



ASPEN NETWORK
OF DEVELOPMENT
ENTREPRENEURS

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STRENGTHENING YOUTH ENTREPRENEURSHIP IN SOUTH AFRICAN TOWNSHIPS

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PRESIDENTIAL
YOUTH
EMPLOYMENT
INTERVENTION



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Authors and Acknowledgments

▶ ABOUT ANDE

The Aspen Network of Development Entrepreneurs (ANDE) is a global network of organisations that propel entrepreneurship in developing economies. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs create jobs, stimulate long-term economic growth, and produce environmental and social benefits. As the leading global voice of the SGB sector, ANDE believes that SGBs are a powerful yet underleveraged tool in addressing social and environmental challenges. Since 2009, ANDE has grown into a trusted network of more than 200 collaborative members that operate in nearly every developing economy. ANDE grows the body of knowledge, mobilises resources, and connects the institutions that support the small business entrepreneurs who build inclusive prosperity in the developing world. ANDE is part of the Aspen Institute, a global nonprofit organisation committed to realising a free, just, and equitable society.

ANDE's Southern Africa chapter was established in 2010. It is headquartered in Johannesburg and serves members across the region. The chapter has over 80 members working across the Southern African region, including capacity development providers, investors, and academic institutions to name but a few. ANDE Southern Africa aims to create a thriving entrepreneurial ecosystem in the region through six programmatic focus areas: knowledge sharing and networking; funding opportunities; research, impact measurement and management; training and talent development; advocacy and education.

▶ AUTHOR

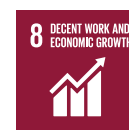
Samantha Braithwaite is an independent development specialist based in South Africa. With over 15 years of experience in research and consulting, her works support a deeper understanding of entrepreneurial ecosystems in developing economies. Samantha has produced a variety of reports focused on township and peri-urban entrepreneurship. Her other expertise includes local economic development, strategic fund management, youth development advisory, investment pipeline sourcing, writing, and research.

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- The **National Pathway Management Network (NPMN)** is a 'network of networks', including the ESSA system and the platform SYouth.mobi, guiding young people more effectively on their from learning to earning;
- **Demand-led skills development** ensures youth are equipped with skills for the labour market of tomorrow;
- The **National Youth Service (NYS)** provides paid volunteer opportunities in which young people can gain experience while contributing to the development of their communities;
- **Enabling local ecosystems**, particularly in rural and township economies, aims to facilitate self-employment and enterprise opportunities.

SUSTAINABLE DEVELOPMENT GOALS



This publication has been commissioned to feed into the latter of these components, and to inform decision-making in the context of the PYEI.

ANDE is also grateful to the many entrepreneurs, business development providers and broader ecosystem actors who generously provided their time and insights to this research effort. ANDE also acknowledges the valuable academic research and practice that has contributed to the thinking and outcomes of this research.



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Executive Summary

Youth continue to bear the disproportionate brunt of South Africa's ever-deepening economic challenges. While unemployment remains a chronic issue across all working-age groups, the persistent low levels of youth economic participation are deeply worrying. Youth entrepreneurship has long been touted as critical leverage for solving the unemployment crisis. The fact that approximately 40% of South Africa's working-age population and 60% of the total unemployed population live in townships means that effective support to township youth entrepreneurs is now more critical than ever. Although more granular data on township economic activity is developing, comprehensive and reliable data on youth entrepreneurial activity in townships is limited, as is our understanding of what business support these township entrepreneurs themselves consider most beneficial to growth. This study aims to address that by examining township youth entrepreneurship from the perspectives of both the entrepreneurs themselves and those who work to support and promote their growth.

Township economies – and the challenges therein – are defined by proximity. The research findings in this brief suggest that this proximity issue is the greatest common contributing factor to the challenges faced by youth entrepreneurs and business development support (BDS) providers in this economy. On account of their youth, many young entrepreneurs lack critical business skills and experience, and isolation further impacts their ability to access important information about available support and opportunities. Isolation affects not only access to information but also the credibility of information. Similarly, this distance impacts the quality of support by inhibiting the ability of BDS providers to engage more directly in townships and better understand the needs of these entrepreneurs.

While the current approach to supporting township youth entrepreneurship places emphasis on the types of support available, this research proposes a shift of focus toward an approach that prioritizes reach. Current support for youth entrepreneurs is concentrated at earlier business stages, but more promising growth and job creation outcomes could be achieved by supporting more high-growth youth-led businesses. This will take creative approaches to bring higher quality and more contextually relevant services into townships.

South Africa's entrepreneurial ecosystem is strong overall, with well-established financial markets and a vibrant entrepreneurial culture. However, the dual economy is holding back the potential of township entrepreneurs with ambitions for growth.¹ A strategy focused on broadening access to support requires a rethinking of not only how the ecosystem manages and disseminates information about available support but also how it educates and organises the pool of youth potential to more effectively identify and fast-track high-growth businesses. An ecosystem designed to support youth to understand where they are in relation to any economic opportunity is more efficient in ensuring that services are reaching the right youth with the right information at the right time.

1 SAB Foundation, The Global Entrepreneurship and Development Institute, and SAB Foundation. 2017. *The Entrepreneurship Ecosystem of South Africa: A Strategy for Global Leadership*. SAB Foundation, The Global Entrepreneurship and Development Institute, and SAB Foundation.



Introduction

Youth everywhere are regarded as powerful agents of change, but the Organisation for Economic Co-operation and Development (OECD) warns that the youth bulge in the developing world poses a major employment challenge, exacerbated by insufficient job creation, scarce formal wage employment opportunities and vulnerability in the workplace.²

South Africa is a country with significant social and economic challenges, particularly with regard to its youth. The Status of Youth Report 2022 states that 7.4 million South African youth were unemployed in 2021, representing 60% of the total unemployed.³ Measures to address young South Africans' meaningful participation in the economy are urgent and critical as income inequality threatens to disrupt an already fragile social order. Youth entrepreneurship is widely accepted as a key strategy to reduce unemployment, but the data is sobering and shows that youth small business ownership has stagnated since 2008 in the 25 to 34 age bracket and declined in the 18 to 24 age bracket.⁴

There are over 500 major townships in South Africa that represent an economy with an estimated market value of ZAR 900 billion.⁵ Townships are home to a multitude of young, ambitious South Africans with enormous potential to address issues of poverty, unemployment, and inequality. However, the challenge of bringing youth into the economy is particularly worrisome in the urban township context.⁶

Interest in the township economy and common practise has grown significantly, led by the government's renewed focus on the revival and growth of township economies through various national and provincial interventions. Examples of these include the Economic Reconstruction and Recovery Plan and the Gauteng Township Economic Development Act.⁷ Literature over the past five years has highlighted the promise of youth entrepreneurship and the informal economy to address unemployment and stimulate economic growth. However, the ability of the entrepreneurial ecosystem to enable this is largely regarded as ineffective, with some arguing that the informal economy remains an untapped sector despite continually and consistently demonstrating great potential to alleviate poverty and unemployment.⁸

A FinScope study of the micro, small and medium enterprise (MSME) sector estimates that there are 5.5 million small business owners in South Africa, and 2.8 million of whom are considered survivalist entrepreneurs.⁹ Although data on youth entrepreneurial activity in the informal economy is limited, general entrepreneurial trends for youth are revealing. Research estimates that youth represent only 25% of South Africa's total small business ownership¹⁰

2 OECD. 2017. [Unlocking the Potential of Youth Entrepreneurship in Developing Countries: From Subsistence to Performance](#). 2017. OECD Publishing, Paris.

3 NYDA. 2022. [Status of Youth Report 2022](#). National Youth Development Agency.

4 IFC. 2019. [The Unseen Sector: A Report on the MSME Opportunity in South Africa](#). International Finance Corporation.

5 Retail Brief Africa. 2003. [The rise and rise of the township economy](#). June 2. Retail Brief Africa.


6 A. Charman. 2016. [The South African Township Economy and Informal Micro-Enterprises: What Are the Prospects for Youth Employment and Entrepreneurship?](#) Development Policy Research Unit. World Bank Group. PB 16/45.

7 Republic of South Africa. 2020. [Highlights of the Economic Reconstruction and Recovery Plan](#). Republic of South Africa; Gauteng Provincial Legislature. 2022. [Gauteng Township Economic Development Act](#). Gauteng Provincial Legislature. No. 2.

8 M. Goyayi. 2023. [Informal Economy Can Create Jobs for the Unemployed Youth in South Africa: Here Is How](#). June 2. Democracy Development Program (DDP).

9 FMT. 2021. [Virtual Launch of FinScope MSME South Africa 2020 Results](#). July 29. FinMark Trust.

10 IFC. 2018. [The Unseen Sector: A Report on the MSME Opportunity in South Africa](#). International Finance Corporation, Washington, D.C.



and that youth in urban areas are more likely to become entrepreneurs compared to youth in rural areas.¹¹ Despite extensive efforts, the quantity and quality of high-growth enterprises in townships remain low; and most township businesses remain small-scale and essentially survivalist in character, have low productivity and tend to circulate local resources rather than produce tradable goods and services that serve wider markets, create decent jobs, and generate higher incomes.¹² In terms of youth specifically, research by the International Finance Corporation (IFC) reveals that the small business sector is not contributing significantly to youth employment creation and that the informal sector is not providing the youth with significant employment opportunities compared to the formal sector.¹³

Despite extensive research on the entrepreneurial ecosystem in general, the scale of targeted support to township youth entrepreneurship is difficult to quantify or evaluate due to a limited understanding of township economies, let alone township youth. In 2021, with support from the Walmart Foundation, ANDE published a report titled “Entrepreneurial Ecosystem Snapshot of Township Economies in South Africa.”¹⁴ This report mapped and analysed data on the financial and non-financial support available to township-based businesses to encourage more effective coordination of BDS to township-based entrepreneurs. The report raised a common concern that business support services in townships do not adequately serve township entrepreneurs, who face barriers in accessing these services and are limited by regulatory barriers inherent to the townships. Another concern raised was about the availability and effectiveness of support to young entrepreneurs in the township economy. Although the majority (82%) of respondent organisations indicated that their programming was directed at youth entrepreneurs, there is limited evidence of the effectiveness of these support services.

ANDE, with the support of GIZ, has since undertaken a second phase of the South Africa township entrepreneur research focused specifically on youth. While there is no shortage of research on entrepreneurship, including youth entrepreneurship in South Africa, research on township entrepreneurship with a specific focus on youth is limited. By gathering information from both primary and secondary sources, this knowledge brief aims to present the current state of the township youth entrepreneurial ecosystem and examine the specific challenges and common success factors associated with these entrepreneurs and the organisations that support them.

This research acknowledges that youth is not a homogenous group and that young people interact with the labour market and broader economy in many ways influenced by their backgrounds, financial security, skills, social and family circumstances, beliefs, and aspirations. Although the focus of this study is on active youth entrepreneurship, this research recognises the important longer-term role that a focus on latent entrepreneurship plays in strengthening the township economy. This understanding is critical for the development of effective strategies that promote entrepreneurial aspiration amongst the youth and support the growth of a quality pool of potential future entrepreneurs.

The report details several opportunities and concludes with recommendations for ways in which support for township youth entrepreneurship can be strengthened. The purpose of this brief is for all stakeholders to be better informed to design systemic and programmatic interventions to unlock the enormous entrepreneurial potential of South African township youth.

11 NYDA. 2022. [Status of Youth Report 2022](#). December 1. National Youth Development Agency.

12 A. Scheba, and I. Turok. 2019. [Strengthening Township Economies in South Africa: The Case for Better Regulation and Policy Innovation](#). Urban Forum. 31: 77-94.

13 IFC. 2018. [The Unseen Sector: A Report on the MSME Opportunity in South Africa](#). International Finance Corporation, Washington, D.C.

14 V. Hume, et al. 2021. [Entrepreneurial Ecosystem Snapshot: Township Economies in South Africa](#). Aspen Network of Development Entrepreneurs.

Key Concepts and Methodology

The following are key concepts used throughout this report:

- + **Youth** in South Africa are defined as those falling within the age group of 14 to 35 years, as stated by the National Youth Commission, in accordance with the National Youth Commission Act and the National Youth Development Policy Framework.
- + **Townships** refer to old, new, formal, and informal human settlements that are characterised by high levels of poverty, unemployment and low incomes and are distanced outside of the main centres of economic activity.¹⁵
- + **Township economy** refers to economic activities that occur in the townships of South Africa.¹⁶
- + **Business development support (BDS) provider** refers to an entrepreneur support organisation or intermediary.
- + **High-growth enterprises** are defined by the OECD as businesses with 10 or more employees that grow either their employees or turnover by an average rate of 20% or more for three consecutive years.¹⁷

Information for this research was gathered from both primary and secondary sources, including interviews with various ecosystem stakeholders and interviews with township youth entrepreneurs themselves. Research insights were also collected at three stakeholder workshop events. The research process included a review of existing literature and research; however, findings and subsequent recommendations were largely drawn from the shared anecdotal experience, ideas, and opinions of interviewees, which were then validated, where possible, against existing research. The research methodology included the following components:

- + **Literature Review:** Review of existing studies on youth entrepreneurship in developing economies and business support provision to the South African township economy and youth entrepreneurs.
- + **Interviews with Township Youth Entrepreneurs:** Semi-structured interviews were conducted with ten youth entrepreneurs from August to September 2023. Interviews were approximately one hour in duration and conducted remotely, either online or telephonically. The purpose of these interviews was to gather information regarding specific challenges, experiences of entrepreneurial support, and common factors for success.
- + **Interviews with Other Ecosystem Stakeholders:** Thirty additional interviews were conducted with key ecosystem stakeholders between June and November 2023. Interviewees included representatives of various organisations, including national government youth agencies, youth social development and entrepreneur support organisations, alternative finance providers, industry associations, academic institutions, research and advisory agencies, and community groups.
- + **Learning Labs:** ANDE's Learning Labs are regular convenings of ecosystem stakeholders which provide an opportunity to present interim research findings to and gain feedback from a diverse set of ecosystem actors and, importantly, township youth entrepreneurs themselves. Plenary and breakout discussion sessions were held during these events and prompted participants to brainstorm recommendations on how to improve support for youth entrepreneurs in South African townships. That information was then analysed and consolidated into this report. Three hybrid events took place in Johannesburg on the 27th of June, the 27th of July, and the 3rd of October 2023, and each event was attended by up to 80 participants.

15 Gauteng Province: Economic Development. 2014. *Gauteng Township Economy Revitalisation Strategy 2014-2019*. Gauteng Province: Economic Development.

16 A. Scheba, and I. Turok. 2019. *Strengthening Township Economies in South Africa: The Case for Better Regulation and Policy Innovation*. Urban Forum. 31: 77-94.

17 OECD. 2021. *Understanding Firm Growth: Helping SMEs Scale Up*. OECD Studies on SMEs and Entrepreneurship. OECD Publishing, Paris.



State of the Township Youth Entrepreneurial Ecosystem

Information on targeted support to township entrepreneurship generally, let alone to youth specifically, is highly scattered, making any evaluation of support to these entrepreneurs difficult. Additionally, there is no common working definition of the township economy in relation to business support provision, with terms like informal, rural, and township often being used interchangeably. There are many programmes that target youth entrepreneurs, and there is significant and growing support for township-based businesses; however, support that targets high-growth youth entrepreneurs in the township economy is largely ad hoc, with a limited number of support providers with programmes that are exclusively and intentionally designed to support these entrepreneurs.

Nevertheless, best practices are developing as more support providers create deliberate support strategies for these entrepreneurs, with a noticeable increase in strategic collaboration between programmes and, more importantly, partnerships with finance providers to extend access to capital. There is also a more common practice of developing well-established networks in township communities themselves, as well as strategic partnerships for more efficient sourcing, referrals, and information sharing. Encouragingly, there has also been an increase in the number of events that focus on township businesses, such as the Township Economies Conference and the Township and Village Tourism Expo. There has also been a rise in many smaller, more regular local events that focus on the township economy, as well as media publications that highlight township businesses and trends.

The township economy is its own lucrative internal market. It is also a wealthy source of business innovation that already serves needs in the broader economy, yet proximity makes it difficult for entrepreneurs with growth ambitions to expand outside of the townships and access new markets.

All research respondents agreed on the abundance of financial and non-financial BDS that is available to township youth entrepreneurs. However, proximity to business support is a key challenge of the township economy, and the term “disconnected” was frequently used to describe youth entrepreneurs’ relationship to this support. This challenge was confirmed by one youth entrepreneur who said, “They would say the opportunities were there, but when you looked for them, you cannot find them.” Another entrepreneur explained, “There is a lot of support, but people in townships do not know enough about this support, and that is where the disconnect lies.” Another interviewee stated, “I think when it comes to access to information, there’s still a lot that needs to be done because a lot of the formal support is sitting outside of the townships.”



I think when it comes to access to information, there’s still a lot that needs to be done because a lot of the formal support is sitting outside of the townships.”

RESEARCH RESPONDENT



A recent survey¹⁸ conducted by the Youth Development Collaboration Lab (YD-Colab) sheds light on the above-mentioned issue. This survey mapped 1,866 youth development organisations in South Africa across three main service categories: education and training, employment and entrepreneurship, and social support. Data showed that only 465 out of the 1,866 organisations offered employment and entrepreneurship services to youth, representing the lowest level of service category. Within this category, the most common support offered was career guidance and job search support. In terms of the geographic focus of this support, almost half of the respondent organisations reported that they serviced youth in rural areas only, followed by support in urban areas (30%), with the lowest support (10%) to peri-urban township areas. This data is revealing and indicates that the main reason why business support services are less accessible to township youth is because business support is simply not being offered in the areas where these youth are based. Entrepreneurship support is also limited when judged against other services like job search skills and formal labour employability.

The most widespread and accessible support offered with an exclusive focus on township businesses is through the government, examples of which include the Township and Rural Empowerment Programme (Department of Small Business Development) and the Township and Community Development Fund (National Empowerment Fund). Although neither of these programmes specifies youth as a defined target, both aim to stimulate the informal economy and offer support that is beneficial to youth entrepreneurs, such as grant funding and soft loans, working capital, and basic business skills training and support, including industry standards compliance and technical assistance. A common characteristic of public programme support to township businesses is having a specific sector focus, such as tourism, or a focus on strengthening existing enterprises active in dominant local industries, such as food and beverage outlets (spazas¹⁹), automotive, and hair and beauty. Other well-established government agencies that provide support to small businesses, including a focus on youth and the informal economy, include the Small Enterprise Development Agency (SEDA) and the Small Enterprise Finance Agency (SEFA).

The government's primary vehicle for delivering BDS to all youth exclusively is the National Youth Development Agency (NYDA), which is responsible for strategically streamlining youth development activities and programmes in the country. Another youth-focused public programme is the Gro-E Youth Scheme, under the Industrial Development Corporation, which aims to expand production capacity through youth entrepreneurship and support employment creation. Programmes cited by research respondents as most visible in the townships were SEDA, SEFA and NYDA, through entrepreneurship awareness events and local information sessions initiated via local government structures.



It depends on the councillor that you have – and if you have a councillor that is very strong and active, then information is able to filter down to the community very easily.

RESEARCH RESPONDENT

18 YD Co-lab. 2023. [Youth Development Ecosystem Report](#). Youth Development Collaboration Lab.

19 Spazas are informal grocery shops operated from houses in townships. These shops supply basic household items such as food, soft drinks and toiletries to nearby residents.



In addition, several interviewees stated that young people in townships often rely on their local economic development officers or ward councillors for information on available support and opportunities but that this support was inconsistent and highly dependent on the commitment of the public servants. One youth interviewee explained, “It depends on the councillor that you have – and if you have a councillor that is very strong and active, then information is able to filter down to the community very easily.”

Encouragingly, research indicates that community-level business support is on the rise as citizens, many of them youth, organise to bridge the information divide and connect to support and opportunities. Examples include the nationwide Township Entrepreneurs Alliance, Kasi Entrepreneurs, and many other smaller initiatives, such as local business chambers, community hubs, and informal resource centres. This also includes the exponential rise in online small and medium-sized enterprise support groups, many of which focus on youth and townships. These initiatives engage and support large numbers of young people and serve as critical information and resource spaces. Their ability to access and influence township youth should not be underestimated, and these community-level support mechanisms should be seen as a key tool for expanding the reach and quality of support for youth township entrepreneurs. Databases, like YD-Colab’s mapping of youth development support, are a step in the right direction for a deeper understanding of the nature and scale of this support.

In terms of age as a selection criterion, there was consensus amongst research participants that a biological definition of age alone was not useful for decisions regarding programme support. This is because of the many different circumstances and contributing factors that influence entrepreneurial propensity and ability at any age. One youth entrepreneur, in explaining the link between age and job creation potential, commented that job creation depended on the quality of the founder’s life experience and that support should not discount life experience that enables some youth to build fast-growth businesses. Interestingly, related to this, a review of programmes suggests that those that specify support for innovation, social entrepreneurship, or more sector-specific interventions, such as the green economy or information and communication technology (ICT), are potentially more successful in attracting youth entrepreneurs, including those from townships, with applied business experience and demonstrated traction in high-growth businesses.



Photo taken by Cyfslens media featuring ANDE, YD Colab, and Bluestocking Brilliance’s staff at the Johannesburg Learning Lab



Challenges Faced by Township Youth Entrepreneurs

Research confirms that the challenges township youth face in accessing the formal job market are similar to the entrepreneurial challenges that youth face. These include the comparatively poor education standards of township primary educational institutions and a lack of post-school training, the spatial dislocation that drives higher costs, and weak social networks in formal markets.²⁰ This section will examine the structural and individual challenges that township youth entrepreneurs face, including, importantly, the barriers that inhibit access to information and available business support.

A recurrent research theme was the impact that poverty and society's perception of entrepreneurship had on the entrepreneurial mindset of young people in general. These issues are not unique to young people and do not apply to all township entrepreneurs. However, they impact the pipeline through their strong influence over township youth's aspirations and entrepreneurial motivation and are important to consider to form a deeper understanding of the conditions within which many youth entrepreneurs are expected to thrive.

The challenges associated with the township economy are well documented. ANDE's South African Township Entrepreneurial Ecosystem Snapshot reports that the most common challenges faced by township entrepreneurs include limited access to finance, restricted market opportunities, low levels of entrepreneurial and management skills, a limited entrepreneurial growth mindset, and broader social issues.²¹ Attempting to separate out challenges that are unique to township youth entrepreneurs is problematic, given the many variables that promote or inhibit entrepreneurial capacity at any age. Research also indicates that access to finance and market integration present major challenges for youth entrepreneurship in emerging markets.²²


While the challenges faced by township youth entrepreneurs are not fundamentally different from those of other township entrepreneurs, research demonstrates that many of these challenges are significantly more severe for younger people. Township youth entrepreneurs face a complex set of challenges, stemming from both the structural challenges of the township economy and individual challenges due to younger age and limited opportunities to accumulate the skills, knowledge, resources, and experience required to start and run a business. A global study by UNICEF on youth entrepreneurship in various developing economies²³ expands on this by explaining that age is a significant differentiator when comparing youth entrepreneurs with other entrepreneurs because of the time it takes to build the experience and resources required to start and build a business. For example, access to markets is a commonly cited township entrepreneurial growth challenge. However, this problem is markedly more severe for youth entrepreneurs who are less likely to have established networks to facilitate access to new markets and customers.

20 A. Charman. 2016. *The South African Township Economy and Informal Micro-Enterprises: What Are the Prospects for Youth Employment and Entrepreneurship?* Development Policy Research Unit. World Bank Group. PB 16/45.

21 V. Hume, et al. 2021. *Entrepreneurial Ecosystem Snapshot: Township Economies in South Africa*. Aspen Network of Development Entrepreneurs.

22 OECD. 2017. *Unlocking the Potential of Youth Entrepreneurship in Developing Countries: From Subsistence to Performance*. 2017. OECD Publishing, Paris.

23 A. Alam. 2019. *Youth Entrepreneurship: Concepts and Evidence*. UNICEF. Office of Global Insight and Policy.



A key feature of the complexity associated with low township youth entrepreneurial activity is the inter-relatedness of the challenges that township youth face. For example, research indicates that certification is a significant cost barrier for many youth entrepreneurs seeking entry into new markets beyond the townships and that this challenge is exacerbated by a lack of financial literacy skills. Entrepreneurs lacking such skills may create ineffective pricing strategies that impede their abilities to save for necessary but often unplanned costs like certification.

Additional challenges are described below:

Negative perception of entrepreneurship: Many research respondents commented on the negative perception of entrepreneurship, emphasising that it is not being encouraged by society as a viable or aspiring career path. This perception is problematic for youth who receive this message from their families and communities, who reinforce the message and influence their attitudes towards their futures. A workshop participant working in the ed-tech sector explained that this perception shapes the conservative mindset of many schools and families who are wary of entrepreneurship and do not encourage it. This challenge is common in many societies, but it is even more acute for township youth due to prevalent poverty and the fact that poorer families are easy targets for a belief that places a higher value on “getting a job” versus supporting entrepreneurial ambition.


Limited financial resources: Access to finance is a common challenge for small businesses globally, as evidenced in ANDE’s Entrepreneurial Ecosystem Snapshots conducted in developing economies around the world.²⁴ Township entrepreneurs – and in particular, youth from less advantageous environments – have even more limited assets and financial resources, making it extremely difficult to access startup capital.²⁵ The research conducted for this brief confirmed this and found that many township youth entrepreneurs are also under significant financial pressure to spread the money they do have across many business and personal needs. This financial strain on township youth is evident in the commonly referenced “stipend culture” where young people switch quickly between programmes to access small but immediate payouts.

Challenges that drive informality: Many township businesses operate informally and lack proper business structures, licencing, and systems, which limits access to support, funding, and new markets. However, formalisation, in all its various forms, requires money, information, and skills, all of which are less accessible to youth. One entrepreneur confirmed this, commenting that compliance was a challenging issue for many township youth entrepreneurs and a “decision to either register the business or put food on the table.”

Many youth-owned businesses could be formalised, but these entrepreneurs also lack access to proper business advice and, therefore, do not prioritise business registration and compliance. Youth entrepreneurs report that regulatory information is complicated and difficult to understand and, most importantly, does not adequately explain the benefits of unlocking support and funding, understanding which is important to drive behaviour change in the youth. In addition, business competition driven by counterfeit products in unregulated markets was reported as an obstacle for many youth entrepreneurs wanting to grow their businesses. These entrepreneurs recognise the need for compliance and certification to build brand trust and customer loyalty, but as one interviewee who runs an auditing and certification business explained, “They want to do it; they have just never been given a simple solution to do it.”

24 ANDE. [Entrepreneurial Ecosystem Snapshots – Home](#). Aspen Network of Development Entrepreneurs. Accessed on 12 January 2024.

25 GPYE. 2014. [Supporting Young Entrepreneurs, A Practical Guide to Quality Programming](#). Global Partnership for Youth Employment.



Financial and psychological costs of crime: Crime is a well-known structural challenge in townships, with 57% of township businesses experiencing damage to property and theft.²⁶ Youth in South Africa are more vulnerable to crime and almost twice as likely as adults to be victimised by crime.²⁷ Crime is not only a financial setback for youth entrepreneurs but also contributes to feelings of apathy, leaving many feeling discouraged from bettering their lives and building a business when it can so easily be taken away. Crime is also one of the key reasons why business support is not offered in townships.

Higher transport and data costs driven by isolation: Proximity is an even greater cost-prohibitive factor for youth entrepreneurs who are more likely to be financially insecure as they try to link themselves to support and information. The issues of transport and data costs were repeatedly mentioned as key barriers to accessing information and support. One BDS provider explained that youth cited transport costs as the main challenge when asked why they were not using the co-working facilities offered in the urban areas.


Insufficient growth finance to support expansion outside of townships: Interviewees agreed that the abundance of grant funding in the ecosystem is helpful in providing financial “breathing space” for youth entrepreneurs in covering the costs associated with startup and early business stages. However, many interviewees cited insufficient lenient expansion finance to assist youth entrepreneurs who wish to grow and expand into new markets. This challenge was most pronounced for expansion efforts that required capital for new business sites outside of the townships or specific industry certification.

Poor financial literacy and basic business skills: Township entrepreneurs commonly lack the critical business skills and knowledge, including financial literacy skills, necessary for business growth. The most critical skills and knowledge reported by interviewees as lacking were technical skills in business management, which included business systems and processing, strategy, sales, and marketing. Basic financial literacy skills that were reported lacking included financial modelling, pricing, and costing and budgeting. Township youth entrepreneurs experience this gap in skills more severely, owing to their age, poor basic education and low numeracy rates, and because of the limited opportunity many have had to learn and practise these skills.

Limited access to information: To catch up to the market, township youth entrepreneurs need to rely on BDS, either from their immediate surroundings (i.e., family, friends, local business communities) or from outside in the formal economy. Isolation means that many have little option except to access what support they can from within their communities. However, this information is not curated and is often unreliable. High levels of competition and lack of trust also prevent access to information and advice. Mentorship was regarded as an important way to broaden access to reliable information and support. Well-managed referrals and handovers to business contacts or opportunities were stressed as most valuable for widening exposure to information and support and connecting to new networks and market opportunities. Respectful, open, and honest mentor relationships were considered key for enabling successful referrals and information sharing.

26 FMT. 2021. *Virtual Launch of FinScope MSME South Africa 2020 Results*. July 29. FinMark Trust.

27 Saferspaces. N/A. *Youth Violence*. Accessed on 12 January 2024.



Information asymmetry in the ecosystem: The problem of knowing where to find information on available support is a common challenge of the entrepreneurial ecosystem in general. This challenge was repeatedly expressed throughout the research by both youth entrepreneurs and BDS providers. The ecosystem is inefficient in its management and dissemination of information and relies heavily on the initiative and individual ability of youth. This challenge is even more problematic for township youth, given their isolation and heavier reliance on this information to direct them to much-needed support. A coordinated and centralised information repository is noticeably lacking in the landscape of support, as well as a concerted effort to define a coherent approach to assist entrepreneurs with orientation on the support available. Access to information is further challenged by poor information literacy skills, which include digital literacy skills. Many township youth lack these important research, critical thinking and communication skills and struggle to effectively evaluate and verify the information that they do manage to access.


Lack of exposure to applied innovation for growth: Townships offer young people many opportunities to engage in entrepreneurship and offer self-employed youth the chance to acquire skills, strengthen social networks and market knowledge, and make a little money.²⁸ However, these opportunities are typically in low-growth businesses that apply limited innovation for growth to expand beyond the local market. Township youth are also less likely to be exposed to profiles of scaled success and, more specifically, to examples that they can relate to. As one workshop participant commented, “There is a lack of role models on the ground that young people can relate to, to inspire and motivate them to pursue entrepreneurship pathways.” This lack of exposure is even more acute in townships where many successful entrepreneurs do not promote their businesses or achievements to avoid becoming targets of crime.

Lack of exposure and limited social capital: Social networks are critical to providing access to valuable resources and exclusive business opportunities, promoting efficiencies and improving innovation.²⁹ Young people’s ability to properly use and make sense of information is also closely linked to their lack of social networks and access to formal business communities. One interviewee explained, “Exposure is not only about enabling access to information but is important for how it influences how young people use the information they do find.”

Lack of exposure driving misinformation: Isolation, in turn, fuels misinformation and false perceptions. Examples from interviews include the belief that you need to know someone outside of your community to access opportunities or that you need to pay for certain services that are offered for free. Misperceptions leave many township youth more susceptible to exploitative practices. More worryingly, however, was the commonly reported issue that lack of exposure drives a distorted understanding of the real value of available support. This challenge was most notably expressed as an underestimation of the value of compliance (i.e., business registration and industry certification) to unlock opportunities and support, including access to finance.

28 A. Charman. 2016. *The South African Township Economy and Informal Micro-Enterprises: What Are the Prospects for Youth Employment and Entrepreneurship?* Development Policy Research Unit. World Bank Group. PB 16/45.

29 Department: Planning, Monitoring, and Evaluations. 2017. *Research on the Limited Success of Entrepreneurial Activity by Locals in Townships and Rural Areas*. National Planning Commission: Department of Planning, Monitoring and Evaluation.



The most common challenges cited by BDS providers in delivering services to township businesses include a lack of digital connectivity, safety, ineffective and costly telecommunications, and high transportation costs.³⁰ In addition to these, insights from this research noted the challenges are more amplified when it comes to supporting youth entrepreneurs in townships.

Lack of ecosystem coordination: Many BDS providers noted a lack of coordination and duplicated efforts in the ecosystem driven by competitive mindsets and challenges in securing funding that prevent collaboration and referral practice. Although limited interoperability is a common challenge in many ecosystems, the need to support more effective interplay between programmes is particularly relevant for addressing the more severe issues of information access and reliability faced by township youth entrepreneurs. This thinking is in line with other local research that suggests that further concerted effort is needed to ensure that interventions to address youth unemployment are well coordinated so that the support available to youth is clear and accessible.³¹

Limited entrepreneurial support capacity: BDS hubs or business centres based in or near townships were mentioned for their critical role in exposing and connecting youth to information and support. However, the quality of this support and the entrepreneurial knowledge and capacity of the staff were often regarded as poor and inconsistent. The common issue of staff “not being entrepreneurs themselves” and being unable to understand the day-to-day challenges of youth entrepreneurs, particularly with regard to cash flow constraints, was highlighted. This challenge was reported as contributing to the frequently observed practise of “hub-hopping”, where entrepreneurs move quickly between different programmes to find the support they need.

Inadequate support to address complex social issues: Many interviewees highlighted the issue of inadequate programme design to tackle the many complex social and economic issues that township youth face. Although, as a society, we hold this awareness, the entrepreneurial ecosystem does not sufficiently recognise the impact of social burdens and personal trauma on youth entrepreneurial outcomes, and structured psychosocial support is severely lacking. The severity of this challenge was stressed by several workshop participants who proposed “a national healing programme” to address the issue of trauma at scale. Internships and apprenticeships were mentioned as notable examples of how to provide safe spaces for youth to acquire skills, build trusted relationships, and gain self-awareness and life skills over a longer programme duration.

30 V. Hume, et al. 2021. [Entrepreneurial Ecosystem Snapshot: Township Economies in South Africa](#). Aspen Network of Development Entrepreneurs.

31 Mapungubwe. 2021. [Youth in South Africa: Agency, \(In\)Visibility and National Development](#). 2021. A MISTRA Policy Brief. Mapungubwe Institute for Strategic Reflection.



Limited appreciation for individual entrepreneurial motivations and aspirations: Related to the above challenge was the reported issue of misaligned expectations and the tendency for BDS providers to assume aspiration for growth. One youth entrepreneur complained that many business support providers fail to ask important questions at the start, such as “Who are you as a person?” and “What do you do to survive?” These are important questions for understanding individual entrepreneurial motivations to ensure more effective customised support and resource efficiency. This challenge is potentially greater for youth entrepreneurs who are more likely to have an already narrow understanding of entrepreneurship and the risks and costs associated with business growth. Relatedly, many young people feel vulnerable under selection or performance-related assessment, and an understanding of the person behind the business is regarded by youth entrepreneurs as important to building respect and trust. Examples include understanding family pressures or attitudes towards self-employment and appreciation for the financial obligations of the young person.

Poor people management skills: People management skills are important for any entrepreneur to effectively manage resources and productivity. Interviewees explained that many township youth lack these skills due to age, inexperience, and a lack of self-awareness of how they relate to people. This problem is exacerbated by the fact that most HR business support training is generic and not customised to address job creation training needs at an individual level.

Sourcing challenges: Proximity impacts effective sourcing as it takes resources to source the right candidates from a dense and muddled pool of young people desperate for any type of assistance. More intensive and inclusive sourcing methods, although more expensive, are important for reaching new entrants and mitigating the chronic issue of “recycling” the same candidates between programmes. The issue of disorganised community groups representing youth in the township and “gatekeeping” were also cited as challenges for reaching township youth and building local partnerships.



Common Success Factors

Research on the determinants of youth entrepreneurial performance shows that education, managerial capital, and business skills are key factors for success.³² Insights in this section support this and were drawn from interviews with growth-minded, successful youth entrepreneurs who were selected based on several selection criteria:

- + Founder and business owner must be under the age of 35 years
- + The business must have its origins in the township context
- + The business must employ at least three people
- + The business must have participated in at least two BDS programmes
- + Ideally, the business would have accessed loan finance (either short-term or expansion finance).

Despite the myriad of challenges, there are many examples of township youth entrepreneurs who do achieve sustainability and growth. Interviews with youth entrepreneurs confirmed this and uncovered several commonalities among success stories, pointing to key strategies and inherent competencies that growth-oriented youth entrepreneurs share. These entrepreneurs either had these already or acquired and developed them with support. Most of these apply to all entrepreneurs, and they are important traits regardless of the entrepreneurial environment. However, their repeated reference to township youth entrepreneurs is meaningful for understanding what success looks like for these entrepreneurs.

Early business exposure for confidence: Entrepreneurial ambitions started at an early age, with many beginning their practice of some form of entrepreneurship and “hustling” at school, such as selling snacks or airtime. This early start gave these youth confidence in their ability to gain valuable insights into market dynamics and learn important business skills, such as how to assess opportunities and manage a budget.

Self-motivation and failure friendliness: Entrepreneurs exhibited a strong self-belief and personal drive and motivation. These young people, despite their hardships, had a positive, solution-orientated outlook on life. These entrepreneurs had a healthy approach to failure, understanding that it does not define you and recognising that it can be a positive learning opportunity to support self-awareness and skill mastery. This finding aligns with other research³³ that recognises the important role that failure can play in entrepreneurial behaviour and the rich opportunity that it presents for a better understanding of entrepreneurial motivation.

32 OECD. 2017. *Unlocking the Potential of Youth Entrepreneurship in Developing Countries: From Subsistence to Performance*. 2017. OECD Publishing, Paris.
33 G. Cacciotti, et al. 2016. *A Reconceptualization of Fear of Failure in Entrepreneurship*. *Journal of Business Venturing*, 31(3), pp. 302-325.

Formal education and work experience: All entrepreneurs had completed some level of formal tertiary qualification or were currently studying further, and the majority were employed in the formal sector before self-employment. Reported benefits included the chance to learn self-discipline, time management, problem-solving, and conflict and people management skills. This is in line with the general sentiment that most early-stage, opportunity-driven entrepreneurs have some level of post-school qualification and work experience and that these are key determinants of success. Other studies support this and show that most successful entrepreneurs have gained work experience in their industry before launching their own venture.³⁴

Use of social media: All entrepreneurs were notably dedicated to the active pursuit of information and opportunity and were constantly alert to people or resources that they could learn and benefit from. They actively sought out business mentors in their communities and ensured they were plugged into as many reliable networks and sources of information as possible. Digital access and the prolific use of social media were instrumental in this and were defining features of how all these entrepreneurs bridged the information divide and connected to opportunities. As one entrepreneur explained, “We live in the era of social media, so it is easy to find people. It is easy to find the things you want.” Another interviewee stated, “Social media is the way to go to access information about opportunities.” Another entrepreneur, when asked how support providers could reach township youth, stated, “Organisations that are supporting entrepreneurs need to be on social media frequently right now.”

Strong financial discipline: With the right guidance, these entrepreneurs actively developed strong financial skills and discipline to achieve financial security to support business growth. This included an emphasis on re-investing profits into the business and extended to day-to-day management and prioritisation of money to cover critical costs such as data and transport. These entrepreneurs appreciated a conservative support approach to finance that emphasised strategies to promote efficiencies, borrow against future sales, and empower them with the knowledge and skills to more effectively source and curate information so they could make better informed financial decisions for growth.



We live in the era of social media, so it is easy to find people. It is easy to find the things you want.”

RESEARCH RESPONDENT

³⁴ P. Azoulay, et al. 2020. *Age and High-Growth Entrepreneurship*. American Economic Review: Insights, 2 (1), pp. 65-82.

Opportunities

Interviews and desk research demonstrate that there are opportunities and examples of approaches that have gained traction for more effective support of township youth entrepreneurs.

Abundance of growth-orientated youth enterprises: Extant research confirms that many high-growth enterprises run by youth exist in the townships but that informality and non-compliance are significant challenges that not only inhibit growth and expansion into larger markets outside of the township economy but also indirectly hinder access to business support and finance. These enterprises sit outside of the formal business support system and are low-hanging fruit to increase the number of high-growth enterprises in the ecosystem. This opportunity was highlighted by several interviewees, who recommended a more deliberate focus on identifying these businesses and making them more sustainable by helping to develop their systems, record-keeping, compliance, and digital skills to bring them closer to available support.

Increased recognition of the role of intermediaries to support scale: The hub ecosystem³⁵ in South Africa is an important channel for promoting economic development and innovation at a community level. Recent research by Launch League reports that hubs that are well-financed and well-capacitated can have a catalytic effect in communities and make a meaningful difference in the lives of emerging entrepreneurs, as well as send strong signals that entrepreneurial activity is valued and supported.³⁶ This community represents a powerful channel for bringing township youth closer to the ecosystem and the support that they need, and the government's efforts to establish more incubation hubs throughout the country are very encouraging. These hubs not only expand support to reach more isolated youth but also, importantly, increase the ability to identify and funnel high-growth youth entrepreneurs to appropriate support. However, challenges, such as a lack of standardised support, limited access to information and referral networks and poor entrepreneurial understanding and capacity, are common.

Growth of township-based innovations: Nobody knows the township economy better than the entrepreneurs that live and trade there, and nobody wants to solve the issues of youth unemployment more than the youth themselves. Research suggests that there are many entrepreneurs who come from the townships who have recognised the need for business support solutions designed to address the needs of the township and informal economies. With the exponential growth of innovative, tech-based business solutions that are born out of the townships and have demonstrated track records, there is a real opportunity. These innovations serve different sectors and include digital solutions to support administration and record keeping, access to market and logistics support, and auditing and compliance. These changemakers have decisive and bold expansion plans. Finance and strategic business support is needed to help them to scale aggressively.

³⁵ The hub ecosystem includes hubs, incubators and other entrepreneur support organisations.

³⁶ UK-South Africa Tech Hub. 2022. [2022 Hubs Survey: How Can South African Hubs Train and Support Young South Africans to Earn an Income in the New Economy?](#) Viridian.



Rise of the mechanical, electrical, and plumbing businesses: Mechanical, electrical, and plumbing businesses in the townships are growing, accompanied by an increase in the availability of certified skills training and strategic partnerships between industry bodies and BDS providers. Typically, these businesses are informal and have no significant demonstrated employment potential, but support to aggregate and facilitate demand could grow these businesses and promote local job creation at scale.



Photo taken by Cyfslens media featuring a group discussion at the Johannesburg Learning Lab

Recommendations

The following are recommendations for strengthening youth entrepreneurship in townships. These include general ecosystem recommendations as well as specific programmatic recommendations.

► GENERAL ECOSYSTEM RECOMMENDATIONS

Shift the negative perception of entrepreneurship

Strong messaging must be developed to target not only township youth but also society in general to shift the negative perception of entrepreneurship and promote entrepreneurship as a viable and exciting career path. Entrepreneurship programmes are valuable advocacy opportunities to expose wider communities to entrepreneurship.

Develop a proactive information and support culture

Efforts to promote entrepreneurial education in the younger population, particularly disadvantaged youth, need to focus on ways that not only inform but also empower them to effectively source and evaluate support. The ecosystem must come together to support entrepreneurial curiosity and a more proactive culture of engagement with all forms of business information and support from an early age. This approach must educate young people about the different types of entrepreneurial support, how to access it from inside and outside of their communities and explain expectations, as well as rights and responsibilities.

Fund for wider reach

A greater recognition of the higher costs associated with business support provision to township youth is required in the ecosystem for increased budget allocation to support wider reach. Examples of these costs include transport, connectivity, and security for both staff and programme candidates.

Develop messaging around compliance that emphasises access to support

A national, far-reaching compliance awareness campaign that promotes the benefits of compliance and shifts the perception from regulatory control to one of access will help to bring more high-growth youth enterprises into the ecosystem. This campaign needs to be delivered through targeted social media messaging that is multilingual and highly visual, engaging youth through music and video content.

Strategies to profile youth in relation to economic opportunity

Strategies that segment the pool of youth and help young people everywhere understand where they are in relation to the economy must be developed and deployed. This support will assist youth to identify their competencies, strengths, and weaknesses so that they can organise more efficiently around information and support. Basic training in business support programmes and youth development organisations, including local economic development and municipal offices and schools, in standardised entrepreneurial profiling will help to do this at scale.

Information needs to be centralised and curated

Small business information across the ecosystem needs to be centralised and consistently curated to enable easier access by the most isolated and resource-poor entrepreneurs. Research suggests that this requires information on both sides (i.e., entrepreneurs and support providers). Research respondents proposed that a dedicated coordinator was needed to manage this. The following sets of information would be important to prioritise in the case of township youth:

- **Database of community-based mentors:** These mentors already exist and operate informally and formally in many communities. Efforts to find and support these valuable social assets need to be deployed at scale. This could be done through a national training programme to standardise this in-person and more relatable guidance that young people value.
- **Database of physical venue spaces in townships:** Lack of appropriate infrastructure is often cited as a reason why support is not offered in townships. However, interviewees and research participants reported that these facilities are available in churches and schools, as well as many under-utilised municipal buildings that could be re-purposed as information centres. A curated database of physical spaces in townships would enable more direct support provision in these communities. This information should detail important amenities such as connectivity, security, catering facilities, etc. and should consider existing local municipal databases.
- **Sector-specific compliance and certification requirements:** Detailed information regarding sector-specific compliance and certification requirements must be collated and shared across the ecosystem. This will provide youth entrepreneurs with a roadmap for better prioritisation of resources and support improved decision-making. This information will also upskill programme support staff, especially those in more remote communities.

Foster centres of learning as centres for sourcing

Universities and other higher academic institutions are already recognised as spaces that drive innovation, research and development, and the growth of university incubators is encouraging. A more intentional approach must be adopted to recognise these institutions as important channels to source youth entrepreneurs and connect them to support. Similarly, more young people with tertiary education must be encouraged and incentivised towards entrepreneurship.

► RECOMMENDATIONS FOR INTERMEDIARIES AND SUPPORT PROVIDERS

Develop a strategic focus on business-to-business industry in townships

A more targeted focus in townships on businesses that service the growth needs of other businesses will strengthen local environments and increase the quality of direct support. Examples include programmes that support financial and accounting services, digital enablement and ICT, business processing, and marketing and advertising.

Foster centres of learning as centres for sourcing

Extant research suggests a community-centred approach to information sharing is required to reach township youth at scale with more reliable information. Community-based youth development support structures are important “touchpoints” for access to youth who are seeking information and help. One suggestion for this was to work through outreach programmes that are well-known and provide consistent, direct engagement in townships. Other recommendations include strategic communication campaign partnerships with influential youth brands, partnering with township-based advertising agencies, identifying and working closely with local community members, and partnering with local government agencies to leverage existing youth databases. A strong recommendation is to work through successful township business owners themselves, who can act as trusted and relatable information stewards. This approach is reinforced by a 2018 study by Endeavor that suggested that decision-makers should support and elevate the influence of people who have led companies that reached scale and incentivise them to share their knowledge, capital, and other resources with upcoming founders.³⁷

Recognise youth as programme ambassadors

Youth themselves must be recognised as influencers and ambassadors of entrepreneurship in their communities. Programmes should adopt sourcing and information-sharing strategies that use young people to convey the value of support to bring other youth closer to available support.

Harness the power of social media

The power of social media and young people’s strong digital presence is under-leveraged in the ecosystem to support youth entrepreneurship by bridging the information divide. This requires a more detailed understanding of youth online behaviour and how and why different youth engage on social media. This also requires that support providers upskill in digital marketing skills to target the right audiences more accurately with opportunities and information relevant to them. Social media content and information, in general, needs to be simplified and made more engaging and youth-friendly.

Leverage youth to support youth

Many interviewees expressed their willingness to share what they have learned and to “give back” to other youth entrepreneurs and their communities. Programmes can incorporate more peer-to-peer learning and mentoring driven and delivered by the youth themselves. A suggested way to incentivise this was to subsidise support to these more established entrepreneurs in exchange for support services that they offer to emergent youth entrepreneurs.

Township youth are brave and resilient, and many are determined to overcome their circumstances and realise a better life for themselves and their communities. Entrepreneurship, inherently requiring innovation and forward-thinking, lends itself to the nation’s youth and is a promising avenue for youth empowerment and job creation in the townships. The hope is that this report will complement existing knowledge and practise of township youth entrepreneurship, but more importantly, that it will stimulate robust debate for how to curate and channel information and support to harness the immense energy and ambition of South Africa’s most economically isolated youth, including those in townships, more effectively.

37 Endeavor. 2018. *Fostering Productive Entrepreneurship Communities: Key Lessons on Generating Jobs, Economic Growth and Innovation*. Endeavor Insight.



Youth Entrepreneur Profiles

BANOTHILE KHUBONI

Founder of Imvelo Agri Solutions

Banothile Khuboni is from Inanda in KwaZulu-Natal. Banothile's qualifications and research in agriculture helped her gain a deep understanding of the challenges associated with food security. This knowledge motivated her to explore hydroponic systems as a more sustainable farming solution, and in 2020, she started Imvelo Agri Solutions with her two co-founders. Imvelo operates in KwaZulu-Natal and currently employs four permanent staff. Imvelo was initially established with grant funding from the National Lottery Commission to purchase hydroponic equipment and establish its training division. In 2022, Banothile was accepted into the Oribi Incubation Programme, the benefits of which included business development training, mentorship, lesson sharing, and networking with other entrepreneurs. A recent grant through the same programme has enabled expansion to a new facility. Banothile has also participated in the Imvelesi Enviropreneurs Bootcamp, where she learnt how to pitch, and where she graduated in the Top 10 in the programme, which qualified her to receive a mentor, a valued relationship that she maintains to this day.

BUNTU ZENGETWA

Founder of Bzeng Group

Buntu Zengetwa is a young entrepreneur from KwaZulu-Natal and the founder of Bzeng Group, a multi-disciplinary business that focuses on agriculture (maize production and vegetables), electrical and mechanical engineering, construction, and equipment rental. The company employs four permanent staff and up to twenty contract staff at any time. Buntu started his entrepreneurial journey at an early age, selling snacks and airtime during his student years and running a sound business. In 2013, he ventured into property rental and purchased a property with money from his salary and savings. Buntu is a qualified Bachelor of Technology in Electrical Engineering, with a Masters in Engineering Management, and before starting Bzeng, he was employed by Transnet. He has received valuable support over the years from programmes such as Fetola and the SAB Foundation Tholoana Enterprise Programme. His business journey was initially boosted by a friend's mention of the Tswelopele training programme under the Gauteng Department of Transport. This programme provided him with support to start his business, including training, mentorship, and importantly, financing through contracts.



KEMISO MOTHOLO

Founder of KemiChem

Kemiso Motholo grew up in the Free State, where he started KemiChem, a chemical manufacturing, hygiene, and cleaning sanitisation business. Kemiso founded the company in 2019 in his garage at home as a washing powder manufacturing business before moving to a local industrial park to support expansion. The company has received financial and non-financial support from institutions like the SAB Foundation and the Small Enterprise Development Agency (SEDA). KemiChem currently employs five permanent staff. Kemiso has received various awards and recognitions, including the SAB Foundation Tholoana Enterprise Programme Gold Star and the 2022 Free State Premier's Top 50 Most Inspirational Youth Award.

NNEILE NKHOLISE

Founder of Thola Inc.

Nneile Nkholise grew up in Thaba 'Nchu in the Free State and is the founder and CEO of Thola Inc. Thola is a global agricultural procurement platform that assists smallholder farmers with biosecurity auditing and certification needs. Nneile has a Master's in Mechanical Engineering and is a product engineer with a specific focus on design engineering. She has eight years of experience in the construction and biomedical sectors and previously founded a biotech company called iMedTech in 2015. Nneile is a 2023 Millennium Leadership Fellow. In 2016, she was named Africa's top female innovator by the World Economic Forum, and in 2017, she was awarded the South African Youth of the Year award by the Office of the Presidency. In 2018, she was named in Forbes Africa's 30 under 30 list and was awarded Industrialist of the Year in Southern Africa at the All Africa Business Leaders Awards.

PALESA MOTAUNG

Founder of Agrikool

Palesa Motaung is an agricultural scientist from Spruitview in Gauteng, and in 2018, with agricultural engineer Zamokuhle Thwala, she founded Agrikool, an agricultural value chain enabler that links smallholder farmers to buyers through an e-marketplace solution. The company initially solved farmer access to finance by crowdfunding production loans and raising R1 million in financial support through social media. The company soon realised that access to the market was a greater challenge, which led to the development of its current business model. A major milestone was securing a deal with the Shoprite Group. The partnership with Shoprite Group is the result of Agrikool's tenacious business development research and reaching out to contacts through social media. Agrikool currently works with 22 farmers in the KwaZulu-Natal Midlands and surrounding areas. The company employs seven permanent staff members and 40 seasonal staff members. Agrikool hopes to grow its market share in KwaZulu-Natal and eventually scale into the rest of South Africa and the continent.



SBUSISO SHONGWE

Founder of Boombadotmobi

Sbusiso Shongwe is from Diepsloot township in Gauteng. It was in Diepsloot township that he identified the business opportunity to start his company, Boombadotmobi, in 2017 with his partner Nomdumiso Sibiyi. Boombadotmobi is an organic waste-to-compost enterprise that addresses the challenge of organic waste through the collection and processing of food and green waste. The company has been recognised through numerous awards, such as the 2019 Santam Rising Star Winner, the 2021 UK WasteAid Zero to Waste Circular Challenge and the 2022 Nedbank and 702 Small Business Award.

SENZO SHOZI

Founder of Gabhisa Landscaping Concepts

Senzo Shozi is from Umzinto in KwaZulu-Natal, where he founded Gabhisa Landscaping Concepts in 2015. The company offers landscaping services, including consulting, design, installation, and maintenance, and it currently employs five permanent staff and 30 part-time staff. Senzo has completed formal qualifications in landscaping technology and design. From an early age, he has had a passion for seeing positive change in the landscaping and property maintenance industry, and he is dedicated to implementing environmentally sustainable and innovative practices. Senzo has garnered valuable insights and expertise through various business support programmes, including the NYDA, Black Umbrellas, the SAB Foundation's Tholoana Enterprise Programme, Google for Startups Accelerator: Circular Economy programme and Youth in Business International's Sustainability Toolkit.

SEWELA SETSHOGOE

Founder of Lefata Engineering

Sewela Setshogoe is a young entrepreneur from rural North West. She started her career in the mining industry, and in 2016, to further her career aspirations of achieving as a female in a male-dominated industry, she established her own engineering company, Lefata Engineering. Lefata Engineering is an infrastructure development and maintenance business that specialises in mechanical and civil engineering works. The business mainly services the mining sector across Gauteng, Limpopo, the Free State and North West. Sewela has received support from various programmes, which have greatly impacted the sustainability and growth of her business. The business currently employs sixteen permanent staff. Sewela aims to expand into other industrial sectors and grow the business into a leading engineering service provider in South Africa.



THABANG MALUNGANE
Founder of Patela Systems

Patela Systems is a software development company founded in 2017 by Thabang Malungane. Thabang started the company out of a passion for offering affordable software service solutions to support informal businesses to scale for growth. Patela offers various services, including licensed point-of-sale software and telecommunications management and support. Patela has experienced huge growth, largely due to word-of-mouth and licensing partnerships, and by 2020, it was managing over 640 software activations and installations. In 2022, Thabang was accepted into the TechnoServe Youth and Women in Business programme, which helped him to redefine his business goals and review his business models to increase revenue and cash flow. The company currently employs 13 permanent staff and is planning the launch of its own point-of-sale system.

TRUDY MKANSI
Founder of Ambesha Africa

Trudy Mkansi is the sole owner of Ambesha Africa, a premium furniture manufacturing company based in Fourways, Gauteng. The company provides a wide range of outdoor furniture products mainly to individuals, hotels and restaurants. Trudy started the company in 2016 and has since grown to employ 17 staff. The company has received exposure and marketing support through television media and training and mentorship support through various enterprise development programmes. Trudy is grateful for her exposure to support that has provided her with the opportunity to learn skills and receive grant and loan finance to expand her business. She explains that access to information and the awareness of the support that is available has been most valuable to her. Ambesha Africa has the goal of expanding its branches outside of Gauteng to service identified demand in KwaZulu-Natal and Limpopo.



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OF DEVELOPMENT
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 **aspen institute**

For more information, please contact:

SangEun Kim

Research Manager, ANDE
sangeun.kim@aspeninstitute.org