3. Research Design

The researcher will use qualitative methods. In defining qualitative method, Strauss and Cobin (1990) regard the qualitative method of research as the kind of research that produces findings not arrived at by means of quantification. Therefore, since this research seeks to explore capacity development challenges, the qualitative method will be followed. Further, McMillan and Schumacher (1993) state that qualitative approach is usually concerned with the understanding of social phenomena and the participants are the prime source of information. Hence, there is a necessity for the researcher to conduct interviews.

This statement is supported by Hoberg (1993) when he suggested that the qualitative method of research investigates the meanings and concerns people give to events based on their beliefs, ideals, thought and actions. Qualitative is therefore descriptive and words and pictures are more important than numbers (Blogdan and Blinken, 1992). Similarly, qualitative research is more focused on the process than the outcomes or result of products being tested (Tuckman, 1994).

In investigating the capacity development challenges of organs of civil societies in Ekurhuleni, the theoretical framework of the report will be informed by:

- The understanding of civil society.
- The understanding of capacity building in relation to capacity development.
- The understanding of entrepreneurial skill development.
- Identifying approaches and models that may present solutions to the challenges of capacity building development.
- Identifying entrepreneurship models that can contribute to strengthening organs of civil society to manage their challenges more effectively.

This research will seek to explore the solutions to the challenges of capacity development for organs of civil society. The main reason is the fact that little has been done on this topic in South Africa. Internet searches will be conducted and interviews will be held with different trainers involved in capacity development, focused organs of civil society and the beneficiaries of capacity development programmes.

The aim of this research was to examine some of the theoretical claims about entrepreneurship and its influence on the experiences of a number of individuals who are in training. In this way, the theory could be verified or qualified for its application within the context of a group of entrepreneurs in the South African business environment. By establishing a measure of reflexivity between the formal theory contained in the literature and the practice of entrepreneurship, the researcher hoped that some insights helpful for reviewing and transforming entrepreneurial education for other young people would be generated.

This empirical research is qualitative and descriptive, which is consistent with most educational research (Cohen and Manion, 1989: p. 70). It describes 'what is' or has already occurred, and interprets entities with a view to 'establishing generalizations about the wider population to which that unit belongs' (p. 125). The qualitative approach, with its aims of description and exploration of phenomena (Dreyer, p. 220), is appropriate to the kind of information that is required, and which is descriptive of young people's lives and their experience of training for entrepreneurship, as well as their experiences in businesses.

3.4. Nature of the Research

This research takes into account both educational and ethical concerns in the researcher's exploration of ways of preparing young entrepreneurs for the development of their community. Before providing an explanation of the research methodology and processes employed, there is need to set out the parameters of this report within the chosen research field, its focus on the challenges of entrepreneurship, and the researcher's own position.

As suggested above, the research is interdisciplinary, and the literature and specific questions that have been pursued in this research reflect on entrepreneurial capacity development challenges. This work is located primarily within the discipline of management ethics which is concerned with moral vision and the values that underpin it, and includes aspects of moral character and virtues, right and wrong, or good and bad decisions and actions, and how these impact on the formation of entrepreneurs in practice.

The research report engages in the ethical debate in two ways, viz. in its reflection on what constitutes a 'critical ethic of capacity' for entrepreneurs; and in its concern that the training provided to entrepreneurs is consistent with such an ethic. It is important to stipulate that the aim is not to develop the details of a different curriculum for the various subjects in the traditional business management programme, but instead to investigate how the insertion of a critical ethic of management will impact on capacity and curriculum aspects of entrepreneurship education.

According to Hall in Lather (1991, p. 50), there is no neutral research, and therefore the researcher's interest must also be declared. As an entrepreneur who started a business at a very young age, the researcher was excluded from training which had to be learnt through experience along the way while climbing the ladder of success. The researcher believes that there are different and overlapping responses to this situation. One response is to actively engage in the international movement for entrepreneurial capacity development; another is to abide by the policies of the government; and yet another response, the researcher's own, is to find ways to prepare some of the ground for a future in which young people will be capacitated in a technological world,

deriving what can be learnt from the experiences of entrepreneurs who have successful businesses.

As a black, middle class, middle-aged, single, Nigerian man, the researcher is not easily positioned in any one location as a management guru but has drawn deeply on the rich contributions and reflections of many 'first-world' managers, post-colonial and other management scholars, as well as the practical realities that face young entrepreneurs who are engaged in business. The researcher's views have also been shaped by the involvement with the entrepreneurship work of the Africa Missions Outreach and Leadership organisation for a period of three years. Thus, the researcher includes some reflections from an experiential perspective.

3.5. Principles

During the research, the researcher tried to honour the following principles, particularly when conducting the focus group interviews.

3.5.1. Establishing a standard for language in research

Establishing a mutual relationship between researcher and the researched is about developing a dialogue to ensure two-way sharing (Lather 1991, p. 57). With this in mind, the researcher attempted to do the following:

- Conduct the interviews in a friendly and convenient way, in the spirit of dialogue, attempting to treat the respondents as 'active agents' rather than as 'objects of research'(p. 62)
- Be open to self-disclosure of own interests and experiences, to balance the disclosures made by the respondents.

3.5.2. Paying attention to language in research

De Vault (1999, p. 61), in discussing strategies for interviewing and analyzing data, draws attention to the way that people may display difficulty in expressing their thoughts about their everyday lives – what she terms 'linguistic incongruence' where

there is a 'lack of fit between people's lives and the words available for talking about experiences, either saying things that are not quite right, or working at using the language in non-standard ways'. To counter some of the difficulties with language, De Vault (pp. 65-71) suggests a number of approaches including dealing with incompletely articulated aspects of people's experiences in an exploratory way, developing methods for listening 'around and beyond words', listening to 'the everyday processes of "translation" that are part of people's speech'.

During the interviews the researcher was very conscious of a degree of 'linguistic incongruence' especially when several of the second-language English speakers spoke about their experiences that carried a lot of emotional content. They dealt with this difficulty in two ways, either by speaking in their mother-tongue and then having another mother-tongue person to translate what they had said, or interspersing their speech in English with their mother tongue. Both strategies seemed to work but the researcher believes that discussion in their own language would have been preferable.

3.5.3 Research Ethics

According to Lather (1991), to make something available for discussion is to make of it an object, and this suspicion of the intellectual who both objectifies and speaks for others inveighs researchers to develop a kind of self-reflexivity that will enable them to look closely at their own practice with regard to how they contribute to dominance in spite of libratory intentions.

Lather's challenge to scholars engaged in a self-reflexive research approach has been an important reminder for the researcher in this process. In drawing a group of entrepreneurs the researcher was aware of the danger of disclosure of significant information. Before each interview the researcher requested permission to use participants' information in a confidential manner. Where they did not wish anything recorded, the researcher complied. To honour this confidentiality, the interview transcripts have not been included in the research. If any additional data is required, it is available on request, and with the permission of the interviewees.

Hunt (1994, p. 106) draws attention to the way academics borrow from other academics (with/without acknowledgement), and also where first-world or privileged researchers use the experiences from 'third world'(sic) or subjugated contexts to advance their work. She suggested that there are ways to borrow that are respectful and ethical and which the researcher has kept in mind. For example, there many young people that are being capacitated but they do not have the ability to develop their local community, yet the purpose for capacitating them through the organs of civil society is to promote their involvement in the development of their community.

With regard to this research, concerns about the accumulation of books and articles has been a question which the researcher has been unable to resolve. The intention should be to access resources and information in a responsible manner and with adequate acknowledgement being given. Where possible, available sources have acknowledged the permission of interviewees to use the data. Where they specifically asked that their words not be recorded, this has been respected. What remains is to ensure that the research community, the trainers and the entrepreneurs receive something in return from this work, and appropriate ways of doing so will need to be devised, for example through provision of seminars and presentations, written summaries and articles.

Research aimed at consciousness-raising is also critiqued for its arrogant assumptions that the researcher has superior knowledge that other entrepreneurs need to know. Heron makes the point that those researched have the moral right to participate in decisions that claim to generate about them, since this protects them from being managed and manipulated (Lather, 1988, p. 55-56). The ultimate ethical responsibility of researchers is to respect the right of the researched and 'to provide conditions under which subjects can enhance their capacity for self-determination in acquiring knowledge about the human condition'. These ethical concerns are of importance in this research because they point to a further ethical dimension – that of the researcher.

However, the researcher is not able to envisage the outcome of this research and degree of success in raising consciousness, nor how the academic community will receive it. All that is possible is to commit oneself to the ongoing pursuance of its goals, in this particular instance through teaching and learning with other young

people in shared communities of practice as this research report enters the public domain and the entrepreneurial skills development discourse.

3.6. Data collection

A total of eight interviews and casual observations was conducted, four in the offices of AFMOLED and four in the office of the entrepreneurs. During this interview, each participant was asked their opinion in relationship to the length and quality of the questions asked. The participants unwire comfortable with the number of questions but wished to remain anonymous.

Techniques for data collection included individually answering interview questions with the following types of questions: fixed-alternative items where respondents chose from two or more alternatives; open-ended items; questions which elicited a combination of factual information and opinion, and checklist responses (Cohen, 1989, p. 317). Two methods were used, one a recorded interview with both design professionals and entrepreneurs. The other method was making observations (supported with some amps tracing and note-taking).

3.7. Interviews

The purpose of the interviews was to follow up on some of the information gathered in the questionnaires, but more importantly to solicit the opinions of the trainers and trainees of entrepreneurship. Consistent with management research methodologies which concentrate on relation to speech and to talking and listening (De Vault, 1999, p. 60), the researcher wanted to gather more detailed information orally. In the interviews, eleven broad questions were discussed with the civil society organization officials while eight broad questions were discussed with the entrepreneurs.

Having introduced the purpose and themes for discussion, the researcher encouraged the discussion to proceed as the participants felt comfortable. In six of the interviews there was a comfortable balance of personal responses to questions, listening to one another and dialogue. In the interview with civil society organization officials one and four, this was initially directed by the researcher as the two participants took

some time to become comfortable, but having discovered common ground, they were able to discuss the questions in a more relaxed way.

During the interviews there were frequent digressions and where the researcher judged these to be gossipy and at times defamatory of other people, or total digressions, the researcher did not include them in the transcripts. Also there were cases where civil society organization officials shared personal experiences of abuse in their training centres and specifically asked that these not be recorded.

3.7.1. Extracting and interpretation themes from the interviews

This research aims to make a difference to the entrepreneurial capacity development among organs of civil society. Lather (1991, p. 52) warns of the difficulty in praxis-oriented research of trying to find ways to balance the subjectivity and engagement of the researcher, and of establishing the trustworthiness of data. However, the researcher comes to the data with presuppositions and positionality.

Another tension that Lather raises (1988, p. 55) is the relationship between the theory and the lived experiences of the social actors and how to avoid imposing one's own perceptions, analysis and conclusions on the ideas of those in one's research. This raises the question of whether the theory helps to illuminate the lived experience and struggles of the entrepreneurs in their contexts and, when it does not, how prepared the researcher is to question the theory and its appropriateness, without simply resorting to a change of false consciousness. As she suggests, theory adequate to the task of changing the world must be open-ended, non-dogmatic, speaking to and grounded in the circumstances of everyday life. It must, moreover, be premised on a deep respect for the intellectual and political capacities of the disposed.

Cohen and Manion (1989, p. 129) discuss the question of the external and internal validity of case study findings. On the one hand, this relates to how the findings of one unit or price of research can be generalized to other situations; and with regard to the latter, how the researcher's observations can be considered useful if he has been so closely a part of the study. With regard to the internal validity, the researcher's initial involvement and interest with AFMOLED School of Practical Computing

presented a concern from the outset, and the researcher then identified another college where the practical computing course was being taught, namely the Stanford Computer and Business College. The researcher believes that this helped to provide a more balanced perspective.

With regard to the concern about external validity, Dreyer (pp. 250-252) describes the strategy of 'analytical induction' for ensuring the external validity of participant observation material. It is a set of procedures based on reviewing a number of cases and redefining the phenomenon, and reformulating the hypothesis on the basis of exceptional or negative cases until a general or universal relationship is established. The researcher believes that the findings of this empirical research will have specific value for the two colleges under review, but that further investigation of other cases of entrepreneurial capacity development would be necessary before these findings could be generalized to all South African institutions that are involved in entrepreneurial skills development.

3.7.2. The Interview Script

An interview script was developed to guide the interview sessions and obtain reliable information from the participants in a structured way. The titles and questions included in this script were not shown to the users being interviewed in order to avoid bias in the answers given by participants. These types of questions were selected according to the research objectives and identify the challenges of entrepreneurial capacity development. The interviews were face-to-face, which helped the researcher observe people's complex feelings and attitudes towards the different topics under discussion.

The interviews consisted of both open and closed questions. Closed questions were presented according to the pre-established selection of possible answers. Open questions, on the other hand allowed participants to express their reasons and impression according to their attitudes and personal beliefs.

Similar questions were then posed differently in order to verify the information given by the participants and therefore assure validity and coherence. This strategy is useful

for verifying the reliability of answers given. Another important strategy, which was mention above, was recording the responses given by the researcher. This was useful for obtaining the information related to open-ended questions and also allowed paraphrasing of the information given by people in order to better categorize what the respondents said. Recording also shortened the amount of time required of the researcher.

3.8. Data Analysis

Since the interviews were based on open-ended questions, the results were transcribed and tabulated in order to develop the data analysis. The method for analyzing the information was content analysis. The methodology used in this study was based on the research questions, the problems to be addressed and also based on the theoretical base. The research methods used were interviews, observations and some note-taking, which were considered to be useful methods used by many authors in the theoretical base of this study. With the data collected from this research, information is expected to be obtained that could provide directions for development of entrepreneurial capacity.

3.9. Conclusion

This chapter focuses on the research methodology used to understand capacity development challenges among organs of civil society in Ekurhuleni. The methodology and design used for the study were discussed in this chapter. The reasons for choosing this design were given and the importance of exploration was outlined. The problems encountered in gathering data included the type of language respondents used, and there were also delays with regard to appointments with respondents.

The following chapter will provide detailed results and outcomes of the findings.

CHAPTER 4

DATA PRESENTATION AND FINDINGS

4.1. Introduction

This chapter presents the data collected during the fieldwork regarding capacity development challenges that are experienced by civil society organs and entrepreneurs in Ekurhuleni. Summarized descriptions of the responses provided by the participants from the different organizations and business are illustrated below and the detailed responses from the interviews can be found in Appendix I. The data presented is structured according to the interview questions asked, followed by the respondents' answers summarized in paragraphs. The findings will also be categorized according to the different participants that were interviewed. Thereafter, the findings will be analyzed to provide meaning of the data in the context of the literature review of Chapter 2 and the main research questions.

4.2. Methodology

Observation and interviews orientated the different sessions and the number of visits required during a day for conducting interviews. The interviews were developed in a very flexible way, but were generally conducted every Monday and Friday.

The interviews were conducted through multiple visits to the offices of the entrepreneurs and the AFMOLED office and developed through four sessions or periods of the day – morning, noon, afternoon and night. Participants were interviewed at different hours, because the offices had varying conditions throughout the day. It was believed that people's behaviour and attitudes were also different as a result of different climatically, social activities and security conditions at different hours. Also, the number of interviews in session varied according to the presence of people at these different hours of the day. Therefore, the number of interviews for each session varied.

Interviews were tape-recorded because most questions were open-ended. This meant that most answers were extensive, and therefore writing them down would both take too much time and reduce people's quality time. Tape-recording allowed for people's explanations and opinions to be obtained in a faster way, and thus helped to obtain the most information from participants in a shorter period of time. This represented a fast way to obtain a higher number of interviews with less effort and demand from participants. In any event, the time available to conduct interviews was limited.

The observations confirmed the interview results. The combination of observation and interviews was a key methodological approach for this study because it allowed for people's attitudes and behaviour to be reviewed. Note-taking was initially the method for recording observations, but evolved into tape-recording the events and perceived attitudes of people. This method proved more practical for this study. Also, observations were initially developed every Tuesday and Wednesday, which were different days than those used conduct interviews.

In setting up the interviews the researcher used the purposive sampling method to select four different civil society organization officials, and four different Tsakane-based entrepreneurs for the interviews, trying to ensure a mix of organizations, race and geographical locations. Their names were withheld because none of them wished to speak in their capacity but were prepared to express privately their honest opinions based on experiences in their organizations and business.

In order to provide an understanding of how this research was conducted and how information was obtained, the following will explain the research methods used and criteria for selecting participants for this study.

Criteria for selecting interview participants

- random selection of participants for interviews in order to eliminate bias and survey a variety of participants engaged in different activities
- civil society officials of different ages and socio-economic status were interviewed in order to assure a good representation. Entrepreneurs were also interviewed for this study in order to understand their impressions, likes, dislikes, and their needs in the public space.

4.3. Interviews with Civil Society Officials

1. **What are the skills development challenges faced by Ekurhuleni's disadvantaged communities?**

In answering this question, the opinions of the four officials were different. The first point that concerned official One is the challenge of the curriculum of most foreign non-governmental organizations that are working with the Ekurhuleni Metropolitan Municipality. Official One's view is that they do not integrate into the local educational system thereby making it a problem in responding to the locally identified needs.

Further, official One commented that there is often the challenge of getting instructors to train the beneficiaries of the skills development and this is expensive as compared to the local trainers. The organization might then decide to go through the process of contextualizing their materials but there is the concern that this may be expensive because there is often a need for constant revision due to the rapidly growing environment.

The view of official Two about education is different, as the focus is on awareness. Official Two believes that the people who need the education most are not enlightened about the needs or opportunities these skills development centres can provide. The other vital point from official Two is the lack of enough equipment and facilities for training. Most of the technology equipment is outdated and not suitable for training. The influence of local politics was also mentioned as a challenge to skills development in Ekurhuleni.

Official Three pointed out that the main challenge is encompassed around sponsorship and funding. Similarly, official Four's opinion is that funds are not easily accessible currently as the funders and donors are demanding more accountability that is often unrealistic in nature, and the traditional forms of funding are becoming smaller and less reliable. However, official Four pointed out that range of problems within the community is increasing which leads to the establishment of more non-profit organizations whose aims may not be honourable.

2. **How can civil society organizations help in addressing skills development challenges?**

Official One felt that the government may need to encourage civil society organizations, especially foreign ones, to contextualize their curriculum to the needs of the society in which they work. In addressing the challenges of skills development, official Two believes that efforts can be made by the government to work in partnership with the civil society organizations to provide high level manpower with modern and scientific technology. Further, the government may want to task the civil society organizations to embark on transfer of technology and not importation of it.

Official Three's opinion is similar to official Four's opinion in the creation of awareness in the community. Official Three pointed out that the civil society organizations may decide to organize some projects like *stokvel* and other poverty alleviation programmes within the community. Similarly, official Four illustrates in the third point that civil society organizations can be of great help in the community in creating awareness.

An important point made by official Three is the partnership between civil society organizations to formulate strategies for capacity development. For example, different civil society organizations may want to develop strategies for community development and present these in the form of a proposal to the government that will increase the political will of the politicians to help sponsor such skills development programmes.

Similarly, official Four believes that the provision of skills development centres will help in addressing the challenges, including provision for employment opportunities on completion of training. However, it was also stated that civil society organizations should be involved in the formation and administration of local foundations.

3. **What entrepreneurial training do they offer to the disadvantaged communities such as Tsakane Township?**

The four officials interviewed did not have a clear understanding of the task of the organizations involved in entrepreneurial training in Tsakane Township. The first official believed that the training available is very basic business leadership and integrity. He further pointed out that only few civil society organizations are involved in entrepreneurial training.

Similarly, official Three mentioned that basic skills pertaining to environment, which is marketable like easy-to-learn farming and different types of artisan and technical work, are being offered, while official Two mentioned that the civil society organizations around Tsakane focus on information technology. However, official Four does not have an idea of any entrepreneurial training being offered by civil society organizations, but felt that provision of training in carpentry, tailoring, hair dressing and as auto mechanic would be useful.

4. **What are the challenges encountered by civil society organizations in training beneficiaries of the entrepreneurial skills?**

The first challenge identified by official One is the transportation, stating that the major problem of both the trainees and the facilitators is transportation. The second challenge identified by official One is that there is often lack of concentration on the part of the learner/beneficiary because there is no interest in the training that is being offered; thereby leading to a sense of being forced on side of the learner. Similarly, official Three pointed out that the training is often not taken seriously by the beneficiaries because it is being provided free.

Official Two identified the challenges encountered by civil society organizations, such as the low standard of education, poverty, lack of infrastructure, lack of modern technology and equipment. Similarly, official Three also mentioned that the skills acquired are not sound enough to withstand the competition in most cases. However, official Four felt that most of the funds for entrepreneurial training are embezzled, and there is a lack of political will by the people involved.

5. **What is the reason for why people are not able to uphold self-employment despite the efforts of the government?**

Officials One and Three believe that the implementation of the knowledge is mainly the problem. Official One further stated that although the beneficiaries gain a lot of knowledge during the learning process, they often fail when it comes to practice and implementation. This leads official One to believe that they do not have enough practical sessions during the learning process. On the other hand, official Three's approach to this question is that the beneficiaries are not disciplined enough to implement the knowledge gained.

The views of officials Two and Four are different as both of them identified lack of subsidies and lack of capital as the major problems for continuity of self-employment. Official Four stated that the high interest rate on loans sourced by beneficiaries from banks and SMEs are also contributing factors. The lack of solid educational foundations, continuous monitoring and supervision of beneficiaries plays a role in failure to uphold self-employment despite the efforts of the government.

Although official Two agreed with the lack of solid educational foundation raised by a colleague, the efforts of the government were discredited as it is believed that there are not enough infrastructural facilities such as stable electricity supply and equipment in some of these centres for learning to take place. This applies also the community as a whole. The standard of living of the people is also below average. Official Two therefore believes that poverty is another reason for the problem. This results in a high level of in-migration to urban centres for employment and in search of a better lifestyle.

6. **Do you think capacity building/skills development can help in alleviating poverty and unemployment?**

Official One: This can only be possible if the people are empowered.
Official Two: By providing the necessary facilities it can reduce unemployment. By creating industries and make them functional and viable.
Official Three: (a) By providing funds for such programmes
(b) By providing enabling environment

(c) By encouraging an awareness for beneficiaries.

Official Four: Through the provision of capital to start a business and through monitoring of the business by "all". Also, the beneficiary must be allowed to have a say or input in what is to be done from the initial stage/commencement of the business.

7. **In what way do you think Ekurhuleni Metropolitan Municipality plays a vital role in capacitating entrepreneurial skills development in Tsakane Township?**

Officials One and Two identified the problems of the government instead of proposing a solution. However, it is necessary to also discuss the problems raised as this may help in addressing the challenges of capacity development. Official One identified the problem of proper monitoring and evaluation by the government while official Two mentioned the unfavourable policies.

Official One further stated that the government establishes departments like the National Directorate of Employment and the Department of Labour but with little success due to lack of proper monitoring. Official Two stated that government policies are not favourable to entrepreneurial skills development due to political differences which in turn lead to lack of continuity.

Unlike others, officials Three and Four mentioned the ways the government can contribute towards entrepreneurial skills development but it seems as if they do not have knowledge of the activities and role of the government or it may be that the government has neglected the township. However, official Three stated that the civil society organizations can be established in the form of a non-governmental organization that will have professionals to train the beneficiaries, while official Four believes that the government should formulate policies that are realistic and focus on creation of SMEs and micro-finance firms.

8. **What structures does the Ekurhuleni Metropolitan Municipality have in which to incorporate civil society organizations in contributing towards skills development?**

Official Four gave a broad answer by saying that there can be partnership between the government and civil society while officials Two and Three went into more detail on the same point. Official Two stated that the government can generate employment by building industries, skills acquisition centres and vocational centres, while official Three stated that registered non-governmental organizations run by professionals are most appropriate to provide the best service.

Furthermore, official Three stated that professionals should be identified and registered by the government while the government provides enough funding. Official One did not have any knowledge of the structures set out by the Ekurhuleni Metropolitan Municipality to incorporate civil Society organizations in contributing towards skills development.

9. **Are these structures appropriate? Why?**

Official One could not answer this particular question because he does not have knowledge of the ongoing structural partnerships. Official Three, however, stated that structures that have been created provide a sense of belonging and identity for the community thereby causing everyone to form a team in the development of the community.

Similarly, official Two pointed out that these structures are appropriate because through the joint partnership participatory exercises are encouraged and more infrastructures are developed that lead to the creation of employment opportunities for members of the community.

However, official Four has a very different opinion regarding the implementation of the structures that have been set up between the government and civil society organizations. Official Four is of the opinion that the partnership is failing because there is mutual mistrust between the government and the civil society organizations.

10. **Which strategies can be used to attain positive synergies between Ekurhuleni Metropolitan Municipalities and organs of civil society?**

Official One believes that the above question can be tackled with support from the government. Furthermore, official One believes that the government may decide to come up with youth empowerment programmes which will actively involve civil society in all areas, especially monitoring and supervision.

However, officials Two and Three felt that more focus should be on the implementation rather than coming up with new innovation and initiatives. Official Two explained that projects and all exercises should be executed according to the plans that have been stipulated. Similarly, official Three raised a call for communication and accountability by stating that periodic auditing and evaluation should be included in the strategies for attaining positive synergies between Ekurhuleni Municipality and organs of civil society.

In addition, official Four illustrated that there is a need for team work between all the different parties concerned and this can be achieved through openness and transparency between the parties involved. Furthermore, parties should avoid blame and focus on the collective acceptance of gains and shortcomings.

11. **Which other relevant organizations can form part of this partnership and contribute towards entrepreneurial skills development?**

Official One mentioned that various youth movements and religious bodies should be encouraged to become part of the partnership. Official Four carried this further by observing that government organizations should be involved in the formation of the partnership. Furthermore, official Two explained that it should be open to everyone including private organizations, individuals, community and societal groups, clubs, and religious organizations, amongst others. Similarly, official Three stated that community development may be chosen to represent the beneficiaries of the community to form part of the partnership that contributes towards entrepreneurial skills development.

4.4. Interviews with Entrepreneurs

1. **What entrepreneurship challenges are being faced by entrepreneurs?**

Entrepreneur One observed that there is the challenge of starting a business, be it through inventing something, looking for a new idea within a business, finding the right opportunity to break into a business, or buying into a franchise. The entrepreneur has the challenge of financing the entrepreneurship but has historically been impeded by the lack of access to financing, and entrepreneurs themselves see that a lack of business management skills are obstacles to business growth.

The opinion of entrepreneur Two was that new entrepreneurs do not have the financial power to start a business. Furthermore, it is believed that some people are not aware of the government efforts in simplifying business start-up. Another challenge identified is that the curricula in the training institutions and colleges are theory-based and only a few practical sessions are given. Entrepreneur Three summarized this last point as inconsistent manpower development, noting further challenges as being funding constraints and high labour turnover.

2. **What role is entrepreneurship playing in addressing skills development challenges?**

Entrepreneur One: Entrepreneurship is important as it is a key driver of our economy and it encourages economic activity in the country. It plays an important part in job creation and reduces poverty. Entrepreneurship teaches youth not to want to be employed but to continue with their business ideas and start their own businesses. Entrepreneurship is very important not only to the economy, but also to the individuals that decide to go into business for themselves.

Entrepreneur Two: It is of great value because an entrepreneur has a different way of thinking and attitude. Entrepreneurship is about changing from within. Changing our way of thinking and understanding that we are what we are because of our habits which comes from our thoughts. When I got that right, I didn't see challenge but I saw an opportunity, I saw an opportunity to be more creative, to find a solution.

Entrepreneur Three: Entrepreneurship plays a critical role in addressing skill development challenges because it does not only create job opportunities but also going into partnership with organizations, and provides funds for the industrial training offered to technikon and university students. So, it is a way of absorbing the undergraduates for supervised working experience.

Entrepreneur Four: Entrepreneurship plays a vital role in today's society for various reasons. The entrepreneur is often the source of innovation, providing the market place with new and improved products and services. The successful entrepreneur who is able to start and grow a business also contributes to the overall growth and welfare of the economy. This is seen as additional jobs available on the market.

3. **How can the organs of civil society help in addressing these challenges?**

Entrepreneur One: They can help by involving young people and students with the realities and opportunities of small business employment and ownership.

Entrepreneur Two: Civil society may want to address the challenges of entrepreneurship by educating the young people on the scope and processes of entrepreneurship. The Department of Education should train teachers to teach entrepreneurship and publish manuals and study guides.

Entrepreneur Three: stated two factors which are as follows:

A. Organizing symposiums on skill development challenges and the way out.
B. Empowering their trainees with tools and necessary funds when available.

Entrepreneur Four: It is important to develop a youth entrepreneurship programme that would focus on introducing students to business fundamentals and becoming entrepreneurial thinkers. Some may go on to college, some may start their own businesses, and some may decide they want to work for others, but they will all learn the fundamentals of entrepreneurship.

4. **How do you think capacity building/skills development can help in alleviating poverty and unemployment?**

Entrepreneur One: It can create employment and assist in eradicating poverty.

Entrepreneur Two: If introduced early in the primary education curriculum, entrepreneurship can pave a path for the youth to consider taking the business establishment route which is good skills development.

Entrepreneur Three: Entrepreneurship skills training should be in the curriculum of high school through to the tertiary level. This will enhance the ability for self-employment.

Entrepreneur Four: It can help a lot of family structures to sustain their livelihoods because it can be a substance of survival to impoverished communities".

5. **What critical role does Ekurhuleni Metropolitan Municipality play in capacitating entrepreneurial skills in Tsakane Township?**

Entrepreneur One: Ekurhuleni Metropolitan Municipality works together with Anglo Gold Ashanti in entrepreneurship in Tsakane. This is not only through funds raised, but also working together with key stakeholders from the area to take part in a consultative process to jointly prioritize interventions which would be sustainable into the future.

Entrepreneur Two: The Department of Sports has established a skills development centre for the young people where they are taught basic information technology and some other business administration courses while their fees are being subsided.

Entrepreneur Three: The government is trying its level best but amazingly not enough because the government focuses on the academic part and not often on the experiential part which will actually dictate the effectiveness of whatever had been learnt.

Entrepreneur Four: The Ekurhuleni Municipality must regularly sponsor seminars where young entrepreneurs are able to ask practical questions and they are educated both by older successful entrepreneurs and government officials.

6. **Which strategies can be used to attain positive synergies between Ekurhuleni Metropolitan Municipality and organs of civil society?**

Entrepreneur One:

- Raising and promoting rights and equity values.
- Strengthening the voice and agency of poor people within political processes.
- Driving an agenda that refocuses skills development and entrepreneurship on universal social rights coverage.

Entrepreneur Two:

- The government needs to establish and implement minimum environmental and social standards; establishing laws, regulations, penalties, and associated public sector institutions that relate to the control of some aspect of business investment or operations.
- The government needs to localize skill development centres so that it is rooted in local sustainable development concerns and not imposed externally.
- Combining public resources with those of business and other actors to leverage complementary skills and resources to tackle issues, whether as participants, conveners or catalysts.

Entrepreneur Three:

- The government needs to re-commit itself to the formulation and implementation of poverty reduction strategies.
- Transparency of participation and its outcomes at the national and local government levels in relating with all stakeholders.
- The government should build on existing mechanisms that are more likely to be institutionalized and sustained over time.

Entrepreneur Four: The two institutions should not view themselves as competitors. Instead, they should work in partnership.

4.5. Conclusion

The purpose of this study is to investigate and document the challenges of the organs of civil society involved in training the beneficiaries of entrepreneurial skills development in alleviating poverty and reducing unemployment in the Ekurhuleni region.

This chapter reported on the findings of the interviews conducted. Some identified challenges by civil society officials include the use of foreign curriculum by NGOs and this creates a scarcity of professionals to teach the subjects or it may be expensive to source for them. It is also documented that the grass-root have little or no knowledge of the skills development opportunities and there are no enough facilities and equipments for training. Most importantly, finance is a challenge to both the organs of civil society and entrepreneurs who also believe that the beneficiaries are not capacitated for new invention. The following chapter will interpret and analyse the findings.

CHAPTER 5

DATA INTERPRETATION AND ANALYSIS OF THE FINDINGS

5.1. Introduction

Qualitative data analysis is a search for general statements about relationships among categories of data; it builds grounded theory (Marshall & Rossman, 1989, p. 112). It is a process of bringing order, structure and meaning to the mass of data collected. However, Lather (1988, p. 55) raises the argument of the relationship between theory and the lived experiences of the social actors and how to avoid imposing one's own perceptions, analysis and conclusions on the ideas of those in one's research.

This section aims to analyze or interpret the meaning of the data collected from the interviews that were conducted. The analysis of the findings will be guided by the research questions that were posed, and in light of the factors and concepts identified in the literature review. Furthermore, this section attempts to answer the posed research questions.

5.2. Theoretical Framework

Capacity building is an integral part of development theory and practice. Eade defined capacity building as an act of enabling institutions to be more effective in the implementation of development projects (2005, p. 44). She illustrated that capacity building approach to development involves identifying the constraints of different individuals and their experiences in realizing their basic rights and finding appropriate vehicles through which to strengthen their ability to overcome the causes of their exclusion and suffering (p. 34). Similarly, the United Nations Development Programme defined capacity building as "sustainable creation, retention and utilization of capacity in order to reduce poverty, enhance self-reliance and improve people's lives" (World Bank, 2005, p. 6).

According to the classical theory which is similar in the case of South Africa, the economic approach to entrepreneurship raises two basic societal concerns which are vital in development. The first concern is the ability of the society in creating wealth while the second concern is the efficient distribution of the wealth thus generated.

In attempting to respond to the concerns above, Adam Smith's opinion of capitalists is that there is the combination of basic resources of land, labour and capital in successful enterprises. Classical capitalism as an economic theory, however, lacked the rigorous logical framework and foundation for mathematical description that would provide a predictive characteristic to the model (Short & Dunn, 2002).

According to Hodge & Anthony (1984), this school of thought can have three major points of criticism levelled against it. Firstly, the school utilizes a mechanistic and machine-like analogy for the studying of management and organizational phenomena. Secondly, the critical economic theory emphasized a search for universally applicable principles of management. Lastly, it does not give sufficient attention to the management environment and the factors around it, focussing instead largely on internal efficiency.

Mahiberg(1995, p. 37) critically states that entrepreneurship as a discipline is one of the few subjects that pushes integration and the combination of functional knowledge and abilities, and knowledge needed for the establishment of a business even differs from the ability and knowledge needed for the growth of the business. From this, one can conclude that entrepreneurship should obviously follow a holistic approach. It is important to notice that entrepreneurship as a process is as complex as any science. Gartner (1989, p. 695) regards entrepreneurship as a non-linear process known for its multi-disciplinary characteristics. Guedallo *et al* (1997, p. 4) adds to this and regards the process as being unstable, holistic and even catastrophic "…rather it is a disjointed, discontinuous, unique event no matter whether it is a mega or a macro venture."

In this context, entrepreneurship should be regarded as an applied science, rather than basic. The multi-disciplinary characteristics of entrepreneurship are proven because some of the basic sciences (mathematics, physics, biology, psychology and sociology)

as well as applied sciences (medical, economic and business management) show a degree of congruence and are mostly contained within the field of entrepreneurship.

5.3. Legislative framework

The examples below are enabling legislation out of more than 512 laws already passed in South Africa, to ensure that the goals of making a better life for all South Africans take place. (South African Year Book. 1998, pp 232–234).

(I) The Reconstruction and Development Programme Act (No. 7 of 1994)

The Act is regarded as the overarching legislation cutting across all Ministries and Departments as the blueprint for South Africa's transformation. All poverty reduction initiatives are to be in line with the RDP principles and objectives. It is a people's driven framework where the poor can exercise their rights.

(II) The National Economic and Labour Council Act (No. 35 of 1994) (NEDLAC)

This Act facilitates social dialogue amongst government, labour, business and the community to embrace the cornerstones of democracy, namely representation, consultation, transparency and accountability in decision-making. This is an example of committed institutional partnerships working towards poverty eradication and sustainable growth.

(III) Growth, Employment and Redistribution (GEAR) Policy (1998)

The policy's primary objective is to create new jobs and prevent job losses.

(IV) The National Small Business Act (No 102 of 1996)

This Act aims at providing an institutional support framework for SMMEs.

Four institutions were established to strengthen small business development, namely:

- Centre for Small Business Promotion, which coordinates the national policy framework. It also coordinates support programmes directly or indirectly, assisted by government.
- The National Small Business Council (NSBC), which represents the interests of SMMEs and provides government with advice on SMMEs development.
- Ntsika Enterprise Promotion Agency, which renders non-financial assistance to SMMEs such as skills training, technical assistance, business counseling and mentoring in order to increase and sustain access to global markets for South Africa.
- Khula Enterprise Finance, a wholesale agency which provides financial support to SMMEs through intermediaries. Such support is in the form of loans, a national credit guarantee scheme, grants and institutional capacity-building.

(V) The Non-Profit Organizations Act (No 71 of 1997)

This Act makes it possible for non-profit organizations, which could not raise funds during the previous regime, to do so. NPOs may register under the Act. However, such registration is voluntary. The Act helps organizations to develop skills and capacity, accountability, transparency and democracy in the NPO sector. All poverty eradication programme initiatives are now free to raise funds without having to register with the necessary authorities. However, this places a huge responsibility on the community to report any maladministration.

(VI) The National Development Agency (NDA) Act (No. 108 of 1998)

The NDA Act was established primary to reduce poverty through the distribution of funds in participating organizations involved in development. The NDA is also a safety net for organizations that lost

their income from foreign donors who entered into bilateral partnerships with the new democratic state. Such donors, although their policies allowed them to fund governments, had previously funded the NPO sector in protest against the apartheid regime. As funds were depleted by the foreign donors' action of entering into partnerships with the government, the government set up the NDA parastatal to address the funding crisis. The NDA receive funding from foreign governments, the South African government, other international and multi-national donors and any other legal source.

(VII) The Income Tax Act (No 58 of 1962)

This Tax Act allows for tax rebates and non-payment of organizations classified as public benefit organizations. This Act encourages giving from the South African public, especially from the corporate sector. Donations to poverty reduction and development programmes are tax deductible. The Tax Law regularly reviews the nature of organizations that can benefit the poor with a view of increasing their numbers, to accelerate the rate of poverty reduction as more resources become available.

(VIII) The Value Added Tax (VAT) Act (No 317 of 1991)

This Act provides opportunities not to charge tax for certain goods and services and also not to pay tax for certain goods and services. Such goods and services are referred to as zero-rated goods and services. Examples of zero-rated goods are certain staple foodstuffs such as bread, maize meal, fruit and vegetables and eggs. Examples of services exempt from tax are passenger transport by road or rail, rent on accommodation, state medical services, educational services such as crèches, after-school care centers and pension and life insurance benefits.

(IX) Special Investigating Units and Special Tribunals Act (No. 74 of 1996)

This Act specializes in investigations of organizations, businesses or persons suspect of criminal behaviour. This Act also encourages the community to report any activity by organizations, businesses or persons suspect of fraud.

(X) The Lotteries Act (No. 57 of 1997)

This Act allows legal gambling in South Africa and transfers ownership of the National Lottery to the state to raise funds through the lottery. The funds are earmarked for any non-profit activities involved in the transformation of the country in the RDP context. Beneficiaries of this lottery are registered NPOs, the RDP, development sport and recreation, arts, culture and national heritage and any other beneficiary approved by the Minister of Trade and Industry.

There have been major problems in the public service that would make service delivery difficult. The new government therefore appointed a Presidential Review Commission on the Reform and Transformation of the Public Service in 1996. The Commission's key role, cited by Latakgomo (2001, p. 15), was: "… to assist in the process of transforming the state and its principal executive arm, the public service, from an instrument of discrimination, control and domination to an enabling agency that would consolidate democracy and empower communities in ways that were demonstrably accountable and transparent."

This action demonstrated the new government's intentions to develop strategies whose implementation would result in the improvement of the quality of life of the poor, previously disadvantaged, the majority of which are blacks.

The findings of the Presidential Review Commission on the transformation of the public service revealed, amongst others, structural and functional weaknesses in all the tiers of government, that is, Central, Provincial and Local. Such structural and functional weaknesses included lack of coordination amongst the different levels of

government and their intra-governmental operations, lack of administrative skills and capacity, lack of consensus on a common and shared vision, widespread confusion over the differing roles of the political and administrative roles, lack of transparency and accountability (Latakgomo, 2001, p. 5).

The new government needed to lay a strong foundation of its delivery objectives and this Commission assisted in facilitating their administration.

5.4. What is working well in AFMOLED?

5.4.1. Experiential learning

The training techniques engaged are those considered most effective generally. It recognize that adults learn best when they build on personal experience.

From the work of Rogers et al (1994), Cross (1981) and Knowles (1984), common principles are identified applicable to adult learners:

- Significant learning takes place when the subject matter is relevant to the personal interests of the learner.
- Adult learning programs should capitalize on the experience of participants.
- There is a need to explain why specific things are being taught.
- Adults need to be involved in the planning and evaluation of the instruction.
- Experience (including mistakes) provides the basis for learning activities.
- Adults are most interested in learning subjects that have immediate relevance to their job or personal life.
- Adult learning is problem-centered rather than content-oriented.

Interactive approach such as role plays, case studies and small group discussions, are used to make training more dynamic. Exhaustively-debated discussion topics provide students with the chance to constantly refine their knowledge as they share in one another's experiences of successful and failed projects, boardroom battles, and other 'war stories'. There are opportunities to learn from mistakes too as students compare their efforts in assignments against those of their peers identified as exemplary works

and published for public view. Overall, the structure of the learning design is such that it capitalizes on the vast collective experience of adult learners, serving as context-rich simulated scenarios and case studies in their own right.

5.4.2. Distance learning

The training process can be modified for self-study. In these circumstances, students are isolated and faced with many competing interests on their time such as family commitments and work in the office, the element of motivation is a crucial issue. Major challenges include the lack of face-to-face communications with classmates and facilitators, and the absence of an instantaneous response. In an effort to overcome these challenges, AFMOLED has developed a self-paced, on-the-job learning package and a Learning and Performance Support office has been created for students that need help.

The goal, simply, is to ensure that learning is meaningful and focused, and that the learner 'stays the course' as a result of becoming motivated to take responsibility for their own learning. Importantly, this occurs while remaining very much connected with a learning community in which students' motivation of one another to progress becomes a daily phenomenon. In the process, the self-esteem of the learner is maintained and increased as they proceed through the course. The strategy, therefore, is to ensure that the learner has a meaningful and memorable learning experience while achieving the desired learning outcomes.

To this end, AFMOLED is committed to providing a holistic learning environment; a fundamental assumption being that learning will not necessarily emanate from one specific source and that when it happens, it will occur in diverse ways, for an equally diverse group of people. In such a holistic learning environment, the following scaffolding is considered essential: the instructive environment, the situating environment, the constructive environment, the supportive environment, the communicative environment, the collaborative environment, and the evaluative environment (Teo, 2003).

These ‘sub-environments’ are designed within, outside and around the courseware, the onus being on the transfer of knowledge to the learner’s current or future work setting, as opposed to a learning of knowledge within the confines of subject content. In so doing, students can cultivate the habits of effective managers: reading, reflecting, analyzing, communicating, debating, collaborating and providing recommendations about future directions.

5.4.3. Holistic learning environment

5.4.3.1. The instructive environment

The basic element in learning – the content – is developed according to specific learning needs and achievable objectives. These are essential components of a meaningful learning experience, providing learning satisfaction and motivation for moving on to complete the whole subject. This is treated very seriously at AFMOLED, to the extent that each topic normally ends with a summary of the knowledge learnt which serves as a ‘take-away’ for the learner.

5.4.3.2. The situating environment

At AFMOLED, it is considered important that subject content not be treated as something self-contained, quite separate and independent of the situations in which it is learned and used. The activity and context in which learning occurs is, in fact, an integral part of the process rather than something ancillary to learning. In other words, ‘knowing what’ and ‘knowing how’ go ‘hand in hand’. The model of situated cognition is based upon the notion that knowledge is contextually situated and is fundamentally influenced by the activity, context, and culture in which it is used (Brown et al 1989). Learners need more than abstract concepts and generic examples – they need ‘full-blooded’, authentic activity.

This is acknowledged in the AFMOLED case, in that the transfer of knowledge from the instructive environment to the real-life environment is made concrete by situating the learner in the environment of their own culture and context through authentic

activities. Embedded within these authentic activities are the working practices and culture of the real world, which serve to initiate the learner in ways that would not be possible in a more traditional learning environment. Situating learning allows the student to gain a better appreciation of the unstructured nature of real world problems, and how to go about breaking down the task into operations, and then to actions. Importantly, at the conclusion of each simulated situation, the learner is brought back to the key learning objectives through a closing summary. This allows for reflection and reinforcement of the lessons learnt.

5.4.3.3. The constructive environment

In keeping with the burgeoning academic literature on constructivist learning that has come to dominate mainstream educational thinking, particularly over the last decade or so, AFMOLED is firmly of the view that learners should not be passive receptacles of information. Led by Marton and Säljö (1976a, 1976b), Biggs (1987, 1993) and Ramsden (1992), this educational philosophy posits that meaning is not imposed or transmitted by direct instruction, rather it is created (constructed) by the students' learning activities. This perspective diverges from the instructivist (objectivist) view of education that presumes knowledge exists independently of the knower, and that understanding is coming to know what already exists.

The constructivists argue that deep learning will occur only when the learner is actively engaged in, operating upon, or mentally processing, incoming stimuli. In short, constructivism focuses on
knowledge construction, not knowledge reproduction (Herrington and Standen 2000). Collins and Ferguson (1993) propose epistemic tools be the basic building blocks for knowledge construction to help learners recognize, judge and organize patterns of information, and engage in constructive inquiry. These epistemic forms (or 'target structures') appear in the AFMOLED courseware in the way of interactive exercises, such as listing, development of comparison tables, and mind-mapping.

The constructivist philosophy is also evident in the case-based, problem-solving approach favoured by AFMOLED. The main vehicles for student learning within this context are contributions to discussion forums and the assignments that students work

on. As they engage in learning activities, AFMOLED students construct their own knowledge, but also return this newly constructed knowledge back to the system, adding to the knowledge base (Looi 1998).

5.4.3.4. The supportive environment

There are two basic categories of support available to assist learners in their accomplishment of learning outcomes: performance support and cognitive support. Performance support comes in the form of tools for the execution of certain tasks that are required for achieving certain objectives, either specific to a topic or segment of study, or general to the subject or course. Examples of such tools include management software, cost-calculation tools, project scheduling tools, tables of formulae and economic status tables, all of which are standard features of the AFMOLED model.

Cognitive support is provided mainly by people who supply the coaching, mentoring and feedback to the learner. Given the adult learning context of AFMOLED, this is not limited to the professor. Once a learner establishes and builds upon their knowledge base, they can assist with the development of others without necessarily having to first acquire 'expert' status. Students learn from many different sources and while the facilitator is one such source, AFMOLED students are actively encouraged to take advantage of one another's expertise; expertise that they have acquired through their experience of different roles and responsibilities.

5.4.3.5. The communicative environment

Distance education has long been associated with the notion of the 'hermit learner', and an experience akin to the 'loneliness of the long distance runner'; i.e. a student learns on their own, largely remote from other learners. As people, generally speaking, are social beings with a sense of belonging, it is possible to become alienated from the learning process if interaction with other learners is minimal. In such circumstances, the communicative environment takes on added importance.

At AFMOLED, there has been a determination to deliver a brand of distance education that embraces the communicative environment to the extent that, while a

student may be in a remote location, they should not feel remote from their fellow learners. The courseware, throughout, is written in a 'conversational' style to create a more personal and approachable interface for the student.

5.4.3.6. The collaborative environment

Working in teams has become a common feature of modern workplaces (Senge 1990). As a result, many tertiary institutions have sought to develop this particular generic skill among their graduates. Aside from its perceived value in the world of business and commerce, there appears to be little argument about the value of working in teams from a pedagogical point of view because of the benefits that accrue from peer learning (Kadel & Keehner 1994).

At AFMOLED, team work is an integral part of the curriculum. Groups are not just a convenient way to aggregate the individual knowledge of their members. They give rise, synergistically, to insights and solutions that may otherwise have not come about. This mode of problem solving is therefore regarded as a critical source of scaffolding for learners in the knowledge acquisition process. End of segment assignments and final projects are designed to promote collaboration among learners, and there is dedicated work space for teams to make announcements, engage in threaded discussion, and share files. It is not assumed, however, that all students will be willing or able to work effectively in teams.

The collaborative environment is, of course, highly contingent upon the communicative environment, and vice versa. The completion of team assignments provides an all important social dimension to learning, but this can be counter-productive if the collaborative and communicative environments are ineffectual.

5.4.3.7. The evaluative environment

At AFMOLED, formal and informal formative evaluations take place throughout any given subject. There are pre-content exercises to let learners gauge the level of their expertise before engaging with the content, there are exercises after an expository

topic to allow learners to practice the principles learnt, and there are discussion topics and review questions to foster critical and constructive evaluation of one's thinking. Assignments, both individual and collaborative, are assessed by the facilitator. Self-assessment at the end of each topic helps the learner to check their own understanding before moving on to the next topic. All these mechanisms are designed to provide the learner with a consistent and accurate indication of their progress in the course. Adult learners place emphasis on learning effectiveness to ensure that what is learnt is of immediate relevance to their job or personal life. Here, again, the situating and constructive environments play an important role.

5.5. Areas of Improvement

5.5.1. Facility improvements

Firstly, even though the students don't have to go to class on daily basis, they still have to meet the deadlines which are often difficult for them because they have limited facilities for finishing their assignments and projects at home or in the library where they do not have enough resources.
Such students are then forced to come to the institution where there are few study places and books available as compared to the number of students.

5.5.2. Use of Information Technology

Using coaching to teach information technology procedures and regularly assessing how well trainees perform skills are other techniques that seem to be successful but can be done in a better manner if the students are encouraged to make use of information technology in their studies. Domain knowledge can be provided by leading academics from around the world. These people are experts who are intimately acquainted with the current trends and global developments in their discipline areas.

5.6. Conclusion

Chapter four presented the findings of the study, while this chapter has fulfilled the purpose of providing an analysis of the data as presented. The AFMOLED learning design considers the principles of adult learning, the distance learner and their learning styles. The distance learning makes it easy to study anywhere and anytime of convenience. This form of self-study, working with a job coach, has been well received. However, there is the need to make use of information technology and improve the facilities of the institution in order to ease the studies.

CHAPTER 6
CONCLUSION AND RECOMMENDATIONS

6.1. Introduction

The background to this study is based on the challenge of civil society organization involved in entrepreneurial capacity development in Ekurhuleni. The fundamental aspects within the framework are regarded as entrepreneurial education and training *per se* with specific reference to creativity, innovation and opportunity identification as entrepreneurial skills.

6.2. Factors leading to failure

The following are the identified challenges of entrepreneurial skill development in Ekurhuleni as broadly identified by the researcher.

6.2.1 Risk propensity

The beneficiaries may not be willing to take the risk of entrepreneurship. This is in support of Casson (1990, p. 1) describing entrepreneurial risk as the result of insecurity that exists due to the fact that the success of market penetration can never really be determined beforehand. The correct prediction of the question by the entrepreneur would therefore be an indication of the success in the way of a decrease in risk. Hence, risk can be described as the possibility of innovation having an unwanted result.

Zimmerer and Scarborough (1996, p. 48) regard risk as the conflict situation in which the entrepreneur will find himself/herself. Therefore all risk variables must be studied in depth with regard to the potential reward that could be a result of it. The authors refer to the successful entrepreneur as one who capitalizes on the constructive effect of the conflict situation that originates when a certain risk is taken. This includes the decrease of the negative reaction that can develop from the accompanying exhaustion and frustration, which results from continuous failure.

In their opportunity evaluation model, Zimmerer and Scarborough (1996, p. 51) describe the following risks that could occur:

6.2.1.1. Time risk

The time implication of taking a new idea right through the product development phase until it could be considered right for the market.

6.2.1.2. Investment risk

This includes the cost of the establishment of a new venture, that is, does the entrepreneur have access to enough capital to enable the venture to survive to the point of being an entrepreneurial institute? Other costs are those related to the total product development process, as well as those concerned with the physical manufacturing of the total product that will, for instance, satisfy the qualitative description.

6.2.1.3. Technical risk

All the technical aspects associated with the product development process are considered, with the final product having to satisfy the set technical quality standards.

6.2.1.4. Competitive risk

The possibility exists that competitors could be offering the same or comparable products in the market, while the success rate of competitors in comparable markets is also an indication of risk. The financial strength and depth of the competitor should not be omitted, as a "follower" strategy by the competitor could pose further risk. The existing market advantage of the competitor as well as its existing distribution system, selling power and established relationships within the market place must be researched.

Deakins and Freel (1998, p. 23) re-emphasize the calculated risk-taking trait of the entrepreneur, since it is regarded as important to distinguish between uncertainty and risk. The entrepreneur manages uncertainty by means of analyzing the evaluating risk possibilities to be encountered in future. The calculated nature of managing uncertainty and risk is still, though only to a certain extent, dependent on the existence of "chance", "luck" and "timing". The projection of certain economics is not as predictable as in the past (e.g. inflation, exchange rates, interest rates and sales figures), and makes the risk evaluation process, especially for the start-up entrepreneur, extremely challenging.

6.2.2 Opportunity identification

The identification of opportunities on a continuous basis is another challenge faced by the organs of civil society in entrepreneurial skills development. Most of the civil society organizations involved in the development of entrepreneurial skills do not have enough knowledge of some of the efforts being made by the government and are not willing to attempt to identify the opportunities available for the beneficiaries of the funds that were released for skills development. Some leave it to the beneficiary to attempt to identify available opportunities. Ardichvili *et al*. (2003, p. 107) supports the importance of opportunity identification as an entrepreneurial skill, by citing the following authors: Bhave (1994); Schwartz and Teach (1999), implying their relevance in an entrepreneurship training programme.

6.2.3. Role models

The influence of role models in the choice of entrepreneurial action has been omitted or underestimated by the civil society organizations involved in entrepreneurial skills development, and most entrepreneurs are seen as separate entities and competitors. To observe another person as a successful businessperson will obviously lead to the entrepreneur colouring in the picture for him/herself. The entrepreneur could even regard him/herself as being more successful than what is in front of him/her. Hisrich and Peters (1998, p. 74) state that role models have a huge impact in the majority of job or career choices. The same statement can be made in the entrepreneurial context. Role models can be parents, brothers, sisters, or family members but especially other

entrepreneurs. For the potential entrepreneur, the successful entrepreneur as outsider can act as a fundamental catalyst.

Within the training context the usage of successful entrepreneurs as examples could act as a massive motivational technique. This aspect can both indirectly and strongly support the need for achievement and the achievement variables. Bagshaw (1996) uses successful entrepreneurs in a South African context, who could act as directive role models in any entrepreneurial training programme. This publication includes successful names ranging from Anton Rupert, Sol Kerzner, Pam Golding, Herman Mashamba, Sadek Vahed, Ranjit Ramnarain to Tony Factor and Themba Ngcobo. These examples span diverse cultural and gender borders and hold great value for the indication of successful role models in every entrepreneur's immediate environment or culture.

The use of models could, according to Kreitner and Kinicki (1998, p. 292), be a direct guideline for the entrepreneur in terms of certain role expectations that need to be present per definition. The entrepreneur can therefore realize that his/her chosen role model applies intensive innovation, took a calculated risk and strives for unusual opportunities. Role insecurities could be removed as the entrepreneur can obviously see what is expected of the typical entrepreneur by making use of a role model to model himself/herself on. The entrepreneur therefore places himself/herself on an equal footing with the role model and in certain cases allows him/herself be motivated to the extent that even better achievement than that of the role model could be the result.

6.3. Findings

According to the interviews conducted, both the civil society organization officials and Ekurhuleni-based entrepreneurs believe that civil society organizations can help in addressing the skills development challenges in Ekurhuleni. Entrepreneurial training and education acts as a facilitator for entrepreneurial activities, with the main focus being to stimulate entrepreneurial activity and performance. This fact acts as a base to ensure that the research necessary and conducive in this field to ensure economic growth, is in fact conducted. Training within this perspective is supported by the work of Buckley and Caple (1991, p. 17), where training is defined as an

intentional effort to teach specific abilities, which are knowledge bearing, to complete the project better.

Hirsowitz (1993, p. 25) argues that the training creates new opportunities and possibilities as well as a consciousness to attempt and complete certain tasks in different ways. The trainability of entrepreneurs is accepted as a given in this study and is supported by Gibb (1985, p. 10), Rosa and McAlpine (1992, p. 64), Van Vuuren (1997, p.1) and Welsch (1993, p. 14), as well as McClelland (1969, p. 1).

Currently, the challenges of entrepreneurial training are seen in the lesser consensus that exists where the content of the courses and curricula are involved. Loucks (1982, p. 45) supports this statement by pointing out that there is a big gap where substantial standardized components exist within the entrepreneurial training programme. Rosa and McAlpine (1992, p. 73) note that within the training situation greater emphasis should be placed on the complex and multi-disciplinary aspects of entrepreneurship. Those that are regarded as successful programmes vary between being exceptionally simplistic to being mostly abstract.

Dermin and Levin in Van Vuuren (1997, p. 1) regard the current programmes as:

- An over-emphasis of theoretical and quantitative instruments;
- Having too few relevant qualitative factors;
- Placing too much emphasis on instruments, concepts and models;
- Focusing on bureaucratic management only;
- Placing too little emphasis on entrepreneurial activity; and
- Having facilitators that concentrate more on virtual than on real problems.

Scott (1998, p. 13) regards the approach of the current training system as being pragmatic whilst Timons (2000, p. 49) suggests the following desirable circumstances: active involvement in entrepreneurial activities, an understanding of the dynamic characteristics of entrepreneurial environment; and the introduction of the existing reality aspects to the practice situation.

There are appropriate structures based on the findings of the researcher but there seems to be little knowledge of such structures by entrepreneurs and the civil society

organization officials. While some of the examples of enabling legislation are presented below, the challenge of implementation remains.

6.4. Interpretation and Analysis

6.4.1. Skills development strategy

There are four laws in South Africa that underpin the Skills Development Strategy. According to the South African Year Book (1998, p. 232–234), these are:

- The Labour Relations Act (No. 66 of 1995), which enables bargaining councils to be established and registered and further stipulates that the councils should include SMMEs within the RDP context, emphasizing the workforce participation in decisions that affect their lives.
- Basic Conditions of Employment Act (No. 75 of 1997), which protects the interests of the workforce, inclusive of farm and domestic workers and other sectors of commerce and industry that are not regulated by other wage regulating measures.
- Employment Equity Act (No. 55 of 1998), which prohibits all forms of inequality and discrimination against workers, inclusive of the disabled, gender and race.
- Skills Development Act (No. 97 of 1998), which revamps education and training in the workplace to bring it more in line with economic and societal needs. The coordination of the four laws ensures justice and fairness in the workplace and higher levels of productivity as a prerequisite in the competitive world. The co-ordination of the strategy is undertaken by representatives from business, government and labour, under the auspices of the National Skills Authority, together with the Sectoral Education and Training Authority (SETA) and the Education and Training Boards (ETBs).

In his address to the South African Chamber of Business (SACOB) Annual Convention, the then Director-General of the Department of Labour (1997, p. 9), stated that the Skills Development Strategy “will have the effect of reducing skills shortages; encourage entrepreneurship in small scale businesses and also the

acquisition of skills for such enterprises to upgrade and expand their activities in a manner that will expand employment; and stimulate new activities as more skills become available in the economy."

The National Skills Development Strategy (NSDS) was released by the Department of Labour in February, 2001. Its mission and objectives are as follows (National Skills Development Strategy, p. 2001): "To equip South Africa 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."

There is synergy between the mission statements of the HRD and NSD strategies in that both refer to acquisition of skills by South Africans to prepare them for local and global competition that will result in the improvement of the quality of their lives.

6.4.2. The Human Resource Development Strategy

The development of human resources is identified as one of the five key areas for implementation in the RDP. The Human Resource Development (HRD) Strategy (2002) was released by the government in 2002 and is based on the following RDP principle, cited by the HRD (2002, p. 4): "Our people, with their aspirations and collective determination, are our most important resources. The RDP is focused on our people's most immediate needs, and it relies, in turn, on their energies to drive the process of meeting these needs. Development is not about the delivery of goods to a passive citizenry. It is about active involvement and growing empowerment."

In their foreword to the HRD Strategy (2002, p. 4) the Minister of Education, and Minister of Labour state: "The overarching goals of the strategy are ambitious, including an improvement in the Human Development Index for South Africa, a reduction in inequality, and a higher position on the international competitiveness table."

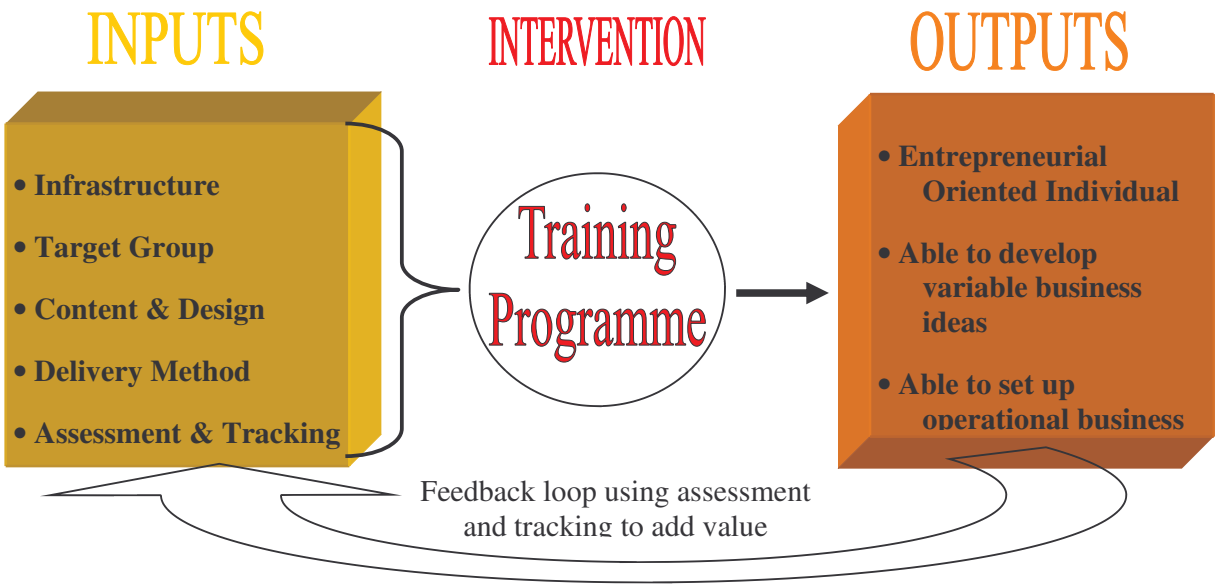
6.4.3. The Integrated Sustainable Rural Development Strategy

Swilling and Russell (2002) define the South African rural community as the poorest of the poor community. That being the case, the former South African President, Thabo Mbeki, launched the Integrated Sustainable Rural Development Strategy (ISRDP) in 2001, a strategy regarded as a first in South Africa. This Strategy involved multi-sectoral state departments, parastatals, civil societies and business. Its vision reads as follows: "Attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development" (ISRDP, p. 2001).

Given the problem identified challenges in the study and based on the conclusions drawn, this section will make recommendations on how the challenges of entrepreneurial skills development can be addressed.

6.5. Recommendations

6.5.1. Proposed model of training for AFMOLED



Morris and Hopper (1996, p. 14) strongly argue that no single theory is being developed as a "content estimator" of entrepreneurial training. Research in this field tends to be explorative and descriptive as well as "cross-sectioned" and more dependent on "posterior" statistical rather than "priori" hypothetical testing. Testing in general tends to be small and non-representative.

A wide range of economic and strategic theories have been employed in providing a framework in which education is viewed as an important determinant of selection into entrepreneurship for the individual, entrepreneurial success for the firm and rates of firm formation in a society. This theoretical framework examines the impact of acquired variables such as experience and education on career outcomes and is built upon the assumption that education can serve both as a determinant of decision choice as well as providing benefits to specific ventures.

In responding to the entrepreneurial skills development, Eade stated that capacity building must be approached as means (strengthen organization to perform specified activities), process (process of reflection, leadership, inspiration, adaptation and search for greater coherence between NGO mission, structure and activities), and ends (strengthen NGO to survive and fulfil its mission as defined by the organization) (2005, pp. 33-35).

When looking across the theoretical frameworks applied in this research, education is variously assumed as enhancing managerial capabilities, generating broader options that make entrepreneurial selection of lesser or greater value, impacting the quality and quantity of labour, or signalling production ability in labour markets that have incomplete information.

Regarding the linkage between education specific to entrepreneurship and entrepreneurial outcomes, Béchard and Grégoire (2002) report, based on their review of entrepreneurship education research, that just over 60 per cent of all such research was principally underpinned by academic theories, just over twenty per cent built upon social theories and about ten per cent relied on technical theories to support proposed linkages. Two of the theories often used are Bandura's "social learning theory" (Human *et al.*, 2005) and "action learning theory" (Leitch & Harrison, 1999).

Bandura's theory provides a framework involving five steps necessary for learning that includes skill and attitude assessment, skill and attitude learning, behavioural guidelines and action steps, skill and attitude analysis and skill practice.

6.5.2. Finance

Finance remains a serious challenge for new businesses. Often, there is total unawareness of the importance of having enough financial "literacy" and knowledge in order to ensure that the business becomes a success. Starting a business for the first time or expanding a business is a challenge.

Entrepreneurs and beneficiaries of the training programme do not often know where they can get help, and the government should consider a way to provide finances while the organs of civil society should educate their learners and help them in getting finances. They need to look at how much they have in order to be able to control expenditure and keep a proper record of this. It is precisely the act of keeping a record of their capital which will help them to have access to financial assistance. In addition, proper record-keeping makes for good business practice.

6.6. Conclusion

In summary, this study has been an eye-opener to the researcher on the great need and capacity development challenges of organs of civil society.

The sum total of the theoretical framework, findings, interpretation and analysis of findings has also been insightful to the researcher.

It is hoped that this research work will not only open a flood gate for constructive critique and evaluation but also ignite an unquenchable fire and zeal for more future studies on this topic and its related issues both in Africa and globally.

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APPENDICES

APPENDIX ONE

Bolutife B. Osameyan
113 Elston Avenue
Benoni
1501

14 April 2008

The Director
African Missions Outreach and Leadership Development
64 Bedford Avenue
Benoni 1501

Dear Sir,

LETTER OF CONSENT

I am a Master of Management Student at the University of Witwatersrand through course work and research.

I have completed the prescribed coursework and have to be busy with the research component. It requires a dissertation to be completed, and the title of the research is Capacity Development Challenges for Organs of Civil Society in Ekurhuleni. Your participation in this research will assist me to complete the study. Successful completion of the research can also be beneficial to the community. More information appears in the attached proposal, the summary of which I discussed with you in our previous conversation.

You are hereby requested to agree to participate in this study as per the proposal given. Also, I request you to assist with information that may need at any stage to reach its completion. I understand to abide by the conditions agreed upon between you and myself regarding the use of the information and to adhere to ethical research principles as prescribed in research in general and required by the University of Witwatersrand. You are reminded once more that if at any stage of the research, you wish to stop participating, you are free to do so.

If any more information is needed before you consent to take in the study, you are invited to discuss it with me.

Yours sincerely,

……

Bolutife B. Osameyan

APPENDIX TWO

RESPONSES OF INTERVIEWS

CIVIL SOCIETY OFFICIALS:

Participants	Official One	Official Two	Official Three	Official Four
Q. 1. What are the skills development challenges faced by Ekurhuleni disadvantaged communities?	Firstly, the curricula used by foreign NGO often do not fit into the local educational system of the country where they are running the training e. g. Britain and sometimes not responding to locally identified needs. Secondly, professional	Firstly, there is the problem of education. Grass root people are not enlightened about the need or opportunities these skills development centre will do in impacting their personal lives. Secondly, there are no enough equipments and facilities for	Although we might highlight different points but the main foundation is that poverty level makes sponsorship a difficult thing to come by. The requirements from the sponsors are too much.	The very first challenge is that the needs of the community are increasing and not reducing in size. Also, it is not just streamline but diverse in nature. The second challenge is that more non-profits organizations are springing up, registering with the government and are

	instructors with good technical and pedagogical skill central to quality training is a challenge because they are not readily available and if found they are expensive. Thirdly, development of training natural has high cost because of the need of constant revision in the rapid growing environment and the readily available ones are not contextualized.	training of middle and high level man power Thirdly, the most of the technology are outdated and they also make use of old infrastructures The fourth challenge is political instability. For example, a Ekurhuleni metropolitan municipality had its executive mayor resigned from office shortly before the election. Although they might argue that the policies do not change but obviously, the developmental focus is often different.		competing for government and philanthropic funds. Yet, not all of them really have the goal of developing the skills of the people towards the development of the community The third challenge is that the traditional forms of funding are becoming smaller and less reliable. The fourth challenge is the funders and donors are demanding more accountability which are often not realistic in nature.

Q.2. How can civil society organizations help in addressing skills development challenges?	The government can task the civil society organizations to re-visit the school's curriculum to meet the need of the society	Firstly, the government can work in partnership with the civil society organization to provide high level manpower with modern and scientific technology. Secondly, the government may want to task the civil society organization to embark on transfer of technology and not importation of it	Firstly, the civil society organizations can create awareness in the community about the need for development. This may be done through organizing stokfel and other poverty alleviation programme within the communities. Secondly, different civil society organizations may want to come up with strategies for community development and present it in form of proposal to the government so that it will	The first way the civil society organization can tackle the challenge is through provision of skills development centres and also provide opportunities for employment after the acquisition/of training. Secondly, civil society can be involved in the formation and administration of local foundations. Thirdly, civil society organizations can be of great help by contributing to social enterprises in the community.

			increase the political will of the politician to help sponsor such skills development programme making good use of available opportunity.	
Q.3. What entrepreneurial training do they offer to the disadvantaged communities such as Tsakane Township?	At the moment, there are only a few that are involved in entrepreneurial training but the ones I know focuses on basic business leadership and integrity.	The civil society organizations that are around Tsakane mostly focus on Information Technology while other teach their students on how to run a business.	Basic skill pertaining to environment, which is marketable in such environment and easy to learn farming and different artisan or technical work.	None that I know off as at now! But the following can be provided, carpentry, tailoring, hair dressing and auto-mechanic vocational training centres.
Q. 4. What do you think are the challenges encountered by civil society organizations in training the beneficiaries of the	Firstly, transportation of both the facilitators and trainees are major problems because they mostly rely on public transport (train or taxis) which often cause them to be	Low standard of education, poverty, lack of infrastructures, lack of modern technology and equipments. Illiteracy, religious business of phobias.	The skills acquired are not sound enough to withstand competition in most cases. The free nature of such programme makes many of	Fraud, most of the funds for such programme are embezzled. Poor conditions, lack of political will by the people in government. Short period of training that in

entrepreneurial skills?	late for the trainings. Secondly, the trainees often lack interest in the training provided hence it creates this non-chalant attitude to their studies.		the beneficiaries to take it with levity.	most cases beneficiaries are not exposed to details of such training.
Q. 5. What do you think is the reason of people not being able to uphold self-employment despite the efforts of the government?	Theoretically, they gain but when it comes to practically and implementation they fail. Urban rural migration for employment	Poverty, low education, lack of infrastructural facilities, e. g energy (power) water, roads and equipments. Unsubsidized source of finance and other capital funds.	It could provide employment if beneficiaries are serious and improve on the quality of skill gain.	Lack of solid foundation, continues monitoring and supervision of beneficiaries and inadequate or lack of capital High interest rate on loans sourced by beneficiaries from banks and SME's
Q. 6. Do you think capacity building/skills	This can only be possible if the people are empowered.	Yes, provide the necessary facilities as mentioned above	By providing fund for such programmes	Yes, through provision of capital

development can help in alleviating poverty and unemployment? How?		reduce unemployment by creating industries and make them functional and viable.	By providing enabling environment By encouraging an awareness for beneficiaries	to start a business, and through monitoring of the business by "all". Also, the beneficiary must be allowed to have a say or input in what is to be done from the initial stage/commencement of the business.
Q. 7. In what way do you think Ekurhuleni Metropolitan Municipality play a critical role in capacitating entrepreneurial skills in Tsakane Township?	The government must put proper monitoring and evaluation tools in place in its various parastatals	Government policies not favorable to capacity entrepreneurial skill development due to political differences and instability and the lack of continuity. So, it will be helpful if the Ekurhuleni Municipality can focus on this as well.	The Ekurhuleni Metropolitan Municipality should consider partnering with the civil society organization so that they can make use of their professionals to at least train the upcoming entrepreneurs and also form a forum where everyone's views may be voiced out.	Firstly, the government has put the policies in place so it is their task as well to make sure that it is properly implemented. Secondly, the creation of SMEs and micro-finance firms will be of great help

Q. 8. What structures does Ekurhuleni Metropolitan Municipality have to incorporate civil society organizations in contributing towards skills development?	I can't say of any presently	Generate employment by building industries, skill acquisition centres and vocational centres	A registered non-governmental organization run by professionals are most appropriate ones registered with good hands will provide best service. Interested professional should be identified and registered by government. Government should provide enough funding. The NGOs should not profit organization.	Through partnership
Q. 9. Are these structures appropriate?	N/A	Joint partnership and participatory exercises on	Yes, it creates a sense belonging which task	The partnership is not yet there because of their mutual mistrust

Why?		development of infrastructures and employment opportunities.	everyone to be responsible for the development of their community.	
Q. 10. Which strategies can be used to attain positive synergies between Ekurhuleni Metropolitan Municipality and organs of civil society?	Government can come up with a youth empowerment programme which will actively involve civil society in the areas of monitoring and evaluation.	Projects and all exercises should be executed according to plan.	Periodic auditing and evaluation. Regular meeting.	Team work by all concerned. Through 'team' openness/transparency. Collective acceptance of gains and shortcomings

ENTREPRENEURS:

PARTICIPANTS	ENTREPRENEUR ONE	ENTREPRENEUR TWO	ENTREPRENEUR THREE	ENTREPRENEUR FOUR
Q.1. What entrepreneurship challenges are being faced by entrepreneurs?	Firstly, the challenge of starting a business, be it through inventing something, looking for a new idea within a business, finding the right opportunity to break into a business or buying into a franchise. The second challenge is the issue of financing their entrepreneurial venture.	Firstly, most new entrepreneurs do not have the financial power to start a business. The second challenge is that most entrepreneurs are not aware of the government efforts in simplifying business start-up. Thirdly, the curricula in the	Firstly, there is often the challenge of funds. Most of the funds that is being used for business venture come from the pocket of the entrepreneur. Except in few cases whereby the bank helps out. Secondly, there is the challenge of management and administration as well because it is often the entrepreneur that	Entrepreneurship has historically been impeded by the lack of access to financing; Entrepreneurs themselves see that a lack of business management skills present obstacles to business growth.

		colleges and training institutions are major challenge. They are theory based and only a few have practical sessions.	will do some functions of administrator and even cleaner sometimes except in some cases whereby the entrepreneur has the financial capability to either employ others to do all these things or outsource it.	
Q.2. What role is entrepreneurship playing in addressing the skill development challenges?	Entrepreneurship is important as it is a key driver of our economy and it encourages economic activity in the country. It plays an important part in job creation and reduces poverty. Entrepreneurship teaches youth not to wait to be employed or for the	Entrepreneurship is of great value because an entrepreneur has a different way of thinking and attitude. Entrepreneurship is about changing from within. Changing our way of thinking and understanding that we are what we are because of our habits which comes from our thoughts. So,	Entrepreneurship plays a critical role in addressing skill development challenges because it do not only create job opportunities but also go into partnership with organizations and provides funds for the industrial training offered to technikon and university students. So, it in a	Entrepreneurship plays a vital role in today's society for various reasons. The entrepreneur is often the source of innovation, providing the market place with new and improved products and services. The successful entrepreneur who is able to start and grow a business also contributes to

	government to do all things for them but to continue with their business ideas and start their businesses. Entrepreneurship is very important not only to the economy but also to the individuals that decide to go into business for themselves.	in short, it helps recognize and maximize our hidden potential.	way absorbing the undergraduates for supervised working experience.	the overall growth and welfare of the economy. This is seen as additional jobs available on the market.
Q.3. How can the organs of civil society help in addressing these challenges?	They can help by involving young people and students with the realities and opportunities of small-business employment and ownership.	Civil society may want to address the challenges of entrepreneurship by educating the young people on the scope and processes of entrepreneurship. The Department of Education	Firstly, the civil society organizations can organize symposiums on skill development practical challenges and the way out. Secondly, the can empowering their trainees with tools and	It is important to develop a youth entrepreneurship program that would focus on introducing students to business fundamentals and becoming entrepreneurial thinkers. Some may go on to college, some may start their

		should train teachers to teach entrepreneurship and publishes manuals and study guides.	necessary funds when available	own businesses, and some will decide they want to work for others, but they will all learn the fundamentals of entrepreneurship.
Q.4. How do you think capacity building/skills development can help in alleviating poverty and unemployment?	It can create employment and assist in eradicating poverty.	If introduced early in the primary education curriculum, entrepreneurship can pave a path the youth to consider taking the business establishment route which is good skills development.	Entrepreneurial skills training should be in curriculum of high school through to the tertiary level. This will enhance the ability of self employment.	It can help a lot of family structures to sustain their livelihoods because it can be a substance of survival to impoverished communities.
Q. 5. What critical role does Ekurhuleni Metropolitan Municipality play in capacitating	Ekurhuleni Metropolitan Municipality works together with Anglo Gold Ashanti in entrepreneurship in Tsakane.	The Department of Sports has established a skills development centre for the young people whereby they are taught basic information	The government is trying its level best but amazingly not enough because the government focuses on the academic part and often for the	The Ekurhuleni Municipality must regularly sponsor seminars where young entrepreneurs are able to ask practical questions and they

entrepreneurial skills in Tsakane Township?	This is not only through funds raised but also working together with key stakeholders from the area to take part in a consultative process to jointly prioritize interventions which would be sustainable into the future.	technology and some other like business administration courses while their fees are being subsided.	experiential part which will actually dictate the effectiveness of whatever had been learnt.	are educated both by older successful entrepreneurs and government official.
Q.6. Which strategies can be used to attain positive synergies between Ekurhuleni Metropolitan Municipality and organs of civil society?	Raising and promoting rights and equity values Strengthening the voice and agency of poor people within political processes Driving an agenda that refocuses skills development and entrepreneurship on	The government needs to establish and implement minimum environmental and social standards; establishing laws, regulations, penalties, and associated public sector institutions that relate to the control of some aspect of business investment or	The government needs to re-commit itself to the formulation and implementation of poverty reduction strategies. Transparency of participation and its outcomes at the national and local government levels in relating with all	Firstly, the two institutions should not view themselves as competitors. Instead, they should work in partnership.

	universal social rights coverage.	operations. The government needs to localize skill development centres so that it is rooted in local sustainable development concerns and not imposed externally. Combining public resources with those of business and other actors to leverage complementary skills and resources to tackle issues. Whether as participants, conveners or catalysts.	stakeholders. The government should build on existing mechanisms are more likely to be institutionalized and sustained over time.	