WOMAN AND YOUTH OWNED ENTERPRISES IN SOUTH AFRICA: ASSESSING THE NEEDS, OPPORTUNITIES AND CHALLENGES

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Abstract

The high rate of poverty, inequality and unemployment in South Africa beyond the advent of democracy in 1994 has left the majority of population particularly women and youth stranded. On one hand, the recent statistics from Statistics South Africa first quarter show an unemployment rate of just over 25%, with youth of age between 15-34 years contributing an estimated 52.5% of whole unemployment proportion. On the other hand, women have always lived in deep trenches of poverty and inequality even before the dawn of democracy in South Africa. The scenarios above have inevitably forced the government of South Africa to put more emphasis on promoting women and youth entrepreneurship in order that youth and women can create employment opportunities for themselves and expand to also create employment for others. However, the high rate of unemployment seem to be increasing annually. For instance the establishment of institutions such as Small Enterprise Development Agency, Small Enterprise Finance Agency and National Youth Development Agency amongst other was done to reinforce and accelerate the development of entrepreneurship opportunities for those who do not have start-up investment both in terms of skills and finances but the majority of these enterprises do not grow beyond the start-up phase. The paper argues that more need to be done to assist and pave a suited environment for youth and women enterprises to grow and create employment opportunities to cater for the alarming unemployment rate that the country is facing. This paper creates a conceptual discussion on the specific needs, opportunities and challenges facing women and youth own enterprises in order that measures of improvement can be established. The paper conclude that a culture of entrepreneurship should be imparted to the south African community and that entrepreneurial education should be provided and integrated to the south African education system.

Keywords: Youth, women, entrepreneurship, South Africa, Needs, Opportunities, Challenges

1. Introduction

Promoting sustainable entrepreneurship development in the form of Small, Medium and Micro Enterprises (SMME) is high on the policy agenda of almost all countries in the
world, as successful enterprises can generate additional employment opportunities and contribute significantly to the economic growth of a country (Cassia, Criaco & Minola, 2012). In other words, entrepreneurship development can aid economic growth, economic competitiveness, economic independence, self-esteem, job creation, social welfare, as well as political stability and national security of a country (Fonjong, 2004; Fatoki, 2014; Gănescu, 2014; Khumalo & Mutobola, 2014; Madzivhandila, 2014; Sanyal & Hisam, 2015). It is an observable fact that nowadays many countries are seeking to promote small and medium size enterprises to provide employment opportunities for their growing young population and to push for economic development. According to Osoro, Mokoro, Nyamongo & Areba (2013), SMME do not only create income and employment, but also generate wealth and contribute to the welfare of a nation’s population in the long run. For instance in African countries such as Kenya, micro and small enterprises (MSEs) as they are known, are acknowledged as significant contributors to economic growth and are estimated to contribute 20% and 72% to the GDP and employment respectively. Furthermore, in countries such as Nigeria, even though the socio-economic impact of entrepreneurship on the sustainable economic growth of the economy is difficult to accurately measure or estimate, it is believed that such an impact is highly dynamic and significant. Entrepreneurship has been beneficial in Nigeria because its private sector comprising of small and medium enterprises provides diverse employment opportunities for about 50 percent of the country’s population and 50 percent of its industrial output (Oyelola, Ajiboshin, Raimi, Raheem & Igwe, 2013). Again, entrepreneurship has been instrumental in economic growth, balanced regional development and job creation in most dynamic economies, where technology is changing at a faster rate and the product lifetime cycle is shrinking (Okurut, & Ama, 2013; Sharma, 2013; Bhat, & Khan, 2014). However, in countries such as South Africa, SMME development is faced with many challenges such as limited skills, infrastructure and finance. According to Turton and Herrington (2012), the rate of enterprise creation is very low in South Africa. For instance, the total Entrepreneurial Activity (TEA) rate decreased from 9.1% in 2011 to 7.3% in 2012. This challenge has thus perpetuated a problem of inability to create employment opportunities for the majority of unemployed citizens in the country, particularly the youth and women. Thus weak participation of youth in the entrepreneurial process and limited growth of women enterprise should be addressed if massive reduction of unemployment is to be realised.

The paper commences by giving a short discussion of the conceptual and contextual overview of women and youth entrepreneurship in South Africa. This is done by giving clear background on entrepreneurship as a concept and its application to women and youth
development in South Africa. The paper further address the needs and opportunities for women and youth entrepreneurship. Looking at the sought requirements for successful growth of SMME’s which can ultimately contribute positively to economic growth and employment creation. The paper also tackles challenges facing entrepreneurship development in South Africa and beyond, with more emphasis to SMME’s found in areas of limited economic potential such as townships and rural areas. Finally the paper concludes by proposing strides to consider towards sustainable women and youth entrepreneurship in South Africa.

2. Conceptual and contextual overview of women and youth entrepreneurship in south africa

In recent times South African Government have identified women and youth entrepreneurship development as one of the priority issues in dealing with high levels of unemployment and poverty in townships and rural areas (Madzivhandila, 2014; Sanyal & Hisam, 2015). Proper support and facilitation of development of enterprises owned by the said groups is essential in bridging the socio-economic inequality gap and bringing about sustainable economic growth and development in South Africa (Khumalo & Mutobola, 2014). Before exploring the contextual overview of these two phenomenon, namely women and youth entrepreneurship, it is utmost important to firstly provide a brief understanding of entrepreneurship as a concept. According to Oyelola et al. (2013) entrepreneurship is regarded as conceptualising, organising, creation and management of a new organization designed to pursue and nurture a business unique innovative opportunity into a potentially profitable and high growth venture in a complex and unstable environment. In other words, in pursuit of profitable growth, entrepreneurs exploit opportunities which exist in the environment or that may be created through innovation in an attempt to create economic value (Schoof, 2006; Kongolo, 2010; Turton & Herrington, 2012; Cant & Wiid, 2013). This can also include creation and management of new business ventures by an individual or a team. Also, the potential of the business idea, in terms of the existing and future demand for products or services can be of great importance as well in developing entrepreneurship opportunities.

Five variables that have great influence on entrepreneurship are addressed by Sanyal and Hisam (2015) as follows, the business environment; opportunities to start a business; personal characteristics necessary to start a business; risk taking and use of social networks. Oyelola et al. (2013) argued that, the processes behind successful
entrepreneurship development entails the act of risk-taking, invention, arbitrage and coordination of factors of production in the creation of new products or services for new and existing users in human society. In other words, the need for achievement, risk propensity and locus of control rank very high to the list of the entrepreneurial traits. However, people’s attitude and behaviour towards entrepreneurship is also regarded as another critical aspect for the success of these process. Sanyal and Hisam (2015) wrote that, it is people’s experience, knowledge and commitment that influence their decisions to become entrepreneurs and these factors have roots in their behaviours and attitudes. Sanyal and Hisam (2015) refers entrepreneurial behaviour as a way of thinking, reasoning, and acting that is opportunity-directed, and leadership-balanced. Thus, entrepreneurial behaviour is seen, rather, as a purely psychological phenomenon (Gânescu, 2014). This explains why, for example, Oyelola et al. (2013) highlighted that only a quarter of businesses worldwide are headed by women. This is because women have to cope with many factors such as discrimination, prejudices and certain skill deficiencies, but at the same time demonstrate successful management styles such as open communication and participative decision-making”.

Women entrepreneurship has been associated for many years in South Africa and beyond with a mere rout to move away from poverty because of fewer opportunities available to them in established labour markets (Fonjong, 2004; Schoof, 2006; Kongolo, 2010). In other words, the livelihood of women have always been derived from mainly microenterprise activities in the informal sector. These activities are done with a desire to improve the standard of living or move out of poverty trap. The push factors for women entrepreneurs explained by Okurut and Ama (2013), include unemployment, redundancy, recession, inadequate family income, dissatisfaction with being employed, or the need to accommodate work and home roles simultaneously. The pull factors include motivation for independence and the need to succeed better than others as entrepreneurs. Hence, Fatoki (2014) concurred that indeed in recent time the motivating factor for women entrepreneurs have gone beyond poverty alleviation to include attractions to business acumen, self-determination/autonomy, family concerns, lack of career advancement and the desire to make a social contribution. Women entrepreneurs’ motivation for engaging in microenterprises currently include advancement and diversification of household income, creation of employment opportunities, and search for self-independence and personal growth. Sharma (2013) defines a female entrepreneur as a “woman or a group of women who initiate, organize and run a business enterprise”. If properly coordinated and given proper support by both government and private sector, women enterprises can add value to
the creation of employment opportunities and economic growth, the same way youth enterprises are anticipated to contribute.

With unemployment high ranked among the most pressing socio-economic problems in most African countries, youth entrepreneurship has been identified as one of the it’s best suited solutions (Sharma, 2013; Bhat & Khan, 2014). Youth entrepreneurship is at the heart of the entrepreneurial debate as the youth generally constitute a larger portion of many of these countries. Gwija, Eke and Iwu (2014) argue that, in a job-scarce environment, where unemployment is rife the need to foster entrepreneurship especially among youth is of prime concern. For instance, in the case of South Africa, where despite a number of government-pioneered interventions, the level of youth entrepreneurship, particularly in township areas remains unsatisfactory (Kongolo, 2010; Turton & Herrington, 2012; Cant & Wiid, 2013; Okurut, & Ama, 2013). Since the early 1990s, youth entrepreneurship has received great consideration in South Africa, and has even gained more focus after the establishment of Umsobomvu Youth Fund (UYF) in 2001. The continuous trend of high levels of unemployment among young people in South African reflects the difficulties young people face in finding a job. Furthermore, Gwija et al. (2014) argued that, on the basis of the current dynamic labour market in South Africa, many young people will not find jobs after completing their secondary education. Thus, cautioning them to consider self-employment as an option, instead of hunting for a wage employment. Hence, it is arguably safe to say, in South Africa, the low entrepreneurial activity among youth is one of the primary reasons why the country reports an overall low rate of entrepreneurial activity (Gwija et al., 2014; Khumalo & Mutobola, 2014). However, there are many reasons why entrepreneurship activities are limited among young people in the country.

Some of the reasons for limited entrepreneurship in South Africa include culture, role models, work experiences, education and environment (Gânescu, 2014). Because of some of these factors, South African youth lag behind in setting up own business ventures compared to their counterparts from other countries (Fatoki, 2014; Gânescu, 2014; Khumalo & Mutobola, 2014). Other reasons for limited entrepreneurship activities among youth in South Africa is that, most of those that are engaged in the process appears to be motivated by economic necessity such as lack of employment, the need to supplement household income rather than the need to accumulate wealth, self-independence and efforts towards making the difference in their communities (Fatoki, 2014). In other words, young entrepreneurs in South Africa chose self-employment out of necessity rather than being motivated by attractive opportunities. This scenario suggests that most of the youth are pushed into entrepreneurship by the need to survive socio-economic harsh realities. Most of youth entrepreneurs in South Africa are not driven by entrepreneurial propensity associated
with their perceived level of entrepreneurial education, knowledge, and competence concerning new venture operation; their beliefs concerning entrepreneurial opportunities in the economy i.e., financial rewards, employment or the confidence in their ability to access the available opportunities such as self-employment and business risk (Fonjong, 2004; Schoof, 2006; Kongolo, 2010; Turton & Herrington, 2012). This challenge apply to more than just South Africa but also prevails in many other developing countries. In contrast, the motivators for entrepreneurship establishment by youth in developed countries include to be one’s own boss, to obtain an alternative route for advancement, to obtain additional money and the desire for independence and flexibility (Kongolo, 2010; Turton and Herrington, 2012; Gănescu, 2014). Gănescu (2014) divided young entrepreneurs in to two groups, those who become entrepreneurs by necessity because they are unable to find other forms of formal employment or continue their education, and what can be called “vocational entrepreneurs” who seize a business opportunity”. The latter are found to have natural disposition for innovation and change thus positon them to be well suited for sustainable entrepreneurship (Gănescu, 2014). Their efforts can helps to address problems associated with joblessness such as crime and depression, promoting innovation and resilience in other youth, the regeneration of the local community and the introduction of new economic opportunities and trends. They can also assist other young people to acquire the skills and competencies that they need to work and start new enterprises thus creating more employment opportunities. However, for this processes to unfold systematically, there are certain needs necessary to support and uplift women and youth entrepreneurship so that they can also create new advanced economic opportunities for themselves and others.

3. Women and youth entrepreneurship needs and opportunities

As already pointed out in the previous section, the key factors which influence women and youth entrepreneurship to have positive socio-economic impact include attitude, motivation and environment. However, a conducive environment particularly in terms of policy development is the most crucial among the three factors (Sharma, 2013; Bhat & Khan, 2014; Fatoki, 2014). Women and youth can possess positive attitude and high motivation ethos but if policies governing enterprise development are not conducive their efforts become futile. Bhat and Khan (2014) argue that, the economic, technological, legal and cultural environment in which entrepreneurs operate makes an enormous difference, often determining their original decision to start a new business as well as their subsequent chances of success. In other words, the policy environment of a country should promote women and youth entrepreneurship by focusing on the main factors that facilitate and stimulate, or hinder and impede, the entrepreneurial activity of these groups (Gănescu, 2014; Khumalo & Mutobola, 2014). For example, given the fact that Botswana’s major policy
drive is diversification of the economy so as to create employment opportunities, addressing the environmental constraints under which microenterprises operate is of important policy concern to improve the livelihoods of the women and the youth, who are the main actors in the sector (Okurut, & Ama, 2013).

For the South African government to successfully develop the SMME sector, there is a need to find an appropriate policy mix of initialisers that correspond to the most important barriers and constraints that exist locally. Thus developing a tailor-made, holistic approach that responds to different economic, social and cultural situations as well as to particular entrepreneurial framework conditions and needs is required (Schoof, 2006). Bhat and Khan (2014) emphasised that, there is no one best way to foster entrepreneurship, it requires practical, targeted strategies, based on an understanding of the specific conditions faced by entrepreneurs in a particular area or region. For instance, South Africa need a policy mixture which will not only focus on funding, mentoring and training start-up SMME but deliberately setting standards to afford them branding, marketing and promotion opportunities of their products in order that they can compete successfully at the local and international markets. Okurut and Ama (2013) wrote that an introduction of special government credit schemes to provide external finance to SMMEs at subsidized interest rates and provision of specialised and focused capacity building to SMMEs is more than required. According to Khumalo and Mutobola (2014) the manner and extent in which a country supports and recognises its entrepreneurs determines the culture of entrepreneurship and ultimately, moulds the future of the economy. It is imperative that government provide a conducive environment in order that opportunities which comes with the benefits of entrepreneurship development can be realised.

In Africa, the contribution of entrepreneurship cannot be underscored. For instance, Ghanaian micro-enterprises employ less than 5 people, yet accounted for 70 percent of country’s workforce (Oyelola et al., 2013). Similarly, Kenya’s private SMEs sector employed 3.2 million people and contributed 18 percent to the nation’s GDP (Oyelola et al., 2013). It is safe to say that, the creation and sustainability of new SMMEs is vital to the economic prosperity of a country or else it risks an economic stagnation. For instance, according to Gănescu (2014), Europe 2020 strategy recognises entrepreneurship and self-employment as key for achieving smart, sustainable and inclusive growth. In its support to entrepreneurship and self-employment, the European Commission focuses its efforts on business start-ups by unemployed and people from disadvantaged groups. Similarly, in South Africa entrepreneurship could create opportunities for women and youth that will develop their personality, identify new ways of employment and poverty reduction and transform the society in general. Furthermore, women and youth entrepreneurship could
make a significant impact on the economy not only in their ability to create jobs for themselves, but also in creating jobs for others. Mauchi, Mutengezanwa and Damiyano (2014) argues that, even though women often venture into entrepreneurship with little resources available to them to operate industries such as retail or personality services where the cost of entry is low, if they receive appropriate support such small ventures can grow bigger to create employment opportunities and contribute towards the economy. Thus, without targeted support both women and youth enterprises faces a lot of challenges which ultimately lead them to collapse.

4. Challenges facing entrepreneurship development in South Africa

The most common challenges facing SMMEs in South Africa and across the globe include finance, and limited skills, marketing, management, social and human resources. According to Kongolo (2010), these challenges constitute both internal (access to finance, management skills, networking, investment information technology and cost of production) and external (economic environment, markets, infrastructure, crime, corruption, labour and regulations) factors. Consequently, these challenges do not only lead to a high failure rate of SMMEs but they also contribute significantly to the prevention of the creation of new enterprises. However, Gwija et al. (2014) argue that, one of the most critical and major inhibiting factor to entrepreneurship development is the lack of awareness and inaccessibility of youth entrepreneurship support structures and initiatives in the community. Access to start-capital for setting-up new business venture and expansion capital for acquiring business resources that could aid growth opportunities is a big challenge, particularly for young people who come from less advantaged backgrounds. Mauchi et al. (2014) argued that in other countries, even though there are visible initiatives which create more economic opportunities for young people, it appears that they have no significant impact on reducing the high unemployment rate among these group. In other words, many SMMEs fail in spite of support from government and private initiatives that support and develop them (Turton and Herrington, 2012; Cant & Wiid, 2013). For instance, many small businesses within South Africa do not make it past the second year of trading with failure rates as high as 63 percent. Other common challenges facing development of SMME in South Africa townships and rural areas include bad roads, bribes by government officials, multiple taxes, epileptic power supply and rising overhead costs on transportation and communication.

SMME operating in areas of limited economic potential face a unique challenges including non-payment of outstanding accounts by clients; stiff competition and lack of market for their goods or services. Okurut and Ama (2013) noted the issue of location as the main contributor to the success or failure of small enterprises particularly those operating
informally. Cant and Wiid, (2013) argued that, the location of the business could simply be the reason as to why there are low demands for products as it is inconvenient for the consumers to purchase from the business. Also, the low demand for products could be that the SMMEs do not have sufficient knowledge of their target audience in order to market and adjust their strategies accordingly (Fonjong, 2004; Schoof, 2006; Kongolo, 2010; Turton & Herrington, 2012; Cant & Wiid, 2013; Okurut, & Ama, 2013). Furthermore, enterprises facing this kind of challenges struggle with issues of wrong pricing strategies which lead to low demand for products. For instance, if prices are too low, the results could be that consumers would perceive them to be of low quality and not up to standard and if the prices are too high, such may result in consumers seeking competitors’ products (Cant & Wiid, 2013). Many of enterprises facing this kind of challenges are operated by women.

Women entrepreneurs are further confronted by constrains related to conflicts between work and family responsibilities, networking challenges, lack of education and management skills. According to Mauchi et al. (2014) work versus home conflict which is the tension caused by the dual responsibility of managing a business and maintaining a family is the main stumbling block for female business owners. Consequently, women entrepreneurs also suffer stress caused by time pressure, mental tiredness, balancing family and business life, physical tiredness and excessive expectations from men (Bhat, & Khan, 2014; Fatoki, 2014; Gânescu, 2014; Khumalo & Mutobola;Mauchi et al., 2014). These challenges lead women to have a higher proportion of the businesses in industries with lower return rates operating in the informal sector such as services and retailing. Okurut and Ama (2013) argue that, women tend to lean towards engaging in enterprises which provide greater flexibility for balancing work and family responsibilities, and which are reinforced by gender and cultural beliefs, thus limiting them from other entrepreneurial opportunities. In most cases, women who are found in high impact enterprise arena such as manufacturing and construction possesses both high levels of self-confidence, bravery, communication skills and education (Khumalo & Mutobola, 2014; Mauchi et al., 2014). The other common constrains facing women entrepreneurs to grow is the ability to secure credit. According toMauchi et al. (2014), despite evidence that women’s loan repayment rate is higher than men’s, women still face more difficulties in obtaining credit due to discriminatory attitudes of banks and lending groups. Furthermore, women’s inexperience of negotiating with the banks, inability to provide tangible securities and their lack of financial confidence to argue for what they are entitled to, are some of the problems they face in obtaining loans (Kongolo, 2010; Turton & Herrington, 2012; Mauchi et al., 2014). Some of these challenges are also faced by the youth in South Africa, particularly the inability to provide tangible security by those found in townships and rural areas with limited economic base. Other barriers to successful youth
entrepreneurship include but are not limited to lack of information, knowledge, experience, appropriate premises, confidence and absence of support networks (Herrington, 2012; Mauchi et al., 2014). Ironically, most of women and youth enterprises experience some of these problems not only during economic downturns but also during economic progress (Kongolo, 2010). Thus, it is imperative to tackle and provide both financial and non-financial support to these enterprises in order that they can improve their performance and contribute more meaningfully and sustainably to the society.

5. Strides towards sustainable women and youth entrepreneurship in South Africa

The solution to the challenges facing women and youth enterprises and ultimately the SMME sector as a whole require more than just a one size fits all strategy but a well-designed sector, area and context specific approach (Sharma, 2013; Bhat, & Khan, 2014; Fatoki, 2014; Gânescu, 2014; Khumalo & Mutobola, 2014). Fatoki (2014) argues that the first step to this approach is the development of the entrepreneurial mind-set, attitude and skills in order that entrepreneurs do not only perceive their activities as just jobs aimed at putting food on the table but as innovation hub where passion, zeal, comfort, personal advancement rests. Furthermore, Khumalo and Mutobola (2014) emphasized that, if a positive entrepreneurial culture can be carefully crafted, planted and nurtured over time in the very fabric of society, such will bear positive fruits in the long run. However, Gânescu (2014) argue that building a conducive entrepreneurial ecosystem can go a long way to change mind-set about entrepreneurship. The entrepreneurial ecosystem refers to all elements (individuals, organizations, and institutions) that favour or hinder the election of a person to become an entrepreneur or the likelihood to achieve success (Gânescu, 2014; Khumalo & Mutobola, 2014). Some of these elements include a strong and conducive culture; enabling policies and leadership; availability of appropriate finance; quality human capital; venture-friendly markets for products; a range of institutional and infrastructural supports (Gânescu, 2014). However, accompanying this processes, is the thorough development of a strong social networks.

Networks represent a means for entrepreneurs to reduce risks and transaction costs and also to improve access to business ideas, knowledge and capital. In other words emanating from these networks, SMME’s can gain advice support acquire tacit knowledge, form strategic alliances, look for business opportunities and acquire credibility and legitimacy for themselves and their business (Sanyal & Hisam, 2015). However, Khumalo and Mutobola (2014) argue that successful policy implementation is one of the major aspects to facilitate
development of women and youth enterprises in South Africa. Entrepreneurship policy is cross-cutting in nature and therefore necessitates a collaborative multi-stakeholder approach on the part of government and society. Government should collaborate and integrate efforts of different ministries, for instance, education, Labour, Industry, Youth and Finance is vital for successful implementation of policies and programmes targeting women and youth enterprises (Bhat & Khan, 2014; Fatoki, 2014; Gănescu, 2014). Bhat & Khan (2014) suggested different robust and intensive entrepreneur training workshop programmes as an effective way to facilitate sustainable women and youth enterprise focusing on specific problems experience for practical application of concepts and procedure. However, Cant and Wiid, (2013) argued that training and workshop strategies have been applied for a long time with limited outcomes. Bhat and Khan (2014) suggested a paradigm shift in philosophy and pedagogy to put entrepreneurship development education as one of the main focus of interest in the education system starting at primary towards secondary and old age learning levels. In other words, small business education should be addressed to secondary or tertiary-level students and should form part of general educational courses whose objective is to raise awareness about considering entrepreneurship as a career option, and providing information on new business establishment (Bhat & Khan, 2014; Fatoki, 2014; Gănescu, 2014).

The current South African education system has not been able to promote independent thinking, creativity, innovativeness, risk taking abilities among learners and students in a way that builds them required entrepreneurial competencies (Gănescu, 2014). In many instances, knowledge about entrepreneurship as a career option is so infinitesimal that an educated youth comes to know about it after he/she has already wasted years together looking for a job and at the stage where entrepreneurship becomes a necessity rather than a choice (Bhat & Khan, 2014; Fatoki, 2014; Gănescu, 2014). According to Bhat and Khan (2014:3) "A country's competitiveness starts not on the factory floor or in the engineering lab but it starts in the classroom." Furthermore, Schoof (2006) reiterated that entrepreneurship awareness education is not only a means to foster youth entrepreneurship and self-employment but at the same time to equip young people with the attitudes (e.g. more personal responsibility) and skills (e.g. flexibility and creativity), necessary to cope with the uncertain employment paths of today's societies.

The youth in particular need to have an understanding that the main objective of the education is not only to get a government jobs but also to enlighten the mental faculties of a person in order to be innovative and creative (Sanyal & Hisam, 2015). Furthermore, both women and youth need to consider continuous entrepreneurial learning and development in order that their innovation and creative abilities to moulds, market and brand their products.
can be achieved. Cant and Wiid (2013) wrote that SMMEs like any other business entity need to be aware of changes in the external environment such as technology which requires their product adaptability, new marketing and branding strategies (Cant & Wiid, 2013; Okurut, & Ama, 2013; Sharma, 2013). For instance, a brand as a means of marketing, need to constantly be revived in order to attract customers, however, due to their nature, many women and youth enterprises struggle to build a reputable brand name that consumers acknowledge and trust (Gânescu, 2014; Khumalo & Mutobola, 2014). As a result, competitors with established well-known brands are an issue that SMMEs need to overcome. On the other hand, even competition with other SMMEs need to be addressed as they may have trouble building their brand which differentiates them from competitors (Gânescu, 2014). Thus, government need to advance its support to SMME and also develop programmes to support branding and marketing of local products and services.

6. Conclusion

The creation and sustainability of new businesses is vital to the economic prosperity of South Africa and any other country. Whereas a mix of political, economic and social strategies are needed to bring about the required changes, there is a general consensus that the development of SMMEs constitutes one of the main pillars in this endeavour as they are expected to serve as the breeding ground or seedbed from which large firms will emerge. This paper discussed the context within which women and youth enterprises in South Africa operate, where different environmental and systematic stumbling block to these enterprises were identified. Some of the required needs of women and youth entrepreneurs identified include development of a proper and functional policy mix to support the enterprise and adoption of positive attitude and high motivation principles by entrepreneurs. The opportunities which women and youth enterprises can contribute to the society include significant improvement to the economy and alleviation of poverty which is deep rooted in the South African society. There are many challenges identified which are causes SMME neither to start nor to progress towards contributing to employment and economic growth in South Africa. These challenges revolves around marketing, management, social and human resources. Finally, the paper proposed some of the important recommendations to consider towards sustainable facilitation of women and youth enterprises in South Africa. The discussion highlighted the importance of inculcating the entrepreneurship culture to the society and integrating enterprise development to be part of the education system starting from primary to old age learning levels.
References


