

**CRITICAL ANALYSIS OF JOB CREATION STRATEGIES IN THE  
MAKHADO LOCAL MUNICIPALITY**

**BY**

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## DECLARATION OF ORIGINALITY

I, **Mbedzi Langanani (11623696)**, hereby declare that the dissertation for the Master of Administration degree titled “*Critical analysis of job creation strategies in the Makhado Local Municipality*” at the University of Venda, hereby submitted by me, has not been submitted previously for a degree at this or any other university, that it is my own work in design and in execution, and that all reference materials contained herein has been duly acknowledged.

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.....  
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## DEDICATION

*“If God is with us, who can stand against us? (Romans 8:31b) What then can separate us from the love of God? (Romans 8:35a)”.*

This achievement is dedicated to the value of motherly love of a single parent who struggled and strove on every aspect of life, so that I completed school despite our precarious family conditions at the time. I also dedicate this dissertation to my late brother, Dakalo Mbedzi, who passed away on the 25<sup>th</sup> of December 2017 and I say to him, I love him so much, may the Almighty God let your soul rest in peace. I will always remember him for the good work that has have done for me.

## ABSTRACT

This study focused on critical analysis of job creation strategies in the Makhado Local Municipality (MLM). Even though there are policies and strategies adopted by Local Economic Development (LED) in order to speed up the process of job creation, there are still many unemployed people with no potential job prospects in the area. There are quite a number of factors working against job creation which range from geographic and demographic dispositions, availability of industries within the area, and limited infrastructure that can help to fast track job creation. The researcher used descriptive research design for this study. The researcher followed a mixed methods approach in which quantitative and qualitative research approaches were used. The reason for using a mixed methods approach was to integrate both qualitative and quantitative research methods to enable them to complement each other, thereby adding value to the findings. The researcher used non-probability sampling and its sub-type purposive sampling to select the respondents for this study. Purposive sampling method provides a wide range of non-probability sampling techniques for the researcher to draw on. Data collection instruments which were used were interview questions and questionnaires. Statistical analysis and thematic analysis were used to analyse the data. The researcher followed the research ethics before conducting study.

### **The following were the major findings of the study:**

- The study findings revealed that municipality fails to inform members of the public with regard to job creation strategies in any process of development.
- The research study findings revealed that the municipalities should create positions instead of internships without getting employment after completion.
- The study findings revealed that public participation encourages community members to be actively involved in the municipality projects and helps to create good relationship between communities and the municipality to improve basic service delivery.

### **The following are the recommendations of the study:**

- The research study revealed that good working relationship between municipal officials and community members should be encouraged as it is vital in enhancing the provision of service in the communities.
- The study recommended that the municipalities should create positions which are permanent.
- The researcher recommends that openness between community structures and the municipality should be encouraged in order to bring development in the municipality.

**Key terms:** Development policy; economic growth; job creation; municipality; unemployment

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## LIST OF ABBREVIATIONS AND ACRONYMS

AIDS	: Acquired Immune Deficiency Syndrome
ANC	: African National Congress
BBBEE	: Broad Based Black Economic Empowerment
CWP	: Community Work Programme
DFID	: Department for International Development
DPLG	: Department of Provincial and Local Government
DTI	: Department of Trade and Industry
EPWP	: Expanded Public Works Programme
ESA	: Employment Service Act, 4 of 2014
GDP	: Gross Domestic Product
GDS	: Growth and Development Summit
GEAR	: Growth Employment and Redistribution
GNU	: Government of National Unity
HCD	: Human Capital Development
HIV	: Human Immunodeficiency Virus
HSRC	: Human Sciences Research Council
IBM	: International Business Machine
IDC	: Industrial Development Corporation
IDP	: Integrated Development Plan
IFAD	: International Fund for Agricultural Development
IMF	: International Monetary Fund
IPAP	: Industrial Policy Action Plan
LED	: Local Economic Development
MCEP	: Manufacturing Competitiveness Enhancement Programme
MDGs	: Millennium Development Goals
MLM	: Makhado Local Municipality
MNSD	: Malaysia National Skills Development Act, 652 of 2006
MSA	: Municipal Systems Act, 32 of 2000
NATED	: National Accredited Technical Education Diploma
NCSCA	: National Curriculum Statement and Curriculum Assessment
NCV	: National Certificate Vocational
NDP	: National Development Plan
NERSA	: National Energy Regulator of South Africa
NGP	: National Growth Path
NIPF	: National Industrial Policy Framework

NQF	: National Qualification Framework
NSB	: National Small Business Act, 102 of 1996
NSF	: National Skills Fund Act, 97 of 1999
NSFAS	: National Student Financial Aid Scheme
NYDA	: National Youth Development Agency
NYP	: National Youth Policy
OBE	: Outcomes Based Education
OJS	: Online Job Seeker
PEPs	: Public Employment Programmes
RDP	: Reconstruction and Development Programme
RSA	: Republic of South Africa
SANCO	: South African National Civic Organisation
SAQA	: South African Qualification Authority Act, 58 of 1995
SARB	: South African Reserve Bank
SDA	: Skills Development Act, 97 of 1998
SEDA	: Small Enterprise Development Agency
SETAs	: Sector Education Training Authorities
SME	: Small Medium Enterprise
SMMEs	: Small Medium and Micro Enterprises
SPSS	: Statistical Package for the Social Sciences
SRI	: Socially Responsible Investment
TPSF	: Trade Policy and Strategy Framework
TVET	: Technical Vocational Education and Training
UN	: United Nations
UNDP	: United Nations Development Programme
UNIDO	: United Nations Industrial Development Organisation

## CHAPTER 1

### 1. INTRODUCTION AND BACKGROUND OF THE STUDY

#### 1.1 INTRODUCTION

This study was based on critical analysis of job creation strategies in the Makhado Local Municipality. This chapter presents the introduction and background of the study, problem statement, aim of the study, specific objectives of the study, critical research questions, significance of the study, delimitation of the study, and limitation of the study and definition of operational concepts as well as organisation of the study.

South Africa's first non-racial elections in 1994 heralded the end of apartheid regime and gave birth to a non-racial democracy. Prior to the inception of the non-racial democratic government in South Africa, the vast population of non-whites citizens were disadvantaged in so far as the right to freedom of trade, occupation or profession was concerned (Seekings & Natrass, 2005: 47). The job policies then unfairly discriminated against a vast population of non-whites citizens (Khan, 2010: 11). The first democratic elections of South Africa in 1994 marked a new era of the right to freedom of employment to all South African citizens. It is stated in Section 22 of the Constitution of the Republic of South Africa, 1996 that every citizen has the right to choose their trade, occupation or profession freely.

The South African society is characterised by extreme poverty and inequality in the distribution of income and earning opportunities (Van der Berg, 2005: 214). The high level of poverty that persists in the country is closely linked to unemployment. To address this challenges, the South African Government (henceforth, government) introduced a macro-economic framework, namely, Growth Employment and Redistribution (GEAR) in June 1996 which aimed at increasing and sustaining economic growth, creating employment, keep the rate of inflation minimal, reduce government debts, increase foreign direct and gross domestic investment and restructure the public sector through privatizations (African National Congress, 1995: 19). Unfortunately, GEAR did not succeed in addressing the vast number of economic challenges South African is facing. Instead, unemployment, poverty and skills shortages escalated (Streak, 2004: 275). Lombard (2008: 157) concurs with this view when she asserts that, particularly during 1996 to 2000, GEAR did not produce the economic benefits it intended to realise. This is because GEAR was supposed, in the tradition of the Reconstruction and Development Programme (RDP), to reduce the legacies of inequality and poverty left by apartheid, but failed to do so (Streak, 2004: 279).

According to Statistics South Africa (2014: xv), the number of unemployed people increased by 237 000 (or 4.9%) between the fourth quarter of 2013 and the first quarter of 2014. This is largely attributable to an increase of 153 000 unemployed men. This statistic is at the highest level since the inception of the Quarterly Labour Force Survey in 2008 (Statistics South Africa, 2014: 5). Additionally, the number of discouraged job-seekers increased by 64 000, while the other (not economically active group) decreased by 35 000, resulting in a net increase of 29 000 in the not economically active group (Statistics South Africa, 2014: 5). As a result, numerous projects in the Republic of South Africa (RSA) had to be delayed or cancelled due to a lack of skilled labourers.

## 1.2 BACKGROUND OF THE STUDY

The new era promised freedom, justice, fulfilment and hope to improve living conditions of the citizens (Moller & Dickom, 2002: 3). Furthermore, Moller & Dickom (2002: 3) this new era should manifest the ability of the South African government to create more job opportunities to the citizens. As part of its developmental drive nationwide, the South African government has prioritised socio-economic development and urban renewal as key strategies to counter the legacy of poverty and uneven development in the country (Khan, 2010: 192). In South Africa, high inflation contributed significantly to widening inequality in the 1970s and 1980s (South African Reserve Bank, 2013: 3). In addition, unemployed men and women who earned no income or developed periodic earnings from informal self-employment remained as a majority in the labour force. Government has responded with many initiatives to deal with employment creation, but unemployment rates in South Africa still remained high by 27.2% in the year 2018.

In South Africa, the historical policies of apartheid played a major role to inequality, unemployment and racial imbalances (Seekings & Nattrass, 2005: 464). Reconstruction and Development Programme was formally adopted by the Government of National Unity (GNU) following the elections; however, it was short lived as it was effectively replaced in 1996 by the Growth, Employment and Redistribution program (Deegan, 2001: 119). During the struggle against apartheid, the public adopted a non-payment for services approach as a strategy to fight the system. Makhado Local Municipality is a middle-income emerging market with an abundant supply of natural resources, well-developed financial, legal, communications, energy, and transport sectors (Vhembe District Municipality, 2014: 179). In the past, black people were limited in terms of career choice with autocratic system declaring certain fields of studies as no-go areas for Blacks. Johnson & Mortimer (2002: 535) are of the opinion that career choices are influenced by local labour market conditions as well.

### 1.2.1 Unemployment historical background in South Africa

The historical data shows that South Africa had an unemployment rate of approximately 20% in 1994, which rose to 36.72% in the year 2017 (Statistics South Africa, 2002: 19). The education system is totally broken into a lot of pieces in the sense that the government introduces many systems which cannot make graduates to depend on themselves with regard to employment, but depend on the government. Educational systems such as Bantu Education, Outcomes Based Education (OBE), National Curriculum Statement and Curriculum Assessment (NCSCA) Policy Statements have been introduced, but education does not make difference in terms of job creation. Although people did not have decent jobs in the past, they earned little money which enabled them to support their families. In the current moment, people are educated but they are not working as they depend more on the government (Bhorat, Naidoo, Oosthuizen & Pillay, 2016: 14). Whilst there have been enormous strides in the last 20 years to increase access to schooling, the poor quality of schooling in South Africa remains a critical challenge. Together with population growth, unemployment has led to a rise in the number of people categorized as poor with the increase being most striking in urban areas (Leibbrandt, Woolard & Finn, 2010: 36).

Sibisi (2009: 14) states that rural communities are especially in need of strong local government, but have the weakest local government structures with lack of information, skills, funding and capacity. South African Department of Labour's head offices and/or finance administrators have come up with a strategy to alleviate unemployment, namely, the Expanded Public Works Programme (Department Public Works, 2005:13). According to the United Nations Development Programme (2003: 70), the growing income and wealth inequality, if not properly addressed in any given context, impedes sustainable development by contributing to a rise of poverty, distorting the utilisation of society's productive resources, frustrating the growth potential of a country and jeopardising the sustainability of its environmental well-being. The EPWP is a nationwide programme covering all spheres of government and state-owned enterprises. The EPWP provides an important avenue for absorption and income transfers to poor households in the short to medium-term. The EPWP is also a deliberate attempt by the public-sector bodies to use expenditure on goods and services to create work opportunities for the unemployed. The main constraints in delivering results in pro-poor implementation are poor analysis of local economies, unsustainable community development projects, lack of capacity, and lack of resources (Nel & Rogerson, 2005: 16). Municipalities in South Africa do not have adequate economic strategies in place to address the issues of poverty, unemployment and inequality.

EPWP is one of government's priority interventions to correct these discrepancies and alleviate poverty (Department of Public Works, 2011: 1). The EPWP is one of government's array of programmes aimed at providing poverty and income relief through temporary work for the unemployed. According to Antonopoulos & Kim (2008:53), the mandate of the EPWP is to further employment by means of providing the unskilled from poor and exceedingly poor households with short-to medium-term employment opportunities. The government introduced this programme in 2003 as a complementary measure to reduce rising unemployment and poverty, but failed to consummate it to finality. Ramachela (2005: 4) emphasizes that the EPWP is one part of an overall government strategy to reduce poverty through the alleviation and reduction of unemployment. The increased poverty illustrates that poor households have missed out on the benefits of economic growth (Thwala, 2011: 13). In South Africa, unemployment remains one of most intractable economic problems facing the country over the years. To meet this challenge of rising unemployment in the country, there had been several economic policies such as Local Economic Development (LED) Policy Paper of 2002, and Skills Development Act, 97 of 1998), implemented in the past years, but even though these strategies are there, unemployment still persists.

Section 155 of the Constitution of the Republic of South Africa, 1996 states that municipalities have to create an enabling environment for investment through provision of infrastructure and quality services rather than by developing programmes and attempting to create jobs directly. The Local Government Municipal Systems Act, 32 of 2000), stipulates that a core component of an Integrated Development Plan (IDP) must be a municipality's local economic development aim. Programmes to encourage firms to hire young people have so far not yielded the desired results. Taking into cognisance the given scale of unemployment in South Africa, most of the unemployed people lack skills to fit into most of the great and powerful jobs in the country. It is critical that municipalities focus on growing labour-intensive sectors including mining and agriculture. It is also critical that government expands and strengthens the quality of its public services, including the social wage, to enable low skilled workers to live meaningful lives.

While South Africa has made praiseworthy progress in expanding access to primary education, secondary education, and institution of higher education, the quality of outcomes in the system remains below international averages. Education provides the most-effective route to breaking the intergenerational cycle of poverty (Maholmes & King, 2012: 342). Lack of education is also the greatest exclusion a person can experience. Given that the economy is short of skills, importing skilled workers can be a sensible strategy because of the multiplier effects for low skilled employment. According to World Bank (2013: 7), it is estimated that for each high skilled immigrant that comes into the country, between four and eight low skilled jobs are created. Globally, work has become more skills-intensive and the rates of return to



education have been rising in most countries (International Monetary Fund, 2013: 7), meaning that skilled workers are capturing a larger and larger share of wages in the economy. According to Rogerson (2009: 51), a lack of direction from higher spheres of government has resulted in local government being unsure of what functions to prioritise. Lack of direction in the municipality leads to protests by the community members. South Africa, there is also a need to improve the functioning of the labour market to strengthen its institutions and the need to promote inclusive growth through encouraging new entrants into the market. Babb & Meyer (2005: 2) assert that shortages of key skills and the problem of high levels of unemployment and employability are well documented in South Africa. Beyond framework for regulating the conduct and risk-taking of banks, important contributions to the broader economic environment which are essential for job creation, central banks do not have the policy instruments to create jobs directly.

Central banks also do not usually have the institutional authority or tools to undertake the structural reforms required to ensure that an economy grows faster or that unemployment is reduced at a faster pace (World Bank, 2013: 4). The room for central banks to direct credit to one sector over another or to one firm over another is limited. Reducing unemployment on a sustainable basis is debatably the single most important economic objective at the present moment. In part, creating jobs is about raising the level of economic growth within the municipalities. Rogerson (2004: 401) maintains that as the relative proportion of the population classed as poor or very poor is the highest in South Africa's small towns and rural areas, therefore it is not astonishing that most Local Economic Development policies in these areas focus on pro-poor interventions.

### **1.3 PROBLEM STATEMENT**

In terms of the Constitution of the Republic of South Africa, 1996 Section 195 (1)(i), public administration must be broadly representative of the South Africa people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation. Helmsing (2003: 69) avers that Local Economic Development (LED) initiatives mobilize actors, organizations and resources, development of new initiatives and local systems through dialogue and strategic actions. Poverty alleviation as one of the development strategies adopted by LED is built on the promises that local communities and authorities can facilitate development through partnership with the government, business, labour, civil society and organizations (Swinburn & Murphy, 2007: 4). In South Africa, LED is often taken to refer to social participation in income-generating activities and redistributive wealth mechanisms that retain and expand local economic activities. The LED leads to questions regarding whether this approach is more

effective in terms of poverty and unemployment alleviation. Section 152 of the Local Government Municipal Systems Act, 32 of 2000) states that in the South African context, the local economic development programme, as incorporated in government policies, aims at supporting all municipalities in implementing LED with the primary focus of addressing the needs of poor and marginalized people and communities.

In order to facilitate LED within the broader developmental mandate of local government, Section 23 of the Local Government Municipal Systems Act, 32 of 2000 provides that a municipality must within a prescribed period adopt an Integrated Development Plan, which is conceived as a tool to assist municipalities in achieving their developmental mandates. The most recent direction to LED in South Africa is contained in the National Framework for LED released by the Department of Provincial and Local Government in 2006 (Department of Provincial and Local Government, 2006:18). Despite these strategies put in place by the government, there is still an alarming number of unemployed people in the municipality. For instance, statistics show a total percentage of 27.2% which amount to 6.1 million of South African people who are unemployed (Statistics South Africa, 2018). The EPWP only creates temporary job opportunities and the incumbents go back to swell the numbers of unemployed people. Contrariwise, LED projects create job projects which cannot be sustained.

More than a quarter of the South African potential labour force was unemployed by 2004 (Statistics South Africa, 2005). The unemployment rate for the first quarter of 2010 increased by 0.9% to 25.2% (Statistics South Africa, 2010). The total number of unemployed in 2010 was 4.3 million for the first quarter. Employment declined by 171 000 between the fourth quarter of 2009 and the first quarter of 2010, with the formal sector losing 140 000 jobs and the informal sector shedding 100 000 jobs. Agriculture created 35 000 jobs and private households 34 000 jobs (Statistics South Africa, 2010). The 2010 survey shows that the number of people in the labour force decreased by 25 000 and construction by 64 000. The question is whether the municipalities' current policy priorities and plans for the formal services sector will really guide the economy towards creation of employment. This study uses LED as a basis for probing an empirical question on the extent of the unemployment in Makhado Local Municipality and possible policy issue within public administration theoretical space.

#### **1.4 AIM OF THE STUDY**

The study analyses job creation strategies used by Makhado Local Municipality and also yields possible strategies which might enhance the possibilities of reducing unemployment.

## **1.5 SPECIFIC OBJECTIVES OF THE STUDY**

The following specific objectives benchmarked the realisation of the study:

- To determine challenges faced by Makhado Local Municipality with regards to job strategies
- To assess the level of job creation strategies at Makhado Local Municipality
- To review existing strategies in the Makhado Local Municipality with regards to job creation

## **1.6 CRITICAL RESEARCH QUESTIONS**

The following are the research questions of the study:

- What are the challenges faced by Makhado Local Municipality with regards to job creation strategies?
- What is the level of job creation strategies at Makhado Local Municipality?
- What are the existing strategies in the Makhado Local Municipality with regards to job creation?

## **1.7 SIGNIFICANCE OF THE STUDY**

The study is significant because it was meant to propose ways for municipalities to reduce unemployment particularly in Makhado Local Municipality. The youth are going to benefit a lot from this study because it is very educational and is an eye opener to the society at large. This study was envisaged to enable the youth to know how to create jobs for themselves. Communities will also benefit because when many people are employed, it fosters community development within the municipality. The findings of this study can be used to educate the municipal manager, mayor, ward councillors, finance officials, integrated development programme officials, local economic development officials, community stakeholders, youth forum, human resources officials and graduates who reside in Makhado Local Municipality on how they can ensure that jobs are created in the municipalities and South Africa at large.

In addition, the findings of this study will help the policy makers to identify unclear evidence on the strategies and policies that can be used to create jobs in the municipalities and also, enable the youth to start their own businesses through the education they obtain. Further, the study will add scholarly knowledge and literature on the role played by managers in the creation of jobs. This study will also contribute more to the academic literature and add to scarce information on job creation in Makhado Local Municipality, Vhembe District, on the relationship between managers and other stakeholders. Furthermore, the study intended to

identify policy inadequacies that hinder creation of jobs between managers and other stakeholders.

## **1.8 DELIMITATION OF THE STUDY**

Denzin & Lincoln (2009: 172) state that researchers are encouraged to select sites and develop rationales for their choices of research sites. This study was undertaken in Makhado Local Municipality and is a Local Municipality which is found in the Vhembe District Municipality in Limpopo Province. Makhado is one of the four local municipalities that falls under the Vhembe District. The period of this study was from 2016-2018. The focus of the study was on challenges facing the municipality on job creation. The reason why the researcher focused on Makhado Local Municipality was that it is the area of interest to the researcher.

## **1.9 LIMITATION OF THE STUDY**

The limitations that the research encountered in this study had to do with the respondents who might have given untrue opinion while filling in the questionnaires and responding to the interview questions due to the sensitivity of the research problem. Some respondents might have supplied wrong information to impress the researcher instead of reporting what is exactly happening. It was difficult for the researcher to get hold of some respondents to respond to the research instrument and the researcher adhered to all ethical considerations in order to get the hearts of other respondents to participate freely in the study. However, these limitations would not affect the results significantly. This study sought to ensure that there is correspondence between the content of the self-gathered primary data collected and the actual facts that exist in Makhado in terms of job creation strategies.

The following were the hindering factors that can impede the researcher to complete the study: limited access to information, shortage of materials in the library to conduct the literature review on job creation strategies, limited funds for stationery, editing, binding, typing, travelling costs, making calls for appointments, analysis of statistical data and paying research assistants. The study overcame these limitations as the researcher obtained funding from the University of Venda Research Grant. In addition, since the study is limited to the case of Makhado Local Municipality, the findings cannot be generalized to the whole of South Africa (Mahadea & Simson, 2010: 1). Other limitations include limited time frame given to the researcher to complete the study. However, the researcher understood the significance of the study and took it very seriously, so the researcher made it a point that this study was completed in time without any hindrance.

## 1.10 DEFINITION OF OPERATIONAL CONCEPTS

The following section defines the operational concepts of the study which are as follows:

- **Poverty**

The World Bank (2001: 1) defines poverty as a lack of command over commodities in general deemed to constitute a reasonable standard of living in a society, or lack of ability to function in a society. Poverty is also defined as a situation of being unable to meet the minimum levels of income, food, clothing, healthcare, shelter and other essentials (Todaro & Smith, 2011: 773).

- **Unemployment**

Barker (2007: 174) defines an unemployed individual as an individual who does not have employment, is presently available to work, and is looking for employment. Baruah and Millo (2014: 2) define unemployment as a person without work (neither in paid employment nor self-employment), who is currently available for work and who is actively seeking work.

- **Economic development**

According to Todaro & Smith (2011: 14), economic development means the sustained growth of income per capita to enable a community to export its output at a faster rate than population growth. Blakely & Bradshaw (2002: 56) state that local and regional economic development potential equals a local area's capacity in terms of the economic, social and technology sectors and its resources which include the physical environment, location, labour, capital investment, entrepreneurial climate, transport, export market and government spending.

- **Job seekers**

According to Hornby (2010: 806), a job seeker can be defined as an unemployed person who is trying to get a job. (Banas & Wanbery, 2000: 491) job search is a purposive, volitional, self-managed and dynamic pattern of activity directed towards the goal of gaining employment. For the purpose of this study, job seeker will refer to a person who is unemployed and looking for work with all the qualifications which can make one to be employed.

- **Job search**

Mankiw & Taylor (2017: 788) define job search as the process by which workers find appropriate jobs given their tastes and skills. A job search also significantly related to employment success, although the size of these relationships was consistently smaller than those obtained for job search (Kanfer, Wanberg, & Kantrowitz, 2001: 837). Job search in this

study will refer to an act of looking for employment, due to unemployment, underemployment, discontent with a current position, or a desire for a better position.

## **1.11 ORGANIZATION OF THE STUDY**

This research study is divided into five chapters and they are outlined as follows:

### **Chapter 1: Introduction and background of the study**

This chapter focuses on the introduction and background of the study, followed by the problem statement, aim of the study, specific objectives of the study, critical research questions, significance of the study, delimitation of the study, and limitation of the study and definition of operational concepts as well as organisation of chapters:

### **Chapter 2: Literature review**

In this chapter, the researcher reviews the literature relevant to the challenges faced by local municipalities with regards to poor job creation. This chapter discusses the following aspects; challenges facing municipalities with regard to job creation, consequences of poor job creation, trends in employment and wages in the agricultural sector, entrepreneurship and job by tourism graduates, the relationship between job satisfaction and job performance. This chapter also presents legislative and policy framework on job creation, employment in the agricultural sector by gender and average farm workers available in municipalities, strategies for job creation in the local municipality as well as an imperial perspective of the critical analysis of job creation strategies in the Makhado Local Municipality.

### **Chapter 3: Research methodology**

This chapter provides details with regard to research methodologies that were used to investigate job creation strategies in Makhado Local Municipality. The reason of the choice and use of a mixed methodology (qualitative and quantitative research paradigm) are provided in this chapter. This chapter covers the nature of the study, research design, population and location of the study, sampling procedure, data collection and instrument, pilot study and data analyses as well as ethical considerations.

### **Chapter 4: Data presentation, analysis and interpretation**

This chapter presents the data collected through questionnaires and interviews. This chapter discusses the analysis and interpretation of the collected data by discussing the sampled population's responses as a way of providing an understanding of the nature of the research findings on critical analysis of job creation strategies in the Makhado Local Municipality. This chapter is divided into two (02) sections, namely; analysis of data collected through

questionnaires and analysis of data collected through interviews. In this chapter, data obtained from the respondents is presented, analysed and interpreted in graphical tabular and narrative forms on the critical analyses of job creation strategies.

### **Chapter 5: Findings, Conclusion and recommendations**

In this chapter, an overview of the study, major discussion of the research findings, synthesised discussion of findings, recommendations for job creation strategies, as well as recommendations for future research on a related subject are documented. This chapter also presents the end product of what the researcher has studied. The chapter also summarises the implications of the study.

## **CHAPTER 2**

### **2 LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

This chapter reviews the literature relevant to job creation strategies within the local municipalities. The chapter discusses the legislative and policy framework on job creation, the state of employment and non-employment in South Africa, relationship between unemployment and public administration, the state of unemployment in South Africa, challenges facing small business in the rural areas, challenges facing entrepreneurs in the rural areas, challenges in developing rural non-farm enterprises, challenges facing municipalities with regard to job creation, consequences of poor job creation, strategies for job creation, factors enhancing entrepreneurial development, different types of unemployment, causes of unemployment, measures to fight poor job creation, the role of entrepreneurship in developing countries, the informal sector as a source of employment in South Africa, and empirical evidence of job creation strategies in the Makhado Local Municipality.

#### **2.2 CHALLENGES FACING MUNICIPALITIES WITH REGARD TO JOB CREATION STRATEGIES IN MAKHADO LOCAL MUNICIPALITY**

The following section will outline the challenges facing municipalities with regard to job creation: investors are coming and going, international trade, and imports and exports.

##### **2.2.1 Investors are coming and going**

In rand terms, foreign direct investment into South Africa declined by 46.3 percent between 2016 and 2017, with a marked drop in the fourth quarter of 2017 (World Bank, 2018: 18). Entrepreneurs create employment opportunities not only for themselves, but also for others through jobs such as cleaning, advertising the products sold and maintenance of the building (World Bank, 2018: 36). Skills are critical for both labour supply and demand. They raise the productivity of workers and entrepreneurs (and their ability to access finance), help firms innovate, and expand production at competitive prices. Entrepreneurial activities may influence a country's economic performance by bringing in new products, methods, production processes to the market and by boosting productivity and competition. When people invest more, it helps in creating jobs in the sense that people tend to start their own businesses and also get funds from the government. Viviers (2007: 365) suggests that if properly implemented, Socially Responsible Investment (SRI) in South Africa could serve as a valuable example for other developing countries. However, much more still needs to be done for this to become a reality.



### **2.2.2 International trade**

More active participation in the international market by promoting exports leads to more intense competition and improvement in terms of productivity (Wagner, 2007: 60). International trade plays a prominent role in job creation and poverty alleviation. During that period, labour market and industrial policy setting was to the advantage of companies and sectors with somewhat high levels of productivity (Nattrass, 2003: 1). Companies had an inducement to limit reliance on unskilled labour. If imports increase more rapidly than exports, as they have in this economic expansion, the net effect of trade will be to reduce growth and employment (Scott, 2000: 1). According to Jansen & Lee (2007: 19), trade expands because individuals and companies around the globe increasingly report to importing and exporting goods and services, presumably because they find it advantageous.

### **2.2.3 Imports and exports**

The continuing globalisation of production makes the question of the relationship between trade and foreign direct investment ever more important (Blonigen, 2001: 81). According to Edwards (2001: 40), one per cent decline in relative unit labour cost in South Africa results in a 2.6 per cent rise in exports to developed countries. In South Africa, import penetration has been higher than export growth. Import penetration has adverse consequences for income and employment growth whereas exports have a positive effect. Rodrik (2006: 11) argues that the weakness of the export-oriented manufacturing in particular, has deprived the country from growth opportunities and job creation at the low end of the skill distribution. South African firms have had to rationalise and re-engineer activities to improve productivity to meet international competition, and this has been at the cost of low-skilled jobs (Edwards, 2001: 71). However, South Africa's integration with the global world impacted adversely on the country's labour market, as the resulting export growth did not strengthen the labour absorption capacity enough to significantly reduce unemployment.

## **2.3 IMPORTANCE OF POOR JOB CREATION ON JOB CREATION STRATEGIES IN MAKHADO LOCAL MUNICIPALITY**

The causes of poor job creation are the following: Youth unemployment, poverty, crime and dependence syndrome.

### **2.3.1 Youth unemployment**

According to the Minister of Finance of that time of budget speech (Department of Finance, 2010: 9) stated the following: labour market data confirms that employers are reluctant to hire inexperienced work-seekers, while school-leavers lack basic workplace competencies. In the same speech, Pravin Gordhan (Department of Finance, 2010: 9) announced that there would

be more focus on creating employment for the youth in South Africa. This high unemployment rate increases the poverty levels of people and subsequently leads to higher crime levels. Unemployment is considered to be one of the major causes of poverty. The unemployment rate in South Africa is exceptionally high. In South Africa, poverty and unemployment were and still are largely influenced by the apartheid legacy. Apartheid excluded the majority of the population from political processes, access to markets, quality government services, and ownership of land and other assets (Department for International Development (DfID), 2002: 11).

### **2.3.2 Poverty**

Poverty is not only about physical deprivation, it is also about less opportunity. (Anríquez, G and Stamoulis, 2007: 7) poverty is a core issue in the United Nation's Millennium Development Goals (MDGs). According to the World Bank study, Ravallion, Chen & Sangraula (2007: 10), estimate that in 2002, 75% of the developing world poor still live in rural areas. The important reason is to start separate plans for each type taking into consideration the essential features, core demands, basic necessities and priorities of both urban as well as rural sectors. Since the rural sector has greater importance than the urban sector in many developing countries, rural development is directly interlinked with overall national development and many people have the same opinion that poverty reduction is one of the significant factors for rural development. Poverty is much concentrated in rural areas of developing countries than urban areas (Ashley & Maxwell, 2001: 395). The Republic of South Africa is a democratic country with a population of more than 46 million (Statistic South Africa, 2018: 8). The demographic indicators of this country predict a population growth of up to 56 million by 2010. Despite the celebration of a decade of democracy in 2004, after a successful and peaceful political transition from the demise of apartheid in 1994, one of the major challenges facing the present regime is the fight against poverty (Motloun & Mears, 2002: 531).

### **2.3.3 Crime**

Crime trends in South Africa's major cities have followed a similar pattern as those nationally since 1994 (Schönteich & Louw, 2001: 1). The high crime rate is also costing South Africa much in the form of loss of lives, creation of jobs and skills. Many people who are not employed tend to be violent. In Vuwani area, many shopping centers were closed and this increased the high rate of unemployment in the Thulamela Local Municipality as they were unable to open their shops because of the protest which was violent and causing many people to lose their jobs in 2016. For every business that closes due to crime, at least six jobs are lost (Geldenhuis, 2008: 348). Many young talented individuals are going overseas as they

perceive insecurity and poverty employment prospects here, resulting from alarming crime rates.

Rising crime levels inhibit expansions of investment and employment (World Bank, 2006: 2). Crime is commonly observed in most countries and that unemployment and crime rates are positively correlated. It is much more unclear whether this relationship implies that unemployment causes crime, crime causes unemployment, or other factors cause both. In fact, varying the crime rate in some community affects both the proportion of interactions that occur through weak ties and their information content for job seeking purposes. According to Mafiri (2002: 53), unemployment in South Africa has a serious socioeconomic impact. Unemployment leads to criminal activities as it becomes the only means of survival for certain groups of unemployed people. Currently, a serious crime is committed every day in South Africa such as murder, house breaking, highjack and attack. Crime at this level generates high levels of fear and insecurity among the rest of the population.

#### **2.3.4 Dependence syndrome**

The prospects for sustained and rapid growth, without which poverty cannot be addressed, are themselves negatively affected by increasing inequality, poverty and unemployment (Bhorat & Kanbur, 2005). According to (Jacobs, Ngcobo, Hart & Baipheti, 2010:15), government provisions of health services, education, pensions, low income housing and disability grants have been part of the South African public economy for many years, the fact that more people in South Africa receive social grants from government than have jobs has sparked concerns that South Africa's welfare spending is unsustainable. Crusoe (2014: 25) indicates that subsidies were given to the factories, which varied according to the area and the number of people employed. Crusoe (2014: 26) further adds that although the gross turnover still went through the companies' offices in the urban areas, the wages paid to the workers were obviously spent locally, and this would thus generate extra infrastructure thereby attracting other shops and businesses, which in turn, would employ more people. Money cannot be spent on the unsustainable grant system and must be replaced by a method and model for job creation.

#### **2.4 CAUSES OF UNEMPLOYMENT**

The following are causes of unemployment, namely: inflation; recession; rapid changes in technology; discriminating factors like ethnicity, race and age in work place and overpopulation in urban areas.

### **2.4.1 Inflation**

A research by Amadeo (2012: 359) found that inflation is when the price of most goods and services continue rising upward. This situation may cause the standard of living cost to fall because, we have to spend a lot of money to get the same amount of goods and services that we bought previously. Cheng & Tan (2002: 411) maintain that inflation rate in Malaysia was overcome well in a right way during the financial crisis that was faced by the country compared to other countries that faced high inflation during that time. Cheng & Tan (2002: 417) identified that economic inflation affect many factors and lead to economic problems which can drop the economy growth of a particular country. Inflation is well known to be a situation in the economy when the money supply is growing faster than the production of new goods and services in the same economy (Hamilton, 2001: 223). Inflation is further defined to be the general price increase in goods and services over a particular time, mainly for a long period (Balami, 2006: 33). Arguments have occurred among economists in trying to distinct inflation from an economic occurrence which result in price increase of goods and services at a certain time or when there is an upward movement in prices of economic goods and services in a specific slender group (Piana, 2001: 223). This was challenged by Akinboade, Niedermeier & Siebrits (2002: 220) who pointed out that inflation reduction in South Africa following the adoption of the inflation-targeting regime is likely to be slow and costly in terms of output and employment. Inflation targeting central banks are consequently lambasted for their attempts to keep inflation low, attempts which could arguably contribute to higher unemployment.

### **2.4.2 Recessions**

According to the econometric estimates of Gordon (2010: 7), the responsiveness of unemployment to Gross Domestic Product changes has risen substantially since the mid-1980s. Productivity growth used to be pro-cyclical, falling during a downturn, not increasing firms have become much quicker to lay off workers, and not only because of new technological possibilities allowing them to do more with less. The increase in productivity growth in the recession was not the result of more rapid implementation of technological change. The consequent increases in capital per worker increased productivity. The proportion of workers in new jobs rose in all age groups, and especially among workers aged 30-39. The decline in long-term jobs reflects the decline of industries, such as manufacturing, that had above-average job tenure levels. Similarly, some of the increase in short-term jobs reflects the rise of industries, such as retail and accommodations and food services, that long had lower levels of job tenure. Banking crises can last for long periods of time, especially when there are many people who do not have income on a monthly basis. Elsbay, Bart & Aysegul (2010: 7) suggests that productivity growth accelerated more than had been forecast therefore leading to a lower corresponding demand for labour per increase in unit output. Romer (2010: 17) draws the

further implication that long-term unemployment today is mostly cyclical, not the result of structural changes specific to this recession, and therefore it will fall once again as aggregate demand recovers.

### **2.4.3 Rapid changes in technology**

Technological change has both positive and negative effects on employment levels. Technology has increased employment through the creation of new distribution channels which also require new original or modified content, resulting in increased employment in both production and distribution of content. The role of company as the technology adapting organization must also be taken into account as many of the possible solutions lie within those boundaries. Although rapid changes in technology will make some of the employees to be retrenched, this will make the companies to run smoothly as when employees are many, they tend to be lazy. Technological change is related to the demand for skilled and unskilled workers and the relevant factor prices are the wages for unskilled and skilled labour (Marco, 2012: 21). The impact of technology on the future of work is uncertain. Technology, especially automation, machine learning and artificial intelligence will drastically reduce the number of available jobs in the near future, perhaps within 20 years to come in South Africa.

### **2.4.4 Discriminating factors like ethnicity, race and age in workplace**

According to Saint-Paul (2001: 37), because race and ethnicity are correlated with skill (for example, blacks have less education than whites and Hispanics have lower English proficiency), racial and ethnic segregation may be generated wholly or partially as a by-product of segregation along skill lines. Saint-Paul (2001: 34) generates skill segregation across firms by assuming that there are productivity-related spillovers among workers within an establishment. Although there have been numerous genetic studies of sex and gender and more recently race and ethnicity over the past several decades, detailed information about the extent of our genetic similarities and differences did not reach the public's attention until the completion of the Human Genome Project. Although there have been numerous genetic studies of sex and gender and more recently race and ethnicity over the past several decades, detailed information about the extent of our genetic similarities and differences did not reach the public's attention until the completion of the Human Genome Project. By contrast, gender is a classification based on the social construction (and maintenance) of cultural distinctions between males and females.

### **2.4.5 Overpopulation in urban areas**

The employment of foreign workers should be restricted to a maximum level if the required skills are available in the domestic market (Mafiri, 2002: 66). There are probably other factors

which give rise to unemployment or lack of it. It is possible that other factors such as population increases result in high unemployment rates. This can be illustrated from South Africa as a case study. The high unemployment rates in Gauteng and the fact that every few, day labourers seek work in the Limpopo province can probably be attributed to the relatively short distance between Gauteng, the industrial heartland of the country, and Limpopo province (Taru, Chingombe & Mukwada, 2013: 18). Overpopulation in cities and urban areas is a growing problem that government and individuals have to take into account seriously. They should work together to reduce the inconveniences caused by it. The lack of decent accommodation is also a growing problem that cities must deal with. Many people are unable to find a place to live in which is a step back for cities' development. Most of the families in South African rural areas are extended families. In this type of families, for example, one family is composed of a man, his father and mother, his brothers and sisters, his wife, his sons and daughters, his daughters-in-law and his grandchildren.

#### **2.4.6 Uneducated people**

According to Bhorat and Leibbrandt (2001: 74), education affects the propensity of blacks to participate in the labour force, their probability of being employed and their earnings, with returns to secondary education being particularly high. The same people who were uneducated and poor black then are too poor now to afford a good education and a healthy lifestyle for their children who will consequently also struggle to find jobs in South Africa. Even if education and health services are free, the quality of such is not at a good standard, for example, the education system does not enable the graduates to be creative in terms of creating jobs for themselves, hospitals do not have medication and as such, unemployment becomes a national problem in South Africa. This is the result of a long-standing rise in unemployment that started in the 1970s (Seeking & Natrass, 2006: 6) and swiftly gathered momentum in the post-apartheid era. The recent high economic growth in South Africa, compared to the previous decade, higher levels of education and the reversal of discriminatory policies all created the expectation that the labour market prospects would have improved over this period for the majority of the population. However, unemployment has grown, and has prompted allegations that the economy had entered a period of jobless growth. South Africa's labour market is characterised by extremely high rates of open unemployment and relatively limited informal employment.

#### **2.4.7 Lack of opportunities**

According to According to Van Eeden, Viviers and Venter (2003: 13), the National Small Business Act (Act no.102 of 1996) has been instrumental in the creation of an enabling environment by means of its provision made for financial and non-financial governmental

assistance to all South African entrepreneurs. The government aims not only to increase the number of new ventures, but also to create an enabling environment to ensure the survival and growth of small businesses (Dhanah, 2017: 23). Where skilled workers are in demand, they themselves can co-determine the rate of their remuneration (Maritz, 2000: 16). South Africa needs over 49,000 scalable Small and Medium Enterprises (SMMEs), growing at a rate of 20% per annum, to create 11 million jobs by 2030 to meet the National Development Plan (NDP) target (Dhanah, 2017: 23). Hornsby, Naffziger, Kuratko & Montagno (2000: 29) identify crime as the reason why small businesses fail. This problem of theft can befall a business from any source, be it from a professional criminal, a customer, a supplier, or an employee. Those who hold big positions employ people they know and those who are not known remain unemployed. Corruption in South Africa will never end, but then those who are in charge of big position can try to minimise it. Those people who are in deep rural areas lack job opportunities in such a way that they no longer see a need to stay home so they try to stay in urban areas and this led to crowded urban areas and crime rates become high. Malakwane (2012: 85) asserts that developing rural communities, which would undoubtedly make a significant contribution to employment creation, remain a major challenge. On the other hand, agriculture in South Africa has faced some fundamental structural changes.

#### **2.4.8 Lack of necessary skills required by the labour market**

In faster-growing middle-income countries, there has been a tendency to follow a development pathway characterised by a shift in economic activity and employment from low productivity sectors, such as Agriculture, to high-productivity sectors, such as Manufacturing, and ultimately towards high-skilled services sectors (Bhorat, Cassim & Hirsch, 2014: 155). In line with the resistance to the National Certificate Vocational (NCV) courses and demand for the National Accredited Technical Education Diploma (NATED) courses (Nzimande, 2011: 3). Lewis (2001: 10) has arrived at some interesting conclusions which indicate that the unskilled and semi-skilled workers have been priced out of the market as a result of the course of wage density resulting in their wages increasing in relation to the skilled employees. According to Bhorat *et al.*, (2014: 159), sustained low levels of economic growth over the past decade have, in turn, had a muted impact on employment, perpetuating high levels of unemployment and household income inequality.

### **2.5 MEASURES TO FIGHT AGAINST POOR UNEMPLOYMENT IN MAKHADO LOCAL MUNICIPALITY**

Bosma, Acs, Autio, Coduras & Levie (2009: 2) reports that only a small percentage of start-up entrepreneurs can expect to create 20 jobs in their first five years of business. The reason for this is that entrepreneurship in South Africa tends to be twisted towards low-impact, or low-

expectation entrepreneurship. This is because it is driven by necessity or the absence of other viable sources of income rather than being driven by vision. Internationally, there has been a marked move away from public sector job creation programmes in favour of other active measures because of the disappointing results that are achieved in terms of helping unemployed people get permanent jobs in the labour market (Martin & Grubb, 2001: 2).

### **2.5.1 Starting your own business**

People who live in townships need lots of motivation because of the horrible conditions they live in (Manyaka, 2010: 96). Starting your own business is not an easy task, therefore one needs to generate all the skills and money needed in order to start up. This will make people not depend more on the government but to believe in themselves. Forbes (2005: 636) alluded to the fact that individual entrepreneurs are characterised by sufficient illustrations of cognitive processes such that they are able to portray a high degree of confidence. Starting a business in South Africa is very easy. No permits are required for foreigners (apart from business and work permits) and locals to begin a business. Starting a business can be both exhilarating and challenging. It requires one's full attention and energy. It all begins with an idea, an observation that there is a problem and the belief that you have a new solution or a better one.

### **2.5.2 Alertness to business opportunity**

Rwigema & Venter (2008: 57) and Ahwireng-Obeng (2003: 1) concur that individuals' ability to spot opportunities within the environment at the early stage of isolation, quantify and refine the opportunities is of essence in influencing entrepreneurship. Entrepreneurs are able to successfully identify and be alerted to opportunities and utilise the entrepreneur who possesses the creative and innovative skills (Mueller & Thomas, 2001: 57). Individual entrepreneurs are very particular and instrumental in discovering and exploiting new business opportunities and in so doing, they are creating jobs for others.

### **2.5.3 Desire and passion**

Practically, there is a growing need for entrepreneurship to provide assistance to other entrepreneurial characteristics (Lambing & Kuehl, 2007: 18; Dollinger, 2003:44). Each entrepreneur requires a large energy source to be passionate enough for success due to an opportunity utilised to establish a successful business venture (Rwigema & Venter, 2008: 60). Since the informal businesses are small in size, it makes no economic sense for these entrepreneurs to borrow small loans coupled with high interest charges to start their businesses with. Furthermore, some businesses within the informal sector that could have needed more funds such as hair-dressing and car repairs actually relied on the customers bringing their own inputs. For example, customers bought their own car parts which they took



to the mechanics only for fitting and the customers for the hair-dressers also did likewise with their hair-pieces. None of the respondents obtained loans to start their businesses. This will only happen when the entrepreneur develops desire and passion to improve their small businesses.

#### **2.5.4 Commitment, determination and high levels of perseverance**

Modern entrepreneurship requires maximum consistency from individual entrepreneurs to try to overcome severe limiting factors (Bolton & Thompson, 2004: 63). According to Rwigema & Venter (2008: 60), individual entrepreneurs must be committed and be determined to defeat all forms of setbacks which entrepreneurship presents and which other people view as very significant. Thus entrepreneurship is not essentially about success but also failures; most entrepreneurs become successful after a number of failures (Lambing & Kuehl, 2007: 19). South Africa is currently experiencing high levels of unemployment, and entrepreneurship is regarded as a tool that can help solve the problem. Starting a business involves challenges such as the chance of unwanted events occurring. Venter, Urban & Rwigema (2010: 608) point out that the risks entrepreneurs are exposed to include financial risks, career risks, psychological risks and family and social risks. These are the factors that make people not to start their own businesses, even though having a business gives you more money.

#### **2.5.5 The need to achieve**

The entrepreneur's desire to become successful is associated with five basic driving needs for self-actualisation, which strongly bear relationships with the identified need for achievement and accomplishment for goods as these forces feature stimulants for the successful entrepreneurs (Darroch & Clover, 2005: 327). Entrepreneurs, by their nature are self-starters internally driven by the desire to aggressively compete in order to become successful against set standards in pursuant of challenging business objectives (Rwigema & Venter, 2008:61). Rauch & Frese (2007: 359) concur that the internal locus of control bears strong linkages to entrepreneurship because any form of action taken by entrepreneurs determines a specific reward system. The entrepreneur is believed to exercise environmental control as well as personal destiny in spotting opportunities within the environment prior to possible distraction (Burns, 2001: 30).

Entrepreneurs believe in themselves but not in failures of established business ventures as other forces. Fate and luck are not part of the overall deciding factors of business outcomes (Kuratko & Hodgetts, 2004: 117). According to Harper's theory, individual entrepreneurs with internal locus of control are endowed with the skill of alertness to perceive opportunities and be able to access better entrepreneurial activities (Koellinger, Minniti & Schade, 2007: 505).

Entrepreneurs believe that business setbacks are controllable and within their power and they can impose much influence to realise the business outcomes due to individual actions (Rwigema & Venter, 2008: 64). The researchers argued that individuals who believe in the existing economic systems and other related variables can truly be successful within the entrepreneurial environments. There is strong support for the notion that entrepreneurs are controlled from within to attain high achievements and to enable the entrepreneur to be responsible and also gain self-confidence (Deakins & Freel, 2006: 14).

### **2.5.6 Bearing calculated risk**

The entrepreneur is known as a risk-taker and represents founders of business ventures with enormous inherent unique skills of business ideas (Van den Berg, 2007: 12). Entrepreneurial activity takes place mostly in uncertain business environments. At the core of most entrepreneurial ventures lies the risk factor. However, entrepreneurs try to avoid the odds and unnecessary business risks such as financial and personal risks; advance credit to customers; entrepreneurs persuade other stakeholders to share inherent financial as well as business risks (Hellriegel, Jackson & Slocum, 2004:146; Rauch & Frese, 2007:359; Timmons & Spinelli, 2009:12). Properly controlled and with enough level of risk management is one of the core requirements to successful entrepreneurship (Lambing & Kuehl, 2007: 19). Entrepreneurs try to share the inherent financial and business risks, persuade investors and business partners for investment opportunities, and attract creditors for beneficiating discounts and suppliers to offer lengthy advances on merchandise to augment entrepreneurial activity (Kuratko & Hodgetts, 2004: 119).

There is a substantial amount of risk in every establishment as well as in decisions taken by management (Von Stamm, 2008: 387). Thus, the ability of individuals to accept every form of innovative approaches further accelerates various fresh thinking as well as the desire to commit errors and thus encourage a fresh sense of thinking without the fear of barriers of punishments for such errors (Wang, 2008: 640). This is in line with the sentiment by Cohen (2004:18) that individual employees be exempted from punishment due to errors of innovation. In general, the propensity towards uncertainty and entrepreneurial risk is identified from the extant literature studies as the primary characteristics of entrepreneurship (Timmons & Spinelli, 2009: 53). Entrepreneurs are faced with uncertainty and business failure because major business decisions are made throughout the innovative processes (Bhardwaj, Agrawal & Momaya, 2007:134; Vesala, Peura & McElwee, 2007:52).

### **2.5.7 Self-confidence and optimism**

Individual entrepreneurs are constantly faced with continuous obstacles and challenges (Agbenyegah, 2013: 62). At the same time, entrepreneurs believe in themselves to accomplish the various set aspirations (Laming & Kuehl, 2007: 19). As pointed out by Burns (2008: 30) entrepreneurs are expected to be confident in the foreseeable future in dealing with all business operations. Kuratko and Hodgetts (2007: 111) aver that entrepreneurs must maintain high levels of enthusiasm at all times of business activity even during bleak business periods. High confidence levels of entrepreneurs will therefore make possible effective problem management (Kuratko & Hodgetts, 2007: 121). The entrepreneur is known for his/her external optimism in an attempt to avoid serious drawbacks during the course of entrepreneurial activity (Rwigema & Venter, 2008: 59). According to Baron (2008: 222), the issue of optimism is likely to encourage vital problems of severe fallacy and to contribute to small business failure.

### **2.5.8 Access to market opportunities**

The early stages of entrepreneurship involve isolating, quantifying and refinement of business opportunities from untapped or extreme chaotic situations (Rwigema & Venter, 2008: 61). Growth-minded entrepreneurs focus more on opportunity and not on resources, business structures or the best business applicable strategy. The ultimate driver of entrepreneurial activity focuses mainly on the pursuance of lucrative business opportunities to ascertain its goals. (Kuratko & Hodgetts, 2007: 117; Kaplan, 2003:13). Managerial skill is one of the core requirements of entrepreneurs to take advantage of business opportunities. The entrepreneurs need specific skills to be competent enough to identify viable business opportunities within the environment (Muzychenko, 2008: 369). According to Timmons & Spinelli (2009: 51), entrepreneurs think of new ideas, spot profitable patterns and connect relevant business dots through own experience to take advantage of business opportunities. The majority of agribusinesses are struggling mainly due to improper planning, poor business and management practices, low level of skills due to low levels of education; lack of access to information; underdeveloped infrastructure and lack of entrepreneurial culture (Ndlebe, 2007: 2).

### **2.5.9 Problem solving skills**

The owner-managers of small businesses are faced with serious problems (Agbenyegah, 2013:64). As Rwigema & Venter (2008: 55) indicated, the owner-manager is expected on numerous occasions to solve problems to remain afloat within the turbulence business climate. Some of the problem-solving skills as indicated by Rwigema & Venter (2008: 56) include time management, the ability to handle stress and all other problem-solving behaviour. Business

operations require the application of very decisive actions in solving problems (Venter *et al.*, 2010: 56). Individual entrepreneurs are not likely to be intimidated in the face of solving difficult problems. Because individual entrepreneurs are in most instances inclined to solving problems, as such they can easily view unfamiliar and poorly constructed tasks without difficulties (Raab, Stedham, & Neuner, 2005: 75).

#### **2.5.10 Creativity and innovativeness**

Botha (2006: 68) and Rwigema & Venter (2008: 57) indicate that creativity constitutes the cognitive process that is applicable in generating and developing business ideas which relate to the concepts and other forms of business discoveries. Within the confines of entrepreneurial establishment, one of the organisational concerns is to establish key enterprising stimulants (Gurbuz & Aykol, 2009: 323). The existing business environment is not static; the issue of innovation remains paramount to provide guidance throughout the era of change and growing environmental uncertainties (Kropp, Lindsay & Shoham, 2008: 104). Innovation ushers in much creativity by the introduction of new products and services as well as technology (Lumpkin, Cogliser & Schneider, 2009: 56). According to Lowe & Marriott (2006:70), innovation has become a newly discovered phenomenon with much focus on the exploitation of present ideas about products and services.

#### **2.5.11 Influence of society**

The cultural features within an entity determine the degree of entrepreneurial activity (Agbenyegah, 2013: 67). As such, the locally established social conditions play an indispensable role in enhancing economic development. Entrepreneurial culture in most instances triggers the core elements of business risks, values and the reward systems for personal effort by individuals; the majority of individuals will opt for entrepreneurship in comparison to other forms of employment within the corporate entities through similar societal entities (Beugelsdijk, 2010: 137; Mitchell, 2003: 727). The cultural settings are disputed to encourage societal individualism and hence, establish strong business success. According to Jackson, Amaeshi & Yavuz (2008: 401), the daily business activities need to demonstrate enough communal culture within which the business is established with the intention of displaying enough culture of collectivism and not individualism which is known to foster serious disassociation at workplaces. There are a plethora of humanism and collective responsibilities of communal self-assistance which bear common values within the fibre of African communities. Due to the historical belief in collective culture, entrepreneurship is seen to be suitable across the African continent (Jackson *et al.*, 2008: 401). Entrepreneurship is gravely affected within the cultural environment where failure in general has been stigmatised, as a

result, uncertainty avoidance continues to retard the quest of the individual to become innovative besides adding value to creativity (Nieman, Hough & Nieuwenhuizen, 2008: 11).

#### **2.5.12 Adapt to change**

The business environment mostly becomes unstable due to factors in the environment; as such it becomes impossible to easily adapt and become flexible (Rwigema & Venter, 2008: 55). In order to adapt to change, one needs to learn even though is not an easy task. If one is starting a business, there must be a start-up capital, therefore he/she needs to know that there are risks in every business where there might be loss and profit. Therefore, it is necessary to adapt with the current changes. The owner-managers of small businesses need to easily adapt to enhance the total business performance (Andries & Debackere, 2007: 81). It is not easy to adapt to changes made, but entrepreneurs should be ready for the changes done. For example, a massive outbreak of listeriosis is currently underway in South Africa with over 700 cases reported during 2017 and over 900 cases since the outbreak began ([www.nicd.ac.za/wp.../FAQ\\_Disinfecting-kitchen-and-shops-Listeriosis\\_20180308.pdf](http://www.nicd.ac.za/wp.../FAQ_Disinfecting-kitchen-and-shops-Listeriosis_20180308.pdf)).

#### **2.5.13 Integrity and reliability**

Individual values including ethics, honesty, integrity and ethical code of conduct as well as the entrepreneur's ability to display a sufficient level of consistency is critical for the business survival and trust between the owner-managers (the entrepreneurs) and other stakeholders (Rwigema & Venter, 2008: 69). These are entrepreneurial qualities that are valued by investors, creditors, partners and customers as entrepreneurs focus on what is supposed to be accomplished (Rauch & Frese, 2007: 359). Also, a high personal standard of individual entrepreneurs are their strong moral fibre that bounds successful entrepreneurial activity and business endurance (Timmons & Spinelli, 2009: 54). According to Kuratko & Hodgetts (2007: 117), the entrepreneurs take responsibility towards the success or failure of the business. Bessant & Tidd (2007: 258) are of the opinion that taking responsibility bears clear linkages with the desire to be successful or to achieve the desired goals. Entrepreneurs are responsible for various business activities, namely subordinate performances and accountability towards employees (Rwigema & Venter, 2008: 62).

#### **2.5.14 Open-mindedness**

Entrepreneurs continue to think and rethink strategic actions, restructure organisational needs to the applicable relevant communication systems and to align the business culture that is suitable to every section of the business environment (Hisrich, Peters & Shepherd, 2008: 33). The ability to sense and seize viable business opportunities requires constant thinking of the dominant business logic and relevant questionnaires regarding marketing conditions, issues

that are likely to change within the business environments. The seed of entrepreneurship is the ability to see things differently. Whether it is with the new products or new processes, entrepreneurs are driven by the uncanny knack to see holes in the marketplace and devise innovations to fill them. Though it is not the only essential quality to success, creativity may be the fundamental mental skill.

#### **2.5.15 Decision-making and leadership**

Entrepreneurship flourishes as the individual entrepreneur is very decisive in decision-making approaches to determine the success and failure of a business venture (Rwigema & Venter, 2008: 57). In addition, Rwigema & Venter (2008: 69) opine that business dynamics is associated with a skilful leader who is able to correctly articulate the company vision in order to build an efficient team. Companies and businesses which have a higher level of employee involvement in decision making show higher levels of employee motivation and satisfaction. There are leaders who are born with good decision-making skills. Leaders with good decision-making minds naturally go from objectives to alternatives to risks, gathering and processing the relevant information in the right order. Many leaders achieve their position because they have excellent critical-thinking skills, and they have trouble understanding that not everyone starts out with the same distinctive talent. Therefore, leaders have to recognize the power of shared decision-making and also involve the right people in the decision, at the right time, in the right way.

#### **2.5.16 Low support needs**

Burns (2008: 25) states that the entrepreneur's desire to be independent translates differently as individuals who control their destiny, do things not similar to others for personal fulfilment. Furthermore, entrepreneurs deserve total level of commitment during every form of start-up activities to understand how to establish a sustainable business venture, working alone and as part of a team (Timmons & Spinelli, 2009: 49-50). It is no secret that entrepreneurs are key to creating wealth and driving economic growth, innovation and employment. Teaching children and graduates the skills to start, manage and operate their own businesses would be the first step in creating a more independent and driven of youth in South Africa. All institutions of higher learning such as universities and Technical Vocational Education and Training colleges should have active partnerships with employers. By developing partnership between institutions of higher learning and employers will be to align their curriculum and the skills to students with employer needs. Even before entering an apprenticeship, schools need to take responsibility for developing the skills students need to enter the workforce. It is all about making the transition of the world of institution of higher education to the world of work easier.

### **2.5.17 Desire for immediate feedback**

According to Bjerke (2007: 82), entrepreneurs are very keen to receive feedback as it forms part of the entrepreneur's characteristics of the need for achievement. As much as entrepreneurs enjoy their business operations, they also need to know how the business performs within the environment through feedback from prospective customers. Kuratko & Hodgetts (2007: 6) describe individual entrepreneurs as quick learners who use feedback to learn from mistakes and setbacks. Entrepreneurs need to increase work experience opportunities for variety of industries. Entrepreneurs should engage in a number of different business environment to get a real feel of what the business will be like.

### **2.5.18 Limited need for status and power**

Entrepreneurs who are successful are equally responsible and eager to achieve specific results instead of personal power (Kirby, 2004: 112). Schumpeter (2003: 111) argued that human nature is static despite the fact that individuals work hard for income; still individuals are unable to create new things outside the economy but are reactive to the static environment. According to Timmons & Spinelli (2009: 60), entrepreneurs are much likely to be powerful with great status. These qualities do not form part of the entrepreneurial process and therefore do not form part of the entrepreneurial driving force. There are people with status in such a way that they have fear of the unknown. You cannot accomplish any difficult goal overnight, but you can accomplish one step, however small, towards that goal and the same with a business is to start small, so many people have status of not starting small which is posing a challenge. Others will start but think about the end of a journey and all that will be required along the way and they will never start something new.

## **2.6 THE STATE OF EMPLOYMENT AND NON-EMPLOYMENT IN SOUTH AFRICA**

This section presents the state of employment and non-employment in South Africa and is based on two folds which are the broad employment trends and the quality of work.

### **2.6.1 Broad employment trends**

The contribution of employment to household income is particularly important since there tends to be more reliance on families than on individuals (Altman, 2001:5; Edwards, 2000: 41; Klasen & Woolard, 2000: 15; Meth, 2001: 5). The employment rate masks much lying underneath, with substantial implications for households, and for policy. The identification of appropriate policy interventions will depend on the extent to which it is one or the other. This is found in every sector, except for community services. This may partly be explained by a regrouping of activity to improve productivity in an increasingly competitive environment. In addition, employment-output ratios (or the number of people employed relative to output) have

fallen in every sector except community services. Overall, the main employment growth has been found outside the formal sector. During the fourth quarter of 2010 and the first quarter of 2011, employment within the informal sector diminished from 2.22 million to 2.18 million which account for about 46 000 job losses (Statistics South Africa, 2011: 1). Stats South Africa has been actively working to improve its estimates of the informal sector. Rather, it is more prudent to focus on the most recent measurements at a point in time. Demarcating informal employment is a little confusing and the categories require explanation.

### **2.6.2 The quality of work**

The variations in work quality is related to the contract flexibility and earnings. Although the legislation is often seen as onerous, there is actually substantial contract flexibility in the formal sector. South Africa has been a victim of high unemployment rates, with the official unemployment rate rising from 15.6 percent in 1995 to a peak of 30.3 percent in 2001 and minimally declining to 26.7 percent recording a differential of 11 percentage-points since 1995 (Kyei & Gyekye, 2017: 177-185). The public service twists the average contractual obligations in the formal sector upwards. This may indicate that either there has long been substantial flexibility, or else that firms are locating strategies to introduce flexibility. Either way, employment should not be constrained by contract inflexibility, except possibly on the margins. In employment terms, the economy has shifted to a smaller productive base that supports a larger under- and un-productive base. Fewer people at higher skill levels are producing more output. Larger parts of the labour force are in very low or zero productivity activities. This is unsustainable since although output has grown, lower rates of employment (and income derived from employment) means higher household dependency ratios, weaker spread effects and distribution of income, thereby undermining any sustainable growth trajectory. The most critical problem lies in the very slow uptake of young entrants. It is one thing to have a lost generation as a result of apartheid. It is quite another to generate a *new* generation of people who have little link into the economic and social participation offered by the world of work. This is one measure, in combination with active labour market policy that raises employment created at any rate of national growth.

## **2.7 FACTORS ENHANCING ENTREPRENEURIAL DEVELOPMENT ON JOB CREATION STRATEGIES IN MAKHADO LOCAL MUNICIPALITY**

The following factors that enhance entrepreneurial development will be discussed namely, education and skills, and government support programmes:



### **2.7.1 Education and skills**

(Kropp *et al.*, 2008: 104; Alvarez & Barney, 2007: 129) the individual entrepreneur makes decisions to establish start-up businesses taking into account various entrepreneurial processes such as the task of market evaluation and research, seek financial assistance and to prepare a viable business plan through the application of various personal attributes that link the entrepreneur to specific market environment. Work and education will enable citizens to improve their own lives (National Development Plan, 2030: 30). Teaching entrepreneurship is not only imperative, it is highly effective and shows that people who take entrepreneurship training at any level from creche to adulthood are more likely to start a business and to succeed. Approximately 90% of business failure relates strongly to a lack of managerial skills such as financial skills, planning, managing of credit and recordkeeping (Radipere & Van Scheers, 2007: 79). Entrepreneurship education is a life-long learning process and consists of the following five stages, namely: basics, competency awareness, creative applications; start-up and growth.

### **2.7.2 Government support programmes**

Recent studies have indicated a new concept of entrepreneurship which sheds more light on the role of government. As a system necessary for economic growth, entrepreneurship consists of three components: entrepreneurs that desire to achieve their goal for economic survival and advancement; the social constitution that grants the right for forming and operating free enterprises and government that has the ability to motivate entrepreneurial behaviour towards social development and growth, and to adjust the constitutional system that works at its best to protect each individual entrepreneur (Audretsch, Roy, Verheul & Wennekers, 2002: 27). This is particularly important in Limpopo as there are indications that, while growing the province share, the South African economy is declining, and that poverty in the province is not reducing. Additionally, there is evidence that the economy is not creating jobs as fast as it is growing. Therefore, a productive local economy with admirable infrastructure, educated, skilled and flexible people, competitive local markets and good governance is required to create a prosperous future. There is a need for an environment conducive to create conditions to allow people to access opportunities that could reduce poverty and create jobs. Fostering entrepreneurship and the creation and support of rural businesses is a crucial goal for the survival and integrated development of rural local economies.

## **2.8 CHALLENGES FACING SMALL BUSINESSES IN THE RURAL AREAS**

The following challenges facing small businesses in the rural areas will be discussed namely; demographic characteristics; family influence; workplace experience; resource-gathering; economic environments; access to finance; personal experience; market dissemination; and technology and state of infrastructure.

### **2.8.1 Demographic characteristics**

Different demographics such as individuals' age, income, education, gender and ethnicity are proven to be fruitful in research environments, because individual demographics are used to differentiate potential entrepreneurs from non-entrepreneurs (Bolton & Thompson, 2004: 329). According to Bindl & Parker (2010: 20), the gender of an individual depicts common determinants of self-employment; yet in terms of ethnic foundation, the study outcome displays mixed pictures. Demographic traits, in particular gender, have in recent years received growing focus in entrepreneurial surveys among women and men in entrepreneurship (Shane, 2008: 217). Globally, at the ages of 25 and 34, there is sufficient engagement of entrepreneurial activities by individuals for start-up businesses. Unfortunately, studies have shown that there are no correlations between entrepreneurial attitude and the age of individuals (Levesque & Minniti, 2006: 177). However, there are serious disagreements regarding the rates of entrepreneurial activity in South Africa. Educational qualifications by individuals bear strong and positive relationship to higher entrepreneurship only in highly structured income countries as returns on education are mostly high for the self-employed (Acs, Arenius, Hay & Minniti, 2004: 10).

### **2.8.2 Family influence**

In order for an entrepreneur to recognise, discover and create opportunities it is important to learn. Alvarez & Barney (2007: 11) argue that through a process of learning opportunities can be created. According to Aldrich & Cliff (2003: 573), there is a lack of enough family attention regarding family entrepreneurship. Family structure deeply impacts on entrepreneurial activity; within the entrepreneurship framework, smaller family size businesses facilitate entrepreneurship and at the same time, limit the creation of promising entrepreneurship. As indicated by Shane and Cable (2002: 367), family assistance and social networking cannot be ignored; various economies have encouraged sustainable entrepreneurial activities, in particular opportunity entrepreneurship that are most likely to grow. Besides, to be raised in an entrepreneurial family greatly impacts on the entrepreneurial ability of an individual, offers learning opportunities and skills from self-employed parents (Chlosta, Patzelt, Klein & Dormann, 2012: 121). Advancing further the immense positive influence of work and family

on entrepreneurship, it is argued that a family offers assistance to entrepreneurship success (Powel & Eddleston, 2010: 1). Family influence is highly associated with entrepreneurial success and it makes children to have enthusiasm of starting their own business as children grow with skilled entrepreneur at home. Entrepreneurship success can be associated with individuals with an entrepreneurial family background (Shane, Locke & Collins, 2003: 257).

### **2.8.3 Workplace experience**

Besides social capital, educational standard and work experience are some of the outstanding factors of new business start-ups (Urban, Van Vuuren & Barreira, 2008: 61). Employees with existing experience in an industry can be an added advantage in terms of skills, personal networking and knowledge. Furthermore, Wagner (2007: 60) indicates that vast amount of evidence exist that experience bears correlation with successful transition from nascent to infant entrepreneurial activity. However, Samuelsson & Davidsson (2009: 329) argue that no evidence exists regarding industry experience with business operations. The previous employment opportunity prior to the establishment of new business ventures is perceived as the depth of personal experience (Shane, 2008: 223). Personal experience does not only provide critical foundation to entrepreneurial success, but it also enables the individual to acquire the wealth of the business management skills that is critical to run the business; it also provides the individual with the potential to identify viable business opportunities for successful exploitation.

### **2.8.4 Resource-gathering**

The primary resources of an organisation include individuals and the level of requisite information to start business operations as the small business sector is challenged by insufficient management of inventory which constrain small business growth (Busuttil, 2007: 4). In addition, small businesses are unable to properly analyse information in order to sustain operations (Levy & Powell, 2005: 36). Small businesses find it very difficult to effectively control, monitor, plan and to make informed business decisions due to challenges (Burns, 2007: 182). According to Ngassam, Kandie, Nkaelang & Modibe (2009: 2), small businesses are hampered as critical resources such as finance, location of business premises and access to technology become limited. It is therefore vital for the business survival provided the small business sector acquires enough skills in areas of accounting as well as in management (Sane & Traore, 2009: 114). In order for the entrepreneurs to acquire funds, they use personal funds, family savings of funds from friends to start their business operations; thus, full of risks because the founders rely heavily on their personal perceptions for investment options in the new business ventures.

### **2.8.5 Economic environments**

Entrepreneurship and small businesses are known to flourish well in a stabilised and low-rate inflationary environment and create wealth by putting together newer production methods (Audretsch, 2007: 63). Within the economic environment, entrepreneurship and small businesses continue to create opportunities to stimulate entrepreneurial activities (Stevenson & Lundstrom, 2002: 23). The small business sector is weakening due to lack of skills and capital; as such it is unable to face market competition of the economy (Makatatiani, 2006: 1). There are some other entrepreneurs who by lack of skills turn to get profit and call it a quit in business and to start again will not be easy. According to Bennett (2008: 377), intervention policy measures by government to support small businesses in the economy rather create bureaucratic issues which harm small business operations.

### **2.8.6 Access to finance**

Streams of scholarly empirical evidence point to the significance of financial limitations of start-up businesses. Small businesses are challenged by preventive elements (Wickham, 2006: 167) due to different funding issues of inability to obtain maximum funding for start-up businesses due to a lack of sufficient information about available financial institutions (Casparie, 2008: 112). Besides, the small business sector is perceived to be an investment risk; thus the small business sector is unable to attract requisite skilful labour for business operations (Zimmerer, Scarborough & Wilson, 2008: 12). According to Estrin, Meyer & Bytchkova (2006: 702), the issues of financial limitations are not better for the expansion of start-up businesses. Access to finance has been one of the critical inhibitors to entrepreneurship and small businesses (Pretorius & Shaw, 2004: 223). Generally, financial institutions in South Africa are not prepared to offer the necessary financial assistance to business operating in black areas because of the fierce competition (Woodward, Rolfe, Ligthelm & Gruimaraes, 2011: 65). The small business sector is faced with critical challenges of insufficient start-up capital and exorbitant financial charges, these discourage many people from engaging in business activities.

In contrast, the study indicated that challenges of a lack of financial support become milder provided there is evidence of best financial practices and efficient management systems (Motsa & Associates, 2004: 16). Small businesses are recognised globally as creators of employment. The development of small businesses is always faced with several limitations including capital funding due to the inability of owners to provide sufficient guarantee requirements. The study further discovered that several issues relating to a lack of collateral, high financial costs, a lack of education, inexperienced managers and a high level of bureaucratic systems were some of the causes for small business failures (World Bank,

2006:32). The owner-managers find it very difficult to access much needed capital to finance business activities; furthermore, increasingly concern is raised because of the high financial costs to small businesses; in South Africa small business development is largely constrained because of inadequate financial support (Van der Merwe, 2003: 32). According to Nieuwenhuizen & Kroon (2002: 22), small businesses are regarded as a high risk area of viable business investment. Reasons given are that small businesses are unable to provide guarantee securities as needed by commercial banks. According to Naudé & Havenga (2004: 112), small business experiences problems to acquire both short-and long-term financial support due to a lack of security as pre-conditions for financial support from banks. The inability of owners of small businesses to access enough funding is another compelling reason for high small business failure.

### **2.8.7 Personal experience**

Much has been documented in terms of lack of experience and insufficient management training programmes to assist the owner-managers of small businesses (Cheung, 2008: 50). In supporting this, Ahmad (2009: 98) emphasises that factors such as poor skills levels hamper small businesses. According to Ihua (2009: 199), the lack of managerial skills culminates into poor management of resources by the owner-managers (entrepreneurs) of small businesses which continue to fuel the challenges of business growth. The ability of entrepreneurs to operate entrepreneurial activities successfully is determined by the level of educational standard within the family unit (Djankov, Qian, Roland, & Zhuravskaya, 2008: 1). There are entrepreneurs who have a fear of unknown and they tend to do usual business whereas they can come up with new ideas and such people end up closing their business and many loss jobs.

### **2.8.8 Market dissemination**

There is a minimal amount of market information that is available to be utilised by the small business sector. This is in line with the argument that the market for the corporate entities cannot be used by small businesses due to a lack of resources within the small business structures (Adams, Khoja & Kauffman, 2012: 20). The small business sector is further constrained due to serious delays in costs and more export complications. Due to a lack of capital and skills, small businesses are restrained to expand into the export markets. Consequently, most local markets still remain with cheap, low quality products and services rendered by most of the survivalist micro-businesses (Jones & Tilley, 2003: 8). Naudé & Havenga (2004: 112) state that the small business sector experienced high marketing risks due to the limited product range the sector offers to the market.

### **2.8.9 Technology and state of infrastructure**

According to Modiba, Ngassam & Eloff (2009: 161), lack of adequate skills, knowledge and a lack of information, poor quality of infrastructure development within the small business sector especially in the area of information technology gravely impair the growth and expansion programmes of small businesses as a result of rising production costs which limits small business viability. Small businesses within the informal sector are not registered (Small Enterprise Development Agency (SEDA), 2007: 20). The small business sector depends severely on infrastructure for its basic survival (United Nations (UN), 2007: 3). Small businesses within the informal economy are faced with challenges of inadequate infrastructural issues (United Nations Development Programme (UNDP), 2003: 14). Small businesses lack sufficient time, the resources and technological expertise in research and development; therefore, creating serious limitations for business growth and sustainability (Jones & Tilley, 2003: 8). In addition small businesses in South Africa are currently unable to apply the latest technologies to enhance their business operations despite the enormous benefits. The study continued to emphasise that the small business sector is reluctant to change, thus need relevant educational assistance to instil the culture of technology applications in the sector (World Wide Worx, 2006: 23). The birth of technological development also played a key role in a decline in labour absorbing activities in South Africa. When this surge of technology emerged, it required some level of skills and expertise, which was not in abundance in South Africa. The problem may have been compounded by the fact that most of the technology is imported. This tends to limit employment in particular sectors as technology has taken over the role of labour absorbing activities.

## **2.9 DIFFERENT TYPES OF UNEMPLOYMENT**

In South Africa, unemployment is mainly structural in nature, but this has been compounded by the cyclical unemployment. According to Terrablanch (2002:425), the fundamental solution to the problem of unemployment is restructuring the economy. Terrablanch (2002: 425) further states that the Reconstruction Development Plan that envisaged the restructuring of the economy should have been entrusted to free market capitalism, neo liberalism, globalization and a high rate of growth.

### **2.9.1 Structural unemployment**

When the quality of labour supplied exceeds the quality demanded and the number of jobs available may be insufficient to give a job to everyone who wants on, structural unemployment exists (Mankim & Taylor, 2017: 478). Training may be inadequate; the skills may have become outdated or may not be suited for the expanding industries. Structural unemployment also refers to unemployed workers who do not live where existing jobs are located. This is often

called a mismatch between available workers and available jobs. The definition includes the loss of jobs that occurs when employers revamp their production processes, thereby eliminating the need for many of the types of workers or when economic disaster changes the need for certain workers. The jobs lost to the slowdown in construction are not likely to return, leaving many workers in need of jobs in different industries. If the displaced workers are not qualified or cannot be quickly trained in new fields, they may remain out of work or underemployed for a long time, if not permanently. Structurally unemployed workers need more time to search for work and upgrade their skills and as a result, the duration of unemployment and the accompanying hardship increases significantly.

Structural unemployment exists when a person is not qualified for any job, because the amount he/she can contribute to any job is less than the minimum wage payable for that job. The minimum wage can be set legally, by union negotiations, or by the force of public opinion. Structural unemployment can exist even if the minimum wage is zero. Structural unemployment is also caused by a change in the demand for the products of a given industry. The closing of a particular industry may cause structural changes in the nation's industry as a whole. If labour is specific, it is immobile between industries and unemployment results. The pace of modern technology is so fast that it makes past techniques obsolete, causing unemployment in old industries. Structural unemployment is a form of frictional unemployment, but it usually lasts longer. Structural unemployment may encourage voluntary unemployment. Changes in the age structure, as well as the participation rates, are particularly important in this regard. The level of education, training, skill and experience of the labour force is also important. According to Blecher, Thomas, Smith, De Villiers & Muradzikwa (2016: 300), structural unemployment is the result of mismatch between the demand for labour and the supply of labour. This type of unemployment is associated with changes in the structure of the economy, such as changes in consumer demand, or changes in technology. Therefore, there is mismatch between the characteristics of the labour force and the characteristics of the available jobs.

### **2.9.2 Cyclical unemployment**

During recessionary periods few or no jobs are created for new entrants to the labour market, and even existing workers might lose their jobs through retrenchments (Mafiri, 2002: 9). Cyclical unemployment is the temporary unemployment that results from economic downturns (i.e. recessions), which are part of the normal business cycle. It also reflects the ups and downs of the seasonal demand for goods and services that periodically reduce the need for production and therefore employed workers. Also known as demand deficient unemployment, this type of joblessness ends when the economy improves, or a new season begins. Cyclical

unemployment gets its name because it varies with the business or seasonal cycle and tends to produce rising unemployment rates. In the past, most unemployment stemmed from temporary layoffs (i.e. cyclical unemployment) after which workers would return to their jobs, or at the very least jobs within the same occupation. According to Maynard (2007: 428), cyclical unemployment happens when there is inadequate cumulative demand in the economy for employment for everyone who seeks work. Because the demand for most goods and services decline, less production is and fewer workers are required, remuneration is lower and mass unemployment occurs. As a matter of fact, it is not surprising that during economic recessions, the demand for goods and services falls. Employers may respond by reducing the labours. When supply of labours is greater than the demand, unemployment results. However, it is believed that such unemployment will disappear when the economy recovers.

### **2.9.3 Frictional unemployment**

Frictional unemployment is the unemployment that results from the process of matching workers and jobs (Mankim & Taylor, 2017: 478). Frictional unemployment is a temporary type of unemployment that results from normal labour market turnover such as the period of unemployment that people experience when they move between jobs. When it is based on personal decision like the choice to change jobs, it is somewhat under one's control. During periods of low unemployment, much of the joblessness reflects frictional unemployment. This type of unemployment is less serious than cyclical or structural unemployment, which are largely due to factors beyond the control of individual workers. Frictional unemployment refers to the period between job transitions. People are regarded as unemployed while they are attempting to find a new job. Frictional unemployment is relatively of short duration, which can be reduced even further by improving labour market information and placement services, so that the employer and the work-seekers can find each other sooner and more effectively. Kuhn & Mansour (2014: 1212) find that the unemployed in 2008–2009 were three times more likely to use online Job Seeker (OJS) than about ten years earlier and that using job online seeker significantly increased job seekers.

This type of unemployment exists because of friction in the labour market. Jobs may exist, but people do not go to take up jobs away from home for domestic reasons such as children's education, family and friendly ties as well as housing problem in a new place. Frictional unemployment is a temporary condition. This unemployment occurs when an individual is out of his/her current job and looking for another job. The time period of shifting between two jobs is known as frictional unemployment. The probability of getting a job is high in a developed economy and this lowers the probability of frictional unemployment. Frictional unemployment results from the day-to-day changes in a dynamic, changing economic system in which old



industries die and new ones are born, in which people get tired of old jobs and old bosses, in which bosses find work of subordinates unsatisfactory, and in which new people enter and others re-enter the labour force. Frictional unemployment can also be discriminative in the sense that it involves the unequal treatment of individuals on the basis of actual or perceived differences in the average characteristics of the groups to which they belong. However, according to Saylor Academy (2016:37), it is possible that the very nature of these tests may be biased against women or ethnic minorities, adding further to the discrimination faced by individual workers.

#### **2.9.4 Seasonal unemployment**

Seasonal unemployment occurs on a regular basis in economic systems, but is particularly concentrated in the agricultural and retail sectors (Van Rheede, 2012: 7). The industries that are affected by seasonal unemployment are hospitality and tourism industries and the fruit picking and catering industries. Some occupations are adversely affected by weather conditions and workers in these trades expect a certain amount of casual unemployment. Seasonal unemployment often occurs in agriculture, dockyard, hotels, restaurants and construction business. Such unemployment is inevitable and tends to be overcome by casual labour. Furthermore, seasonal unemployment occurs due to normal and expected changes in economic activities during the course of a single year. It is found in many sectors, with agriculture probably the best example. Persons working during peak periods and unemployment in off-peak periods are described as seasonal workers or seasonally employed. This unemployment occurs on regular and predictable basis. Seasonal unemployment occurs because some occupations require workers for only a part of the year (Blecher *et al.*, 2016: 300). Only when the season arrives are workers employed for part of the year.

### **2.10 CHALLENGES FACING ENTREPRENEURS IN THE RURAL AREAS**

The following are the challenges facing entrepreneurs in the rural areas, namely: lack of education, finance, government policies and programmes, infrastructure development as a global challenge, business information services and access to agricultural markets.

#### **2.10.1 Lack of education and skills**

Entrepreneurship has been held in high esteem as the vehicle for a self-development strategy for rural communities that are portrayed specifically as a useful mechanism initiated as both external and internal initiatives for needs recognition (Korsching & Allen, 2004: 399). Approximately 90% of business failure relates strongly to a lack of managerial skills such as

financial skills, planning, managing of credit and recordkeeping (Radipere & Van Scheers, 2007: 79). Unless entrepreneurs are well equipped with technical and business skills, they may not be able to overcome various problems they encounter at different stages of their business development. Lack of access to school education is one of the limiting factors in life, preventing people to develop and use their full potential in the entrepreneurship industry. Viviers, Van Eeden & Venter (2001: 11) state that lack of business skills and training is a major cause of business failure. This human deprivation also limits people's ability to find jobs, to access well-remunerated employment, or to develop entrepreneurial skills, and is therefore, one of the main causes of income poverty.

### **2.10.2 Finance**

SMEs play a key role in the development of the economy and the SME sector is a significant generator of employment (Gordhan, 2013: 12). Finance has been identified in many business surveys as the most important factor determining the growth and survival of Small Medium and Micro Enterprises (SMMEs) in both developing and developed countries (Martin, 2013: 1). Financial services are critical in enabling SMMEs to scale up operations, upgrade technology and change or improve products and services. However, traditional financial service providers such as banks often regard such enterprises as high risk, and the costs involved in assessing creditworthiness and making loans or investments can make it unprofitable (Foxcroft, Wood, Kew, Herrington & Segal, 2002: 40). In addition, access to finance is the major problem for South African SSMMEs and this issue must be addressed if an environment promoting entrepreneurship and SMMEs development is to be encouraged. The current business environment goes through turbulent and dynamic changes, with companies entering and exiting various industries at an alarming rate. The process of forming a business and entering into self-employment does not always come to fruition.

### **2.10.3 Government policies and programmes**

The increased importance of entrepreneurship is clearly recognised by politician and policy makers (Van Stel, Story & Thurik, 2007: 172; Tsai & Kuo, 2011: 8343). Entrepreneurship is still not a well-defined concept and the differences between SMMEs and entrepreneurship policies are unclear, as such efforts to become a more entrepreneurial economy tend to be impeded. Instead of assuming an integrated approach to stimulating a higher level of entrepreneurial activity, governments tend to add on projects and activities in a disorganized incremental method. If small businesses face severe credit rationing, they may become credit constrained and miss out on projects that are profitable because they cannot raise the external capital necessary to fund them (Craig, Jackson & Thompson, 2007: 22). Though government has invested considerable resources into supporting small enterprises, reach of these

programmes is very limited and most businesses are either unaware of or have not used any of the government's programmes and structures. As a result, small enterprises are largely unimpressed with the direct support offered by government. The role of government in South Africa appears to be of critical importance in shaping the present and future of the SMMEs sector. There has been a shift, since 1994 in the national policy environment surrounding small enterprises in South Africa. Post-apartheid South Africa has seen the emergence of a changed institutional and policy context, which governs the operations of the Small Medium Enterprise (SME) economy (Makgoe, 2008: 20). Small firms face problems in getting access to funding due to their peculiar characteristics which are being relatively young, lacking credit histories, lack of adequate information, and high risk perceptions, among others.

#### **2.10.4 Infrastructure Development as a global challenge**

A need for a system that would contribute to the sustainability of infrastructure by enhancement in Makhado area as a municipality to invest on it has arrived. In the past, municipalities were often not in control of infrastructure projects within their areas of jurisdiction. To this end, this defeated the objective of effective planning and integrated service delivery. The government has set national targets to eradicate backlog in infrastructure delivery. Infrastructure is critical to both growth and poverty reduction to the extent that some people consider infrastructure to be at the top of the poverty reduction agenda (Kitschelt & Wilkinson, 2007: 7). The problem is already visible in almost every country. It can be seen in strained and crumbling highways, bridges, and rail networks; ageing airports barely able to cater for a population that is more mobile than ever before; and failing electricity grids that paralyse entire cities. But investments in quality infrastructure projects can yield a myriad of benefits including significant long-term improvements in productivity, increased competition, and greater wealth creation. Africa needs to mobilise financial resources including long term income generation plans. These will ultimately create revenue sustainability for infrastructure projects, and concomitantly, African entrepreneurs need the support, political will and accountability of governments across the continent.

#### **2.10.5 Business information services**

Information and business information services are of strategic importance to businesses as the success of any firm depends on its ability to acquire the right information at the right time and cost. Both large enterprises and small businesses rely on information for success. It is important in this study to understand the nature of business information and the purpose of business information in a firm as a basis for making decisions that will lead to business growth and development. Studies on information needs of small and medium enterprises identify information needs gaps (Moyi, 2003: 221) across a wide range of business activities. For the

purpose of this study, business information needs refer to any information that small, medium and micro enterprises require on a day-to-day basis for their business enterprises and supporting the economic activities of the communities where they conduct business. Women's participation in the labour force is much lower than that for men. In 1995, only 17% of African females were in wage employment, compared with 43% of African men. Forty-five percent of white women were in the labour force, compared with 63% of white men. Nine percent of African women were self-employed, but only 4% of African men and 7% of white women (though 15% of white men) were self-employed, this has a different connotation than for other groups (Bhorat, Leibbrandt, Maziya, Van der Berg & Woolard, 2000: 20).

### **2.10.6 Access to agricultural markets**

The importance of labour in agricultural production should not be underestimated, because agricultural commodities cannot be produced without it (Mohr, Fourie & Associate, 2008: 534). With limited opportunities open to them, they remain firmly rooted in the subsistence economy. Accessibility to proper marketing facilities could help towards better production planning, expansion and better prices, lower risk and better utilisation of resources. Limited co-ordination amongst farmers and failure to fully utilise local logistics capacity also inhibit the district economic growth. Pathways out of poverty are also opened through small scale farming and animal husbandry, employment in the new agriculture of high-value products, entrepreneurship and jobs in the emerging rural, and on farm economy (World Development Report, 2008: 1). The majority of agribusinesses are struggling mainly due to improper planning, poor business and management practices, low level of skills due to low levels of education; lack of access to information; underdeveloped infrastructure and lack of entrepreneurial culture.

## **2.11 STRATEGIES FOR JOB CREATION**

The following are the strategies for job creation: Infrastructure development, agricultural development actions, technology, self-employment, entrepreneur development, human resource development, environmental and spatial development actions, local government structures, policies and initiatives, tourism and small business development.

### **2.11.1 Infrastructure development**

It is important to note that infrastructure development, job and business creation as well as provision of basic services are all related to one another because when the municipality is able to help to create jobs and businesses, it is able to generate revenue from the taxes that will be paid by the people. The more revenue the municipality is generating, the more capacity it has to provide services to the marginalised and poor communities and to also develop

infrastructure. Reddy, Sing & Moodley (2003: 180) posit that infrastructure development can create job opportunities for the poor, and can stimulate economic activity that results in more permanent jobs. Van der Waldt (2007: 143) further supports other authors on infrastructure maintenance and service delivery by saying that local conditions determine the relative economic advantage of an area and its ability to attract and retain investment. The absence of basic infrastructure development and maintenance, as well as the lack of capacity, provides a barrier for development.

The provision of well-developed infrastructure with capacity will allow for a comparative advantage and an enabling environment (Rogerson, 2009: 33). Infrastructure development focus is based on what can be done in marginalised and poor communities to improve their lives and prospects for the future. The municipality has not done much in terms of infrastructure development and this area of Local Economic Development needs to be granted more attention as community facilities and other infrastructure play a major role in social development, especially in poor communities. It is not enough for the municipality to only give households water and electricity connections because those households need to also develop themselves and live in an environment that will promote that. Section 96 (i) (a) of the Municipal Systems Act, 32 of 2000, stipulates that municipal councils need to select a service delivery mechanism that will most effectively and quickly extend services to sub-serviced or under-serviced residents and communities in the municipality with the best quality services at lowest overall cost to the municipality, residents and consumers.

### **2.11.2 Agricultural development actions**

Cloete (2013: 3495) stated that poor infrastructure continues to hinder agricultural production in underdeveloped areas. Inadequate infrastructure and lack of investment in agricultural infrastructure have constrained growth. For too long, this sector has been regarded by planners primarily as the source of essential food production. Historically, agriculture has also played a major role as an instrument for economic growth and employment. Utilising agriculture as a source of economic growth and job creation by a shift to high value-added, commercial crops, supported by policy measures to upgrade technology improve skills, raise productivity, ensure the supply of essential inputs, establish marketing and distribution channels, create linkages between agriculture and industry, and cater to export markets (Hall & Chuck-A-Sang, 2013: 51). Wiebe, Schimmelpfennig & Soule (2001: 20) examined the impact of agricultural policies and investment on productivity in sub-Saharan Africa, especially in Zimbabwe and South Africa. According to the Constitution of the Republic of South Africa 1996, it is everyone's right to have access to sufficient food and water. The problem is that there is inadequate water supply in the areas where more agricultural products can be

produced. This is what discourages many entrepreneurs to enter into the world of agriculture, especially in the rural areas where large land is.

Agriculture within the area is diverse in the sense that it is made up of commercial, emerging or small-scale and subsistence farming. Farming activities include crop-production, livestock production, agro-processing, forestry, and aquaculture. The commercial agriculture sector is well structured, and it is more predominant in areas such as the Levubu valley, Waterpoort, and Makhado town (Mpai, 2013: 86). This corresponds with areas that are recognised as areas where soils are highly suitable to arable agriculture. The potential of commercial agriculture is undermined by lack of infrastructure as well as training and financial support for local aspirant farmers. The agricultural sector is a major generator of employment as one of the job drivers of the National Growth Path that also assists in poverty reduction and food security. A lack of training and skills, both for emerging farmers can be a barrier to achieving innovation, value-added, and other profitability goals (Mpai, 2013: 87).

Access to land ownership through land reform projects provides poor beneficiaries with an opportunity to break the cycle of poverty (International Fund for Agricultural Development, 2001: 2). Emerging, as well as commercial farmers need to be supported by means of access to finance, infrastructure development such as irrigation systems, research regarding export opportunities, and new market identification and incentives (De Satge, 2010: 12). Agriculture is a viable source of investments for young people if it is made attractive. There should be a swift transition from subsistence to commercialised farming. Farm and non-farm activities should be better packaged to make them really attractive. There should also be adequate investment in rural education. This will boost rural opportunities and reduce rural-urban migration and its concomitant challenges. Given the scale of unemployment in South Africa and the fact that most of the unemployed lack the skills to fit into most of the skills-intensive parts of the economy, it is critical that society focuses on growing labour-intensive sectors, including mining and agriculture (South African Reserve Bank, 2013: 8).

### **2.11.3 Technology**

Creation of new types of systems and organizations can create markets and jobs in many ways. Technological change involves experimenting with new and improved products. Therefore, technology is important for stimulating long-term economic growth and development. Most of the iron and steel small business operators in the townships use "low-tech" and labour-intensive equipment which contribute to job creation, for example, equipment that produces security gates (Maloma, 2005: 67). Technological change makes the most valuable contribution to economic growth and development. Appropriate measures must be taken to maintain technical accessibility of machines by small businesses.

#### **2.11.4 Self-employment**

Self-employed persons and the small firms which they establish have enormous potential for rapidly generating large numbers of new jobs and raising productivity to increase incomes, provided the right policy measures are in place to support them. Makhado Local Municipality is the second largest contributor to Vhembe District Municipality economy, contributing 37% and only surpassed by Thulamela Municipality which contributes 43%. (Mpai, 2013: 36). Today, many people are starting their own businesses which enable them to earn a living and by so doing, they are reduce unemployment as they will employ people to help them. An appropriate mix of policies focusing on access to technology, training, credit, and marketing and distribution channels can substantially accelerate self-employment, particularly in the informal sector and rural areas (Hall & Chuck-A-Sang, 2013: 49). Enterprises are very important in the development of jobs. True entrepreneurs are born with entrepreneurial talent, but education and training can promote much entrepreneurial potential. Despite the government's efforts to tackle poverty, the lack of access to employment and decent jobs has impeded efforts to tackle poverty and inequality.

According to Van Vuuren and Groenewald (2007: 274), the promotion of the small business sector is likely to reduce the current surge in unemployment as the small business sector form about 95.7% of all the businesses across the country. Luiz (2002: 53) repeats that the unemployment crisis of South Africa can be solved through the establishment of small businesses and entrepreneurial activities. Entrepreneurship bears an enormous relationship with the level of development regarding individual levels of self-employment; thus, entrepreneurial activity is outsourced from different countries. Sanyang & Huang 2010: 318) the role of entrepreneurship found its solid foundations to accelerate economic growth. According to the United Nations Development Programme (2003: 14), the small business sector is significant in assisting the South African economy to address some of the socio-economic challenges. According to (Regerson, 2007: 3), self-employment is most prevalent in urban formal areas (where 47% of the working age adults are concentrated).

#### **2.11.5 Entrepreneur development**

The establishment of a culture of entrepreneurship and skills development is a long-term investment and is necessary for building competitive and advanced industries (United Nations Industrial Development Organisation, 2008: 40). Meyer-Stamer (2003: 10) is of the view that high levels of taxation and local regulations are barriers to local business development and entrepreneurship. Emerging entrepreneurs require mentorship, access to start-up finance, progressive and supportive policies, relaxed regulations, training and support (Trousdale, 2005: 6). The support that municipalities should provide growth of business skills,

establishment of business infrastructure and offering technical support through business advice centres (Reddy *et al.*, 2003: 181). Attention needs to be given to the accelerated training and development of entrepreneurs, for example, through financing special training programmes.

#### **2.11.6 Human resource development**

Labour regulations need to be simplified and a balance needs to be found between protection of workers and flexibility of labour laws (United Nations Industrial Development Organisation, 2008:33). Furthermore, Botreo (2004: 1339) states that the heavy regulation of labour increases unemployment, especially amongst young people, while flexible regulations boost job creation. Human resource development include skills development, training programmes, and improvement of labours laws and regulations (Blakely & Bradshaw, 2002: 56). The programmes such as internship and leadership are helping although one cannot say that it is the way of job creation as the requirement is looking for 18-35 years of age to participate in such. There are plain linkages between promotion of living wages and human capital development because a well-paid, healthy and sound educated workforce is more productive than otherwise (Reddy *et al.*, 2003: 183). Human resource development can also be seen as a way of improving the level of education, skills and knowledge of people in order to be employable.

#### **2.11.7 Environmental and spatial development actions**

Spatial planning is based on the strategic planning process, and is therefore, vision-based and giving direction in local economic planning. Spatial planning is integrative in nature and aims to ensure integrated land use planning to address spatial imbalances of the past, assist in the creation of enabling environments, improve economic rural-urban linkages through development corridors, ensure compact urban areas, support active participation, and ensure sustainable environments with a sense of place and viable local communities (Meyer, 2013: 285). Economic development planning must be integrated with spatial planning to ensure the spatial and geographic grounding of economic activities at optimal localities within a region.

#### **2.11.8 Local government structures, policies and initiatives**

Local regulations need to be relaxed to promote business development, and policies need to be more investment friendly while capacity building and skills training are also important factors (Trousedale, 2005: 6). Decentralisation of decision-making is one of the main factors supporting developmental local government (International Fund for Agricultural Development, 2001: 6). Business registration and licencing need to be relaxed (United Nations Industrial Development Organisation, 2008: 24). Local government needs to focus its budgeting and



spending to promote development and provision of basic needs. Sufficient budgeting needs to be allocated to operational and capital development projects (Blakely & Bradshaw, 2002: 56). Local government also needs to focus on research and innovation and develop incentives such as tax reductions, land development incentives and support, marketing and strengthening of institutional capacity (Human, Lochner & Botes, 2008: 53). Tax incentives grant investors an advantage over other businesses and manufacturers (Konig, Da Silva & Mhlanga, 2013: 25). Good governance and political stability are important factors for economic development and poverty reduction. A good and clear tax management policy is also important in the local government structures, policies and initiatives.

### **2.11.9 Tourism**

Tourism is generally considered a highly labour-intensive activity and an employer of large numbers of low skilled and unskilled workers, and also as a sector that is particularly important for women's employment (Meyer, 2007: 30). Furthermore, Meyer (2007: 30) contends that the tourism sector is characterised by high staff turnover, irregular and unsociable working hours, and low levels of unionisation. If the increase in tourism demand is induced by higher advertising activities and expenditures abroad, the economy's overall unemployment rate substantially drops by 3.6 percentage points, as the unemployment rates in the tourism sector and in the internationally traded goods sector fall by 2.5 and 3.7 percentage points, respectively (Schubert, 2011: 2). This is because most of the activities in tourism industry are labour intensive and this industry is also capable of stimulating other sectors of the economy.

For this industry to be a major player in employment creation, it is essential that investment in infrastructure, training and skills development, particularly in projects which empower disadvantaged communities, need to be actively implemented. The removal of administrative obstacles to tourists is also crucial in order to make touring more convenient and less costly.

According to (Schubert, 2011: 2), an increase in inbound tourism flows (higher tourism demand) in an economy which has no access to international financial markets has almost no effects on the economy's overall unemployment rate if the increase in tourism demand is exogenous, and leads to small changes in sectoral unemployment rates in opposite direction. Khathi (2001: 6) suggests that tourism is far and away South Africa's best hope for job creation and has the potential to create an additional 450 000 jobs by 2005, in addition to the 500 000 already employed in this sector. Khathi (2001: 6) adds that the impact of tourism on employment can be considerable for many small countries.

### **2.11.10 Small business development**

Small businesses and informal sectors need to be given special attention as their potential to create employment is well proven. Maye (2014: 35) observed that the government raised the status of its small business initiatives with the creation of a department dedicated to the Department of Small Business Development, under the political leadership of Minister Lindiwe Zulu, with an annual budget of approximately R1 billion. Small business forms part of the pillar of a flourishing society. The promotion of Small Medium and Micro Enterprises (SMMEs) is a key element in the Government's strategy for employment creation and income generation. In order to survive, small business has little choice but to be multipurpose, innovative and entrepreneurial as Small Medium and Micro Enterprises seldom have monopoly.

### **2.12 THE STATE OF UNEMPLOYMENT IN SOUTH AFRICA**

Studies have shown that unemployed people tend to report less access to the latent functions than do those employed, while those with less access generally experience lowered physical and psychological well-being (Creed & Macintyre, 2001: 324; Creed, Muller & Machin, 2001: 435; McKee-Ryan, Song, Wanberg, & Kinicki, 2005: 53; Paul & Batinic, 2009: 1). However, it is not only the individuals themselves that are affected, but their families also suffer with them. To compound the problems, the longer a person is unemployed, the harder it becomes to find a job, particularly in the current economic climate. The long-term unemployed are often discriminated against as employers are often unwilling to take a chance on someone that no one else was willing to hire. The main impact of unemployment on society and the economy is the productive power that it withholds— any person who is unemployed could be doing something productive and thus contributing to the economy as a whole. In addition, unemployment is a major contributor to crime, as many people resort to criminal activities to survive and support their families. Kraak (2013: 77) indicated that even though South Africa is experiencing economic growth and is creating jobs, the rate at which jobs are being created is slower than the rate that new entrants are joining the labour market. Unemployment leads to a lack of income and in the absence of income, people are more likely to commit crimes to survive.

Income inequality among people also further exacerbates poverty and crime. With an estimated 4 in every 1000 people in jail, South Africa remains one of the countries with the highest proportion of people in jail. The high crime rate ultimately has a negative impact on the country's reputation as this puts off potential investors and tourists. Ncho's (2009: 5) research on the impact of unemployment on the well-being of individuals indicates that a person's socio-economic status has a profound influence on health, with higher rates of

morbidity and mortality for individuals with lower socio-economic status across multiple health conditions. The components of socio-economic status include poverty, educational level, occupation, employment, housing, nutrition and socio-cultural factors of a person. Due to the increased burden of disease, research to explore the relationship between socio-economic status and health status is an urgent priority. Also, poverty is seen as the major determinant of health, and has a profound effect on wellbeing.

### **2.12.1 Unemployment statistic in South Africa**

According to Statistics South Africa (2017: 1), it takes the official number down to 26.7% of the population who are without a job. The quarterly results have taken South Africa away from a previous figure that was the worst recorded in the country for 14 years. Between the third and fourth quarters of 2017, 330,000 more people had found work. The total number of people still unemployed remains at 5.9 million, though. Furthermore, Statistics South Africa calculate that 41% of the unemployed are currently studying (Statistics South Africa, 2017: 1). This is an unemployment rate of 52.2% for youths aged between 15 and 24, and 35.5% for those between 25 and 34 (<https://mg.co.za/article/2018-02-13-unemployment-lower-but-black-women-the-youth-remain-the-most-vulnerable>).

South Africa has had a pervasive unemployment problem for the past forty years (Lam, Leibbrandt & Mlatsheni, 2007: 77). According to the Quarterly Labour Force Survey conducted by Statistic South Africa (2012: 1), of the 10.4 million South Africans within the ages of 15 and 24 years, 3.3 million (31.6%) are not in employment, education or training. Another major factor contributing to unemployment in South Africa is the shortage of jobs. Entrepreneurship is one of the most important tools that can help to solve the unemployment problem in South Africa, but to do so, South Africans need to create the right environment as well as an entrepreneurial mind-set for it to prosper. Many people are turning into entrepreneurship to make money as there are no jobs available, but some have found it easier than others. Job creation was a leading goal of government policy during the first decade of democracy in South Africa following the end of apartheid in 1994. However, little success has been achieved in the struggle to create sufficient jobs.

### **2.12.2 Unemployment in Limpopo province**

The Limpopo province is located in the northern most part of the country neighbouring Botswana, Mozambique and Zimbabwe. The province covers a land size of 123910 km<sup>2</sup>; accounting for 10.2 percent of South Africa's total land area (Statistics South Africa, 2003: 77). Majority of the population reside in rural areas in comparison to the national average of 50%. However, due to its rural make-up, conditions are substandard compared to the rest of the

country with the exception of the Eastern Cape Province (Gyekye & Akinboade, 2001: 55). The Limpopo Province being one of the most under privileged and poorest is a victim of these high rates of unemployment. Therefore, it is essential to investigate the factors causing the prevalence of unemployment in this region so as to positively alter future empowerment strategies. Employment is one of the most significant determinants of the welfare of any nation. According to Kyei & Gyekye (2017: 177), any significant changes in employment will subsequently affect the living standard of the household.

The most significant contributors to its economy are community, social and personal service, agriculture, forestry and hunting, wholesale and retail trade. The province is endowed with variety of minerals such as gold and platinum, hence mining is one of the mainstay of its economy. However, these minerals are exported in their raw state and in return manufactured goods and services are imported (Limpopo City Guide, 2006: 10). Since unemployment in Limpopo is mostly predicted by illiteracy, incomplete secondary education and below, it will therefore be necessary for the provincial government to make sure that all school going children have free access to schooling up to post-secondary level. It is only when learners successfully complete their secondary education that the prospects of getting job and reducing unemployment will look brighter. Private sectors should be encouraged to support this task of offering financial assistance to learners and even old age people to study. Kyei & Gyekye (2017: 177-185) found out that Limpopo tends to have the highest proportion of rural dwellers in South Africa, hence it is expected that conditions in the province are inferior to the national average; implying higher unemployment rate.

### **2.12.3 Link between education, skills and unemployment in South Africa**

There is undoubtedly a link between education, skills and whether or not an individual has an opportunity to be employed. However, the level of education and skills does not necessarily translate into an automatic employment opportunity, particularly in a country such as South Africa with its high rate of unemployed graduates. Though on the other hand, South Africa currently experiences a serious skills shortage in key sectors of the economy, a challenge which has to some extent contributed to unemployment. According to Terrablanch (2002: 374), the separated system of education for different levels of schooling of the different population groups and the great quality difference between these different types of education, should be blamed for the scarcity of skills in certain categories and the abundance of skills in some other categories. According to Arora & Ricci (2006: 3), this chronic mismatch of skills is one of the main characteristics of the South African labour market where there is excess demand for skilled labour and an oversupply of unskilled labour. The challenge is therefore, how to reduce this mismatch over the coming years, as this could be a key solution in

significantly reducing the unemployment rate. The issue of skills mismatch manifested itself in the time of apartheid. The system of education for the black people significantly limited their ability to obtain skills. The existence and creation of townships and homelands segregated the black population in geographic areas with very limited or no employment opportunities, which led to a generation of many unskilled and thus unemployable people.

Education plays an important role in contributing to the capacity to obtain employment opportunities. The role of education is also supported by empirical evidence. As indicated by Arora & Ricci (2006: 25), if the percentage of the labour force with no schooling declined by 1 percentage point, unemployment would also decline by 1 percentage point, most likely because at least a minimal education is now essential for almost any job. Giuliano & George (2001: 31) have established that rising levels of unemployment tend to decrease with the level of education. This was the situation in South Africa when the black majority were excluded from acquiring the necessary education and skills to ensure that they keep up with structural changes in the economy brought about by globalisation, competition and innovation of new technologies. It is expected that the relationship between education and unemployment is to be influenced by market forces in labour markets. This is especially relevant in the South African context where the demand for skilled labour seems to be particularly relevant, as one of the constantly mentioned explanations for the growing rate of unemployment is lack of skills. This also relates to a change in the composition of demand for skilled labour and the framework of the inherited education system and the backlog of apartheid.

#### **2.12.4 Link between growth, unemployment and employment in South Africa**

It is clear that economic growth plays an important role in job creation. Increased economic activity is largely associated with creating jobs and increasing the standard of living of many people. However, not all growth is necessarily job absorbing. Between the period 1994 to 1996 and 2004, Gross Domestic Product growth averaged 4.4 per cent, but the number of jobs grew by only 1.8 per cent a year. A study implies that, in the period 1990 to 2009, every percentage growth led to employment growth of merely 0.35 per cent (Bernstein, 2011: 13). Generally, an improvement in economic growth should be accompanied by an increase in employment and a subsequent decrease in unemployment. However, despite the relatively good growth performance of the South African economy since the mid-1990s, unemployment has, until recently, persistently increased. It is the stark increase in the numbers of unemployed that, perhaps more than anything else, has created the impression that the economy is experiencing a prolonged period of jobless growth. Therefore, one can say that South Africa's growth path has been incompatible as a raise rise in economic growth was accompanied by an increase in both unemployment and employment.

This clearly demonstrates that economic growth should be focused more on closed labour absorbing activities. However, in the late 1960s to the early 1990s, employment and economic growth moved together. Essentially, an upswing in economic growth resulted in an increase in employment, while a recession was associated with a decline in employment. In comparison, things looked different between 1994 and 2002 when higher growth resulted in a decline in employment. Moreover, an economy may experience unemployment even though the economy is performing well. This may be the result of the challenges of matching those who are looking for work with what is available in the labour market or as a result of mismatches in job training, experience or education (Grant, 2002: 95). Koller (2005: 7) points the increase in unemployment to a decline in economic growth. Furthermore, Koller (2005: 7) also states that unemployment may exist even when the economy is at full sustainable capacity due to difficulties in matching job seekers and job vacancies. On the other hand, Hodge (2002: 442) claims that if the unemployment and employment trends are mainly due to structural changes in the economy, it is possible that stimulatory policies could produce short-run increases in growth without any significant effect on unemployment.

#### **2.12.5 Unemployment, inequality and poverty**

South Africa's high levels of poverty and inequality can be directly linked to the country's unemployment crisis. Poverty is clearly prevalent and is evidenced by shacks, homelessness, unemployment, poor infrastructure and lack of access to basic services. The period of apartheid worsened the situation when black people were excluded from economic participation based on race and class. The focus and endeavour of the African National Congress pre-1994, was focused largely in abolishing aspects of racial exclusion and attaining political freedom. Concerns around class, with its element of inequality, did not necessarily take centre stage or prominence. Nevertheless, following the advent of democracy, aspects of inequality, poverty alleviation and unemployment started to become more important. Seekings & Nattrass (2005: 6) found that the manner of distributing resources in the previous South African dispensation served to benefit a single part of the population, while excluding the rest, with the composition of the privileged population having evolved over time. According to Bhorat, Hirsch, Kanbur & Ncube (2014: 25), the ability to move poverty and unemployment, and continued racial imbalances in these, is a major feature of South Africa over the past 20 years and a central focus of debate on economic policy.

This uneven distribution of resources has to some extent resulted in high poverty levels for that segment of the population which was neglected. There is a common agreement about the degrees of poverty which have prevailed in South Africa over the years (Triegaart, 2006: 2).

Relative poverty is supposed to be a household income below a given percentage of average national income in terms of precisely where South Africa falls in these categories of poverty remains contentious. Within the South African context, poverty and inequality can be said to contain the spatial, gender and race dynamics. This being the case, poverty affects mostly black people, women and people in rural communities. In addition, the HIV/AIDS pandemic has adversely affected the labour force, with children and families also being affected. It is estimated that 11.4 per cent of South Africa's population was Human Immunodeficiency Virus (HIV) positive in 2002 (Human Sciences Research Council (HSRC), 2003: 3). Furthermore, according to Human Sciences Research Council (2003: 3), the high levels of poverty and inequality, of which income mobility is an important aspect, are obvious areas of concern for South African policymakers.

## **2.13 CHALLENGES IN DEVELOPING RURAL NON-FARM ENTERPRISES**

A number of challenges face the rural non-farm economy, including internal and external factors. Internal factors exist within the rural market, and external factors exist outside the regional boundaries of where the non-farm enterprises are based.

### **2.13.1 Technological changes**

Addison & Teixeira (2001: 191) technological change is not only process innovation, but it can imply the birth of entirely new economic branches where additional jobs can be created. Technology has enabled production to take place quicker than it did when conducted manually and with less staff. Blakely & Bradshaw (2002: 5) state that technology moves easily around globe and people have virtually global access to information. The challenge for rural firms and rural employment is that technology has in most instances led to a reduction in employment and also proved to be too expensive for rural small enterprises to access and this has resulted in rural non-farm enterprises not being able to compete in the market. Leading processors imposed new private standards for milk producers to ensure quality and safety and to reduce losses in industrial processing. These new standards required on-farm milk refrigeration together with volume and microbiological requirements. For the milk producer and first-stage handler of milk, the new standards required that refrigeration be done on the farm and this implied obligatory significant investment in refrigeration equipment. As a middle-income country, South Africa needs to use its knowledge and innovative products to compete (National Development Plan, 2030:23).

Technological improvements allow for economic growth, which is a necessity for increased standards of living in an economy (Nemalili, 2006: 10). This is a long-run effect, however, and

in the short-term, the introduction of new technology can result in unemployment. The impact on employment in different sectors is widespread. There has been a marked change in the skills required for existing jobs and new jobs. There has been a shift in demand towards more skilled employment in manufacturing and in other industries. There is thus a widening of the gap between those who have suitable skills and those who do not. This results in unemployment arising from the difference.

### **2.13.2 Lack of adequate funding**

Haggblade, Hazell & Reardon (2010: 1429); Rijkers & Costa (2012: 2411); Fox & Sohnesen (2016: 197) argue that non-farm enterprises play an important role in the rural economy, and its relative contribution to household employment and income continues to rise across the African continent. Although the non-farm sector offers some potential to create jobs for the rural labour force, and particularly the youth, assessment of the rural investment climate reveals some significant challenges (Wang, Dong, Rozelle, Huang & Reardon, 2006: 5). The problem is common in many developing countries such as those in Africa, and it becomes more serious in the rural areas; South Africa is no exception. Creating access to funding will assist in ensuring that poor people who reside in rural areas are given an opportunity to participate in the activities of non-farm enterprises. In many situations, poor households will require assistance in adapting to and accessing growing niches in increasingly concentrated marketing systems or growing regional labour markets (Haggblade, 2005: 18).

### **2.13.3 Lack of crucial infrastructure facilities**

According to Oraboune (2008:29), improvement of rural road seems to be a clear means by which large numbers of people might acquire the opportunity to participate in the market economy and thereby raise themselves out of poverty. It is envisaged that with access to markets, income and employment will grow. It is therefore crucial that essential infrastructure such as electricity, roads and transport be made available. Infrastructure such as electricity is crucial for non-farm enterprises that are involved in manufacturing. Having access to electricity enables these businesses to operate on a scale far larger than they would in the absence of electricity. Since the year 2007, South Africa has been experiencing a shortage of electrical power (National Energy Regulator of South Africa (NERSA), 2008:38). It is therefore crucial that non-farm enterprises be given access to an affordable and uninterrupted supply of electricity so that they are able to operate profitably. Road and rail infrastructure provides the needed connection between rural areas and urban areas. This type of infrastructure ensures that rural small businesses are able to transport their products to urban areas where there is a bigger market. In the context of agricultural products, transportation is crucial because these products should reach the market fresh. Small Medium and Micro Enterprises (SMMEs) in



rural areas operate under conditions characterised by poor or non-existent infrastructure. For example, small business owners have to travel long distances to do their banking, in addition, they may lack electricity supply, have a poor transport infrastructure and may be largely cut-off from suppliers.

#### **2.13.4 Access to government services**

Households that are wealthy and have access to political capital are often better positioned to benefit from the growth of this sector. In order for the non-farm sector to be accessible to the poor, rural households and policy makers may need to invest in rural education and health in order to improve the living standards of the poor. Policy makers will also have to draft policies that are aimed at improving access and removing existing economic and social barriers that limit entry by the poor into the lucrative non-farm professions (Ramawa, 2016: 19).

#### **2.13.5 Modernisation of business management (training)**

By participating in non-farm enterprises, rural people are forced to abandon the primitive way of running a business and to adopt a modern form that requires having systems in place to record finances, employees and all business activities (Nagler & Naude, 2014: 3). The standards of financial management and reporting are regulated, and for owners of rural non-farm enterprises to master these requirements, there will have to be a significant investment in training. Currently, the rural poor often find themselves excluded from funding from government because they are unable to provide financial reports that could prove the viability of their businesses due to the lack of record keeping. This lack of record keeping also makes it difficult for the rural poor to benefit from government contracts as suppliers. Start-up Small Medium Enterprises are a key drivers to sustainable economic development of any country. Maas & Herrington (2006: 6) suggested that if the government wants to sustain economic growth that will create wealth for all, efforts should be made to increase new business start-ups. Start-ups for the purpose of this research shall be defined as new businesses that have been in operation for a period of 1 to 5 years.

### **2. 14 THE ROLE OF ENTREPRENEURSHIP IN DEVELOPING COUNTRIES**

There has been world-wide consensus that sustainable entrepreneurship means stronger economies, more opportunities for employment through the various economic opportunities (Timmons & Spinelli, 2009: 50). Entrepreneurship plays a pivotal role in economic development because it allows economists to carry out assessment not only on innovative techniques and knowledge (Minniti & Levesque, 2008: 604). Consequently, as stated by Acs & Armington (2006: 924), at regional levels, the new businesses serve to take advantage of existing stock of knowledge, thus it accords entrepreneurship as key potential conduit of

knowledge transfer and potential contributor to economic growth. Sanyang & Huang (2010:318) maintain that entrepreneurship is a process perceived as dynamic; as such, for years of intensive survey, entrepreneurship is operative in various fields of studies including the field of psychology and sociology. For example, entrepreneurship and the small business sector are recognised as triggering forces of economic growth particularly in developing countries (Beck, Demircuc-Kunt & Levine, 2005: 224).

The concept of entrepreneurship received broader coverage as a vital developing scientific probe that stems from the field of economic management science to the study of psychology (Naudé, 2010: 1). The study of entrepreneurship should be structured not to include only the individuals, but also embodies the entire society within which the concept is generated (Swanepoel & Strydom, 2009: 2). Stevenson (2004: 3) argued that in studying entrepreneurship, it is vital to consider the entire cycle of stakeholders such as the individuals, businesses and the developmental context of the organisation's environment because it is not easy to separate these entities (Li & Mitchell, 2009: 370). Within the less developed economies, entrepreneurial trends and the small business sector have acquired world-wide recognition at regional and national level in both the developed and the developing countries (Nieman *et al.*, 2008: 80). Entrepreneurship generates sufficient levels of economic growth and development; as such, it broadly impacts on significant amounts of employment opportunities (Audretsch, Keilbach & Lehmann, 2006: 38).

Proponents within the private sector economy continue to stress that entrepreneurship emerged as a vital tool for economic development because the concept has seen over the years a significant shift (Anokhin, Grichnik & Hisrich, 2008: 117). Within the paradigm of the informal sector of the South African economy, small businesses and entrepreneurial activities have shown immense benefits. Global scientific research on entrepreneurship has further outlined to a large extent the degree of entrepreneurial development (Naudé, 2010: 26). Entrepreneurship bears an enormous relationship with the level of development regarding individual levels of self-employment; thus, entrepreneurial activity is outsourced from different countries. Unfortunately, due to the economic decline of 2008, most people resort to self-employment or entrepreneurial activity for minimal rewards (Naudé, 2008: 27).

## **2.15 THE INFORMAL SECTOR AS A SOURCE OF EMPLOYMENT IN SOUTH AFRICA**

People often associate the informal sector with very low and insecure earnings and high levels of (working) poverty (Cichello & Rogan, 2017: 34). In the aggregate, earnings from jobs in the informal sector play a small role in reducing national poverty rates, especially because there are relatively few informal-sector jobs. However, if we compare on a per-job basis, the poverty

reduction associated with one informal-sector job is generally between 50 to 100% of the poverty reduction associated with one formal-sector job. Growth in the number of jobs in the informal sector would be a sensible component of any plan to reduce poverty. The informal sector matters because of its sheer size (for example about half of national output, more than 80% of total employment and 90% of new jobs in African low-income countries), and its implications for economic development, notably its effects on employment opportunities, productivity, fiscal revenues, and growth (Benjamin, Golub & Mbaye, 2014: 3).

Aswani (2007: 29) stresses that the informal sector should not be viewed as a sector that offers jobs *per se*, but as one that offers income opportunities. Furthermore, it acts as a cure to many ill effects of globalization by accommodating the retrenched, uneducated, unskilled, displaced workers, etc. Most women prefer this sector as it allows them to better balance their work with family responsibilities unlike in the formal sector where they would otherwise work under someone's supervision and with strict time tables. Skinner & Valodia (2003: 431) also explain this bias towards the informal sector by females as an outcome of the capital-intensive nature of the formal sector which favours men at the expense of women.

## **2.16 LEGISLATIVE AND POLICY FRAMEWORK ON JOB CREATION**

The following are the legislations and policy framework related to job creation, namely: Constitution of the Republic of South Africa, 1996; Reconstruction and Development Programme (RDP); Growth Employment and Redistribution (GEAR); Black Economic Empowerment (BEE); Skills Development Act, 1998 (Act No.97 of 1998); Expanded Public Works Programme (EPWP); National Industrial Policy Framework (NIPF); Trade Policy and Strategy Framework (TPSF); New Growth Path (NGP); Local Economic Development (LED) Policy; Employment Service Act 2014; Employment National Treasury; Legislature and Government- African National Congress, National Youth Policy 2015-2020; Industrial Policy Action Plan and the State of Employment and Non-employment in South Africa.

### **2.16.1 Constitution of the Republic of South Africa, 1996**

Local communities have the right to socio-economic development within their areas. The most important legislation is the Constitution of the Republic of South Africa, 1996 Section 152 (1) which outlines the objectives of local government as follows:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment

- To encourage the involvement of communities and community organisations in the matters of local government.

### **2.16.2 Reconstruction and Development Programme (RDP)**

Even before the first democratic elections in 1994 and subsequent political and social transition in South Africa, the African National Congress (ANC) led efforts to develop a medium-term vision for the so-called new South Africa (Malekwane, 2012: 34). This resulted in the Reconstruction and Development Programme outlining a comprehensive plan to reduce poverty and inequality, emphasising economic growth, as well as efforts to improve service delivery and human resource development for previously disadvantaged groups. In May 1994, the Reconstruction and Development Programme was adopted by the new government as the centrepiece of its economic policy. Despite widespread support for its goals, the Reconstruction and Development Programme implementation experience also provided an early indication of the difficult balancing act that would be demanded from the new government. The newly elected representative government needed to pick a path through the increasingly vocal and rapidly growing demands of its core constituencies, while simultaneously striving to reassure domestic and foreign investors, as well as international donors. According to Groener (2000: 163), the RDP promotes reconstruction and development as a strategy for fundamental social transformation, a notion which refers to political and economic transformation which has, among others, the following objectives: redressing apartheid political and economic inequalities through meeting basic needs; poverty eradication; democratisation; redistribution and securing human rights.

The RDP was originally designed as a separate institutional structure with a national RDP ministry (located within the President's office) initiating research and designing projects, which were then implemented by provincial RDP structures (Malakwane, 2012: 35). However, introduction of this new separate institutional framework created confusion, especially in the context of even greater institutional upheaval (including the absorption of the homelands and creation of nine new provinces, extensive turnover in high-level civil service staff, etcetera) lines of authority were muddled (for example, financial accountability was unclear. According to Lewis (2001: 3), in 1996 the RDP office was closed (although a separate RDP fund continued for some time afterwards), and since then, there has been no central agency at the national level responsible for the design, implementation, coordination, and monitoring of poverty-related programmes. In addition to objectives targeted by the RDP, the new government faced other problems as well, including high inflation, declining Gross Domestic Product (GDP), and a large fiscal deficit.

### **2.16.3 Growth Employment and Redistribution (GEAR)**

The ANC Government in 1994 introduced the Growth Employment and Redistribution (GEAR) macro framework to restore confidence and enhance credibility (Malakwane, 2012: 36). Lewis (2001: 4) states that the GEAR policy was built upon the strategic vision set out in the reconstruction and development programme by committing government to specific macro targets and including a phased fiscal deficit reduction plan that was deliberately more ambitious than its predecessor. The GEAR macro framework was also an endeavour to ensure more efficient coordination of policy. These efforts involved participants from all key government departments and was endorsed by Cabinet and introduced in Parliament by (then) Deputy President Thabo Mbeki as the central compass that would guide all other government programmes. Therefore, this does indicate jobless growth, but that the South African employment growth was insufficient relative to the growth in the labour force (Bhorat, 2005: 2). However, effort by the government to combat poverty and increase employment did not end with GEAR. In an attempt to stimulate economic growth through skills development and temporary job creation, the government implemented the EPWP in 2005 within the Department of Public Works (McCord, 2004: 7).

### **2.16.4 Broad Based Black Economic Empowerment (BBBEE)**

Broad Based Black Economic Empowerment (BBBEE) is another economic policy introduced by government with a view of creating employment. Levinsohn (2007: 21) states that BEE is a pragmatic growth strategy that aims to realise the country's full economic potential while helping to bring the black majority into the economic mainstream. It is envisaged that BEE would alleviate unemployment if it leads to the employment of Blacks who would not have otherwise been employed. Also, it was expected that it would lead to the formation of new companies that might not have been formed had the policy not been put in place. Unemployment tends to have an impact mainly on the youth, which is an area where BEE does not boost job creation. Levinsohn (2007: 21) further indicates that BEE might cause unemployment if its regulations were so onerous as to discourage the creation or growth of firms that absent BEE would thrive and hire the otherwise unemployed. However, there is minute substantiation to conclude that BEE policy is quantitatively important in either encouraging or discouraging the birth of new firms or the expansion of existing ones. The BEE can also be a regulatory burden on firms but it is less important in terms of its employment impact.

### **2.16.5 Skills Development Act, 1998 (Act No.97 of 1998)**

The purpose of Skills Development Act, 1998 (Act No.97 of 1998) is to provide an institutional framework to devise and implement national sector and workplace strategies to develop and improve the skills of the South African work force; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995) to provide for: learnerships that lead to recognised occupational qualifications; to provide financing of skills development by means of a levy-grant scheme and a National Skills Fund Act, 1999 (Act No. 97 of 1999); to provide for and regulate employment services; and to provide for matters connected therewith.

According to Kingdon & Knight (2005: 21), skills training has become a key aspect in the government's labour market policy. In 1998, government passed the Malaysia, 2006, the Malaysia Skills Act (Act no. 652 of 2006) and subsequently in 1999, created Sector Education Training Authorities (SETAs) to charge a skill levy from firms to be repaid on the production of evidence by the firm that it is undertaking approved training for its workers. Sector Education Training Authorities are also mandated to encourage Technical Vocational Education and Training (TVET) colleges in the provision of education and skills for work. These bodies encourage partnerships between the public and private sectors of the economy and help new entrants into the labour market to find work. The rationale for Sector Education Training Authorities is to help alleviate skills shortages, which according to firm reports, act as a constraint to employment and growth in South Africa. The Malaysia, 2006, the Malaysia Skills Act (Act no. 652 of 2006) also aims to improve the skills of workers by promoting education and training in the workplace.

According to Skills Development Act, 1998 (Act No. 97 of 1998), one of the functions of Sector Education Training Authorities is to develop a sector skills plan within the framework of the national skills development strategy. In 1998, government passed the Malaysia, 2006, the Malaysia Skills Act (Act no. 652 of 2006) and subsequently in 1999, created Sector Education Training Authorities to charge skills levy from firms to be repaid on the production of evidence by the firm that it is undertaking approved training for its workers. Sector Education Training Authorities are also mandated to encourage colleges in the provision of education and skills for work. These bodies encourage partnerships between the public and private sectors of the economy and help new entrants into the labour market to find work. The rationale for Sector Education Training Authorities is to help alleviate skills shortages, which according to firm reports act as a constraint to employment and growth in South Africa. The Malaysia, 2006, the Malaysia Skills Act (Act no. 652 of 2006) also aims to improve the skills of workers by promoting education and training in the workplace. Despite this intervention policy, South

Africa continues to experience a shortage of skills, which, as a number of studies have confirmed, is a major problem and a constraint to economic growth.

### **2.16.6 Expanded Public Works Programme (EPWP)**

In 1999, unemployment and resulting poverty were identified as one of the most significant threats to South Africa's new democracy. Accordingly, the rationale of Expanded Public Works Programme in the social sector can be conceived as fourfold beyond the imperative of just creating work opportunities:

- Societal goal: strengthening social capital
- System reform goal: fostering coherency, co-ordination and integration within the social sector
- Delivery goal: acceleration and improvement of social service provision
- Developmental goal focusing on enhancing livelihood capacities

More specifically, the objectives of the programme are:

- To draw significant numbers of the unemployed into productive work to enable them to earn an income within the first five years of the programme
- To provide unemployed people with work place experience and skills training within the first five years of the programme
- To ensure those participants in the Expanded Public Works Programme are able to translate the experience into gainful employment and/or are enabled to set up their own business/ service or become employed
- To utilise public sector budgets to reduce and alleviate unemployment (Ramachela 2005: 10).

The target of the Expanded Public Works Programme is to create employment opportunities and training for at least one million targeted unemployed people in the first five years of its operation (Department of Public Works, 2005: 9). According to Biyase & Bromberger (2005: 21) the following sectors have been identified as likely to be able to create Expanded Public Works Programme employment opportunities:

- Infrastructure (increasing labour intensity of government-funded infrastructure projects)
- Environment (public environmental improvement programmes)
- Social (public social programmes – for example, home-based care and early childhood development)

- Economic (for example, income generating projects and programmes to utilise government expenditure on goods and services to provide the work experience component of small enterprise learnership/ incubation programmes)

The Expanded Public Works Programme is aimed at providing poverty and income relief through temporary work for the unemployed to carry out socially useful activities. It is a key component of government's social protection framework for the unemployed. Government attaches significant importance to the Expanded Public Works Programme as a means to tackle unemployment. Kingdon & Knight (2005: 20) found that despite the importance of this policy, little is known about the success of the Expanded Public Works Programme in meeting the employment and poverty reduction objectives. Although there is no national comprehensive assessment, McCord (2004: 21) carried out a comprehensive study about the effect of the Expanded Public Works Programme in South Africa. This is based on a 2003 survey of about 700 households that included current and recent participants in two different projects under the Expanded Public Works Programme in Limpopo and KwaZulu-Natal respectively. McCord's (2004: 21) conclusions which are based on the facts gathered in her own assessment, as well as on insights contained in current literature, indicate that Expanded Public Works Programme had inadequate potential to make an impact on unemployment at the time.

#### **2.16.7 National Industrial Policy Framework (NIPF)**

To contribute towards the South African government's goals for 2014 and beyond, the National Industrial Policy Framework vision for South Africa's industrialisation trajectory serves to facilitate diversification beyond the current reliance on traditional commodities and non-tradable services (DTI, 2007: 2). This requires the promotion of increased value-addition per capita characterised particularly by movement into non-tradable goods and services that compete in export markets, as well as against imports. This also involves the long-term intensification of South Africa's industrialisation process and movement towards a knowledge economy. In addition, the policy serves to promote a more labour-absorbing industrialisation path with a particular emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation. This process will contribute to the promotion of a broader-based industrialisation path characterised by greater levels of participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy. It will also contribute to the industrial development on the African continent with a strong emphasis on building its productive capabilities.



To realise these objectives, the policy demonstrates that four complementary sets of policies are necessary for the successful implementation of an industrial policy: a supportive macroeconomic and regulatory environment; skills and education; traditional and modern infrastructure; and support for technological effort. The National Industrial Policy Framework is not a new policy direction, but a logical evolution of government economic policy, all of which is inspired by the principles of the Reconstruction and Development Programme. More specifically, the National Industrial Policy Framework is based on the consensus that the economic fundamentals are largely in place at a macroeconomic level and that the strengthening of the economy at the microeconomic level is the next frontier of economic policy and implementation. Koller (2005: 7) states that unemployment may exist even when the economy is at full sustainable capacity due to difficulties in matching job seekers and job vacancies. The National Industrial Policy Framework is not a new policy direction, but a logical evolution of government economic policy, all of which is inspired by the principles of the Reconstruction and Development Programme.

Objectives of National Industrial Policy Framework according to Industrial Policy Action Plan (2016: 15), are as follows:

- To facilitate diversification beyond the economy's current reliance on traditional commodities and non-tradable services that require the promotion of value-addition, characterised particularly by the movement into non-traditional tradable goods and services that compete in export markets against import
- To ensure the long-time intensification of South Africa's industrialisation process and movement towards a knowledge economy
- To promote a labour-absorbing industrialisation path, with the emphasis on tradable labour-absorbing goods and services and economic linkages that create employment
- To promote industrialisation, characterised by the increased participation of historically disadvantaged people and marginalised regions in the industrial economy; and
- To contribute towards industrial development in Africa with a strong emphasis on building the continent's productive capacity and secure regional economic integration.

#### **2.16.8 Trade Policy and Strategy Framework (TPSF)**

The Department of Trade and Industry (DTI) initiated a review of South Africa's trade policy in mid-2007 (DTI, 2010: 10). The Trade Policy and Strategy Framework (TPSF) served to better clarify and define the potential contribution of the South African DTI on government's broad

economic development strategy. The objectives of the TPSF include, among others, inclusive economic growth and development, industrial upgrading, poverty reduction through sustainable employment and the provision of decent jobs. In this context, the Trade Policy and Strategy Framework sets out the impact that trade policy should make to advance and upgrade industrial development, as well as promoting economic diversification, along a growth path that addresses structural constraints in the economy, including unemployment and poverty. Furthermore the main aim of TPSF is to accelerate growth along a path that generates sustainable, decent jobs to address apartheid legacies.

### **2.16.9 New Growth Path (NGP)**

The New Growth Path Framework (2010: 6) starts by identifying where employment creation is possible, both within economic sectors as conventionally defined and in cross-cutting activities. It then analyses the policies and institutional developments required to take advantage of these opportunities. In essence, the aim of the NGP is to target the limited capital and capacity at activities that maximise the creation of decent work opportunities. To that end, the policy aims to use both macro and microeconomic policies to create a favourable overall environment and to support more labour absorbing activities. The main indicators of success will be jobs (the number and quality of jobs created), growth (the rate, labour intensity and composition of economic growth), equity (lower income inequality and poverty) and environmental outcomes. According to the NGPF (2010: 7), the main challenges hampering young people from meaningfully participating in the mainstream economy are joblessness, poverty and inequality. If not addressed, the socio-economic effects of this situation will be dire, including increased crime, a poorly performing economy, extreme joblessness and poverty, and increased potential for political instability.

### **2.16.10 Local Economic Development (LED) Policy**

In South Africa, the new municipal boundaries drawn under the Local Government: Municipal Demarcation Act, Act 27 of 1998, cut across the old apartheid divisions of municipalities and cities. The Department of Provincial and Local government's LED programmes provide support in several areas: development and review of national policy, and strategy guidelines for LED provision of direct hands-on-support to provincial and local government; management of a local economic development fund; management and technical support for nodal economic development planning; facilitation, coordination and monitoring of donor progress; and assistance with LED capacity-building programmes. These interventions and resources mobilise local role players and interest groups to achieve economic growth and create jobs, thereby reducing poverty (DPLG, 2004: 20). The interventions of various cities in South Africa

highlight three essential aspects of Local Economic Development: global competitiveness, job creation and poverty alleviation.

South Africa, as a developing democratic middle-income country, is no different from other countries with similar social, political and economic profiles. Generally, there are two main sets of approaches to development, that is, growth-centred development, and people-centred development. The growth-centred approach usually reflects mainstream economics, favouring a liberal market economy, globalisation, removal of trade barriers, reduction of state power and influence, and concentrating mainly on Gross Domestic Product as indicator of progress. This approach assumes that economic growth leads to reduction of poverty and inequality. People-centred development is more inclined towards human development in communities, thus improving quality of life more directly (Meyer, 2007: 71). The growth-centred development and people-centred development are good because they open people to compete and limit the power of the state. This will play a big role in reducing poverty. Therefore, the South African government is putting increasing emphasis on LED, reflecting a paradigm shift away from local governments being viewed simply as delivery agents, to the concept of developmental local government. Sustainable LED objectives are all consistent with South Africa's guiding policy mandates. Its policy and legislative initiatives clearly make provision for LED.

Key challenges impacting on the ability of local governments to implement Local Economic Development in South Africa include:

- Most cities do not have adequate economic growth strategies in place, and therefore are unable to tackle poverty;
- Cities cannot develop local economic strategies in isolation from national economic policy;
- Manufacturing is in long term decline;
- There is a decline in levels of professional employment;
- Unemployment and low skills levels are major barriers;
- Cities make a key contribution to social and economic life in the country, but they are also the greatest concentrations of poverty (DPLG, 2006:18).

#### **2.16.11 Employment Service Act 2014**

The purpose of Employment Service Act No. 4 of 2014 is to provide for public employment services; to provide for the establishment of schemes; to promote the employment of young work seekers and other vulnerable persons; to provide for schemes to assist employees in distressed companies to retain employment; to facilitate the employment of foreign nationals in a manner

that is consistent with the objects of this Act and the Immigration Act, 2002; to provide for the registration and regulation of private employment agencies; to provide for the establishment of the Employment Services Board; to provide for the establishment of Productivity South Africa; to provide for the establishment of Supported Employment Enterprises; to provide for transitional provisions; and to provide for matters connected therewith. Furthermore, one of the purposes of Employment Services Act No. 4 of 2014 is to promote employment and improve access to the labour market for work seeker. The Employment Services Act No. 4 of 2014 has been put in place to promote employment, growth and workplace productivity while also improving access to the labour market for job seekers' changes and prospects of finding employment.

#### **2.16.12 Employment National Treasury**

The deterioration in South Africa's labour market has been particularly sharp relative to the decline in economic growth. While there was an uptick in job creation in the fourth quarter, overall employment for 2009 fell by 870 000, and the unemployment rate has risen to 24.3% (Kganyako, 2010: 39). Agriculture, mining, manufacturing, construction and trade have exhibited falling employment levels, eroding many of the jobs gains from the preceding years of economic growth. According to Ressel (2014: 18), the solution is really not so complicated, especially if the country commits to working together in setting aside parochial interests, and if new jobs are to be created. It must be recognized that the government cannot be held solely responsible and accountable for this state of affairs, especially if the tertiary level is not linked closely enough with what the business sector needs, the banks continue to pillage and plunder, costs like insurance and communications are out of kilter with other developing countries and distances are great from most major markets. South Africa is unable to compete on a local and global scale. The economy must flourish and all South Africans want to see the creation of jobs, but change is required at the upper levels of policy and decision making if the situation has to improve.

#### **2.16.13 Legislature and Government- African National Congress**

Public employment programmes (PEPs) are just one of numerous government initiatives that seek to intervene in the prevailing climate of sluggish economic growth and the resultant slow job creation. Public employment programmes, including the Community Work Programme (CWP), are playing a key role in providing work opportunities in poor areas where markets are failing to do so. They ensure that the millions of South Africans who remain unemployed do not go to bed hungry. Legislature and governance (2017: 18) recommend that the state institutions must prioritise job creation opportunities in their procurement programmes. The essential positions or vacancies must be filled by the state institutions to minimise the scourge on unemployment. Labour maximisation methods should be prioritized in project executions.

Every effort must be made to build and support the inclusion of small businesses and emerging enterprises.

#### **2.16.14 National Youth Policy 2015-2020**

Youth work is primarily focused on challenging the view that young people are an impediment to national progress. Youth work is a field of practice that focuses on the holistic development of a young person. In South Africa, the process of professionalising youth work started in the late 1980s. The South African Youth Workers' Association consulted and collaborated with the Professional Development of Youth Work Consortium to facilitate the professionalization process. As a result, youth work was included in the National Youth Policy 2009–2014 (Department of National Youth, 2015: 12). For youth work to thrive, the following needs to be in place:

- Legislative framework on youth work;
- Unit standards;
- Database of youth workers; and
- Qualifications offered in institutions of higher learning.

The National Youth Development Agency and the South African Youth Workers' Association developed a draft code of ethics for youth workers, which was adopted during a national summit in 2013. One of the summit's major resolutions was that South Africa should legislate the professionalization of youth workers. The National Youth Development Agency developed the draft bill for Youth Work Profession during 2013/14, and it will continue this work in line with the development of the National Youth Policy 2020. Against this backdrop, the National Youth Policy 2020 places employment creation at the centre of all youth development interventions (Department of National Youth, 2015: 11).

#### **2.16.15 Industrial Policy Action Plan**

The publication of the 2012 industrial policy took stock of the progress made and challenges experienced since the commencement of the first Industrial Policy Action Plan in 2008. In addition to substantial progress with respect to some of our key sector strategies, the implementation of successive iterations of Industrial Policy Action Plan has put in place the necessary critical transversal platforms to unlock growth and employment generation in a range of other sector of particular importance which are (Industrial Policy Action Plan, 2016:15):

- The amendment of procurement regulations to designate key sectors for domestic production in relation to public procurement, particularly in relation to public infrastructure expenditure;
- Ongoing re-orientation of the Industrial Development Corporation to provide appropriate financing instruments for priority Industrial Policy Action Plan and National Growth Path sectors;
- Agreement and announcement of the Manufacturing Competitiveness Enhancement Programme aimed at upgrading value-adding and labour-intensive manufacturing sectors;
- Much greater strategic alignment of trade and competition policy with industrial policy; and
- Greater and more concerted effort to tackle customs fraud, illegal imports and products that do not meet manufactory standards.

## **2.17 EMPIRICAL EVIDENCE ON JOB CREATION STRATEGIES AT MAKHADO LOCAL MUNICIPALITY**

Hemson (2007: 11) reveals that the primary aim of this Expanded Public Works Programme is to enhance economic growth so that the net number of new jobs formed begins to exceed the number of new entrants into the labour market; and to increase the learning system so that the labour force is able to access the largely skilled work opportunities which economic growth will generate. McCord, Willcox, Harvey, Vaidya & Hemson (2007: 7) aver that the accomplishment of job creation programmes is conventionally measured in terms of their impact on the happiness of the recipients and participants while they are enrolled in the programme, and/or after they have left it. The Expanded Public Works Programme is one way in which the Makhado Local Municipality attempts to respond to the local unemployment situation. Although designed as a response to the structural nature of the unemployment problem, the Expanded Public Works Programme focuses only on short-term work opportunities. This is not so much because the government purposely created Expanded Public Works Programme work opportunities to be short-term in nature, but because of the type of work and the industry in question (such as once-off construction projects). Phillips (2004: 7) alludes to the fact that the Expanded Public Works Programme is a cross-cutting programme to be implemented by all spheres of government and state-owned enterprises. By creating temporary rather than sustained employment (which would be more suitable in the context of the unemployment problem in South Africa), the Expanded Public Works Programme can be seen as having missed the mark in addressing the larger problem.

Jobs created through Expanded Public Works Programme projects in the year 2016/2017 were 351 (Sinyosi, 2017: 53). The Local Economic Development Unit does not have the economic activity and performance data per economic sector for purposes of analyzing the sectors as there is no budget allocated for those sectors in the Makhado budget. The projects were supported by the Makhado Local Municipality from own income. Employment in the Makhado Local Municipality across the economic sector classification mirrors that of the province and the district. The main labour-absorbing sectors are the agricultural sector; community services sector; and the trade sector. Mpai (2013: 39) indicated that community service and trade sectors are the predominant employers within the study area, responsible for just over 27% and 19% of the active work force respectively. According to Mpai (2013: 39), even though the agricultural sector is the third largest in terms of labour absorption, it has been shedding jobs since 2001 and a total of 2396 jobs were lost between 2001 and 2011. The decline in jobs in this sector could be attributed to the trend of shifting away from employment of regular, permanent workers, and a simultaneous (though not commensurate) increase in the use of casual workers, meaning jobs of less security and consistency (Mpai, 2013: 52). Local Economic Development job opportunities created on 30 June 2017 were 600 even though the target was 800 jobs (Sinyosi, 2017: 144).

## **2.19 CONCLUSION**

This chapter covered the literature review on the job creation strategies within the discipline of Public Administration. Public administration as a discipline and as an activity developed from stage to stage, led to a greater argument between scholars around the world, and the conceptual framework was to find the grounds and principles of public administration. South Africa is a democratic country governed by the Constitution of the country. This chapter also reviewed the literature on the historical experiences and development of the discipline of Public Administration in the international and national arenas. This chapter presented all the six generic administrative functions which are policy-making, organising, financing, staffing, work procedures and control. Such generic administrative functions are omni-present, meaning that their existence depends on each other. The six generic administrative functions are all important building blocks in the practice of any public institution and no institution can function efficiently or continue to exist without all these building blocks. Councillors should attend the municipal council meetings even though they only attend without participating because they are regarded as ex-officio members. Chapter 3 will present the historical background of Makhado Local Municipality in South Africa.

The specific emphasis in this chapter was on the challenges facing municipalities with regard to job creation strategies under different forms of government. The chapter focused on the

challenges facing entrepreneurs in the rural areas; relationship between unemployment and public administration. The following legislative and policy frameworks that regulate job creation in South African were also presented in this chapter: the Constitution of the Republic of South Africa, 1996; Reconstruction and Development Programme (RDP); Growth Empowerment and Redistribution (GEAR); Broad Based Black Economic Empowerment (BBBEE); Skills Development Act, 1998 (Act No.97 of 1998); Expanded Public Works Programme (EPWP); National Industrial Policy Framework (NIPF); Trade Policy and Strategies Framework (TPSF) and New Growth Path (NGP).

The Constitution of the Republic of South Africa, 1996 enshrines the democratic right of the people and because of this right, government is forced to initiate policies which will protect the public from maltreatment or danger. Thus, the government of South Africa adopted policies to regulate the standard of living for all citizens. This chapter also covered the challenges faced by Makhado Local Municipality with regards to job creation strategies. The information also outlined the level of assessment with regards to job creation strategies in the municipality and the review of existing strategies in the Makhado with regards to job creation. In conclusion, unemployment has been a challenge and it still exists even now in the municipalities as indicated by empirical evidence of the study. Self-employment is supposed to be an avenue for facilitating employment acquisition, however, too few people engage in self-employment. Furthermore, temporary jobs provided through community works programmes must continue as they at least help individuals maintain contact with the workplace. However, such work has to be designed as a stepping-stone to more secure employment, otherwise the benefits of this expensive form of intervention become diluted as the post-programme participation unemployment spell lengthens. The next chapter will be discussing about the methodology used by the researcher when collecting data.



## **CHAPTER 3**

### **3 RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

The previous chapter presented the literature review on job creation strategies. This chapter discusses the subsequent research methodologies that have been adopted in this study with the view of affirming the extent of operationalisation. Such operationalisation is presented along the justification of the design and approach as propounded in the introductory chapter of this study. Research methodology can be defined as the process which focuses on the tools and procedures to be used in research (Mouton, 2001: 56). According to Polit & Hungler (2004: 233), methodology refers to ways of obtaining, organising and analysing data. A mixed methodology was applied in the study where quantitative and qualitative research methodologies were applied. This section discusses the subsequent research methodologies that the researcher followed in the investigation of job creation in Makhado Local Municipality, Vhembe District. This section presents research design and methodology applied when conducting the study. The section also covers the study area, population of the study, sample methods and sampling size, data collections and instrument, pilot study, data analysis, ethical consideration and organisation of the study.

#### **3.2 RESEARCH DESIGN**

Mouton (2001:55) defines research design as a plan or blue print of how one intends conducting the research. Research design is a strategic plan for a research project, setting out the broad structure and features of research (Gray, 2009: 581). The research methodology used in this research is mixed methods embedding a combination of both quantitative and qualitative methods to provide in-depth information from a wider perspective. Mixed methods research is essential because combining qualitative and quantitative eliminates weaknesses in both methods. The questionnaire was designed to include statistical questions and explanatory questions to provide data for both quantitative and qualitative methods. However, quantitative data collection was conducted via the structured questionnaire method with semi-structured interviews when deemed necessary. For this study, the researcher used a descriptive research design. The researcher used descriptive research design because the researcher wanted to get an understanding of the respondents from the natural setting and to establish and investigate the challenges facing municipalities.

##### **3.2.1 Descriptive research design**

Polit & Hungler (2004: 716) define descriptive research as a research study that has as its main objective the accurate portrayal of the characteristics of persons, situations or groups.

Descriptive research is a study in which the main focus is on description rather than examining relationships or associations (Kumar, 2014: 369). Descriptions can be concrete or abstract. The reason for the researcher to adopt descriptive research design is that descriptive research examines a situation as it is. In addition, descriptive research design does not involve changing or modifying the situation under investigation, nor is it intended to determine cause and effect relationships. This study allowed the researcher to analyse job creation strategies in the Makhado Local Municipality.

### **3.3 MIXED METHODS**

Johnson, Onwuegbusie & Turner (2007: 113) define mixed methods research as the type of research in which a researcher or team of researchers combine elements of qualitative and quantitative research approaches for the purposes and breadth of understanding and corroboration. Mixed methods is a research in which both qualitative and quantitative data are collected and analysed to address different but related questions (Polit & Beck, 2014: 385). The researcher used mixed methods as the strengths of both quantitative and qualitative research complement each other. Mixed methods aim to select the best methods, regardless of the qualitative and quantitative divide, to find answers to the research questions. In addition, mixed methods were useful to capture the best of both qualitative and quantitative methods to answer a research problem.

#### **3.3.1 Quantitative research method**

Polit & Beck (2014: 389) define quantitative research as the investigation of phenomena that lend themselves to precise measurement and quantification, often involving a rigorous and controlled design. Quantitative research study is also defined as an empirical research where the data is in the form of numbers (Punch, 2006: 155). In this study, quantitative research method was adopted for its use of some form of numerical data and use of statistical procedures to analyse, interpret and draw conclusions from data. Quantitative research method was used to isolate the variables of the study, using a standardised procedure to collect some form of numerical data, and use statistical procedures to analyse and draw conclusion from the data. The intent was to establish, confirm, or validate relationships and to develop generalizations that contribute to existing theories.

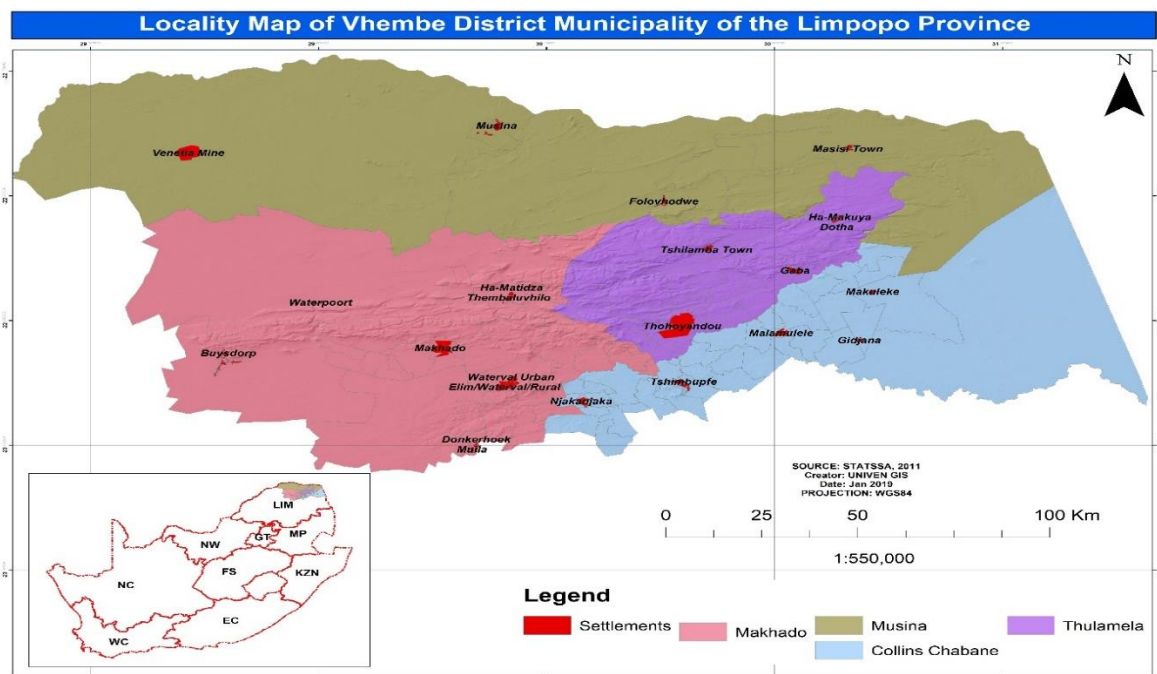
#### **3.3.2 Qualitative research method**

This study used a qualitative approach because qualitative research allows for the exploration and the explanation of job creation in Makhado Local Municipality, Vhembe District. Polit & Beck (2014: 389) define qualitative research as the investigation of phenomena, typically in an in-depth and holistic fashion, through the collection of rich narrative materials using a

flexible research design. Qualitative research involves looking at characteristics or qualities that cannot be entirely reduced to numerical values (Leedy & Ormrod, 2014: 97). The researcher used the qualitative research because qualitative research allows openness to ideas, experience, opinions, feelings and perceptions expressed by the research participants to the researcher. Qualitative research seeks a better understanding of a complex situation. The researcher used qualitative research method because qualitative research is sometimes exploratory in nature, and researchers may use their observations to build theory from the ground up. In addition, a qualitative method enables the researcher to interpret and describe the actions of people and get information from its natural setting.

### 3.4 STUDY AREA

Figure 3.4.1: Local Municipalities in Vhembe District Municipality Area



(Source: Geographic information system, 2018)

Location is a site where you want to conduct the research that is suitable and feasible (Maree, 2007: 34). Kumar (2014: 384) posits that a study area is any academic or practice field in which you are conducting your study. The study was conducted in the Makhado Local Municipality which is situated in Limpopo province under Vhembe District Municipality. Vhembe District Municipality is comprised of Collins Chabane, Makhado, Musina and Thulamela Local municipalities and covers an area of approximately 2966 km with an estimated population of 516 036 people. The Municipality is located in the Vhembe District Municipality of Limpopo province, South Africa. Municipality is one of four Local Municipalities in the Vhembe District. Municipality is a category B municipality established in 2000, in terms

of Local Government Structures Act, 1998 (Act 117 of 1998). The seat of Municipality is Makhado (previously known as Louis Trichardt). It borders with Musina in the North, Thulamela in the East, Molemole in the West (Capricorn District) and Giyani in the South (Mopani District). The municipality is almost 830 129 hectares in extent, of which 3.4% is developed.

### **3.5 POPULATION OF THE STUDY**

According to McClendon (2004: 130), a study population is the aggregate of all units of analysis that have a chance of being included in the sample to be observed. According to De Vos, Strydom, Fouche & Delport (2002: 198), population refers to individuals in the universe who possess specific characteristics, or to a set of entities that represent all the measurements of interest to the practitioner or researchers. For the purpose of this study, the researcher conducted an effective research process on the analysis of job creation strategies in the Makhado Local Municipality. The study focused on a mayor, ward councillors, finance officials, integrated development programme officials, local economic development officials, community stakeholders, members of Makhado Local Municipality youth forum, human resources officials, National Youth Development Agency officials, business owners and selected graduates who reside in Makhado Local Municipality. Makhado Local Municipality is comprised of 38 wards with an estimated 129 829 households.

According to Makhado Integrated Development Plan (2014: 53), the population of Makhado Local Municipality was estimated to be just over half a million at 516 031 with 37% unemployment rate of which 50% was made up of youth. Makhado Local Municipality was composed of 279 236 female and 236 795 male persons (Makhado IDP, 2014: 53). The population has a youthful age structure and the immediate significance of this young age structure is that the population will grow rapidly in future and this implies a future high growth rate in the labour force. At present, the local economy is unable to provide sufficient employment opportunities to meet the needs of the economically active young population as stated in Makhado IDP (2014: 53).

### **3.6 SAMPLING**

McMillan & Schumacher (2001:378) define sampling as the strategies used to select the sample of participants chosen from the whole population to get the information about the larger group. Sampling is a technique employed to select a small group with a view to determining the characteristics of a large group (Brynard & Hanekom, 2006: 54). The sampled group of this study consists of mayor, municipal manager, ward councillors, finance officials, integrated development programme officials, local economic development officials, community

stakeholders, members of Makhado Local Municipality youth forum, human resources officials, National Youth Development Agency officials, and selected graduates who reside in Makhado Local Municipality.

Sampling refers to the technique by which the sample is drawn from the population (Bless, Higson-Smith & Kagee, 2006: 186). Denzin & Lincoln (2009:186) indicate that sampling involves selecting units of analysis (for example, people, groups, artefacts, settings) in a manner that maximises the researcher's ability to answer research questions set forth in a study. The researcher used non-probability sampling to sample the respondents. According Bless *et al.* (2006: 184), non-probability sampling refers to the sampling techniques where the possibility of a member being included in the study is not known. Non-probability sampling can be defined as a technique where the odds of selecting particular individuals are not known (Strydom, 2011: 231). For the selection of respondents, the researcher chose purposive sampling method. Sampling methods are used when either the number of elements in a population is unknown or the elements cannot be individually identified. The following non-probability method will be discussed namely, purposive sampling method:

### **3.6.1 Purposive Sampling method**

Babbie (2010: 557) defines purposive sampling as a type of non-probability sampling in which the units to be observed are selected on the basis of the researcher's judgement on the ones that will be the most useful or representative. Purposive sampling is a non-probability sampling method in which the researcher selects participants based on personal judgement about who will be most informative (Polit & Beck, 2014: 389). The researcher chose the respondents with the purpose of judging the respondents on the basis of their knowledge on job creation in Makhado Local Municipality, Vhembe District. The researcher also used purposive sampling methods because it gives a historical reality, describes a phenomenon or develops something about which only a little is known. Purposive sampling provides a wide range of non-probability sampling techniques for the researcher to draw on. The researcher chose purposive sampling method as the most appropriate method for this research, because the researcher could apply her knowledge of the research problem of job creation.

For efficiency, purposive sampling was the chosen sampling methodology because the target population is heterogeneous in terms of type, size, and ownership and sectoral location of the registered businesses (Creswell, 2013: 215). The population of the study comprises the municipal manager, mayor, ward councillors, finance officials, integrated development programme officials, local economic development officials, community stakeholders, Makhado Local Municipality youth forum, human resources officials and graduates who reside in Makhado. A comprehensive questionnaire was designed in order to collect survey data from

employees and other members defined in the sample for this study. Questionnaires were distributed and interviews were conducted during data collection in Makhado. The interpretation therefore, was done concurrently for qualitative and quantitative methodologies.

### 3.6.2 Sampling size

Sample size is the number of individuals, usually denoted by the letter  $n$ , from whom you obtain the required information (Kumar, 2014: 382). A sample must be large enough to correctly represent a population. For this study, the samples differed from one population set to another. Other categories, such as special interest groups and experts, were included depending on their availability in the area. The population of the study involved were 120 respondents in which, 01 mayor, 01 municipal manager, 20 ward councillors, 06 finance officials, 05 integrated development programme officials, 01 local economic development officials, 20 community stakeholders, 30 members of Makhado Local Municipality youth forum, 06 human resources officials, 10 National Youth Development Agency (NYDA) officials, and 20 selected graduates who reside in Makhado Local Municipality as prospective beneficiaries of the policy made. Table 3.6.2.1 summarises the number of respondents sampled for the study.

**Table 3.6.2.1 Sampling Size**

NO	POSITIONS	Population	Sampled
1.	Mayor	01	01
2.	Municipal manager	01	01
3.	Ward councillors	38	20
4.	Finance officials	10	06
5.	Integrated Development Programme officials	08	05
6.	Local Economic Development officials	04	01
7.	Community stakeholders	30	20
8.	Makhado Local Municipality Youth Forum	40	30
9.	Human resources officials	12	06
10	National Youth Development Agency officials	20	10
11	Selected graduates who resides in Makhado Local Municipality	50	15
<b>GRAND TOTAL</b>		<b>203</b>	<b>120</b>

### **3.7 DATA COLLECTION METHODS AND MEASURING INSTRUMENT**

Data collection is the process of gathering the basic information that the researcher will use to draw conclusions from (Bryman, Bell, Hirschsohn, Dos Santos, Du Toit, Masenge, Van Aardt & Wagner, 2014: 376). Polit & Beck (2004: 716) define data collection as the gathering of information needed to address a research problem. The questionnaires and the interviews were used for data collection. Each of these data collection methods were suitable for the required data leading to the successful undertaking of this study. The reason for selecting interview and questionnaire was that the researcher wanted to get relevant information pertaining to the study.

#### **3.7.1 Questionnaire**

According to Polit & Beck (2014: 389), a questionnaire is a document used to gather self-report data via self-administration of questions. A questionnaire is a document containing questions and other types of items designed to solicit information appropriate for analysis (Babbie, 2007: 246). This study used the self-administered questionnaires individually, and the questionnaires were handed to the respondents who completed them on their own and submitted them back to the researcher. This was used because it saves time and energy on the side of the researcher. The researcher was available for in case respondents experienced problems while filling in the questionnaire, but then the researcher limited her own contribution to the completion of the questionnaires as her contribution might influence the results of the study.

The researcher used questionnaires to enable participants respond to questions with some assurance that their responses would not come back to haunt them. The questionnaires were useful as they helped respondents to have time to think about the answers to the questions in the questionnaire. The researcher distributed 110 questionnaires by hand to the respondents and collected them after three days. The questionnaires were accompanied by a covering letter motivating the respondents to complete the questionnaires. The researcher used a five Likert scale ranging from one (1) to five (5): a score of one (1) means the respondent strongly agrees, a score of two (2) means the respondent agrees, a score of three (3) means the respondent is not sure, a score of four (4) means the respondent disagrees and a score of five (5) means the respondent strongly disagrees.

#### **3.7.2 Interview**

Kumar (2014: 374) contends that interview is any person-to-person interaction, either face-to-face or otherwise, between two or more individuals with a specific purpose in mind. According to Bless *et al.* (2006:116), interview schedule involves direct personal contact with the

participants who are asked to answer questions relating to the research problem. The researcher used open-ended questions because it complements the questionnaires. The researcher chose this method because the aim was to find enough information not only through conversations, but also through body language. The interview schedule was made up of open-ended questions. All items were made up of open-ended statements that allows the respondents to provide more information. The study used interviews because it helps the interviewer to explain matters that are not clear to the interviewee. The researcher interviewed 10 participants who are knowledgeable about the research topic. The interview schedule was also accompanied by a covering letter which motivated the respondents to complete. Through interviews, the researcher was able to ask for further explanations in situations where the answer were ambiguous.

### **3.8 PILOT STUDY**

Barker (2003: 327-328) defines a pilot study as a procedure for testing and validating an instrument by administering it to a small group of participations from the intended test population. A pilot study is a small study conducted prior to a larger piece of research to determine whether the methodology, sampling, instruments and analysis are adequate and appropriate (Bless, Higson-Smith & Sithole, 2013: 394). A pilot study is done to check whether the instruments used by the researcher are understood by the respondents or not. Pilot studies provides the researcher with ideas, approaches, and clues one may not have foreseen before conducting the pilot study. Such ideas and clues increase the chances of getting clearer findings in the main study. In the pilot study, the researcher may try out a number of alternative measures and then select those that produce the clearest results for the main study. For this study, pre-testing questionnaires were distributed to 05 municipal officials in order to test the effectiveness of the questionnaires and interview questions were conducted with 03 Municipal officials. Pilot testing were done to improve the face and content validity of the instrument, and to estimate how long it took to complete the questionnaire. Pilot study helps to detect possible flaws in the measurement procedures. The selected people were not used on the main data collection. The reason for the testing of questionnaire and interview questions was to avoid asking inappropriate questions and to test the attitude of respondents towards the study. No errors were detected from the questionnaires and interviews conducted during the pilot study process, and as a result, the questionnaires were finally distributed to the respondents.

### **3.9 DATA ANALYSIS METHODS**

According to De Vos *et al.* (2002: 339), data analysis is the process of bringing order, structure and meaning to the mass of collected data. Data analysis is a mechanism for reducing and organising data to produce findings that require interpretation by the researcher (Burns &



Grove, 2003: 479). For the purpose of this study, two methods of data analysis were used, namely; descriptive statistical analysis and thematic analysis. Data collected through questionnaire were analysed by statistical analysis called International Business Machine (IBM): Statistical Package for the Social Sciences (SPSS) and the researcher used IBM: SPSS Version 22.0. Data was analysed and interpreted to construct a theoretical framework around which to understand the critical analysis of job creation strategies in the Makhado Local Municipality. The data were presented in a graphical, tabular form, frequencies and percentages.

In this study, the researcher also analysed data collected by interview schedule using narrative analysis. According to Maree (2007:102), narrative analysis refers to a variety of procedures for interpreting of the narrative generated in research. Narrative data analysis focuses on stories told by respondents. According to Grbich (2007: 124), the story aspect is seen as a complete entity in itself with a beginning, middle and an end. Data collected through interview were analysed by thematic analysis. The information were presented in a narrative form and grouped in the themes using Creswell's (2013: 334) eight steps of data analysis which are presented below:

- **Step 1: Planning for recording data**

The researcher should plan to record data in a more systematic manner before collecting data. Plan to use tape recorders, cameras and other devices should be delineated in the research proposal demonstrating what researcher will use.

- **Step 2: Data collection and Preliminary Analysis**

Data analysis in qualitative inquiry necessitates a two-fold approach. The first one involves data analysis at the research site during the collection of data. The second one involves data analysis away from the site. Data collection and analysis go hand in hand in order to build a coherent interpretation of the data.

- **Step 3: Managing (organizing) Data**

This is the early stage in analysis, which involves the researcher organizing his/her data into file folders, index cards or computer files. Data was organized and kept into file folders. The researcher labelled data properly with a notation system that made retrieval manageable. The data generated by qualitative methods are voluminous. Organizing and analyzing a mountain of narrative can seem like an impossible task.

- **Step 4: Reading and Writing Memos**

After the researcher has organized the data, the researcher immerses himself in the details to try and get a sense of the interview as a whole before breaking it into parts. The researcher reads the data collected and checks if it is organized and groups information together. Reading the data once more forces the researcher to become familiar with the data in intimate ways. After organization and conversation of the data, the researcher continues analysis, getting a feeling for the whole database. Reading once more through the data forces the researcher to become familiar with the data. People, events and quotes sift constantly through the researchers' mind.

- **Step 5: Generating Categories, Themes and patterns**

This step involves noting regularities in the setting or people chosen for the study. As the categories emerge, the researcher searches for those that have internal convergence and external divergence. The process of category generation involves noting regularities in the setting or people chosen for the study. The researcher searches for those who have internal convergence and external divergence. The researcher should break the information down into a small manageable set of themes to write into final narrative. The analytic process demands a heightened awareness of the data, focused attention to the data and openness to the suitable tacit undercurrents of social life.

- **Step 6: Coding the Data**

The researcher has to apply some coding scheme to those categories and themes by diligently and thoroughly marking passages in the data. The researcher can use abbreviation or key words, colours, dots or numbers. Codes may take several forms, for example: abbreviation of key words, coloured dots and numbers. The choice is up to the researcher.

- **Step 7: Testing Emergent Understanding**

The researcher begins the process of evaluating the possibility of her/his understanding and explores them through the data. As categories and themes are developed and coding is well underway, the researcher begins the process of evaluating the plausibility of his developing understating and exploring them through enough data. Part of this phrase is evaluating the data for their uselessness and centrality. This entails a search through the data during which the researcher challenges the understandings, searchers for negative instances of patterns and incorporates these into larger constructs as necessary.

- **Step 8: Searching for Alternative Explanations**

In this step, as the researcher discovers the patterns in the data, he or she should engage in critically challenging the patterns that seem to be apparent. The researcher should search for other possible explanations for those data and the linkage among them.

- **Step 9: Writing the report**

This is the final step in which the researcher writes a report and explains the data in detail. This will be done in order to ensure that the data is written in a narrative form on themes and also stated whether the findings confirm or contradict the literature of previous authors. The researcher engages in an interpretative act and gives meaning to raw data.

The researcher emphasized five opinions based on data analysis. In the first step, the researcher organized and prepared data analysis in order to collect data from the respondents. In the second step, the data were analyzed in order to see trends on patterns of the data to understand the direction in which respondents' information were heading. In the third step, the researcher applied a detailed analysis in a coding process and named all proactive respondents to analyze the data to the key findings of the research question. In the fourth step, the data were interpreted in order to see if the literature contradicts with other researchers' findings. In the fifth step, the researcher implemented all the steps applicable in the study.

### **3.10 ETHICAL CONSIDERATIONS**

De Vos *et al.* (2002: 63) define ethics as a set of moral principles which are suggested by an individual or group and subsequently or widely accepted and offer rules and behavioural expectations about the most correct conduct towards experimental subjects and respondents, employers, sponsors, other researchers, assistants and students. According to Polit & Beck (2014: 380), ethics is a system of moral values that is concerned with the degree to which research procedures adhere to professional, legal, and social obligations to the study participants. The ethical issues which were followed in this study indicated the appropriateness of the study's methodology and highlighted all the morality of humankind. The following research ethics were considered in this study:

#### **3.10.1 Permission to conduct the study**

In this study, the researcher obtained permission to conduct the research from the University of Venda and Makhado Local Municipality. The letters for permission to conduct research are attached as Annexures A and B. The study was directed to mayor, municipal manager, ward

councillors, finance officials, integrated development programme officials, local economic development officials, community stakeholders, members of Makhado Local Municipality youth forum, human resources officials, National Youth Development Agency officials, and selected graduates who reside in Makhado Local Municipality.

### **3.10.2 Informed consent**

According to Bless *et al.* (2006: 183), informed consent refers to the ethical principle that participants should be told enough about a piece of research to be able to make a decision about whether to participate in it or not. The researcher or research assistant explained to the participants what the study entails and what was required of participants in terms of participation. The researcher provided an informed consent form to be completed and signed by the participants before the commencement of the instruments sessions. Informed consent is the tool for ensuring respect for persons during research and written consent means that a person receives a written form that describes the research and then signs that form to document his or her consent to participate in the research. Participants were told about the purpose of research; how confidentiality would be protected; that they have the right to withdraw from the study at any time without negative impacts and that participation were done voluntarily or willingly.

After the researcher's proper and polite consultation with the respondents, a consent letter to verify their willingness to participate in the study was signed by each of the respondents. The study was explained to the respondents for the purpose of letting them know exactly what was required from them, even to allow them to decide on participation, the researcher ensured the respondents a sense of comfort they deserve when participating. According to Denzin & Lincoln (2009: 195), it is the research code of ethics that participants must agree voluntarily to participate without any physical or psychological coercion. A covering letter requesting the respondents was provided which explained the value and the purpose of the study. All the participants were notified of how the information they contribute will be utilised.

### **3.10.3 Confidentiality**

According to Munson (2002: 317), confidentiality is a professional undertaking that nothing about an individual (supervisee) will be revealed except under agreed-upon circumstances. Information provided by the participants, particularly sensitive and personal information, should be protected and not made available to anyone other than the researcher. Participants should be given an assurance of confidentiality and a description of the intended use of the data. The researcher should ensure that the information remains confidential at all time until

the completion of the research. The researcher will keep the nature and quality of participants' performance strictly confidential.

#### **3.10.4 Anonymity**

Scott (2005: 243) defines anonymity as the degree to which the identity of a message source is unknown and unspecified; thus, the less knowledge one has about the source, and the harder it is to specify who the source is among possible options, the more anonymity exists. If the respondent's behaviour is described in depth in the research report, he or she will be given a pseudonym and other trivial, irrelevant details that might give away the participant's identity to ensure anonymity. This ensures that the participants remain anonymous. Participants were given an assurance of privacy and explanation of the intended use of the data. For example, the researcher gave each participant a unique number rather than real name. And if it happens that the participant's name appears, the research report gave a pseudonym to that particular participant.

#### **3.10.5 Voluntary participation**

Strydom (2011:116) maintains that participation should at all times be voluntary and no one should be forced to participate in a project. In this study, the respondents were not forced to participate in the research unless the respondents explicitly or freely agreed to participate. If a participant for any reason decides to quit, that should be respected. In this study, it was the duty of the researcher to make it clear to the respondents that they participate voluntarily without fear nor intimidation. The researcher made it a point that the respondents were not forced to take part in this study project. Participants were informed that they could withdraw from the study anytime they wished to do so. The researcher did not force anyone to participate. Only those who wanted to participate could participate in the study. In addition, participants in this study were those who wanted to participate in the study. Any participation in this study was strictly voluntarily.

### **3.11 CONCLUSION**

In conclusion, the researcher applied a research design in the study which is exploratory, descriptive and contextual. The researcher also applied mixed methods which is a combination of quantitative and qualitative methods and the reasons of the choices were provided in this chapter. The researcher clearly outlined the research design, research methodology, study area, population of the study, sampling method and sampling size, data collection, data collection instruments, pilot study and data analysis methods as well as ethical consideration. The researcher further applied data collection through the use of questionnaire and interview. The researcher conducted a pilot study to verify the validity of questionnaire.

Data analysis was done through the use of descriptive and thematic analysis. In conclusion, ethical considerations was also dealt with in this chapter. The findings based on the analysis and interpretation of the data are presented in the next chapter.

## **CHAPTER 4**

### **4 DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.1 INTRODUCTION**

The previous chapter presented the research design of the empirical investigation and the subsequent research methodologies that the researcher followed as well as the structure and the procedures that were followed to answer the researcher's study questions in the investigation of the critical analysis of job creation strategies. It has been revealed that the study adopted a mixed methods research where quantitative and qualitative research methodologies were used. The analysis of data involves what has been seen, heard and read in order to use the data collected. This chapter will focus on the analysis and interpretation of the collected data by discussing the sampled population's responses as a way of providing an understanding of the nature of the research findings to the critical analysis of job creation strategies. The following sections focus on reporting the empirical investigation by providing answers to the perceptions and understanding of the job creation strategies.

This was committed to the analysis of data following the research findings. The findings relate to the research questions that guided the study. The data were collected and then processed in response to the problems poised in chapter 1 of this dissertation. Data were analysed to identify, describe and explore the effectiveness of the critical analysis of job creation strategies. Data were obtained from the interview of 10 respondents and self-administered questionnaires completed by 120 respondents who were mainly unemployed and employed youth, and a few business managers or owners. The research study on unemployment was necessary because currently, both the state as well as the general public know that unemployment is a crisis in the country. Thus, the quest for finding a lasting solution has become more urgent than ever before. The aim of this chapter is to present, analyse, interpret and discuss the results of the data collected from the respondents. The data from the questionnaires and the interviews is tabulated and calculated to show the frequency and percentages that are easy to explain. For the purpose of this study, each question from the questionnaire is presented, analysed then interpreted.

#### **4.2 ANALYSIS OF DATA COLLECTED THROUGH QUESTIONNAIRE**

In this section, the researcher presents the data collected using the questionnaire. The data is tabulated and presented in frequency and percentages. The section also presents the two sub-sections, namely: Section A which is the biographical details of the respondents and Section B which relates to job creation strategies in Makhado Local Municipality.

#### 4.2.1 Section A: Biographical details of respondents

The sub-section presents the biographical details of the respondents and the information will be presented in a tabular form with frequencies and percentages followed by syntheses information.

**Table 4.1 Gender of Respondents**

Item	Response	Frequency	Percentage
1	Male	50	41.7%
2	Female	70	58.3%
	<b>Total</b>	<b>120</b>	<b>100%</b>

As shown in table 4.1, the respondents consisted of 50 males (41.7%) and 70 females (58.3%). This shows that there is a promotion of gender impartiality in the collection of research data. The difference in the number of male participants as compared to female participants shows that females were more responsive than males. Females responded in large number as they were many in each department than males. From table 4.1, it can be concluded that majority of respondents were females. All targeted 120 respondents managed to return the questionnaires, and all the questionnaires were analysed. With the statistics above, it can be concluded that females were more than the males in this study, but then the number of females is closer to that of males.

**Table 4.2 Educational qualification of respondents**

Item	Response	Frequency	Percentage
1	Grade 12	35	29.1%
2	Diploma	45	37.5%
3	Degree	30	25.0%
4	Honours	10	8.3%
5	Masters	0	0%
6	PhD	0	0%
	<b>Total</b>	<b>120</b>	<b>100%</b>

In table 4.2 the researcher conducted the study on respondents that were having qualifications from Grade 12 certificate to PhD. Majority of respondents were having diplomas 45 (37.5%), followed by those with matric certificate (Grade 12) 35 who constituted 29.1%. Only 30 (25.0%) respondents were having degrees. While 10 (8.3%) respondent had honours. There was no respondent who had Masters or PhD qualifications. From the information provided above,



many participants were having diplomas. Participants with degree and Grade 12, were at average, while those with honours were very few. The statistics reveal that there were no respondents who had Masters and PhD degrees which indicates that educated people do not have employment. From the information above, it can be concluded that the reason that many people in municipality do not have degrees is that there are no employment opportunities created, as such, the municipality should create jobs for the graduates.

**Table 4.3 Age of Respondents**

Item	Response	Frequency	Percentage
1	Less than 19 years	02	1.7%
2	20-25 years	28	23.3%
3	26-30 years	30	25.0%
4	31-35 years	28	23.3%
5	36 years and older	32	26.7%
	<b>Total</b>	<b>120</b>	<b>100%</b>

The researcher conducted the study on respondents that were from less than 19 years old to 36 years and older. In the context of this study, an unemployed person is a person who does not have any source of income at the end of the month. Table 4.3 shows that the respondents who were less than 19 years were two (2) and constituted 1.7%. Table 4.3 also shows that the respondents between the age 20 and 25 years were 28 and constituted 23.3%. It further shows that respondents between the ages 26 to 30 years were 30 at 25.0%. The respondents between the ages 31 and 35 years were 28 and constituted (23.3%). Table 4.3 shows that 32 (26.7%) of the respondents were 36 years and older. Those respondents between the age of 13 and 19 years are school leavers and are not employed, but only depend on the government grants and/or financial support from parents. The research subjects are people with liveliness and they have their enthusiasm to participate since they want to know the nature of the environments they live in. Their participation was prompted by the desire to find some answers to what is happening in the affairs of the Makhado Local Municipality. From the information above, it can be concluded that the municipality should make sure that the community stakeholders and community members are aware about the job creation strategies, especially from the age of 26 to 36 and above.

**Table 4.4 Position of the respondents**

Item	Response	Frequency	Percentage
1	Municipal Manager	01	0.83%
2	Mayor	01	0.83%
3	Makhado Local Municipality employees	28	23.3%
4	Makhado Local Municipality community members	45	37.5%
5	Graduates residing at Makhado Local Municipality	45	37.5%
	<b>Total</b>	<b>120</b>	<b>100%</b>

In table 4.4 there were five categories of respondents who took part in the study, namely, the municipal manager, mayor, municipal officials at Makhado Local Municipality, Makhado Local Municipality community members and graduates who reside at Makhado local municipality. The graduates who reside at Makhado Local Municipality in this the study were 45 constituting 37.5%. The Municipal manager was 01 constituting 0.83% and the Mayor was 01 constituting 0.8%. Employees in Makhado Local Municipality were 28, constituting 23.3% and community members residing at Makhado were only 45, constituting 37.5%. The ratio of these respondents was made to balance so that the results collected could present balanced data from youth and the adults such as educators and community members. The highest percentage was allocated to the graduates, because they are the victims of unemployment. The respondents' percentage was enough to evaluate their responses and tell their perspectives. This suggests that municipality should make sure that the above respondents in their respective positions are taken into account for the improvement of jobs in the municipality.

#### **4.2.2 Section B: Job creation strategies at Makhado Local Municipality**

Data collection was in line with the following objectives: the challenges faced by Makhado Local Municipality with regards to job creation strategies evaluation of the level of assessment with regards to job creation strategies in Makhado and the review of the existing strategies in Makhado with regard to job creation.

##### **4.2.2.1 Challenges faced by Makhado Local Municipality with regard to job creation strategies**

This sub-section presents the information on the challenges faced by Makhado Local Municipality with regard to job creation strategies. The information is presented in a tabular form, frequencies and percentages followed by syntheses information.

**Table 4.5 Have the challenges of job creation strategies increased in Makhado Local Municipality**

Item	Response	Frequency	Percentage
1	Strongly Agree	18	15.0%
2	Agree	12	10.0%
3	Neutral	19	15.8%
4	Disagree	22	18.3%
5	Strongly disagree	49	40.83%
	<b>Total</b>	<b>120</b>	<b>100%</b>

With regard to table 4.5, 49 of the respondents constituting 40.83 strongly disagreed that there are challenges of job creation strategies which need to be increased in the municipality as there are complaints about unemployment which led to poor job creation and poverty in the area. Of the total respondents, 22 constituting 18.3% disagree with the statement above that challenges of job creation strategies have increased in the municipality. Nineteen (19) respondents constituting 15.8% in this study remain neutral that the challenges of job creation strategies increased in Makhado Local Municipality. Of the total number of respondents, 12 constituting 10.0% of the respondents disagree with the statement that the challenges of job creation strategies need to be increased in Makhado Local Municipality and eighteen 18 respondents, constituting 15.0% strongly agree with the statement. This shows that 71 respondents (59.1%) support that the challenge of job creation strategies be increased in Makhado Local Municipality. This is so because during collection of data, some respondents reported that there is a challenge of job creation strategies that needs to be improved in the municipality. From the information in table 4.5, it can be concluded that there are existing challenges in the increase of job creation strategies in the municipality.

**Table 4.6 Does Makhado Local Municipality inform members of the public with regard to job creation strategies in any process of development?**

Item	Response	Frequency	Percentage
1	Strongly Agree	35	29.1%
2	Agree	17	14.1%
3	Neutral	10	8.3%
4	Disagree	28	23.3%
5	Strongly disagree	30	25%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.6 indicates that 35 of the respondent constituting 29.1% strongly agree with the above statement while 17 (14.1%) agree with the statement that Makhado Local Municipality does not inform members of the public with regard to job creation strategies in any process of development. Ten (10) respondents constituting 8.3% were neutral about the statement above. A total of 28 respondents constituting 23.3% disagree whereas 30 of the respondents constituting 25% strongly disagree with the statement above. Table 4.6 shows that Makhado Local Municipality does not inform members of the public with regard to job creation strategies in any process of development and this results in poor job creation or high rate of unemployment. From the information in table 4.6, it can be concluded that the Makhado Local Municipality should inform members of the public with regards to job creation strategies in any process of development because this will enable the development in terms of job creation.

**Table 4.7 Community members are unwilling to attend meetings of job creation strategies**

Item	Response	Frequency	Percentage
1	Strongly Agree	17	14.1%
2	Agree	12	10%
3	Neutral	13	10.8%
4	Disagree	32	26.7%
5	Strongly disagree	45	37.5%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.7 indicates that 29 of the respondents at a total of 24.1% of overall respondents agree that community members are willing to attend meetings of job creation strategies. This is shown by 17 respondents constituting 14.1% of respondents strongly agreeing and 12 (10%) agreeing with the statement above. There are other respondents who remained neutral at 13 (10.8%) and 32 of respondents (26.7%) who disagree with the statement. The respondents at 45, of a total of 37.5% strongly disagree that members of the community are unwilling to attend meetings of job creation strategies. From the information provided above, a conclusion can be drawn that majority of the respondents who took part in the study were at 64.1% this means that the community members of Makhado Local Municipality are willing to attend job creation strategies. With the statistics in table 4.7, it can be concluded that the community members are willing to attend meetings of job creation strategies in the municipality.

**Table 4.8 Are existing challenges of job creation strategies to be improved soon by the Makhado Local Municipality?**

Item	Response	Frequency	Percentage
1	Strongly Agree	60	50.0%
2	Agree	23	19.1%
3	Neutral	11	9.1%
4	Disagree	14	11.6%
5	Strongly disagree	12	10.0%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.8 indicates that when we add the responses from the respondents who agree and strongly agree they were 83 out of a total of 120 constituting 69.1% who agree that the existing challenges of job creation strategies are to be improved soon by the Makhado Local Municipality. This is portrayed by 60 respondents at a total of 50% who strongly agree that there are existing challenges of job creation strategies to be improved soon by the municipality and 23 respondents constituting 19.1% who agreed with the statement above. This is so because during the collection of data, some respondents stated that the ward councillors and the public officials in the municipality work hand in hand for the delivery of service to the community. There are other respondents who remained neutral at 9.1% and another 11.6% who disagree and 10% who strongly disagree with the statement. From the information above, it can be concluded that there are existing challenges of job creation strategies to be improved soon by the municipality.

**Table 4.9 Public officials in Makhado Local Municipality do not review existing job creation strategies with regard to improving rate of unemployment**

Item	Response	Frequency	Percentage
1	Strongly Agree	07	5.8%
2	Agree	10	8.3%
3	Neutral	20	16.7%
4	Disagree	45	37.5%
5	Strongly disagree	38	31.7%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.9 indicates that 14.1% of overall respondents agrees that public officials in Makhado Local Municipality do not review existing job creation strategies with regard to improving the rate of unemployment. This is illustrated by 5.8% of respondents strongly agreeing and 8.8%

agreeing with the statement. There are other respondents who remained neutral at 20 (16.7%). The statement above indicates 45 respondents constituting 37.5% who disagree with the statement above. 38 of the respondents who constitute 31.7% strongly disagree with the statement that public officials in Makhado Local Municipality do not review existing job creation strategies with regard to improving the rate of unemployment. This was seen during data collection when some of the respondents indicated that there are no strategies in place and if they were there, stakeholders and community members would have been consulted. This means that the Makhado Local Municipality has to make it a point that they improve existing job strategies in order to improve employment rate. From the information provided in table 4.9, it can be stated that public officials in the municipality do not review existing job creation strategies with regard to job creation.

#### 4.2.2.2 The level of job creation strategies in Makhado Local Municipality

This sub-section presents the information regarding the evaluation of the level of assessment with regards to job creation strategies in Makhado Local Municipality. The information will be presented in a tabular form, frequencies and percentages followed by syntheses information.

**Table 4.10 Job creation strategies play an important role in the improvement of basic service delivery in the Municipality**

Item	Response	Frequency	Percentage
1	Strongly Agree	37	30.8%
2	Agree	32	26.7%
3	Neutral	06	05%
4	Disagree	26	21.7%
5	Strongly disagree	19	15.8%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.10 shows that few people were neutral on whether job creation strategies play an important role in the improvement of basic service delivery in the municipality. Respondents who strongly agree were 37, constituting 30.8% and 32, constituting 26.7% agree that poor planning in the improvement of employment is the contributing factor. From the above statement, 19 respondents (15.8%) strongly disagree with the statement that job creation strategies play an important role in the improvement of basic service in the municipality and 26 respondents constituting 21.7% disagree. This shows that 69 of the respondents constituting 57.5% strongly agree and agree with the fact that job creation strategies play an important role in the improvement of basic service delivery in the municipality. Table 4.10 above shows that 06 respondents (05%) were neutral about the above statement. This means

that if rules and regulations are in place, awareness campaigns must be held to remind community members about the existing laws within the municipality regarding job creation. From the information in table 4.10, it can be concluded that job creation strategies play an important role in the improvement of basic service delivery in the municipality.

**Table 4.11 Community members are willing to participate in job creation strategies**

Item	Response	Frequency	Percentage
1	Strongly Agree	46	38.8%
2	Agree	35	29.1%
3	Neutral	10	8.3%
4	Disagree	19	15.8%
5	Strongly disagree	10	8.3%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.11 shows that 46 and 35 respondents at a total of 67.4% in this study agreed that community members are willing to participate in job creation strategies. This was seen when a total of 46 respondent (38.3%) indicated that they strongly agree with the statement and 35 respondents (29.1%) who indicated that they agree with the statement. Table 4.11 indicates that 10 (8.3%) of the respondents were neutral about the statement that community members are willing to participate in job creation strategies and 10 of the respondent at a total of 8.3% were strongly disagreeing with the fact that community members are willing to participate in job creation strategies. (19) respondents who constitute (15.8%) disagree with the fact that community members are willing to participate in job creation strategies. From the statistics in table 4.11, it can be concluded that the community members are willing to participate in job creation strategies that may be in place, therefore the municipality should invite the members of the community in any decision they might take.

**Table 4.12 Makhado Local Municipality plays an important role in job creation**

Item	Response	Frequency	Percentage
1	Strongly Agree	39	32.5%
2	Agree	30	25.0%
3	Neutral	11	9.1%
4	Disagree	17	14.1%
5	Strongly disagree	23	19.1%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.12 shows that 58 of the respondents (52%) agreed with the statement that Makhado Local Municipality plays an important role in job creation. This is seen when 39 (32.5%) of the respondents were strongly agreeing with the statement and 30 respondents constituting 25.0% agreeing with the statement above. Although eleven (11) respondents who constitute a total of 9.1% of the respondents who answered the questionnaire were neutral, 23 (19.1%) strongly disagreed with the statement in table 4.12 and 11 of the respondents at a total of 14.1% disagreed with the statement above. It is now a duty of policy implementers to make sure that the community members, graduates and employees from Makhado Local Municipality play an important role in job creation strategies. From this information, there are different opinions on the view that Makhado Local Municipality plays an important role in job creation. Majority of respondents agreed that the municipality does not play an important role in job creation as there are policies put in place to implement and to create job creation, but those policies are not effective. With the statistics above, it can be suggested that the municipality plays an important role in job creation.

**Table 4.13 Municipality consults members of public about job creation strategies**

Item	Response	Frequency	Percentage
1	Strongly Agree	23	19.1%
2	Agree	30	25.0%
3	Neutral	43	35.8%
4	Disagree	20	16.7%
5	Strongly disagree	4	3.3%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.13 shows that those who agree combined with those who strongly agree that the municipality consults members of public about job creation strategies are 53, constituting 44.1% of the total number of respondents as only 23 of respondent who constitute 19.1% and 30 respondents constituting 25.0% of the total respondents strongly agree and agree with the statement respectively. This shows that the municipality is not doing its part in reducing unemployment. A total of 43 respondents, constituting 35.8%, remained neutral on whether the municipality consults members of the community on job creation strategies while 20 of the respondents at a total of 16.7% disagree that the municipality consult members of public about job creation strategies and 4 of the respondents at a total of 3.3% strongly disagree with the above statement. The residents should start to participate and consult in the matters of Local Municipalities (Makhado Local Municipality). This will help in reducing unemployment as there would be other job which might be created which they won't know unless they get involved.



From the information above, it can be concluded that the municipality should consult members of public about job creation strategies.

**Table 4.14 The existing jobs strategies to be evaluated to check if they are yielding desired results**

Item	Response	Frequency	Percentage
1	Strongly Agree	49	40.8%
2	Agree	22	18.3%
3	Neutral	19	15.8%
4	Disagree	12	10.0%
5	Strongly disagree	18	15.0%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.14 shows that 49 respondents, constituting 40.8% strongly agreed with the statement that the municipality that have existing jobs strategies should be evaluated to check if they are yielding desired results of creating jobs. 22 of the respondents constituting 18.3% of the total respondents agreed with the idea. Nineteen (19) respondents constituting 15.8% were neutral on whether the municipality that have existing jobs strategies should be evaluated to check if yielding desired results. The study outlines that respondents who strongly disagree with the statement were 18 (15.0%) and 12 respondents who disagree with the above statement constituted 10.0%. From the information provided in table 4.14, a conclusion can be drawn that majority of the respondents who took part in the study at 71, constituting 59.1% favoured that the existing jobs strategies should be evaluated to check if they are yielding the desired results. With the statistics above, it can be concluded that the existing jobs strategies need to be evaluated to check if they are yielding the desired results.

#### **4.2.2.3 Review of existing strategies in the Makhado Local Municipality with regards to job creation**

This subsection presents the information on the review of existing strategies in the Makhado Local Municipality with regard to job creation. The information will be presented in a tabular form, frequencies and percentages followed by syntheses information.

**Table 4.15 Reviewing of existing strategies in the Makhado Local Municipality is Important**

Item	Response	Frequency	Percentage
1	Strongly Agree	25	20.8%
2	Agree	55	50.0%
3	Neutral	18	16.0%
4	Disagree	12	11.0%
5	Strongly disagree	10	8.3%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.15 indicate that twenty-five (25) at 20.8% of the respondents strongly agree and 55 (50.0%) agree that the review of existing strategies in the Makhado local municipality is important. 18 (16.0%) were neutral about the statement above, meaning that they were unsure of what they were talking about. However, 11.0% disagree with the statement that reviewing of existing strategies in the Makhado local municipality is important and 8.3% also strongly disagree with the statement. This shows that 70.8% of the respondents agree that reviewing of existing strategies in Makhado local municipality is important in the municipality. It also shows that if the economic challenges such as crime and corruption of the country are addressed, unemployment will be minimised. This is so because during collection of data, some respondents reported that the municipality works hand in hand with the community stakeholders, because the community submits application to the municipality when they need to be assisted in funding for employment. From the statistics in table 4.15, it can be concluded that municipality should make sure that the reviewing to existing strategies in the Makhado Local Municipality is taken into account for the improvement of jobs in the municipality.

**Table 4.16 The impact of existing strategies need to be checked**

Item	Response	Frequency	Percentage
1	Strongly Agree	37	30.8%
2	Agree	45	37.5%
3	Neutral	16	13.3%
4	Disagree	09	7.5%
5	Strongly disagree	13	10.8%
	<b>Total</b>	<b>120</b>	<b>100%</b>

In table 4.16 there are times when community stakeholders and community members want to lodge the complaints about the service they received and lodging such complaints through the

right channels could result in a better outcome and may help to improve the service to be rendered to other areas. Table 4.16 indicates that 45 respondents who constitute 37.5% of the total respondents agree that the impact of existing strategies need to be checked, while 37(30.8%) strongly agree with the statement. The respondents who were neutral on whether the impact of existing strategies need to be checked were 16, constituting 13.3%. The respondents who disagree that the impact of existing strategies need to be checked were 09 (7.5%) and respondents who strongly disagree were also 13 (10.8%). In this case it shows that 82 respondents, constituting 68.3%, agree that the impact of existing strategies need to be checked under the Makhado Local Municipality. This means that immediate action needs to be taken in order to limit this before it affects the other nearby municipalities. From this information, it can be concluded that municipality should make sure that the community stakeholders and community members are aware of where to lodge complaints about the jobs they should receive.

**Table 4.17 Community members need to know the existing strategies in the Makhado Local Municipality**

Item	Response	Frequency	Percentage
1	Strongly Agree	32	26.7%
2	Agree	45	37.5%
3	Neutral	18	15.0%
4	Disagree	10	8.3%
5	Strongly disagree	15	12.5%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.17 shows that the respondents who agree that community members need to know the existing strategies in the municipality were 45 (37.5%) while a total of 45 respondents who strongly agree were 32 (26.7%). This shows that 64.1% of respondents agree with the statement that community members need to know the existing strategies in the municipality. 15% of the respondents were neutral. The table above shows that the 8.3% disagrees that community members need to know the existing strategies in the municipality, while 15 (12.5%) strongly disagrees. The table outlines that respondents who strongly agree were 32 (26.7%). Community stakeholders and community members should always know the existing strategies in the municipality so that they can know the changes and all the information regarding job creation in their municipality. With the statistics in table 4.17, it can be concluded that the municipality should make sure that the community members and stakeholders know existing strategies in place in the municipality.

**Table 4.18 Public officials in Makhado Local Municipality continuously review strategies to see if they are yielding results**

Item	Response	Frequency	Percentage
1	Strongly Agree	14	11.8%
2	Agree	24	20.0%
3	Neutral	17	14.1%
4	Disagree	45	37.5%
5	Strongly disagree	15	12.5%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.18 shows that 24 respondents constituting 20.0% of the respondents agreed that public officials in Makhado continuously review strategies to see if they are yielding results and respondents who strongly agree are 14 (11.7%). The above table indicates that 17 respondents constituting 14.1% were neutral on whether public officials in Makhado continuously review strategies to see if they are yielding results. The respondents who disagree with the statement that public officials in Makhado continuously review strategies to see if they are yielding results were 45 (37.5%). Table 4.18 shows that 15 respondents, constituting 12.5%, strongly disagree that public officials in Makhado continuously review strategies to see if they are yielding results. In this situation, the government should involve people in planning and decision making about unemployment. From the information provided in table 4.18, a conclusion can be drawn that majority of the respondents who took part in the study at 45 (37.5%) were in agreement that Makhado does not have capacity to continually review strategies to see if they are yielding results. From the statistics provided in table 4.18, it can be stated that the municipality provides public officials in Makhado who will continually review the strategies to see if they are yielding results.

**Table 4.19 The municipality should create the environment within which job creation strategies can be made**

Item	Response	Frequency	Percentage
1	Strongly Agree	33	27.5%
2	Agree	31	25.8%
3	Neutral	12	10.0%
4	Disagree	19	18.8%
5	Strongly disagree	25	20.8%
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table 4.19 shows that the respondents at a total of 33 (27.5%) strongly agree with the statement that if the Makhado creates an environment within which job creation strategies can be made, this will increase the chance of employing many people who are unemployed. Table 4.19 shows that 31 respondents who constitute 25.8% of the total number of respondents agree that Makhado should create the environment within which job creation strategies can be made in Makhado. Table 4.19 shows that 64 of the respondents who constitute 53.3% of the total number of respondents indicate that there is an improvement in employment. Table 4.19 shows that (25) 20.8% strongly disagree and 19 (15.8%) disagree with the statement that municipality should create the environment within which job creation strategies can be made in the municipality and a total of 12 respondents constituting 10.0% were neutral. This means that municipality should take actions to fight against unemployment and improve the lives of community members by creating jobs. From table 4.19, it can be concluded that the municipality should create the environment within which job creation strategies can be made.

### **4.3 ANALYSIS OF DATA COLLECTED THROUGH INTERVIEWS**

The researcher used open-ended interview to collect data. Each and every participant was interviewed depending on the time available for them. The analysis of data collection through interview questions was done from ten (10) participants. This section focuses on analysing the information collected through interview. The researcher applied a narrative form to interpret the findings. The analysis of data collection through interview was done and participant were recognised as participant A, B up to J. The information is presented in a narrative form.

#### **4.3.1 Question 1: What are the challenges facing Makhado Local Municipality with regards to job creation strategies?**

##### **PARTICIPANT A**

Based on the above statement, participant A outlined that the councillors are facing challenges because some family members will need to work forever and is not possible. There is corruption when it comes to employment in the municipality. Those whose surnames are famous or are from royal families are recognised or given first priority.

##### **PARTICIPANT B**

Based on the question above, participant B suggested that the challenges of unemployment in Makhado local municipality should be improved in the sense that there are many opportunities that unemployed people may utilise, especially young people, such as National

Empowerment Fund, Industrial Development Corporation and National Youth Development Agency. The challenge is that youth are not well-informed about this opportunities in place.

### **PARTICIPANT C**

Based on the statement above, participant C outlined that community members are willing to know the situation of evaluating the level of assessment with job creation in Makhado. Government, municipality and the agencies are not doing enough because many young people are still unemployed. There is corruption when it comes to getting tenders and jobs. Furthermore, agencies do not consider people from rural areas, but consider those from urban areas where there is no need.

### **PARTICIPANT D**

In answering the question, participant D suggested that many people are not educated in Makhado, they need high positions and they are not creative in terms of new development, therefore, new and young people with fresh minds should be employed. Old employees in the municipality are not ready to adapt to the new changes that may be effected such as technological changes.

### **PARTICIPANT E**

In answering the question, participant E suggested that National Youth Development Agency should provide funds to graduates to enable them to start their own businesses because it only provides for a few people. Youth do not have experience yet, so there is no need for agencies to stipulate how long one has been working as it will discourage youth to from participating.

### **PARTICIPANT F**

In answering the question, participant F said many graduates are unemployed and the municipality does not have money to assist them to develop themselves, especially after studying and those who will be using loans such as National Student Financial Aid Scheme (NSFAS) will have to pay back the money and if not, they will be delaying other students as there will be no money to fund them. Furthermore, youth do not have work experience, maybe when posts are advertised, they should not indicate experiences because where are the youth going to get experience after graduating a degree or a diploma.

### **PARTICIPANT G**

Based on the statement above, Participant G outlined that positions are all filled by old people and for the position to be vacant, one needs to die, retire or be retrenched for young person

to get the post. Furthermore, old employees tend to continue working even if their terms have lapsed.

#### **PARTICIPANT H**

In answering the above question, participant H replied that lack of government funds to pay employees is a challenge which no one knows when it will be resolved. In order for one to get a job, money is the key. There are many people working around selling jobs and they tend to lie about the municipality. Those who are poor get poorer and those who are rich become richer.

#### **PARTICIPANT I**

In answering the question above, participant I suggested that graduates can should be creative and come up with ideas on how they can create jobs for themselves, because focusing on the government cannot reduce unemployment rate. It is high time youth start to stand on their own and leaving government aside because it is like youth nowadays are focusing on receiving child support grant without working for it.

#### **PARTICIPANT J**

In answering the above question, participant J replied that if there is no budget in the municipality, there is nothing that Makhado can do. It would be better if there was no free education because after studying for free, there is no free job from the government. Although the National Student Financial Aid Scheme is doing its best to the university students, unemployment remains high. Students tend to drop out of school.

Participants A, D and G outlined that positions are all filled by old people and for the position to be vacant, one needs to die, retire or be retrenched to enable a young person to get the post. Councillors are facing challenges because some of family members will need to work forever and it is not possible. Participant B mentioned that the challenge is that the youth are not well-informed about opportunities or programmes and agencies in place to fund them for their start-ups of their business opportunities in place. Participant C stated that there is corruption when it comes to getting tenders and jobs. Furthermore, agencies do not consider people from rural areas but only those from urban areas where there is no need. Participant E suggested that National Youth Development Agency should provide funds to graduates to enable them to start their own businesses because it only provides for a few people. Participant F and J furthermore indicated that youth do not have work experience, so when posts are advertised, they should not indicate experiences because where are the youth going to get experience from after graduating a degree or diploma.

Participant I suggested that graduates should be creative and bring ideas on how they can create jobs for themselves, because focusing on the government cannot reduce unemployment rate. This will reduce high rate of crime committed by youth and increase employment rate. In the long run, the victims end up becoming poor because not many of them survive the challenge that comes with being a young parent and a student at the same time. Students end up dropping out of school with no qualification which in the long run, make young people unemployable. It can be suggested that positions are filled by the old people and as such, Makhado does not have many youth who are working, this is because youth are not well-informed about the opportunities in place.

**4.3.2 Question 2: What is the level of job creation strategies at Makhado Local Municipality?**

**PARTICIPANT A**

With regard to the question on the level of job creation strategies at Makhado, respondent A indicated that the challenge is that when stakeholders are invited in public participation meetings and community meetings such as civic meetings, the attendance is poor in such a way that they fail to get progress report in terms of service delivery issues. Furthermore, the respondent indicated that the youth do not attend meetings when invited in the community and that is the place where they can get ideas on how they can develop themselves in terms of employment.

**PARTICIPANT B**

Based on the above statement, participant B outlined that Makhado should cut providing tender jobs because service providers are getting more money without working hard. Next time the Makhado will hire another service provider and will repeat the same mistake. Participant B further outlined that the issue of internship does not help as one will be employed for one year. After the internship they just sit down and rot with their fresh ideas whereafter they increase crime rate and poverty in the community.

**PARTICIPANT C**

Based on the above statement, participant C pointed out that the assessment of unemployment is vital, and it must be done yearly with the involvement of the community. Participant C also said that if the community members are involved or participate in everything that the municipality does, this may help minimise some of the problems that Makhado faces such as corruption.



## **PARTICIPANT D**

Based on the above statement, participant D outlined that Makhado does not have a plan that describes its level of assessment with regards to job creation strategies yet. Therefore, the Makhado should make a plan in order to reduce unemployment rate in the municipality and also encourage the spirit of togetherness whenever there are other developments in the municipality.

## **PARTICIPANT E**

Based on the above statement, participant E was concerned with the needs of the Makhado and pointed out that the municipality should adhere to the needs of the community and meeting graduates' needs by checking how many people graduated in a year and at least have half of them employed. If the graduates are employed, this can encourage the young generation to see education as their opportunity to greater future, because many young people are unemployed whereas they are educated or have qualifications in hand.

## **PARTICIPANT F**

In answering the question above, participant F outlined that the Makhado does not evaluate level of assessment with regard to job creation because many people have not been working for a long time, they are just carrying qualifications and some of them tend to be street vendors. There is no need for other children to attend school since they see their elder brothers and sisters with no job, whilst they have gone to school.

## **PARTICIPANT G**

Based on the above statement, participant G was concerned with the Integrated Development Programme that should prioritise its work. Makhado can evaluate the level of assessment with regard to job creation strategies, if the evaluation level of assessment is not improved, no job creation strategies are going forward. Participant G further said that there should be regular training, assessment, workshops and Imbizos to capacitate the municipal officials and its councillors to enhance their skills, knowledge and potential about job creation strategies.

## **PARTICIPANT H**

In answering the above statement, participant H said Makhado is relaxed in assessing the level of employment and the office and raised concern that something should be done about it. It seems as if there are no assessors or auditors who check if some of the policies are implemented. Participant H outlined that evaluation of the municipality is minimised in the

sense that many people are unemployed, and municipality does not have capacity to employ every member of the community.

### **PARTICIPANT I**

Based on the above statement, participant I said that the assessment can be done through human resources were available vacant positions should be identified filled to stop or minimise providing internship and Expanded Public Works Programmes or to make the positions permanent because internships are not useful as they contribute to increase unemployment. The fact that there is an intern in the office means that there is a need for an employee, why does the municipality not provide one to minimise unemployment rate in the country?

### **PARTICIPANT J**

Based on the above statement, participant J pointed out that municipality does not have money, therefore it will never evaluate the level of assessment as they are given inadequate budget to create many positions. Participant J further said that municipality can assess the level of job creation strategies and if the government increases the municipality budget, this may assist in job creation as many people will be employed. The respondent further outlined that unemployment in this area is too high.

The respondents from all the sample population outlined how municipality can improve job creation strategies in their locations or areas. When there is no unity in the community, there is no development. Participant A outlined that community members and young people do not attend meetings from the municipality when they are invited. It can be recommended that there be participation from both sides, that is, municipality and community. Respondents replied that poor attendance of meetings by community members, different stakeholders and illiterate people on public participation meetings, lack of consultation, empty promises by the municipality and lack of coordination lead to poor job creation in the municipality. Participant B, C and H indicated that municipality should try to minimise corruption as it is getting worse in the process of tendering section and this can be done if there are selected office bearers who are assessing the level of development in the existing policies that are in place. Furthermore, participant D and E municipality do not seem to have the plans and direction when it comes to job creation.

Participant F outlined that both educated and uneducated people tend to do low jobs which do not fit the level of education and qualification. Participant G outlined that Integrated Development Plan does not prioritise well in terms of service delivery as it focuses on people from urban areas than those in rural areas. Participant I said that temporary programmes such

as internship, learnership and Expanded Public Works Programme do not bring any difference in creating jobs. Participant J colluded that budget given to the municipality is inadequate therefore municipalities tend not to give service in terms of job and other related services. Participant G suggested that there should be regular training, assessment, workshops and Imbizos to capacitate the municipal officials and its councillors to enhance their skills, knowledge and potential about job creation strategies. It can be suggested that the municipality should try to minimise corruption as it is getting worse in the process of tendering and this can be done if there are selected office bearers who are assessing the level of development in the existing policies that are in place.

#### **4.3.3 Question 3: What are the existing job creation strategies at Makhado Local Municipality?**

##### **PARTICIPANT A**

Based on the above statement participant, A replied that there are no reviewed existing strategies in Makhado and if not done, the municipality will not have people who are working out of passion and focusing on the development of the municipality, but working for money. There are other employees who seem not to have passion of helping people but to get money at the end of the month and this is not good.

##### **PARTICIPANT B**

In response to the above question, participant B outlined that even if the municipality's reviewed existing strategies are in place, there are still many people who will still be unemployed as it won't bring changes. The reviewed existing strategies in the municipality need to be revisited for amendment.

##### **PARTICIPANT C**

Based on the above statement, participant C suggested that Expanded Public Works Programmes, Integrated Development Programmes and Youth Development Programmes should be aimed at providing new employment, especially to graduates without skills in preparation for their employment.

##### **PARTICIPANT D**

Based on the above question, participant D outlined that the municipal officials need to know how many people are employed and how many are unemployed. Reviewing existing strategies in municipality is important. Community participation in developing the community tend to be poor in the municipality as the citizens think the municipality is not doing enough.

## **PARTICIPANT E**

In response to the above question, participant E outlined that the policies and legislation in place should be reviewed as well as existing strategies in municipality. Participant E further suggested that municipality should encourage employees from Makhado to participate in developing new strategies to fight against unemployment.

## **PARTICIPANT F**

Based on the above statement, participant F pointed out that municipality will review existing job creation to improve unemployment rate.

## **PARTICIPANT G**

Based on the above statement, participant G outlined that there are no reviewed existing strategies in Makhado. Furthermore, participant G pointed out that municipality will give temporary jobs such as building of tarred roads. Participants G further outlined that the municipality should review existing job creation strategies in order to improve employment rate in Makhado.

## **PARTICIPANT H**

Based on the question above, participant H replied that municipality will review existing job creation to improve unemployment rate. This can be done by the municipality through providing employment for its citizens, they tend to understand municipality better and its origin. For example, Makhado Local Municipality was also named Louis Trichardt, but its origin is Makhado.

## **PARTICIPANT I**

With regard to the question above, participant I pointed that municipality can review existing job creation to improve unemployment rate. This can be done when the municipality considers people staying within that particular municipality so that we do not have foreigners who work in the municipality whose background they do not understand.

## **PARTICIPANT J**

Based on the question above, participant J pointed out that the municipality will review existing job creation to improve unemployment rate. The issue is that there must be auditors who will always visit and check for changes and improvement made. This may help to create good relationship between communities and the municipality to improve basic service delivery.

The participants from the entire population sample gave suggestions on the review of existing strategies in Makhado Local Municipality. Participant A,B,D,E and F said many people are still unemployed and the municipality needs to improve employment rate and the way in which they recruit new employees. Participants G outlined that the municipality should review existing job creation strategies in order to improve employment rate in Makhado Local Municipality. This is seen when people who have qualifications are not employed whereas those who do not have qualifications are employed. Participant C indicated that graduates do not have skills, therefore they should not be required to have 3 to 5 years' experience for them to get a job. Participant G pointed out that municipality's temporary jobs do not eradicate unemployment as they are not full-time jobs. Participant H and I outlined that municipality should stop employing foreigners but citizen of the country to offer South Africans employment. Participant J indicated that public participation encourages community members to be actively involved in the municipality projects and helps to create good relationship between communities and the municipality to improve basic service delivery. It can be suggested that the municipality needs to improve employment rate and the way in which municipality recruits new employees to enable those with qualifications to get opportunities for employment.

#### **4.3.3.1 Question 3.1: Are job creation strategies in the Makhado Local Municipality effective enough to create employment?**

##### **PARTICIPANT A**

With regard to the question above, participant A stated that job creation strategies in the Makhado Local Municipality are not effective enough to create employment. The participant outlined that jobs that are created end up occupied by those individuals who do not qualify and there is unfair procedure used to employ people in the municipality. This means that people will employ each other because they know each other and if you are not known, you will stay unemployed.

##### **PARTICIPANT B**

With regard to the question above, participant B suggested that corruption needs to be minimised within the municipality in order for jobs to be created. Job creation strategies in the Makhado Local Municipality are not effective enough to create employment. Jobs cannot be created as when there is a need for vacant post, one manipulates it to suit people he knows or those in his favour.

### **PARTICIPANT C**

Based on the above statement, participant C outlined that the municipality is trying to create jobs, but then the municipality will absorb not all of us, therefore, community members need to start their own businesses in order to get money. Job creation strategies in the Makhado Local Municipality are not effective enough to create employment.

### **PARTICIPANT D**

With regard to the question above, participant D suggested that if community members are given the employment they can work harder than those who come from far to work in the municipality. Job creation strategies in the Makhado Local Municipality are not effective enough to create employment.

### **PARTICIPANT E**

Based on the above statement, participant E mentioned that job creation strategies in the Makhado Local Municipality are not effective enough to create employment. The participant outlined that Expanded Public Works Programme is helping other parents to bring food to their homes and the municipality is trying its best to cater for the needs of the community. Although there is corruption in providing such services and for one to get a job, one needs to pay money.

### **PARTICIPANT F**

In response to the statement above, participant F stated that job creation strategies in the Makhado Local Municipality are not effective enough to create employment. Participant F suggested that the municipality is not doing the best as some of the graduates work for six months contracts and others for one year instead of providing them with permanent jobs.

### **PARTICIPANT G**

Based on the statement above, participant G said that the municipality would not have anything developmental because many people are suffering from lack of jobs. Job creation strategies in the Makhado Local Municipality are not effective enough to create employment.

### **PARTICIPANT H**

With regard to the question raised above, participant H outlined that the jobs created are not enough to better the lives of the community members in Makhado as a whole because of corruption. Job creation strategies in the Makhado Local Municipality are not effective enough to create employment.

## **PARTICIPANT I**

Based on the above statement, participant I mentioned that Job creation strategies in the Makhado Local Municipality are not effective enough to create employment. Participant I outlined that the municipality seems not to be caring for the poor and the office bearers responsible must devise strategies to create jobs.

## **PARTICIPANT J**

Based on the above statement, participant J pointed out that even though the municipality would not cater for all the people is trying to create jobs, graduates should be given money monthly until they get employment. Participant J indicated that jobs created are not enough as the budget from the government is limited which makes the municipality to provide fewer jobs. Participant J further pointed out that municipality will create more jobs in the next 3 to 5 years when the government has changed in South Africa.

From the above information, it can be concluded that job creation strategies in the Makhado Local Municipality is not effective enough to create employment because they need money in order to employ new staff as articulated by participants A, B, E, H and E. Participant J argued that graduates should be given money monthly until they get employment. Participant C suggested that community members should start their own businesses in order to get money and not depend on the government but on themselves. Participant D argued that if community members are given the employment, they can work harder than those who come from far to work in the municipality, especially because community members understand the origin of the municipality. Participant I supported outlined that the municipality seems not be caring for the poor and the office bearers responsible must devise strategies to create jobs. Participant G mentioned that the municipality would not have anything developmental because many people are suffering from lack of jobs and the municipal services won't be paid if many people do not have money. It can be suggested that the government should make means to provide graduates with monthly stipends as a way of rewarding them for passing their degrees until they get employment.

#### **4.3.3.2 Question 3.2: What are the analysis of job creation strategies for the enhancement of unemployment reduction in Makhado Local Municipality?**

##### **PARTICIPANT A**

With regard to the question on the analysis of job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality, participant A outlined that the municipality is misusing government money. The respondent hold the notion that job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality should be analysed. This is because those who are given the mandate to utilise municipal money tend to use money for personal gain. Corruption will never end unless the government and the municipality come up with other policies to eradicate this challenge.

##### **PARTICIPANT B**

Based on the above statement, participant B suggested that the Municipality must refrain from using politicians in the employment process, but use merit rating in employing. This is because some of the employees who are not educated are given opportunity to work in the municipality just because they are political active, and that is not good at all. Participant B also said that job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality should be analysed to assist in making the unemployed to get opportunity to be employed.

##### **PARTICIPANT C**

In response to the above question, Participant C outlined that most of municipal positions are political positions and not in line with the municipal strategic planning. Those employees who are working in the municipality do not have necessary qualifications, and this deprives youth with relevant qualifications. Those who qualify do not get jobs as the jobs are occupied by unqualified people. This is because municipalities are corrupt, they employ people they know including friends and relatives, especially when allocating tenders.

##### **PARTICIPANT D**

In answering the above question, participant D suggested that the municipality must cancel the tenders and create permanent position. There is a need for permanent post than tenders and internships. The money budgeted for the internships and learnerships must be given to few people so that they can get posts. This will reduce the crime rate including robbery.



## **PARTICIPANT E**

Based on the above statement, participant E mentioned that job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality should be analysed. The participant suggested that the municipality should not create internship and learnership for graduates, but it needs to create employment through that money. When allocating tenders, the municipality should not focus the relationship of the potential tenderer with those in municipality, but the tenderer's capacity to do the work.

## **PARTICIPANT F**

Based on the statement above, participant F said pointed out that may be this year, Makhado Local Municipality will create more jobs as there is new parliament in the government. The ruling leader of the country in South Africa will bring changes. This can be done if the appointed leaders or office bearers do their job.

## **PARTICIPANT G**

In answering the above question, participant G outlined that tenders do not reduce unemployment, therefore, the municipality should face out the tender system. Tenders also encourage corruption and those who deserve tenders do not usually get them.

## **PARTICIPANT H**

Based on the above statement, participant H outlined that it is not fair for one to have a Master's degree without a job as this discourages the young people who are still at the secondary level to see school as a source of employment and good future. Employees with less qualifications do not want to employ those with higher position as they think that their positions may be compromised.

## **PARTICIPANT I**

Based on the statement above, participant I suggested that would be better if the municipality creates more internship programmes as a road to employment experience and creation of more permanent jobs. There are many positions which are vacant, but the municipality does not exert effort to advertise them. The other challenge is that the municipality will advertise posts and all of a sudden, freeze all the posts.

From the above information, it can be concluded that many respondents are of the same view that job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality should be done in the future. Participants A, C and F urged that corruption will never end unless the government and municipality come up with other policies to eradicate

this challenge of unemployment. Furthermore, the ruling leaders of the country in South Africa will bring changes if they minimise corruption. Participant B pointed out that job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality should be analysed and this will make unemployed people to get opportunities to be employed. Participants D, E and G suggested that the municipality must cancel the tenders and create permanent position. Tenders also encourage corruption and those who deserve tenders do not get them. Participant H mentioned that employers with less qualifications do not want to employ those with higher qualifications to position as they fear that their position may be compromised. Participant I outlined that there are many positions which are vacant, but the municipality does not exert any effort to advertise them. The other challenge is that if the positions are advertised in the municipality, the positions are eventually frozen. It can be suggested that corruption is the main issue which leads to poor job creation in the municipalities.

#### **4.4 CONCLUSION**

In conclusion, this chapter discussed the analysis and interpretation of the collected data by discussing the sampled population's responses as a way of providing an understanding of the nature of the research findings on the critical analysis of job creation strategies in the Makhado Local Municipality.

The data regarding critical analysis of job creation strategies in the Makhado Local Municipality was collected by using both quantitative and qualitative methods which involved the application of questionnaires and interviews to the Mayor, Municipal Manager, ward councillor, finance officials, Integrated Development Programme officials, Local Economic Development officials, community stakeholders, Makhado Local Municipality Youth Forum, Human Resource officials, National Youth Development Agency officials, Youth Development Agency officials, and selected graduates who reside in Makhado Local Municipality. This chapter was divided into two (02) sections namely; analysis of data collected through questionnaire and analysis of data collected through interviews.

In this chapter, data obtained from the respondents were presented, analysed and interpreted in tabular and narrative forms on the critical analysis of job creation strategies in the Makhado Local Municipality under Vhembe District Municipality. The data obtained indicated that there is a minimal role played by Municipality in job creation. This study also revealed that there is lack of effective communication between municipality and stakeholders. The following chapter presents the discussion of findings, conclusion and recommendations for stakeholders to

enable them to engage fully in the municipality for the betterment of the municipality as well as recommendations for further research study.

## CHAPTER 5

### 5 FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.1 INTRODUCTION

The chapter presents the major findings of the study, recommendations that are brought forward as measures that can be used by Makhado Local Municipality to overcome the challenges of job creation strategies in the municipality. The conclusion will also be drawn from the findings and the recommendations put forward from the research study.

#### 5.2 OVERVIEW OF THE STUDY

This study was about the critical analysis of job creation strategies in the Makhado Local Municipality. This study was conducted in order to answer the research questions that arose from the level of creation of jobs in the municipalities and the challenges that hinder the creation of jobs in the municipalities. The research study applied a mixed methods approach where quantitative and qualitative research methodologies were used. The main aim of the study was to analyse job creation strategies used by Makhado Local Municipality and suggest possible strategies which might enhance the possibilities of reducing unemployment. Non-probability sampling technique and its subtype's purposive (judgemental) sampling method were used. The researcher used survey questionnaires and open-ended interview to collect data. Data were analysed with the aid of the two data analysis methods, namely; statistical analysis and thematic analysis and the information was presented in graphical tables to present respondents' perceptions in terms of frequencies and percentages as well as narrative form followed by a brief synthesis. The objectives of the study were:

- To determine challenges faced by Makhado Local Municipality with regards to job strategies
- To evaluate level of assessment with regard to job creation strategies in Makhado Local Municipality
- To review existing strategies in the Makhado Local Municipality with regards to job creation

The critical research questions were:

- What are the challenges faced by Makhado Local Municipality with regards to job creation strategies?
- What is the level of assessment with regards to job creation strategies in Makhado Local Municipality?

- What are the existing strategies in the Makhado Local Municipality with regards to job creation?

### **5.3 RESEARCH PROBLEMS AND INVESTIGATION**

The research problem of this study focused on the factors that influence poor job creation in the municipality. As indicated earlier in this study, quantitative and qualitative research designs were adopted. Literature revealed that public participation in rural development is a vital phenomenon, and people participation is an essential part of effective and accountable governance at the municipal level. The majority of respondents during the collection of data for this study also agreed with the idea that job creation strategies will improve poor job creation in the municipality and also reduce unemployment rate. However, expectations were that there were few cases of municipal officials who did not actively participate in job creation strategies within the municipality. This revealed that there are few municipal officials at Makhado Local Municipality who are still unaware of the significance of participation in community development regarding provision of jobs. The researcher views job creation as a cornerstone of improvement of societal life and as a means of enhancing community development at large.

The researcher found that the majority of community members have adequate information to participate efficiently in job creation strategies in community development within the municipality. Few respondents revealed that there was lack of adequate information to participate actively in the development of the jobs to be created in the municipality. Expectations were that there was a growing belief that electoral politics and representatives of democracy have become passive and people were reluctant to participate in community activities especially with regards job creation strategies. Local people are the leading authorities on matters concerning their area and should be afforded the opportunity to get employment rather than employing people from far. Majority of ward councillors attended workshops related to job creation strategies for the development of Makhado Local Municipality.

### **5.4 MAJOR FINDINGS OF THE STUDY**

The major findings of the study which arose from the research objectives of the study are: the challenges faced by Makhado Local Municipality with regards to job creation strategies; how to evaluate the level of assessment with regards to job creation strategies in the municipality; what are the existing strategies in the Makhado with regards to job creation.

#### **5.4.1 Major findings on the challenges faced by Makhado Local Municipality with regard to job creation strategies**

The first objective of the study sought to determine the challenges faced by Makhado Local Municipality with regards to job creation strategies and the study found out that 71 (59.1%) of the respondents disagreed that there are challenges of job creation strategies which need to be improved in the municipality as there are complaints about unemployment which led to poor job creation and poverty in the area. The researcher found that 58 (48.8%) of the respondents do not agree with the statement that Makhado Local Municipality does not inform members of the public with regards to job creation strategies in any process of development. The research discovered that 77 of the respondents constituting 64.2% disagreed with the statement that community members are unwilling to attend meetings of job creation strategies. There is need for community participation in the municipality to afford communities the opportunity to advice on the decision making process as they are also involved in the outcomes of the decisions taken. The study revealed that 83 of the respondent who constituted 69.1 % agreed with the statement that existing challenges of job creation strategies should be improved soon by the Makhado Local Municipality. The study also revealed that a large number of respondents at 83 (69.2%) disagree with the statement that public officials in Makhado Local Municipality do not review existing job creation strategies with regards to improving the rate of unemployment.

From the interviews conducted on the challenges faced by Makhado Local Municipality with regard to job creation strategies, the study revealed that positions are all filled by old people and for the position to be vacant, one needs to die, retire or be retrenched to afford young persons the positions. The findings point that councillors are facing challenges because some of their family members will need to work forever and it is not possible. From the data collected, it was discovered that the challenge is that youth are not well-informed about opportunities of programmes and agencies in place to fund them for their start-ups of their business opportunities. The research study findings revealed that there is corruption when it comes to getting tenders and jobs. The research study findings revealed that agencies do not consider people from rural areas, but consider those from urban areas where there is no need. The research study findings revealed that National Youth Development Agency should provide funds to graduate to enable them to start their own business because it only provides for few people. From the data collected, it was revealed that youth do not have work experience, and when posts are advertised, they should not indicate experiences because they do not have experience after graduating a degree or diploma. The research study findings revealed that graduates can be creative and bring in ideas on how they can create jobs for themselves, because focusing on the government cannot reduce the unemployment rate. The research

study findings revealed that graduates should become entrepreneurs to reduce the high rate of crime committed by youth. The research study findings revealed that in the long run, the victims end up becoming poor because not many of them survive the challenges that come with being a young parent and a student at the same time. It was indicated on the findings that students end up dropping out of school with no qualification which in the long run, make young people unemployable. The research study findings discovered that positions are filled by the old people and as such, the municipality does not have many youth who are working, this is because youth are not well-informed about the opportunities in place.

#### **5.4.2 Major findings on the level of job creation strategies**

The second objective of the study sought to assess the level of job creation strategies in Makhado Local Municipality and the study found out that majority of respondents at 69 constituting 57.5% state that job creation strategies play an important role in the improvement of basic services delivery in the municipality. The research discovered that community members are willing to participate in job creation strategies and this was indicated by 81 respondents at 60.8% who agreed that community members are willing to participate in job creation strategies. The findings point that 69 respondents at 57.5% agreed that Makhado Local Municipality plays an important role in job creation. The findings of the study indicate that the Municipality consults the members of the public about job creation strategies and this was indicated by 53 of the respondents who constituted 44.1%. The study found that 71 respondents at 59.1% are of the view that the existing job strategies should be evaluated to check if they are yielding the desired results.

From the interviews conducted by the researcher on how Makhado Local Municipality evaluates the level of assessment with regard to job creation strategies, it was discovered that municipality can improve job creation strategies in their locations or areas. The research study findings revealed that when there is no unity in the community, there is no development. The findings discovered that community members and young people do not attend meetings from the municipality when they are called. The research study findings revealed that there should be participation from both sides, that is, from the municipality and the community. The research study findings revealed that poor attendance by community members, different stakeholders, and illiterate people on public participation meetings, lack of consultation, empty promises by the municipality and lack of coordination lead to poor job creation in the municipality. The research study findings discovered that the municipality should try to minimise corruption as it is getting worse in the process of tendering and this can be done if there are selected office bearers who are assessing the level of development in the existing policies that are in place. The research study findings discovered that the municipality does

not seem to have plans and direction when it comes to job creation. The research study findings revealed that both educated and uneducated people tend to do low jobs which do not fit their level of education and qualifications. The research study findings discovered that Integrated Development Plan does not prioritise well in terms of service delivery, they tend to focus on urban areas than in rural areas. The research study findings indicate that temporary programmes such as internship, learnership and Expanded Public Works Programme do not bring any difference in job creation. The research study findings discovered that budget given to the municipality is inadequate, therefore municipalities tend not to give service in terms of job and other related services. The research study findings revealed that the municipality should try to minimise corruption as it is getting worse in the process of tendering and this can be done if there are selected office bearers who assess the level of development in the existing policies that are in place.

#### **5.4.3 Major findings on the review of existing job creation strategies at Makhado Local Municipality**

The third objective of the study sought to review the existing job creation strategies at Makhado and the study found out that 80 respondents (70.8%) of the total sample of the study agreed with the statement that reviewing of existing strategies in the Municipality is important. The study findings revealed that 82 of respondents constituting 68.3% agreed with the statement that the impact of existing strategies needs to be checked. The findings of the study indicated that respondents at 64 (53.3%) agree with the statement that community members need to know the existing strategies in the Municipality. The findings discovered that the respondents who disagree were 60 (50%) with the statement that public officials in Municipality continuously review strategies to see if they are yielding results. The research findings outline that respondents at a total of 77 (64.2%) strongly agree with the statement that if municipality create an environment within which job creation strategies can be made, this will increase the chances of employing many people who are unemployed.

From the interviews conducted by the researcher on the existing strategies in Makhado with regard to job creation, it was discovered that majority of people are still unemployed and the municipality needs to improve the employment rate and the way in which new employees are recruited. The research study findings revealed that graduates do not have skills, therefore they should not be required to have 3 to 5 years' experience for them to get jobs. The research study findings discovered that municipality's temporary jobs do not eradicate unemployment as they are not full-time job. The research study findings revealed that municipality should stop employing foreigners, but should employ citizens of the country to afford South Africans employment. The research study findings discovered that public participation encourages



community members to be actively involved in the municipality projects and helps to create good relationship between communities and the municipality to improve basic service delivery. The research study findings revealed that the municipality needs to improve employment rate and the way in which the municipality recruits new employees as those who have qualifications do not get opportunities to be employed.

#### **5.4.3.1 Findings on whether job creation strategies in the Makhado Local Municipality are effective enough to create employment**

From the interviews conducted by the researcher on whether job creation strategies in the Makhado Local Municipality are effective enough to create employment, it was discovered that job creation strategies in the Makhado Local Municipality are not effective enough to create employment because there should be money to employ new staff. The study findings discovered that graduates should be given monthly stipends until they get employment. The study findings revealed that community members need to start their own businesses in order to get money, this will make them start their own businesses which will make them not depend on the government but to depend on themselves. The study discovered that if community members are given employment, they can work harder than those who come from far to work in the municipality because they understand the origin of the municipality. The research study findings revealed that the municipality seems not to be caring for the poor and the office-bearers responsible must make a plan to create jobs. The research findings revealed that municipality would not have anything developmental because many people are suffering due to lack of jobs and the municipal services won't be paid if many people do not have money. The study findings revealed that the government should make means to provide graduates with monthly stipends as a way of rewarding them for passing their degrees until they get employment.

#### **5.4.3.2 Findings on the job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality**

From the interviews conducted by the researcher on the job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality, it was discovered that majority of respondents are of the same view that job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality should be done in the future. The research study findings discovered that corruption will never end unless the government and municipality come up with other policies to eradicate this challenge of unemployment. The research study findings discovered that the ruling leaders of the country in South Africa will bring changes if they minimise corruption. The study findings revealed that job creation

strategies for enhancement of unemployment reduction in Makhado Local Municipality should be analysed and this will make unemployed people to get opportunities to be employed. The research study revealed that the municipality must cancel the tender system and create permanent positions. The research study revealed that the tendering system also encourages corruption and those who deserve to be awarded tenders do not get them. The research study findings discovered that employers with less qualifications do not want to employ those with higher qualifications as they fear to compromise their positions. The research study findings revealed that there are many positions which are vacant, but the municipality does not exert any effort to advertise them. The research study findings discovered that if the positions are advertised in the municipality, they eventually get frozen. The research study findings revealed that corruption is the main issue which leads to poor job creation in the municipalities.

## 5.5 SYNTHESIS OF THE RESEARCH FINDINGS

The most important findings of this research study that are derived from the research questionnaires can be summarised as follows:

- Majority of respondents who contributed agreed that the challenges of job creation strategies should be improved in Makhado Local Municipality.
- Most of the respondents confirm that Makhado Local Municipality informs members of the public with regard to job creation strategies in any process of development.
- Majority of community members who are unwilling to attend meetings revealed that there is no improvement to be done soon by the municipality regarding job creation.
- Majority of respondents agreed that existing challenges of job creation strategies are to be improved soon by the Makhado Local Municipality.
- Most respondents revealed that municipality officials do not review existing job creation strategies in place with regard to the improvement of unemployment rate.
- Most respondents agree that job creation strategies play an important role in the improvement of basic service delivery in the municipality.
- Most community members were willing to participate in job creation strategies.
- Majority of respondents agreed that Makhado Local Municipality plays an important role in job creation strategies.
- The majority of respondents agreed that the municipality consult members of the public about job creation strategies.
- Most respondents agreed that the existing job creation strategies to be evaluated need to be checked if yielding desired results.
- The majority of the respondents agreed that reviewing of existing strategies in the Makhado Local Municipality is important.

- Majority of employees from the municipality agreed that the impact of existing strategies needs to be checked.
- Community members agreed that they should know existing strategies in the Makhado Local Municipality.
- There are few public officials in Makhado Local Municipality who continuously review job creation strategies to see if they are yielding results.
- The majority of respondents revealed that the municipality should create the environment within which job creation strategies can be made.

The most important findings of this research study from the research interviews can be summarised as follows:

- With regard to the question on challenges facing Makhado Local Municipality with regard to job creation strategies, the participants pointed out that youth are not well informed about opportunities of programmes and agencies in place to fund them for the start-ups of their business opportunities in the municipality.
- There is corruption when it comes to employment in the municipality by the municipal officials.
- Most participant revealed that graduates should be creative and bring ideas on how they can create jobs for themselves than looking for employment from the government.
- Participants suggested that because youth do not have work experience, maybe when posts are advertised they should not indicate experiences because where are the youth going to get experience after graduating a degree of diploma.
- Many participants said many people are still unemployed and the municipality needs to improve employment rate and the way in which they recruit new employees.
- Participants pointed that municipality's temporary jobs do not eradicate unemployment as they are not full-time jobs.
- Participants indicated that public participation encourages community members to be actively involved in the municipality projects and helps to create good relationship between communities and the municipality to improve basic service delivery.
- Most respondents concluded that job creation strategies in the Makhado Local Municipality are not effective enough to create employment because there should be money to employ new staff.
- Community members need to start their own businesses in order to get money. This will enable them to start their own businesses and not to depend on the government, but to depend on themselves.

- Participants suggested that if community members are given the employment they can work harder than those who come from far because they understand the origin of the municipality.
- The Municipality does not have anything developmental in terms of job creation because many people do not have jobs and the municipal services won't be paid if many people do not have money.
- Participants suggested that the municipality must cancel the tender system as it leads to corruption and instead, create permanent positions.
- Participants suggested that corruption will never end unless the government and the municipality come up with other policies to eradicate this challenge of unemployment.
- The respondents from all the sampled population outlined how Makhado Local Municipality can improve job creation strategies in their locations or areas. When there is no unity in the community, there is no development.
- Participants outlined that community members and young people do not attend municipality meetings when called.
- It can be recommended that there should be participation from both sides, that is, the municipality and the community.
- Majority of respondents indicated that municipality should minimise corruption as it is getting worse in the process of tendering process and this can be done if there are selected office bearers who assess the level of development in the existing policies that are in place.
- Respondents outlined that budget given to the municipality is inadequate therefore municipalities tend not to give service in terms of job and other related services.
- Participants suggested that there should be regular training, assessment, workshops and Imbizos to capacitate the municipal officials of its council to enhance their skills, knowledge and potential about job creation strategies.
- The municipality should review existing job creation strategies in order to improve employment rate.
- Participants outlined that Makhado Local Municipality is not effective enough to create employment, because the municipality does not have enough money.

## 5.6 RECOMMENDATIONS OF THE STUDY

The recommendation of the study arose from the critical research questions which are: What are the challenges faced by Makhado Local Municipality with regards to job creation strategies? What is the level of assessment with regards to job creation strategies in Makhado

Local Municipality? and What are the existing strategies in the Makhado Local Municipality with regards to job creation?

### **5.6.1 Recommendations on the challenges faced by Makhado Local Municipality with regard to job creation strategies**

The research study recommends that the challenges faced by Makhado with regards to job creation strategies need to be improved in the municipality as there are complaints about unemployment which led to poor job creation and poverty in the area. The research study recommends that Makhado informs members of the public with regards to job creation strategies in any process of development. The research study recommends that community members should attend municipality meetings when invited. The research study recommends that there is need for community participation in the municipality so that they can advise on the decision making process as they are also involved in the outcomes. The research study recommends that existing challenges of job creation strategies should be improved soon by the Makhado. The research study recommends that public officials in Makhado should review existing job creation strategies with regards to improving rate of unemployment.

The research study recommends that positions in the municipalities should be filled by youth and potential candidate. The research study also recommends that councillors should work for the stipulated period of time in order to give other people opportunities. From the data conducted, it was revealed that the challenge is that youth are not well informed about opportunities of programmes and agencies in place to fund them for the start-ups of their business opportunities. The research study recommends that corruption should be minimised when it comes to getting tenders and jobs in the Makhado Local Municipality. The research study recommends that agencies consider rural areas than urban areas when it comes to service delivery. The research study recommends that National Youth Development Agency should provide funds to graduate to enable them to start their own business instead of only providing for a few people. From the data collected, it was revealed that youth do not have work experience, therefore, when posts are advertised, they should not indicate experiences because the youth do not have experience after graduating a degree or diploma. The research study recommends that graduates should be creative and bring in ideas on how they can create jobs for themselves, because focusing on the government cannot reduce unemployment rate. The study recommends that graduates should become entrepreneurs in order to reduce high rates of crime committed by youth. The research study revealed that in the long run, the victims end up becoming poor because not many of them survive the challenges that come with being a young parent and a student at the same time. It was

revealed in the findings that students end up dropping out of school with no qualification which in the long run will make young people unemployable.

### **5.6.2 Recommendations on the level of job creation strategies in Makhado Local Municipality**

The research study recommends that community members should be willing to participate in job creation strategies. The study also recommends that the existing job strategies should be evaluated to check if they are yielding desired results.

From the interviews conducted by the researcher on how Makhado Local Municipality evaluate level of assessment with regard to job creation strategies, it was revealed that municipality can improve job creation strategies in their locations or areas. The research study revealed that when there is no unity in the community, there is no development. The research study recommends that community members and young people should attend meetings from the municipality when they are called. The research study also recommends that there should be participation from both the municipality and the community. The research study revealed that poor attendance by community members, different stakeholders, and illiterate people on public participation meetings, lack of consultation, empty promises by the municipality and lack of coordination leads to poor job creation in the municipality. The research study recommends that municipality should try to minimise corruption as it is getting worse in the process of tendering and this can be done if there are selected office bearers who are assessing the level of development in the existing policies that are in place. The research study revealed that the municipality does not seem to have the plans and direction when it comes to job creation. The research study recommends that the Integrated Development Plan does not prioritise well in terms of service delivery, and focuses more on urban areas than in rural areas. The research study found that temporary programmes such as internship, learnership and Expanded Public Works Programme do not bring any difference in creating job, therefore it can be recommended that internship and Expanded Public Works Programme should be turned into permanent positions. The research study recommends that budget given to the municipality is inadequate, therefore municipalities tend not to give service in terms of job and other related services. The research study recommends that municipality should try to minimise corruption as it is getting worse in the tendering process and this can be done if there are selected office bearers who are responsible for assessing the level of development in the existing policies that are in place.

### **5.6.3 Recommendations on the review of existing strategies in Makhado Local Municipality with regard to job creation**

The study recommended that the review of existing job creation strategies at Makhado Local Municipality is important. The study also recommends that the impact of existing strategies need to be checked. The research study recommends that community members need to know the existing strategies in the municipality. The study also recommends that public officials in Makhado should continuously review strategies to see if they are yielding results. The research study recommends that municipality should create an environment within which job creation strategies can be made to increase the chance of employing many people who are unemployed.

From the interviews conducted by the researcher on the existing strategies in Makhado Local Municipality with regard to job creation, it was revealed that majority of people are still unemployed and the municipality need to improve employment rate and the way they recruit new employees. The research study revealed that graduates do not have skills, therefore it should not be a requirement for them to have 3 to 5 years' experience for them to get a job. The study found that municipality's temporary jobs do not eradicate unemployment as they are not full time jobs. The research study recommends that municipality should stop employing foreigners but employ citizen of the country to enable South Africans to get employment. The research study recommends that community members should be actively involved in the municipality projects as this helps to create good relationship between communities and the municipality to improve basic service delivery. The research study recommends that the municipality needs to improve employment rate and the way in which municipality recruits new employees because those with qualifications do not get an opportunity to be employed.

#### **5.6.3.1 Recommendations to make job creation strategies in the Makhado Local Municipality effective enough to create employment**

The research study revealed that job creation strategies in the Makhado Local Municipality is not effective enough to create employment because the municipality needs money in order to employ new staff. The study recommends that graduates should be given monthly stipends until they get employment. The study recommends that community members need to start their own businesses in order to get money, this will make them start their own businesses which will make them not to depend on the government but to depend on themselves. The study recommends that community members need to be given the employment in the municipality as they can work harder than those who come from far especially because they understand the origin of the municipality. The research study recommends that the

municipality needs to care for the poor, and the office bearers responsible must make a plan to create jobs. The research recommends that municipality should bring development with regard to creation of job because many people are suffering from lack of jobs and the municipal services will not be paid if many people do not have money. The study recommends that the government should make means to provide graduates with monthly stipends as a way of rewarding them for passing their degrees until they get employment.

### **5.6.3.2 Recommendations on the job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality**

The study findings revealed that majority of respondents are of the same view that job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality should be done in the future. The research study also revealed that corruption will never end unless the government and municipality should come up with other policies to eradicate this challenge of unemployment. Therefore, the research study recommends that the ruling leaders of the country in South Africa should bring changes to minimise corruption. The research study also recommends that job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality should be analysed and this will make unemployed people to get opportunities to be employed. The research study recommends that the municipality should cancel the tenders and create permanent positions. The study found that tenders also encourage corruption and those who deserve tenders do not get them. The research study revealed that employers with less qualifications do not want to employ those with higher position as they think it may compromise their position and therefore, it is recommended that higher positions be filled by employees with relevant qualifications. The research study revealed that there are many positions which are vacant, but the municipality does not exert adequate effort to advertise them and therefore, all the vacant posts in the municipality should be filled to create opportunities for unemployed people. The research study recommends that if the positions are advertised in the municipality, they should be filled immediately to minimise corruption. The research study revealed that corruption is the main issue which leads to poor job creation in the municipalities and therefore, it is recommended that corruption be eradicated within the municipalities.

## **5.7 RECOMMENDATIONS FOR FUTURE RESEARCH STUDIES**

The aim of the study was to analyse job creation strategies in the Makhado Local Municipality. The research was based only on Makhado Local Municipality and not on other local municipalities within Vhembe District. The researcher recommends that the same research should also be conducted in other municipalities with the very same topic to get more information about job creation strategies in the improvement of job creation in the



municipalities. The researcher also recommends future studies to focus on what must be done to lessen the poor job creation by municipality. As such, future researchers are to expand on the findings and come up with ways in which community members can partner with the municipality and ensure that employment is created. The problem of unemployment affects everyone in the community and working together as a team can bring fruitful results in the municipality. The findings will assist the municipalities to realise challenges, strength and weaknesses of job creation and possible strategies to be used in creating employment.

## **5.7 CONCLUSION**

The study comprises five chapters and chapter 1 was about the introduction and background of the study, problem statement which demonstrated the topic of the critical analysis of job creation strategies in the Makhado Local Municipality. The researcher chose this topic because she observed that many people are unemployed and sought to understand the causes and how creation of job can be made. The researcher found out that poor job creation has bad implications on the development of the community as it results to poverty, crime, spread of Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS). The community development is vested in the hands of the community members but if jobs are not created, the municipality will not develop. Chapter 1 also outlined the aim of the study, specific objectives of the study, critical research questions and the significance of the study. It also covered delimitation of the study, limitation of the study, definition of operational concepts and the organisation of the study.

Chapter 2 covered the literature review which discussed the legislative frame work on job creation that are mostly used. South Africa just like other countries, is governed by law and all the citizenry abide by it and failure to abide by the law is imprisonment. The Constitution of the Republic of South Africa, 1996; is the supreme law of the country and any law that is not consistent with the constitution is null and void. Chapter 2 of the study also covered the prevention methods discussed in the study, the researcher outlined challenges facing municipalities with regard job creation, consequences of poor job creation, strategies for job creation, challenges facing entrepreneurs in the rural areas and factors enhancing entrepreneurial development. Chapter 2 also focused on the challenges in developing rural non-farm enterprises. Different types of unemployment were discussed in this chapter. Relationship between unemployment and public administration were discussed in the chapter. The researcher also discussed the causes of unemployment, the key challenging areas of small businesses, how unemployment affects the development in the community the role of entrepreneurship in developing countries as well as the informal sector as a source of employment in South Africa.

When conducting this study, the researcher applied all scientific principles that must be applied when conducting a research in chapter 3 namely: research design, research methodologies and study area, population of the study, sampling, data collection, pilot study, data analysis and ethical considerations. Ethical considerations were observed by the researcher when collecting data. The permission to collect data was sought and granted by the university, respondents were informed about the significance of the study and they were not obliged to use their real names. Participants were not forced to take part in the study and all information provided were treated with a high degree of confidentiality.

Chapter 4 dealt with data presentation, analysis and interpretation. The researcher used qualitative and quantitative methods through the application of questionnaire and interview to collect data. The data collected through questionnaire was presented in a tabular form followed by analysis and interpretation of the data. The information collect from interviews was applied in a narrative form, followed by brief interpretation on the findings. In conclusion of chapter 5, the study focused on the findings, conclusion and recommendations. The chapter demonstrated major findings of the study on the critical analysis of job creation strategies in the Makhado Local Municipality as well as recommendations for future studies.

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UHDC PROPOSAL MASTERS APPROVAL LETTER

UNIVERSITY OF VENDA

OFFICE OF THE DEPUTY VICE-CHANCELLOR: ACADEMIC

TO : MR/MS L. MBEDZI  
SCHOOL OF MANAGEMENT SCIENCES

FROM: PROF J.E. CRAFFORD  
DEPUTY VICE-CHANCELLOR: ACADEMIC

DATE : 23 JANUARY 2018

**DECISIONS TAKEN BY UHDC OF 23<sup>RD</sup> JANUARY 2018**

Application for approval of Master's proposal in Management Science: L. Mbedzi (11623696)

Topic: "Critical Analysis of job creation strategies in the Makhado Local Municipality."

Supervisor	UNIVEN	Prof. M.P Khwashaba
Co-supervisor	UNIVEN	Mr. E. Mahole

UHDC approved Master's proposal



\_\_\_\_\_  
Prof J.E. CRAFFORD  
DEPUTY VICE-CHANCELLOR: ACADEMIC

ETHICAL CLEARANCE CERTIFICATE

RESEARCH AND INNOVATION  
OFFICE OF THE DIRECTOR

NAME OF RESEARCHER/INVESTIGATOR:

**Ms L Mbedzi**

Student No:

**11623696**

PROJECT TITLE: **Critical analysis of job creation strategies in the Makhado Local Municipality.**

PROJECT NO: SMS/18/PDN/02/1603

SUPERVISORS/ CO-RESEARCHERS/ CO-INVESTIGATORS

NAME	INSTITUTION & DEPARTMENT	ROLE
Prof MP Khwashaba	University of Venda	Supervisor
Mr E Mahole	University of Venda	Co - Supervisor
Ms L Mbedzi	University of Venda	Investigator – Student

ISSUED BY:

UNIVERSITY OF VENDA, RESEARCH ETHICS COMMITTEE

Date Considered: March 2018

Decision by Ethical Clearance Committee Granted

Signature of Chairperson of the Committee: .....

Name of the Chairperson of the Committee: Senior Prof. G.E. Ekosse




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UNIVERSITY OF VENDA DIRECTOR RESEARCH AND INNOVATION 2018 -03- 16 Private Bag X5050 Thohoyandou 0950
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## ANNEXURE C

### RESEARCH PERMISSION LETTER FROM UNIVERSITY OF VENDA

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SCHOOL OF MANAGEMENT SCIENCES  
OFFICE OF THE DEAN

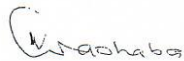
To whom it may concern.

07 February 2018

**REQUEST FOR PERMISSION TO COLLECT INFORMATION FOR M.ADMIN  
STUDIES FOR MS. MBEDZI LANGANANI STUDENT NO: 11623696**

We hereby wish to confirm that Ms. Mbedzi Langanani, student no: 11623696 is a registered Master of Administration student at the University of Venda and is researching on the following topic: **"Critical analysis of job creation strategies in the Makhado Local Municipality"**. In order for her to complete her studies, we request your Municipality to provide her with the information that she might need for her study project. As an institution of higher learning, we believe that the research she is undertaking will yield the results that might also assist your Municipality. We therefore, encourage your Municipality to assist her with the necessary information that will be collected through questionnaires and interviews. We undertake that the information that will be provided to her will be solely used for this study.

We hope that you find this to be in order and therefore, anticipate your assistance. If any queries, please feel free to contact me at Cell: 079 783 9291 or Email: [matodzi.khwashaba@univen.ac.za](mailto:matodzi.khwashaba@univen.ac.za)



.....  
Prof. M.P Khwashaba

Promoter: Department of O.R Tambo Institute of Governance and Policy Studies



University of Venda

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SCHOOL OF MANAGEMENT SCIENCES  
PRIVATE BAG X505, THOHoyANDOU, 0950.  
LIMPOPO PROVINCE, SOUTH AFRICA  
TELEPHONE 015 962 8707 / 015 962 8869 / 015 962 8706  
FAX 015 962 4749

**ANNEXURE D**

**PERMISSION LETTER TO CONDUCT THE STUDY FROM MAKHADO LOCAL MUNICIPALITY**

**P.O. BOX 4433  
THOHOYANDOU  
0950**

**09 FEBRUARY 2018**

**TO THE MUNICIPAL MANAGER  
MAKHADO MUNICIPALITY  
PRIVATE BAG X2596  
LOUIS TRICHARDT  
LIMPOPO  
0920**

Dear Sir/Madam

**REQUEST FOR PERMISSION TO COLLECT DATA FOR RESEARCH**

I Mbedzi Langanani, Student No:11623696 registered for Master of Administration at the University of Venda and would like to interview your employees in your Municipality. The information I will get will be confidential and will only be used for my studies only. I believe this will help your municipality to improve and also encourage your employees to be effective in their respective work place. I therefore, encourage Municipality to assist me with the necessary information that will be collected through questionnaires and interviews.

I will be glad if my application will be considered.


Hope you will find the above in order.

Yours sincerely

  
\_\_\_\_\_  
**MBEDZI LANGANANI**  
**078 822 1700**  
**015 962 8634**



ACCEPTANCE LETTER FROM MAKHADO LOCAL MUNICIPALITY



MAKHADO  
MUNICIPALITY  
PEACE HARMONY PROSPERITY

## MAKHADO MUNICIPALITY

Vision : "A Dynamic Hub For Socio – Economic Development By 2025"  
Mission : "To ensure effective utilization of economic resources to address socio-economic imperatives through mining, tourism and agriculture"

Ref : 5/3/1 & 5/4/2  
Enq : NC Kharidzha

26 February 2018

Ms L Mbedzi  
P O Box 4433  
Thohoyandou  
0920

Madam

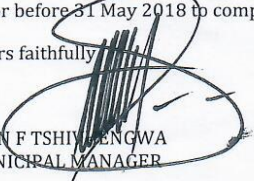
**PERSONNEL: PERMISSION: RESEARCH ON THE CRITICAL ANALYSIS OF JOB CREATION STRATEGIES IN THE MAKHADO LOCAL MUNICIPALITY: MBEDZI L**

I have great pleasure in informing you that your letter dated 9 February 2018 on the above matters is approved, subject to the Municipality's best practice and conventions for students that undertake research on Council's records.

1. Research activities will not disrupt the normal operation of the Municipality.
2. Prompt and timeous arrangements must be made with the Departmental Head concern when assistance is required.
3. Copy of the research findings / thesis must be submitted to the Municipality.
4. The Municipality has no power over research conducted with community members and this part will be performed with the community at their own free will.
5. Research will be for a period of six months which can be extended for a further period determined by the Municipal Manager.
6. Confidential records/ information must not be reflected in thesis documents.
7. The collection of data for research on the critical analysis of job creation strategies in the Makhado Local Municipality will be conducted based on prior arrangements to be made before the meeting with the Director Corporate Services.
8. The Municipality is indemnified against any claims for damages by the applicant which may result directly or indirectly from the research activity.
9. Research information may not be used for any form of publication on media other than the applicant's studies except with permission of the Municipality.
10. The Authorization is granted in line with provisions of the Municipality Access to Information Manual read with the Promotion to Access of Information Act, and the National Archives Act and approved by the relevant Head of Department (HOD) with regards to the classification of information.

You are therefore kindly requested to visit the Municipality at corner of Erasmus and Krogh Street, Civic Centre, Corporate Services Department, Human Resources Division, office number A002, basement floor on or before 31 May 2018 to complete the necessary forms.

Yours faithfully




MR N F TSHINYENGWA  
MUNICIPAL MANAGER

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Tel: 015 519 3000 | Fax: 015 516 1195 | E-mail : [municipal.manager@makhado.gov.za](mailto:municipal.manager@makhado.gov.za) |  
Address : Civic Centre, 83 Krogh Street, Private Bag X2596, Makhado, 0920 |  
[www.makhado.gov.za](http://www.makhado.gov.za) | Call Centre : 015 516 2990/ 2994/ 2996

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 University of Venda

## ANNEXURE F

### LETTER TO RESPONDENT

Enquires : Mbedzi L  
Cell : 078 8221 700  
Email : Langanani.mbedzi@univen.ac.za

P.O Box 4433  
Thohoyandou  
0950  
02 February 2018

Dear Sir/Madam

I am a registered student at the University of Venda doing Masters in Administration (BADMIN). I am required to conduct a survey in order to complete my study. The title of my research is "**Critical analysis of job creation strategies in Makhado Local Municipality**".

I would be most grateful if you would help me with this part of my research project by completing the inventory. I assure you that the information I will get from you will be confidential and will be used for educational purposes only.

In anticipation, please accept my sincere appreciation for your willingness to assist me.

Yours sincerely



**MBEDZI LANGANANI**  
**STUDENT NUMBER: 11623696**

## ANNEXURE G

### RESPONDENT CONSENT FORM

I, .....hereby agree to participate in the research study, titled “**Critical analysis of job creation strategies in Makhado local municipality**”. By signing this consent form, you indicate that you understand the information provided to you by the researcher regarding the study, your question about the research has been answered to your satisfaction, and you voluntarily agree to participate in this study. A copy of this signed consent form can be provided upon request.

- The study aims to analyse the challenges facing Makhado Local Municipality with regard to job creation.
- The information that the respondents will provide will be solely used for the purpose of the study.
- Participation is voluntary and that I can withdraw anytime without any penalty if I feel like doing so.
- All questionnaires and interview data will be handled with confidentiality.
- Participants can refuse to answer certain questions if they feel uncomfortable during the process of collecting data.

I understand that the information I give may not be used for any other purpose except to help the researcher to meet scholastic expectations. For more information, respondents can contact Prof. M.P Khwashaba, my promoter at 015 962 8440 and also at (Matodzi.Khwashaba@univen.ac.za).

.....  
Signature

.....  
Date

## ANNEXURE H

### RESPONDENT CONSENT FORM FOR PARENTS

I, .....hereby agree that my son/daughter participate in the research study, titled “**Critical analysis of job creation strategies in Makhado local municipality**”. By signing this consent form, you indicate that you understand the information provided to you by the researcher regarding the study, your question about the research has been answered to your satisfaction, and you voluntarily agree to participate in this study. A copy of this signed consent form can be provided upon request.

- The study aims to analyse the challenges facing Makhado Local Municipality with regard to job creation.
- The information that the respondents will provide will be solely used for the purpose of the study.
- Participation is voluntary and that I can withdraw anytime without any penalty if I feel like doing so.
- All questionnaires and interview data will be handled with confidentiality.
- Participants can refuse to answer certain questions if they feel uncomfortable during the process of collecting data.

I understand that the information I give may not be used for any other purpose except to help the researcher to meet scholastic expectations. For more information, respondents can contact Prof. M.P Khwashaba, my promoter at 015 962 8440 and also at (Matodzi.Khwashaba@univen.ac.za).

.....  
**Signature**

.....  
**Date**

## ANNEXURE I

### INSTRUMENTS – QUESTIONNAIRE

#### JOB CREATION IN MAKHADO LOCAL MUNICIPALITY

The study is about critical analysis of job creation strategies in Makhado Local Municipality. I humbly request you to be part of the study by providing your perspective on job creation in Makhado Local Municipality. Note that there is no right or wrong answer. Please answer the following questions.

#### SECTION A: BIOGRAPHICAL DETAILS

##### 1. Gender of Respondent

Male	1
Female	2
Other (Specify)	3

##### 2. Age of Respondent

Less than 19 years	1
20-25 years	2
26-30 years	3
31-35 years	4
35 years and older	5

##### 3. Position of Respondent

Municipal manager	1
Mayor	2
Makhado Local Municipality employees	3
Makhado Local Municipality community members	4
Graduates residing at Makhado Local Municipality	5

#### 4. Educational qualification of respondents

Grade 12	1
Diploma	2
Degree	3
Honours	4
Masters	5
PhD	6

#### SECTION B: JOB CREATION IN MAKHADO LOCAL MUNICIPALITY

Item No.	To determine challenges faced by Makhado Local Municipality with regards to job creation strategies	Place an <b>X</b> in the box that applies to you				
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
5	The challenges of job creation strategies increased in Makhado Local Municipality.	1	2	3	4	5
6	Makhado Local Municipality informs members of the public with regards to job creation strategies in any process of development.	1	2	3	4	5
7	Community members are unwilling to attend meetings of job creation strategies.	1	2	3	4	5
8	Existing challenges of job creation strategies are to be improved soon by the Makhado Local Municipality.	1	2	3	4	5
9	Public officials in Makhado Local Municipality do not review existing job creation strategies with regards to improving rate of unemployment.	1	2	3	4	5

Item No.	level of job creation strategies at Makhado Local Municipality	Place an <b>X</b> in the box that applies to you				
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
10	Job creation strategies play an important role in the improvement of basic service delivery in the Municipality.	1	2	3	4	5
11	Community members are willing to participate in job creation strategies.	1	2	3	4	5
12	Makhado Local Municipality plays an important role in job creation.	1	2	3	4	5
13	Municipality consults members of public about job creation strategies.	1	2	3	4	5
14	The existing job creation strategies need to be evaluated to check if they are yielding desired results.	1	2	3	4	5

Item No.	Review of existing strategies in Makhado Local Municipality with regard to job creation	Place an <b>X</b> in the box that applies to you				
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
15	Reviewing of existing strategies in the Makhado Local Municipality is important.	1	2	3	4	5
16	The impact of existing strategies need to be checked.	1	2	3	4	5
17	Community members need to know the existing strategies in the Makhado Local Municipality.	1	2	3	4	5
18	Public officials in Makhado Local Municipality continuously review strategies to see if they are yielding results.	1	2	3	4	5
19	The municipality should create the environment within which job creation strategies can be made.	1	2	3	4	5

**THANK YOU VERY MUCH FOR YOUR TIME AND CONTRIBUTION.**

## ANNEXURE J

### INSTRUMENTS - INTERVIEW SCHEDULE

#### JOB CREATION IN MAKHADO LOCAL MUNICIPALITY

The purpose of this study is to critically analyse job creation strategies in Makhado Local Municipality. I humbly request you to be part of the study by providing your perspective on job creation in Makhado Local Municipality. Note that there is no right or wrong answer. Please answer the following questions.

- 1. What are the challenges facing Makhado Local Municipality with regards to job creation strategies?**

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- 2. What is the level of job creation strategies at Makhado Local Municipality?**

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- 3. What are the existing job creation strategies at Makhado Local Municipality?**

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**3.1. Are job creation strategies in the Makhado Local Municipality effective enough to create employment?**

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**3.2. What are job creation strategies for enhancement of unemployment reduction in Makhado Local Municipality?**

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**THANK YOU VERY MUCH FOR YOUR TIME AND CONTRIBUTION.**

## ANNEXURE K

### EDITORIAL LETTER

Office No. 06  
Department of English  
University of Venda  
P/Bag X 5050  
Thohoyandou  
0950

30 November 2018

To Whom It May Concern

This serves to confirm that I proof-read and edited the dissertation entitled "Critical Analysis of Job Creation Strategies in the Makhado Local Municipality" by Mbedzi Langanani, Student number: 11623696.

Regards



Vincent N. Demana



University of Venda  
Department of English  
University of Venda  
Tel: +27- 015 962-8363 Cell: +27-739912237  
E-mail: Vincent.demana@univen.ac.za  
Website: <http://www.univen.ac.za/>  
A quality driven, financially sustainable, rural-based comprehensive university

TURNITIN REPORT

1/14/2019

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**CRITICAL ANALYSIS OF JOB CREATION STRATEGIES IN THE MAKHADO LOCAL MUNICIPALITY BY MBEDZI LANGANANI**  
STUDENT NUMBER: 11623696 RESEARCH PROPOSAL Submitted for the requirement of the degree of MASTER OF ADMINISTRATION DEPARTMENT OF PUBLIC AND DEVELOPMENT ADMINISTRATION SCHOOL OF MANAGEMENT SCIENCES UNIVERSITY OF VENDA Promoter: Prof M. P Khwshaba Co- Promoter: Dr. E. Mahole 25 June 2018 DECLARATION I, Mbedzi Langanani (11623696), hereby declare that the research proposal for Master of Administration degree at the University of Venda, hereby submitted by me, has not previously been submitted for a degree at this or any other university, and that it is my own work in design and in execution, and that all reference materials contained herein has been duly acknowledged. .... MBEDZI LANGANANI STUDENT NUMBER: 11623696 .....  
DATE: DEDICATION If God is with us, who can stand against us? What then can separate us from the love of God? This achievement is dedicated to the value of motherly love of a single parent who struggled and strove on every aspect of life, so that I completed school despite our precarious family conditions at the time. I dedicate this dissertation my to brother Dakalo Mbedzi and I say to you I love you so much, may your soul rest in peace. ii ACKNOWLEDGEMENTS Above all, I would like to thank God Almighty for being with me throughout my period of study. My heavenly Father, who showed me that His grace is sufficient for each day. I would like to express my utmost heartfelt gratitude my Supervisor Prof. M.P Khwshaba for the unsurpassed mentorship and immeasurable motivation. To my Co-Supervisor, Dr E Mahole for his remarkable ability to guide and support me. It could be injudicious of me to disregard special work done by Prof A Kadyamatimba for the word of encouragement for me to register my master's Degree and for working with me to make this

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