

**THE FORD RESOURCE AND ENGAGEMENT CENTRE (FREC) PROGRAMME'S  
CONTRIBUTION TO MITIGATE POVERTY: PERSPECTIVES FROM  
PARTICIPANTS**

**BY**

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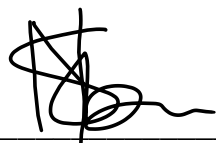
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## **ABSTRACT**

### **THE FORD RESOURCE AND ENGAGEMENT CENTRE (FREC) PROGRAMME'S CONTRIBUTION TO MITIGATE POVERTY: PERSPECTIVES FROM PARTICIPANTS**

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**DEGREE: MSW SOCIAL DEVELOPMENT AND POLICY**

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South Africa is characterised by a very high rate of poverty and unemployment. In view of this, the Ford Resource and Engagement Centre (FREC) is a micro business incubator and mentorship programme that provides mentorship and possible funding to emerging and existing entrepreneurs in the Mamelodi and Nellmapius townships in view of making them self-sustainable.

The goal of the study was to explore the FREC programme's contribution to mitigating poverty from the participants' perspectives.

The study constituted applied research and adopted a qualitative research approach. It was guided by an exploratory study purpose and utilised an instrumental case study design. The study was furthermore embedded within the sustainable livelihoods theoretical framework. The study population was comprised of current and former FREC programme participants. It sampled 10 study participants using a non-probability, purposive sampling technique. Research data were collected using semi-structured one-on-one interviews and analysed through a thematic data analysis process.

The findings show that poverty encompasses a lack of access to physical, social, financial, and human capital. They furthermore reveal that the FREC programme plays an important role in equipping entrepreneurs with business management skills, mentorship, and possible funding in view of assisting them to transition from survivalist to sustainable livelihoods. The study concludes that entrepreneurship and micro businesses serve as viable livelihood strategies for meeting household needs,

employment creation, and contributing to the township economy. A key recommendation is that corporate companies and the government should consider replicating the FREC model by partnering with communities and non-profit organisations in creating more business incubators and mentorship programmes that provide business skills and funding to entrepreneurs in view of mitigating poverty.

## **KEY WORDS**

Poverty mitigation

Entrepreneurship

Micro businesses

Ford Resource and Engagement Centre

Mamelodi

Nellmapius

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## CHAPTER ONE

### INTRODUCTION AND GENERAL ORIENTATION TO THE STUDY

#### 1.1 Introduction

Poverty is affecting the lives of many people in South Africa. For instance, the World Bank (2020) approximates that more than half (30.3 million) of the South African population is living in poverty. Taylor (2019:132) states, “poverty is not only the lack of income which in turn leads to deprivation, but it is also a lack of access to public facilities and programmes (such as social welfare services, health, education, and transport).” The indisputable, multidimensional nature of poverty has commanded the attention of all people in that its eradication is a priority on global, regional, and national development agendas. The *2030 Agenda for Sustainable Development* [hereafter *2030 Agenda*] recognises that eradicating poverty in all its dimensions is the greatest global challenge and a crucial requirement for sustainable development (United Nations [UN], 2015:5). In addition, *Agenda 2063: The Africa we want* [hereafter *Agenda 2063*] (African Union [AU], 2015), and the *National Development Plan 2030* (NDP) (Republic of South Africa [RSA], 2012) outline regional and national responses to the global call to eradicate poverty. Moreover, corporate companies such as the Ford Motor Company in partnership with Future Families, a non-profit organisation have responded to the urgent call to alleviate poverty in South Africa by facilitating various programmes that target orphans and vulnerable children, unemployed youth, and people infected and affected by HIV and AIDS (Future Families, 2023).

The Ford Resource and Engagement Centre (FREC) programme is one of the Ford Motor Company and Future Families’ programmatic interventions. It aims to mentor entrepreneurs and create an incubator for micro businesses in view of making the FREC programme participants self-sustainable. According to Kansheba (2020:110) promoting entrepreneurial processes ultimately promotes the growth of micro-businesses. The FREC programme regards the growth of micro-businesses as a joint effort between the programme facilitators and those enrolled in the programme. The FREC programme participants either have or do not have an established micro-business and are taught entrepreneurial skills in pursuit of sustainable livelihoods. Although having a micro business is the end goal of the FREC programme, prospective programme participants

are commonly motivated to enrol in the programme by poverty and unemployment and may not necessarily be business savvy. The FREC programme therefore provides an opportunity for participants to learn business skills that they can utilise in poverty mitigation.

The study sought to determine the FREC programme's contribution to mitigating poverty from the perspectives of its programme participants. Addressing poverty and partnerships and the participation of target communities in realising sustainable development are key priorities from a developmental social work point of view (Lombard, 2019b). Thus, the FREC programme participants' views were important in understanding their lived experiences in relation to the FREC programme's contribution to mitigating poverty. Towards this end, the sustainable livelihoods framework was an appropriate theoretical lens for the study. More so, as it takes into consideration the multifaceted nature of poverty (Krantz, 2001 in Lombard, 2019b:180).

### **Key concepts**

The following were identified as the study's key concepts:

- **FREC programme**

The FREC programme is a collaboration between Future Families and the Ford Motor Company, which aims to provide training, mentorship, and funding to entrepreneurs and micro businesses in the Mamelodi and Nellmapius townships of the City of Tshwane in the Gauteng province of South Africa (Future Families, 2023).

- **Mitigate**

The term mitigate entails making a problem, symptom, or punishment less severe (Merriam-Webster Dictionary, 2023). The term mitigate was adopted in this study to denote how the FREC programme contributes to lessening the challenge of poverty in Mamelodi and Nellmapius.

- **Poverty**

Poverty is a condition in which an individual cannot acquire adequate resources to sustain that person's life (Deonandan, 2019:18). The UN (2015:19) alludes to the fact that poverty is multifaceted. Similarly, the NDP (RSA, 2012:28) acknowledges the

multidimensional nature of poverty in South Africa and emphasises employment creation and broadening opportunities for all through access to education, vocational training, health, nutrition, public transportation, and access to information.

- **Participants**

Thomas and Pierson (2010:384) define participation as taking part in an activity. Thus, participation denotes “the process of involving service users and carers in the decisions that affect their lives and achieving change” (Thomas & Pierson, 2010:384). Applied to this study, participants refer to the individuals who took part in this study by virtue of them having been registered in the FREC programme during the years 2021 and 2022 after having completed at Phase One of the FREC programme.

## **1.2 Theoretical framework**

Neuman (2014:56) asserts that theory assists researchers in understanding the complexities of social life. Particularly, theory helps to explain why people do what they do, offers insight into a particular issue and suggests directions for enquiry. The sustainable livelihoods framework (SLF) was the theoretical framework for this study. The SLF was developed in the United Kingdom by the Department for International Development (DFID) (1999) and serves as an instrument for investigating poor people’s livelihoods and the factors that influence them (Kollmair & Gamper, 2002:4). Lombard (2019b:179) cites that the SLF is applicable to the African context and is a broad and inclusive approach to addressing the needs of poor people directly and at the policy level. Sustainable livelihood approaches are a way of thinking about development priorities anchored in sustainable livelihood principles and drawing on various tools such as the sustainable livelihood framework (Ashley & Carney, 1999:9). The core principles of the SLF are sustainable, dynamic, people centred, responsive and participatory and multi-levelled and are realised by means of partnerships (Ashley & Carney, 1999:6).

The SLF includes the capabilities, assets, and activities essential for the means of living (Van Breda, 2019b:250). It consists of five components which are the vulnerability context, livelihood assets, transforming structures and processes, livelihood strategies, and livelihood outcomes (DFID, 1999). The vulnerability context consists of trends, shocks, and seasonality. Assets are a core component of the SLF and include human capital, natural capital, financial capital, social capital, and physical capital (DFID, 1999).

Transforming structures and processes assist in determining access to various capitals, the terms of exchange between different capitals, and the pursuit of any given strategy (DFID, 1999). The FREC programme serves as a transforming structure that links participants with financial, human, physical, and social capital. It aims to contribute to livelihood outcomes such as more income, increased well-being, reduced vulnerability, and improved food security (Kollmair & Gamper, 2002:8). The SLF is well aligned with developmental social work in its emphasis on poverty reduction and equality, human rights, social and economic development, people participation, capabilities, strength-based perspectives, linking micro and macro level practices, and sustainable development (Lombard, 2019b:180). The SLF guided the researcher in exploring the vulnerabilities that participants experienced, their livelihood assets, and the relevant transforming structures and processes that influence their livelihood strategies in view of achieving sustainable livelihood outcomes.

### **1.3 Rationale and problem statement**

Unemployment and the rising costs of living (Statistics South Africa [Stats SA], 2022) are some of the factors that exacerbate poverty in South Africa, where more than a half of the population are living in poverty. Ending poverty is a global, regional, and national priority (AU, 2015; RSA, 2012; UN, 2015). Poverty is multi-faceted and affects people's standards of living in all its dimensions (United Nations Development Programme [UNDP], 2021). Different forms of capital are needed for sustainable livelihoods, including human, natural, financial, social, and physical capital (DFID, 1999). The FREC programme provides mentorship to entrepreneurs to start or grow their own micro businesses to become self-sustainable. However, it was unclear whether entrepreneurship in the FREC programme leads to survivalist or sustainable livelihood outcomes. The study's rationale was linked to the need to explore participants' reasons for joining the FREC programme, the role that poverty plays in their decision to join the programme, and what makes some participants follow through after joining the programme while others drop out of the programme. Moreover, the study needed to explore the FREC programme's contribution to mitigating participants' poverty, and how the programme meets their need to attain sustainable livelihoods. The study's rationale was furthermore embedded in a developmental social work perspective which advocates for investments in social and economic strategies that mitigate poverty (Patel, 2015:290). By using the sustainable livelihoods framework, the study explored the vulnerabilities and

different forms of capital that participants in the FREC programme had access to, and how the structures and processes of the programme facilitated livelihood strategies or should be adapted to achieve sustainable livelihood outcomes. The research findings are relevant for informing the FREC programme, policy, and practice frameworks for poverty mitigation and realising sustainable livelihood outcomes. The study was guided by the following research question:

- How does the FREC programme contribute to mitigating poverty from the participants' perspectives?

The sub-questions for the study included the following:

- What are the reasons for participants to join the FREC programme?
- How does the FREC programme align with the needs of the participants for sustainable livelihood outcomes?
- How has participants' social and economic well-being changed since joining the FREC programme?
- What strategies are recommended to contribute to sustainable livelihood outcomes?

## **1.4 Goal and objectives of the study**

The goal and objective of the study were as follows:

### **1.4.1 Goal of the study**

To explore the FREC programme's contribution to mitigating poverty from the participants' perspectives.

### **1.4.2 Objectives of the study**

- To contextualise the FREC programme within the sustainable livelihoods framework.
- To determine the reasons for participants joining the FREC programme.
- To explore the alignment between the goals of the FREC programme and the needs of the participants for sustainable livelihood outcomes.
- To explore what has changed in participants' social and economic well-being since joining the FREC programme.
- Recommend strategies to contribute to sustainable livelihood outcomes.

## **1.5 Research methodology**

This section briefly highlights the research methodology employed in the study, while a comprehensive discussion of the study's research methodology is presented in chapter three. The study was part of an MSW Social Development and Policy group research theme on the FREC programme's contribution to mitigating poverty. Each of the seven researchers who researched on this theme conducted independent studies with a unique set of participants from the FREC programme. The seven researchers shared participants from the list of potential participants that were available and willing to participate which were provided by Future Families. The study utilised a qualitative research approach which allowed the researcher to collect data that captured the in-depth views of the participants (Fouché & De Vos, 2011:91). The study has an exploratory research purpose (Fouché, 2021a:65; Nieuwenhuis, 2019:61) as it explored the contribution of the FREC programme in mitigating poverty in the perspective of the participants. The study constituted applied research because it has practical relevance to the social work profession in relation to the strategies that contribute to poverty mitigation. The study utilised an instrumental case study design (Nieuwenhuis, 2019:90). The population of the study consisted of current and former participants of the FREC programme in Mamelodi and Nellmapius. From the population of 95 FREC programme participants, the researcher purposively selected (Babbie, 2016:187) ten participants. Six of these were current participants and the other four were former FREC programme participants. Semi-structured one-on-one interviews were the study's primary data collection method. For data analysis, the researcher utilised the thematic data analysis process (Creswell, 2014:200; Nowell, Morris, White & Moules, 2017:2).

## **1.6 Division of the research report**

The research report is divided into five chapters. Chapter One gives the general introduction and orientation to the study. It briefly highlights the study's contextual overview, theoretical framework, the concepts relevant to the study, rationale and problem statement, research question, goal, and objectives as well as a summary of the research methodology and the chapter outline. Chapter Two provides a literature review on entrepreneurship and micro businesses as poverty mitigation strategies for sustainable livelihoods. It also includes a discussion on the role of business incubators like the FREC programme on poverty mitigation. Developmental social work is also

discussed as well as the SLF, which was the study's theoretical framework. Chapter Three presents a comprehensive discussion of the study's research methodology and ethical considerations. Chapter Four presents the study's empirical findings and interprets them from a literature perspective. Chapter Five presents the study's key findings, conclusions, and recommendations.

## CHAPTER TWO

### ENTREPRENEURSHIP AND MICRO BUSINESSES AS POVERTY MITIGATION STRATEGIES FOR SUSTAINABLE LIVELIHOODS

#### 2.1 Introduction

Poverty is a global problem. Chronic poverty in South Africa can be attributed to various factors such as a high unemployment rate, social and economic inequalities, an inequitable education system, corruption, and recurrent environmental disasters (RSA, 2012). In view of the above, the South African government has since the attainment of democracy in 1994, adopted various policies and strategies in view of poverty mitigation. However, poverty has remained persistently evident. It is important to highlight that the government cannot eradicate poverty on its own, this calls for partnership with citizens, non-profit organisations, and the private sector to come up with sustainable livelihood strategies (Taylor, 2018:68). The Ford Motor Company through its philanthropic branch, namely the Ford Motor Company Fund established FREC in partnership with two local non-profit organisations. These are Future Families, which provides care and support to vulnerable children and their families, and Harambee that focuses on the global youth unemployment challenge and connects employers with people seeking jobs (Ford Motor Company Fund, 2018). This partnership is in view of mitigating poverty through entrepreneurship training and the funding of micro businesses. Despite the vast financial investments that FREC injects into training programme participants, not all participants complete the entrepreneurship training as some drop out along the way and therefore lose out on gaining valuable skills for sustainable livelihoods. This ultimately has a negative impact on poverty mitigation.

This chapter starts by conceptualising and contextualising poverty in South Africa as a structural issue. In the sections that follow, the researcher outlines the sustainable livelihoods framework and discusses its relevance as the study's theoretical framework. Thereafter, the focus shifts to discussing the FREC programme, entrepreneurship, and micro-businesses as poverty alleviation strategies. Following this, the global, regional, and South African policy frameworks for poverty mitigation are outlined. The developmental social work approach, whose mandate derives from the *White Paper for Social Welfare* (RSA, 1997) is also discussed. The discussion then narrows down to the

challenges faced by entrepreneurs and micro businesses in South Africa and ends with a chapter summary.

## **2.2 Poverty and unemployment in South Africa**

Poverty is a global issue affecting the whole world including the African continent. Kharas and Dooley (2022:5) state that poverty in Africa has been rising steadily with high rates in Sub-Saharan Africa and war-torn states. South Africa has also experienced a rise in poverty and unemployment over the years. To understand how poverty can be mitigated it is crucial to first conceptualise it by outlining its definitions, dimensions, extent, and causes. Poverty is a multidimensional concept that denotes a lack of social, economic, and environmental resources. Taylor (2018:132) asserts that poverty does not only include the lack of income, but it also involves the lack of access to public facilities and programmes such as social welfare services, health, education, and transport. Poverty can also be defined as a condition in which an individual cannot acquire adequate resources to sustain that person's life (Deonandan, 2019:18). In so doing, poverty deprives people of their inherent worth and dignity (Wessels, 2017:10). Multidimensional poverty includes deprivations in work, health, nutrition, education, services, housing, and assets (Alkire, 2013:44). Poverty also entails limited power, voice, opportunities, and choices (Swedish International Development Cooperation Agency [SIDA], 2019). Alkire (2013:44) ascertains that those with low incomes may not be poor in other areas of their lives such as health. This makes it difficult to define poverty as a person can have no income while they have good health, education, and housing. This means that the person may be poor in one area but not poor in other areas of that person's life. This underpins the imperative for holistic poverty mitigation strategies.

South Africa has a very high unemployment rate of 35.3 percent, while the youth unemployment rate (66.5%) is at its highest since 2008 (Stats SA, 2022a). Resultantly, in 2022, the youth accounted to 60 percent of the beneficiaries of the special COVID-19 social relief of distress grant (Department of Social Development, 2022). Unemployment in South Africa does not only affect those who are uneducated but also those who have tertiary qualifications. In the first quarter of 2022, the unemployment rate amongst graduates aged between 15 and 24 years was 32.5 percent and was 22.4 percent for the age group 25 to 34 years (Stats SA, 2022b). These statistics point to a lack of opportunities for the youth in South Africa, which in turn lead to the high rise in poverty

and undergirds the imperative for sustainable livelihood strategies. Having conceptualised and examined the extent of poverty and unemployment, the discussion now shifts to the structural causes of poverty and unemployment in South Africa.

### **2.2.1 The structural causes of poverty and unemployment in South Africa**

Taylor (2018:5) indicates that social welfare policies are influenced by the values and principles of the political government in power and their economic approach to development. During apartheid, social welfare policies were developed to empower the white minority and oppress the majority black population. In this regard, apartheid laws and policies disenfranchised and impoverished the majority of black South Africans (Taylor, 2018:11). As such, apartheid contributed to social, economic, and environmental inequalities in South Africa. Evidently, South Africa is the most unequal country in the world, with unequal opportunities, inequality per capita consumption, and slow progress in reducing inequality (World Bank, 2022).

Poverty trends in post-apartheid South Africa are race, class, and gender driven (Cheteni, 2019). This implies that racial, gender, and class inequalities subject a lot of people to poverty and cause them to be left behind, with those mostly affected being the black population, rural communities, children, women, and the youth (Alston, 2014:357; Chiwara & Lombard, 2022). Cultural norms and practices are also at the forefront of gender inequality. According to Twikirize (2014:58), the nature and impact of poverty usually differ for women and men based on gender related traits of capabilities, opportunities, security, and empowerment. Sewpaul (2014:21) ascertains that there is often a gross violation of human rights based on superstitious beliefs. In most instances, children and women are the victims. Social norms disadvantage women by restricting their access to opportunities and earning potential by discouraging them from working outside of the home and through institutionalised lower wages for women than men (Cheteni, Khamfula & Mah, 2019:5). These kinds of social norms contribute to poverty in every aspect of their lives.

Corruption and greed also contribute heavily to the high level of poverty in post-apartheid South Africa. In 2015, more than 148 000 jobs were lost due to the looting of 378 billion rands from the Johannesburg Stock Exchange (Khan & Pillay, 2019:1206). It is also estimated that 14.8 billion rands were looted by politicians from the COVID-19 relief fund. Thus, the allocated funds did not accomplish the goal of relieving the distress of

vulnerable individuals and businesses that were negatively impacted by COVID-19 (Vosser, 2022). This ultimately served to exacerbate poverty in the country. In addition, environmental challenges such as climate change, droughts, flooding, and veld fires destroy people's livelihoods thereby worsening poverty (Chiwara & Lombard, 2018:293). Alston (2015:356) ascertains that disastrous and slow-onset climate events exacerbate rather than cause many pre-existing conditions such as widespread poverty, unemployment, food, and water insecurity. Thus, climate change adds a significant and sometimes overwhelming burden to vulnerable populations around the world. Without financial and other resources, poor and unemployed people cannot defend themselves when disasters strike.

Environmental challenges can also prompt people to migrate out of their homes and countries in search of socio-economic opportunities. According to Bodo (2019:39) rural to urban migration is a leading cause of urbanisation. Those living in rural areas often migrate to urban areas in search of better education and healthcare (Tacoli, McGranahan & Satterthwaite, 2015:22) and livelihood opportunities only to translocate poverty to urban areas (K'Akumu, 2018:187). Considering these authors' views, urbanisation can exacerbate urban poverty, but when harnessed well, it can also contribute to urban economic growth. Having contextualised poverty in South Africa, the sustainable livelihoods framework assisted the researcher in understanding the vulnerabilities of poor people and how poverty can be mitigated.

### **2.3 The Sustainable Livelihoods Framework**

The study adopted the Sustainable Livelihoods Framework (SLF) as its theoretical framework. A theoretical framework is the use of a theory in a study that simultaneously conveys the deepest values of the researcher and provides a clearly articulated lens for how the study will process new knowledge (Collins & Stockton, 2018:2). Theory assists in understanding or making sense of the world in terms of its societal beliefs and value systems, socio-cultural and economic contexts and furthermore guides the adoption of appropriate interventions (Van Breda, 2019a:3). Sustainable livelihood approaches are a way of thinking about development priorities anchored on sustainable livelihood principles and drawing on various tools such as the SLF (Ashley & Carney, 1999:9). Accordingly, the SLF served as the theoretical framework that assisted the researcher in exploring the livelihoods of the FREC programme participants. The SLF is guided by

people-centred principles that acknowledge poor people as role players in their own development. It depends on the participation of local people and partnerships among governments, the private sector, and researchers in its commitment to help mitigate poverty (Lombard, 2019b:187). The SLF promotes the notion that no one should be left behind in socio-economic development processes, which resonates well with the thrust of the *2030 Agenda* (UN, 2015).

Serrat (2017:23) indicates that the SLF helps to organise the factors that constrain or enhance livelihood opportunities and reveal how they relate to each other. Sapkota (2021:40) indicates that the SLF embodies three features which are the capabilities of the poor, access to tangible and intangible assets as well as the existence of economic activities. Therefore, the SLF can be utilised to improve the livelihoods of poor people by focusing on their capabilities, the enabling environment for the acquisition of assets, and partnerships to strengthen their economic activities. A livelihood comprises of the capabilities, assets, and activities required for a means of living. Thus, the SLF can be linked to Sen's (1999) capability approach which views capabilities are viewed as the freedom of poor people to achieve various lifestyles and realise set objectives that will improve their quality of life and what they are able to do and to become (Nussbaum, 2003:3; Sen, 1999:75). The concept of sustainable livelihoods puts emphasis on strengthening the capabilities of poor people to enable them to take initiatives such as entrepreneurship and SMMEs to secure their livelihoods (Sapkota, 2021:40). The SLF can also be linked with the strength-based approach in which all people including the most disadvantaged are believed to have strengths to find ways to resolve their problems and flourish (Van Breda, 2019b:245). Consequently, the SLF provides a structure that assists individuals and communities in choosing income-generation ventures that help in improving their lives and achieving sustainable livelihoods. In order to strengthen the capabilities of poor people, the five components of SLF which are the vulnerability context, livelihood assets, transforming structures and processes, livelihood strategies, and livelihood outcomes (DFID, 1999) can help guide the process.

- **The vulnerability context**

The vulnerability context affects people and their assets and is part of the environment in which people exist. It consists of trends, shocks, and seasonality (Kollmair & Gamper, 2002:5; Lombard, 2019:191). The shocks that the majority of South Africans especially the youth are faced with include extreme poverty and high levels of unemployment.

Understanding people's vulnerability is difficult as individuals have different social, economic, and political backgrounds, informal power dynamics, demographic trends, and access to formal and informal institutions (Levine, 2014:4). Vulnerability is usually beyond people's control and can only be managed through policy changes by transforming structures and processes (DFID, 1999). Understanding people's vulnerability can help in identifying the assets needed for them to deal with the shocks they are faced with.

- **Livelihood assets**

Assets are critically important for sustainable livelihoods and are influenced by the vulnerability context and transforming structures and processes. Lombard (2019b:188) highlights that the SLF regards people first and in turn, attempts to make sense of their strengths in the form of assets and capital endowments. Moreover, assets are vital for poor people to achieve positive livelihood outcomes (Yuniarti & Purwaningsih, 2017:227). Assets can be in the form of human, social, natural, physical, and financial capital. Human capital is associated with the acquisition of knowledge and skills and is widely regarded as a productive resource that raises incomes and standards of living and can contribute to economic growth (Midgley, 2014:83). It furthermore includes good health, the physical ability to work and the capabilities for realising livelihood objectives and strategies (DFID, 1999; Serrat, 2017:23). Human capital is a significant asset for sustaining livelihoods as all other forms of capital depend solely on human skills and capabilities, but it is not sufficient as a stand-alone resource (Sati & Vangchhia, 2017:95; UNDP, 2018).

Social capital has to do with formal and informal social relationships whereby various opportunities and benefits can be drawn by people in their search for livelihoods (DFID, 1999). It includes relationships of trust, networks, connections, and participation in formal groups (UNDP, 2018). According to Patel (2015:294), social capital includes social networks and relationships of trust among family members, neighbours, friends, and associations, which provide much-needed personal and material support and access to resources. It also includes two components which are the participation of local people in development activities and the government assistance to cope with poverty and vulnerability (Sati & Vangchhia, 2017:97). As noted by Patel (2015:294) "vulnerability is increased when people have fewer support networks." According to Claridge (2018:1), social capital has three functions which are bonding, bridging, and linking. Bonding social capital entails the strong relationships that develop between people of similar interests and provides an important source of support to people in socio-economic hardships.

Inversely, bridging social capital increases people's ability to gather information and gain access to new opportunities. Lastly, linking social capital involves social relations with those in authority that can be used to access resources or power (Claridge, 2018:1).

Natural capital refers to natural resources such as land, soil, water, forests, air quality, and environmental services which are crucial for sustaining livelihoods (Scoones, 1998:7). This type of capital is often the base through which the subsistence livelihoods of poor communities depend. Physical capital comprises of basic infrastructure and producer goods needed to support livelihoods (UNDP, 2018). It also includes affordable transport, secure buildings, adequate water supply, sanitation, affordable energy, access to information, tools, and technology. However, the physical capital that is required to support livelihoods is often out of reach for poor people (Serrat, 2017:23). Financial capital is crucial for acquiring any livelihood strategy and includes income, cash, savings, access to credit and other economic assets (Patel, 2015:295; Sati & Vangchhia, 2017:94). Lombard (2019b:190) asserts that financial capital is the most versatile of the five livelihood capitals as it can be converted into other types of capitals. However, those living in poverty often have little to no access to income. To realise sustainable livelihoods and successfully mitigate poverty, it is vital that the SLF assets components be equally accessible to all in a society (Abraham, 2021:5).

- **Transforming structures and process**

Transforming structures and process include institutions, organisations, policies, and legislations that shape livelihoods at all levels (Lombard, 2019b:191). The poor require an enabling environment to pursue various livelihood strategies in view of achieving sustainable livelihood outcomes.

- **Livelihood strategies**

Livelihood strategies consist of the range and combination of activities and choices that people embark on to achieve their livelihood goals (Kollmair & Gamper, 2002:5). Livelihood strategies include livestock and crops production, wage employment, businesses and enterprises, remittances, and mining activities (Khatiwada, Deng, Paudel, Khatiwada, Zhang & Su, 2017:7). Livelihood strategies lead to livelihood outcomes such as more income, increased wellbeing, reduced vulnerability, and improved food security (Kollmair & Gamper, 2002:8). The key, however, is to assist poor

communities in diversifying their livelihood strategies to better mitigate against shocks and hazards (Khatiwada et al., 2017:13).

The utility of the SLF lies in how it makes a connection between people and the transforming structures and processes that influence the outcome of their livelihood strategies (Serrat, 2017:22). While the SLF is a good framework to guide in poverty alleviation, Natarajan, Newsham, Rigg and Suhardiman (2022:2) criticises it for placing institutions, markets, policies, and their roles in reshaping livelihoods options as a matter of technical rather than political concern. Even so, the SLF remains a good framework for analysing multidimensional poverty and people's assets and capabilities. The next section contextualises the FREC programme within the SLF.

## **2.4 A contextualisation of the FREC Programme within the SLF**

FREC is an international programme that was established in 2016 by the Ford Motor Company Fund to bring non-profit partners in South Africa, Romania, Thailand, and the United States to support the social and economic development of their local communities (Ford News, 2021). The FREC programme aims to create job opportunities through entrepreneurship training and funding small, micro, and medium-sized enterprises (SMMEs), otherwise known as micro businesses. Entrepreneurship refers to the attempt to create a new business or expand an existing one (Singh & Rathore, 2020:96). It is a special, innate ability to sense and act on opportunity that combines thinking out of the box with a unique brand of determination to create something new (Martin & Osberg, 2007). Micro businesses are a critical driving force to poverty alleviation, economic growth, innovation, and job creation in South Africa (Bvumba & Marnewick, 2020:1; SEDA, 2016:5). They comprise of a broad range of SMMEs some of which are formally registered while others are informal (the Department of Trade and Industry [DTI], 2008).

The FREC programme provides high-impact micro business training, mentorship, and funding in the form of a grant to eligible participants in the City of Tshwane (Future Families, 2023). The Ford Motor Company Fund partners with Future Families in managing the FREC programme in the Mamelodi and Nellmapius townships of the City of Tshwane. The term township refers to the underdeveloped urban living areas in South Africa that started the late 19th century and were reserved for people of African descent (Manyaka-Boshielo, 2017:3). The Mamelodi township is situated North-East of the City of Tshwane. It consists of a population of about 2.2 million people of which, the majority

are black people. The population of the Mamelodi township has grown exponentially over the years. Many of its residents live in shacks in overcrowded shacks in informal settlements. Mamelodi is characterised by high levels of poverty, social exclusion, a lack of quality education, infrastructure, and services (Manyaka, 2015; SOS Children's Villages, 2023). Nellmapius is situated South of the Mamelodi township and has a population of 56 108 people, of which more than half of the population are unemployed while others work in low-paid jobs. It furthermore has very limited infrastructure including, one clinic, four primary schools, one high school and is considered as a township where the poorest of the poor live (Manyaka, 2015; Manyaka-Boshielo, 2017).

The fact that Mamelodi and Nellmapius are both characterised by extreme poverty, high unemployment rates, a lack of economic opportunities, and the constant influx of refugees and migrants (De Beer & Smith, 2020:173) makes them suitable targets for the implementation of the FREC programme in view of contributing to the township economy. By extrapolation, the term township economy refers to the production, distribution and consumption of goods and services taking place in township areas (Manyaka-Boshielo, 2017:3-4). However, the lack of infrastructure and amenities in townships entails that majority of people living in townships travel outside their residential areas to look for jobs in cities and suburbs. As South Africa struggles with an alarmingly high national unemployment rate, which is partly exacerbated by a chronic shortage of skilled labour, business incubators such as FREC are a powerful means of supporting the growth of SMMEs in view of poverty alleviation (Small Enterprise Development Agency [SEDA], 2016:5; World Bank, 2010). Furthermore, SMMEs located in townships have a potential of reducing poverty, job creation, growing the economy and introducing innovative ideas that improve quality of life (Nthite & Worku, 2020:130).

The Ford Motor Company, through the Ford Motor Company Booth Schoch Future Success Fund, has allocated 100 000 United States dollars (USD) to the FREC programme in South Africa over a 10-year period from 2020 to 2030 (Ford News, 2021). By January 2021, FREC had given free training to more than 300 participants (Ford News, 2021). Through the FREC programme, Future Families promotes the development and empowerment of unemployed youths by providing them with entrepreneurial skills training and resources to start-up micro businesses in view of securing sustainable livelihoods. According to Learmonth (2022), the FREC programme aims to help talented entrepreneurs who have a business idea or an existing micro

business to achieve better financial independence and business viability. The FREC programme at Future Families is comprised of six phases and 13 modules, which equip programme participants with relevant skills for finding employment or starting their own micro businesses and include content on employability, financial literacy, entrepreneurship, and mentorship (Ford News, 2021).

Individuals may enter the FREC programme at any one of the programme's six phases depending on the presented needs or stage of their self-established micro businesses. The qualifying criteria for gaining admission into the programme are a Grade 12 certificate and a personality trait screening test, which participants should pass to determine their probability of being a potential entrepreneur (Learmonth, 2022). Having registered for the FREC programme, participants enrol in the pre-entrepreneurial mentoring programme that includes a seminar, financial literacy course, a pre-test on new venture creation. Phases one to three are focused on teaching programme participants the basic principles of entrepreneurship and business. Furthermore, Phases four and five focus on business plan development and implementation. Phase six is the mentoring stabilisation phase where participants receive funding in the form of a grant and are expected to successfully run a micro business that generates income and profit. They additionally must keep a bookkeeping system that complies with FREC's requirements.

It is evidenced by Mensah and Benedict (2010:157) that effective entrepreneurship training should include the following skills; business strategy, marketing, finance, project management, time management, leadership, motivation, delegation, communication, and negotiation. As noted by Engelbrecht (2008:3) it is important to equip entrepreneurs with economic literacy skills and this has to do with decisions about money, resources, and assets. Economic literacy overlaps with consumer literacy and financial literacy with the latter having to do with skills related to managing finances, saving, and managing debt. Engelbrecht (2009:159) is of the view that financial and economic literacy can be used as poverty alleviation tools and are vital for the successful operation of SMMEs.

It is noted in literature that entrepreneurs have different personality traits which include self-efficacy, innovativeness, locus of control, and the need for achievement (Kerr, Kerr & Xu, 2018: 16). They furthermore have an exceptional capacity to identify and use new opportunities, have the commitment, and motivation to materialise their ideas and the will

to take risks (Rusu, Isac, Cureteanu & Csorba, 2012:3574). However, not all FREC participants possess these innate characteristics. Learmonth (2022) posits that registering in the FREC programme affects participants' endurance to such an extent that when a job opportunity presents itself some participants drop out of the programme without contemplation. However, those who join the programme with a pre-existing micro business are more likely to follow through with the programme and may eventually obtain funding for their businesses.

The decision to opt out of the FREC programme when a job opportunity arises confirms what Zhang (2019:62) states that entrepreneurs are generally driven by various pull and push factors. The pull factors include the promises that FREC makes about funding and providing capital for SMMEs, while push factors include poverty and unemployment (Learmonth, 2022). The push and pull factors can also influence whether one becomes an opportunity or a necessity-driven entrepreneur. In this regard, necessity-driven entrepreneurs are those who start a business due to unemployment while opportunity-driven entrepreneurs are those who are either employed or studying but decide to grab a business opportunity (Farlies & Fossen, 2018:6). Even though some of the FREC participants drop out of the programme, those who remain in the programme may potentially generate a profit of over a million rand per annum in their micro businesses (Ford News, 2021). Against the recognition of the role that entrepreneurship plays in poverty mitigation, several policies and strategies have been put in place at global and national levels in view of creating an enabling environment for entrepreneurship and micro businesses.

Entrepreneurs in the formal sector tend to be more educated, have a higher income generation, and are dominated by the white racial minority while most micro businesses are black-owned and operate in the informal sector (Kongolo, 2010:2288; SEDA, 2016:1). The DTI (2008) concurs that small enterprises contribute significantly to job creation and to the national gross domestic product. The informal economy in South Africa is also characterised by survivalist enterprises that generate income below the poverty line, have poor capital investments, a lack of training in business acumen, and hardly any assets (Bvuma & Marnewick, 2020:4; Yesufu, 2021:15). Owing to these factors, survivalist enterprises have very little growth potential and are less likely to hire staff (DTI, 2008). If they do hire staff, they have no more than five employees (Yesufu, 2021:15). Berry 2002 in SEDA (2016:5) ascertains that survivalist firms in South Africa

are mainly owned by self-employed black individuals from the poorest segments of the population. These may include businesses that take the form of street trading enterprises, backyard manufacturing services, and occasional home-based evening jobs (DTI, 2008).

In recent years, there has been growing interest in survivalist enterprises especially as they are not considered to have the potential to generate income and to provide employment. Resultantly, such enterprises are perceived to be doomed for failure, while governments often fail to support and recognise their existence (Ranyane, 2015:305). In view of survivalists dominating the entrepreneurship landscape in South Africa, the FREC business incubator envisages empowering programme participants to move from survivalist entrepreneurship to sustainable livelihoods (Learmonth, 2022). Entrepreneurship training for survivalist business operators by accredited service providers such as FREC could help create, change, and strengthen attitudes to business that could transform a survivalist business operator into an entrepreneur who is empowered to grow his or her business (Mensah & Benedict, 2010:149). Sustainable entrepreneurial ventures can influence the achievement of the sustainable development goals (SDGs) across the economic, social, and environmental protection pillars of sustainable development (Venancio & Pinto, 2020:9368). Hussain, Bhuiyan and Bakar (2014:559) ascertain that entrepreneurship contributes to poverty reduction because it creates employment through the start-up of new business enterprises or the expansion of existing ones. Entrepreneurship furthermore increases social wealth by creating new markets, industries, technology, and institutions, and increases productivity, income, and standards of living.

## **2.5 Policy frameworks for entrepreneurship, micro-businesses, and poverty mitigation**

The next sections will outline selected global, regional, and national policy frameworks that determine an enabling environment for entrepreneurship, micro-businesses, and poverty mitigation.

### **2.5.1 Global and regional policy frameworks**

The access and use of assets are influenced by policies, organisations, and relationships between people, organisations, and authorities (Karki, 2021:267). At the international

level, the *2030 Agenda* (UN, 2015) was adopted in view of eradicating poverty in all its forms and dimensions. Consistently, SDG 1 is aimed at ending poverty. SDG target 8.3 recognises entrepreneurship and micro businesses as antipoverty strategies that can be promoted through development-oriented policies that support productive activities, decent job creation, creativity, and innovation, the formalisation and growth of SMMEs and through availing access to financial services (UN, 2015). The *2030 Agenda* includes plans for building the resilience of the poor and those in vulnerable situations through collaborative partnerships that mobilise resources from a variety of sources (UN, 2015).

The realisation of the SDGs requires the partnership of citizens, the government, the non-profit sector, and businesses in developing sustainable poverty mitigation strategies that attend to the social, economic, and environmental dimensions of the *2030 Agenda*. Plans to mitigate poverty at the global level will not be possible without planning and implementing strategies at the regional and national levels as well. The African Union (AU) (2015) adopted *Agenda 2063: The Africa We Want* in view of eradicating poverty in one generation and building shared prosperity, social and economic transformation in Africa. It furthermore recognises the poverty mitigation potential of entrepreneurship and envisions creating shared growth through private sector development and decent jobs for all (AU, 2015:12). The abovementioned international and regional policies also influence the policies in South Africa.

### **2.5.2 South African policy frameworks**

Against a backdrop of poverty and high unemployment, the government of the Republic of South Africa has put in place policies, strategies, and programmes to create an enabling environment for poverty mitigation, entrepreneurship, and microbusiness. For instance, the NDP (RSA, 2012) aims to eliminate income poverty, reduce inequality, and increase job creation by the year 2030 (RSA, 2012). In the quest to eliminate income poverty, the South African government recognises the importance of micro businesses, so much that it established the Department of Small Business Development in 2014 in view of facilitating the promotion and development of small businesses (SEDA, 2016:6). The government also introduced SEDA and the National Youth Development Agency (NYDA) that are aimed at training and mentoring entrepreneurs and providing funding for entrepreneurial development (Global Entrepreneurship Monitor [GEM], 2014:72).

In addition, the government established the South African Social Security Agency (SASSA) with the aim of ensuring effective and efficient administration, management, and payment of social grants that include the child support, care-dependency, foster care, disability, older persons, and war veterans' grants (Social Assistance Act, 13 of 2004). According to the Finmark Trust (2019), South Africa has the largest social welfare system in the developing world. This indicates the government's commitment to mitigating poverty through social protection. In 2006, it introduced free basic education to address the educational dimensions of poverty (Mlambo, Hlongwa, & Mubecua 2018:51). Through the National Student Financial Scheme (NSFAS) the government aims to provide bursaries to students from poor households to enable them to pursue tertiary education (RSA, 2012).

The South African government adopted the *White Paper for Social Welfare* in 1997, which mandates the adoption of developmental social welfare programmes and services in view of addressing multidimensional poverty (Taylor, 2018:25). The *White Paper for Social Welfare* furthermore aligns with the country's constitution and was instrumental in shifting social welfare services to become more equitable with a particular focus on eradicating poverty and reducing structural inequalities (Schenck & Triegaardt, 2018:163). Developmental social work is an outcome of this transformational process that reaffirms social work's commitment to social justice and poverty eradication. It achieves this through promoting social change, human rights and development, people participation, and social investment strategies such as entrepreneurship and micro businesses in view of realising sustainable livelihoods (Lombard, 2019a:51; 2019b:178). Social workers are agents of social change. They improve people's productive capabilities by connecting them with resources in their environment and ensuring that they utilise resources in a sustainable way so that their livelihoods and that of future generations are secured (Mathende & Nhapi, 2017:125). They furthermore work with the disadvantaged, marginalised, and vulnerable populations and continuously strive for interventions that mitigate poverty (Chiwara & Lombard, 2022; Sewpaul, 2014:13). Developmental social workers believe that people have the capabilities to find ways of getting out of poverty while acknowledging the fact that they need assets to get out of poverty and towards this end emphasise collaborative partnerships with other stakeholders (Lombard, 2019a:56-59). Despite the highlighted policy provisions,

entrepreneurs in South Africa continue to face manifold challenges that hinder the growth and sustainability of their micro businesses.

## **2.6 Challenges faced by entrepreneurs and micro businesses in South Africa**

The DTI (2008) reports that many micro businesses in South Africa rarely survive beyond their nascent phases and only last for an average of less than three and a half years. The challenges that confront entrepreneurs and micro businesses in South Africa can be situated at the micro and macro levels. Micro level challenges are linked to an entrepreneur's capabilities, while macro-level challenges are structural and therefore beyond the control of the entrepreneur. It is important to highlight that although a defined set of challenges can be identified at the micro and macro levels, not all entrepreneurs and micro businesses face the same set of challenges. More especially as the latter are context-based and location-specific owing to the country's legacy of structural inequalities (SEDA, 2016:7).

### **2.6.1 Micro level challenges**

Micro level challenges can be seen as those that are directly linked to the entrepreneur's capabilities, skills, knowledge, level of education, and personal traits.

#### **2.6.1.1 Lack of education**

A lack of education constitutes a deficiency in human capital, which is a core asset for sustainable livelihoods. SEDA (2016:9) acknowledges that the shortage of skills impacts negatively on SMMEs. Managerial competencies are crucial for the survival and growth of new SMMEs, their lack thereof is one of the main reasons for the failure of new firms (Martin & Staines in Olawale & Garwe, 2010:731). In this regard, it is crucial to promote entrepreneurship skills development and training in micro businesses.

#### **2.6.1.2 Personality traits**

The personality traits of an entrepreneur can either build or destroy a great business idea. Self-efficacy for example can determine whether the entrepreneur will be successful or not as it describes the person's confidence in his or her own abilities to perform tasks and is also linked to expectations, goals, and motivation (Kerr et al, 2018:16). Ngcobo and Sukdeo (2015:510) assert that self-confidence and positive attitude are essential for entrepreneurs to sustain their business. Therefore, an entrepreneur's lack of self-

confidence and negative attitude can impact negatively on new businesses. Personality traits are linked to the person's capabilities to participate successfully in poverty mitigation activities. Without the right personality traits, poor people can still fail to get out of poverty even when assets and capital are provided for them to start and run SMMEs.

A lack of innovation and not researching about the business that one wishes to venture into can lead to failure even before the business starts. However, researching about a prospective business that one is interested in can help determine the feasibility of transforming ideas into an actual business. Investing in this aspect of business development also allows would-be entrepreneurs to come up with innovative solutions through their own discovery (SEDA, 2016:8). This implies that if upcoming entrepreneurs do not research and educate themselves about the business they are planning to start and the technology required to run and market their business, they might set themselves for failure.

It is important to highlight that factors at the macro level can exacerbate the challenges experienced by individuals on the micro level. In this regard, Netting, Kettner, McMurtry and Thomas (2017:2) opine that a sole focus on factors on the micro level is inadequate as it assumes that the causal factors associated with a particular challenge are situated within some deficits in the micro level system. This calls for the broadening of the problem analysis scope to include the macro level system.

## **2.6.2 Macro level challenges**

The macro environment is situated at the level of society and at national, regional, and global contexts. Forces that can contribute to challenges in the macro-environment include the lack of financial assistance, bureaucracy, lack of proper regulatory systems, insufficient systems of education and entrepreneurial training, and lack of infrastructure (Ahmad & Xavier, 2012; Muzondi, 2014:634; SEDA, 2016). These challenges are linked to a lack of access to the assets and capital that are encapsulated in the SLF. In view of the SLF, these challenges can be addressed through transforming structures and processes policy changes, and programmatic interventions.

### **2.6.2.1 Lack of access to finances and credit**

A lack of access to finance and credit is a major challenge that often leads to the discontinuation of small businesses in South Africa (GEM, 2014). This challenge is at

times aggravated by the lack of collateral and financial records that are required for securing loans from commercial banks (Ramukumba, 2014:25). South African banks and lenders are less likely to finance new micro businesses but are more inclined to lend to well-established businesses, which makes it difficult for poor people to start small businesses (Financial Services Regulatory Task Group, 2007 in SEDA, 2016). People require assets to get out of poverty, without capital, most entrepreneurs fail to start or grow their businesses. As such, a lack of financing for new micro businesses is a major concern (Olawale & Garwe, 2010:731).

### **2.6.2.2 Lack of access to infrastructure**

People need land and infrastructure to operate their businesses. The inaccessibility of telecommunication infrastructure, utilities, transport, land, and affordable rental space is a challenge for entrepreneurs and usually leads to the failure of SMMEs (SEDA, 2016:8). Poor infrastructure coupled with high energy costs and the lack of consistent electricity supply, high cost and limited availability of transport negatively affects micro businesses (Ramukumba, 2014:25). The rising costs of diesel and petrol is a major challenge in South Africa as fuel for transport is needed to operate any kind of business. This makes it difficult for emerging entrepreneurs to run efficient businesses in view of mitigating poverty. High fuel prices have had an impact on the prices of food and other basic commodities, making them both expensive and unaffordable for most citizens (Hassan & Mayor, 2020:34). Load shedding also poses major challenges to running successful micro businesses in South Africa. As most SMMEs depend on electricity to conduct their businesses, load shedding directly slows down their business operations (Mbomvu, Hlongwane, Nxazonke, Qayi & Bruwer, 2021). A study conducted by Akpeji, Olasoji, Gaunt, Oyedokun, Awodele and Folly (2020:82) estimates that the economic cost of one full day of load shedding is around 54 536 million rands per day. This implies that if the current trend of load shedding continues, the economy risks collapse, and this will ultimately exacerbate poverty. To address poverty in South Africa, reliable and sustainable energy sources are required.

### **2.6.2.3 A poor education system**

There is a gap in entrepreneurial training in South Africa as the country's education system does not pay adequate attention to entrepreneurship (World Bank, 2010). The *Western Cape Status of the Youth Report* (2008) in Choto, Iwu and Tengeh (2014:95)

highlights that the country's education system during apartheid did not favour the drive and edge of South Africans to run successful entrepreneurial ventures. This is a fact that is sadly mirrored by the current education system which seems to train young people to be employees and not employment creators. This status quo only leads to more unemployment and dependency on the state.

#### **2.6.2.4 Government bureaucracy**

South African labour laws hinder the growth of SMMEs by making it difficult for entrepreneurs to lay off their workers if the business can no longer afford to keep them (SEDA, 2016:8). Some SMMEs are willing to employ people but based on the high minimum wage regulations, they cannot afford to do so (Ayandibu & Houghton, 2017:53). Restrictive labour laws hinder job creation opportunities as some entrepreneurs refrain from hiring employees due to the fear of getting stuck with employees, they will not be able to afford should something go wrong. Consequently, regulations and bureaucratic practices encourage large corporations to dominate in the formally regulated economy (Kongolo, 2010:2294).

#### **2.6.2.5 Lack of access to markets**

Survivalist entrepreneurs are usually isolated from markets as they are not believed to add value to economic development (Choto et al., 2014:96). The inability to access markets therefore is another challenge that threatens the longevity of micro businesses (SEDA, 2016:10). A micro business' location has a huge impact on the potential market and growth of new firms (Olawe & Garwe, 2010:731). Furthermore, the small size of micro businesses can limit their bargaining power and bigger markets (SEDA, 2016:10).

### **2.7 Summary**

This chapter focused on entrepreneurship and micro businesses as poverty alleviation strategies for sustainable livelihoods. It highlighted that poverty is a global problem that has multi-dimensional income and other non-monetary facets. Poverty requires sustainable strategies to mitigate it at global, regional, and local levels. The chapter highlighted the sustainable livelihoods framework as the study's theoretical framework as it helps shed light on poor people's vulnerabilities and the need for their participation and partnerships in poverty mitigation strategies. The framework further emphasises the need for transforming structures and processes in the form of policies and enabling

environments for the acquisition of natural, human, social, financial, and other assets for poverty mitigation. Although there are many policies and strategies aimed at mitigating poverty at international, regional and national levels, poverty remains at high levels. Developmental social work stresses people participation, strength-based and social investment strategies such as entrepreneurship and micro businesses in view of poverty mitigation and sustainable livelihoods. Business incubators such as the FREC have the potential to contribute to poverty mitigation by funding micro businesses and providing entrepreneurial skills to upcoming entrepreneurs in the Mamelodi and Nellmapius townships in the City of Tshwane. The FREC programme aims to empower its participants to move from survivalist entrepreneurship to sustainable livelihoods. The chapter also highlighted the fact that upcoming entrepreneurs in South Africa experience several challenges across the micro and macro levels.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

Chapter Three presents the research methodology used in exploring the FREC programme's contribution to mitigating poverty. The chapter starts by outlining the study's research approach, research type, and research design. Thereafter, the research methods including the study population, sampling, data collection, and data analysis procedures are presented. Following this, the researcher sheds light on how data quality was ensured in view of improving the trustworthiness of the study's findings. The pilot study, ethical considerations, and the limitations of the study are thereafter presented. The chapter ends with a summary.

#### 3.2 Research approach

The study utilised a qualitative research approach to explore the FREC programme's contribution to mitigating poverty. Qualitative research is concerned with increasing a researcher's understanding of situations, contexts, and people" (Schurink, Schurink & Fouché, 2021:289). It therefore, seeks answers to questions by examining various social settings and the individuals who occupy these settings (Nieuwenhuis, 2019:59). A qualitative research approach allowed the researcher to acquire in-depth information on the FREC programme based on participants' experiences and the meanings they attached to these experiences (Fouché, 2021b:40; Rubin & Babbie, 2014:471). A qualitative research approach functions from an interpretivist research paradigm, which is also referred to as constructivism. An interpretivist paradigm emphasises research participants' abilities to construct meaning (Nieuwenhuis, 2019:66). As such, it seeks to understand social phenomena from participants' own perspectives and examine how they experience the world (Taylor, Bogdan & De Vault, 2016:3). In this regard, an interpretivist paradigm assisted the researcher in understanding participants' experiences of the FREC programme and the meaning they gave to the FREC programme's contribution to mitigating poverty through entrepreneurship and micro businesses.

The study served an exploratory purpose in view of eliciting information on the FREC programme's contribution to mitigating poverty as no previous studies had been

conducted on this subject. The need for an exploratory research purpose arises from a lack of basic information on a new area of interest (Fouché, 2021a:65). Thus, the study yielded new insights into the research topic which can be further explored more rigorously in the future (Babbie, 2016:90; Neuman, 2014:38; Rubin & Babbie, 2017:141).

### **3.3 Research type**

The study was applied research as it has immediate relevance to social work practice in South Africa and elsewhere across the globe. The study looked into how entrepreneurship and micro business contribute to resolving the immediate social and economic challenges of poverty and unemployment and suggested recommendations for action that can be implemented in the future (Adler & Clark, 2015:360). The applied research findings could also be utilised in determining the role that entrepreneurship and micro businesses play in poverty mitigation and enhancing sustainable livelihoods.

### **3.4 Research design**

Nieuwenhuis (2019:80) defines a research design as the plan by which the researcher carries out a study and it is this plan that specifies the methods for the selection of participants, data collection, and data analysis. Kumar (2011:396) describes a research design as a technique that a researcher follows to answer a research question. In this regard, the study utilised a case study research design. A case study is defined by Yin (2014:237) as a study that investigates a contemporary phenomenon in-depth and in its real-world context which a case constitutes the main subject of study in a case study and can usually be a concrete entity such as a person, organisation, or a programme. Case study research employs an in-depth examination of an extensive amount of information about very few cases over a period of time (Neuman, 2014:42). Nieuwenhuis (2019:89) views a case study as an empirical enquiry about a contemporary phenomenon set within a real-world context or natural setting. In particular, the study utilised an instrumental case study design. According to Nieuwenhuis (2019:90-91), an instrumental case study design provides insight into an issue or helps to refine a theory. While the case in an instrumental case study is looked at in-depth, its contexts scrutinised and its ordinary activities detailed, the case is of secondary interest and only plays a supportive role in understanding the issue. Ten current and former FREC programme's participants constituted the case study for this research. They were therefore studied in view of determining the FREC programme's contribution to poverty mitigation.

### **3.5 Research methods**

Research methods can be seen as the tools that the researcher utilises to collect data and are influenced by the research question, goal, and theoretical framework (Nieuwenhuis, 2019:51). The study's research methods including the study population, sampling, and data collection and analysis procedures are discussed hereafter.

#### **3.5.1 Study population**

A study population is the totality of people, organisations, or sampling units with which the research problem is concerned (Strydom (2021:228). Babbie (2016:116) also remarks that the population for a study is that group of people about whom the researcher wants to draw conclusions. The population of this study consisted of 95 FREC programme participants in Mamelodi and Nellmapius, in the City of Tshwane (Matakanure, 2022). The study population included all participants who were registered in the FREC programme between the years 2021 and 2022 and had at least completed Phase One of the FREC programme, regardless of whether they were still enrolled or had dropped out of the programme.

#### **3.5.2 Sampling methods**

Researchers are almost never able to study all the members of the population that is of interest to them (Babbie, 2016:116). As such, they select a small set of cases also known as a sample from the larger population and this process is defined by Neuman (2014:246) as sampling. The sampling strategy that was suitable for this qualitative study was non-probability sampling, which Maree and Pietersen (2019:220) describe as a method that does not use random selection from the population. The type of non-probability sampling that the researcher used is the purposive sampling technique, also known as judgemental sampling. In purposive sampling, a sample is selected based on the researcher's knowledge of a population, its elements, and the purpose of the study (Babbie, 2016:187). Thus, purposive sampling is appropriate in situations where the researcher has a specific purpose in mind (Maree & Pietersen, 2019:220) and intentionally chooses cases that fit that particular purpose. The purposively selected cases illustrate certain features that are of interest to the study and there are justified reasons why each case is selected (Strydom, 2021:382-383). Having been granted permission by Future Families to conduct the study (see Appendix A), the researcher was provided with a list of participants who met the criteria for participation in the study

and had given their permission for their names to be shared with the researcher. Based on the list, the researcher purposively selected a sample of ten (six current and four former) FREC programme participants who met the following criteria:

- Availability and willingness to participate in the study.
- Having been registered in the FREC programme between the year 2021 and 2022.
- Either being part of the FREC programme or having dropped out of the FREC programme in 2021 or 2022.
- Having completed at least two phases of the FREC programme in 2021 or 2022.
- Having completed grade 12.
- The ability to speak English.
- Identifying as either male or female.

### **3.5.3 Data collection**

Verbal communication is key to the collection of authentic, descriptive, rich and thick qualitative data (Geyer, 2021:355). Hence, the study's primary data collection method were the semi-structured, one-on-one interviews that were conducted with ten participants. Six of the participants were current FREC programme participants, while the remainder were former FREC programme participants. The interviews were guided by two interview schedules that were formulated respectively for current and former FREC programme participants (see Appendices B and C). Semi-structured interviews consist of open-ended questions that allow the researcher to further probe and seek clarification from participants in view of obtaining rich data (Geyer, 2021:358; Nieuwenhuis, 2019:108). The interview schedules, which are also known as interview guides, consisted of predetermined questions that enabled the researcher to consistently collect the same type of information from participants (Mahat-Shamira, Robert, Neimeyerb & Pitcho-Prelorentzosa, 2021:84). Section A of the interview schedules for both the current and former FREC programme participants elicited participants' biographical information. However, Section B of the interview schedules prompted participants' views on the role of the FREC programme in poverty mitigation, their general entrepreneurial experiences, and the role that FREC plays in starting or expanding micro businesses. The interview

schedule for the former FREC programme participants additionally prompted participants' reasons for dropping out of the FREC programme.

The researcher conducted the interviews herself as she is a practising social worker with years of interviewing experience. In addition, the researcher successfully completed a research methodology coursework module as part of the MSW Social Development and Policy Programme. The researcher conducted seven of the 10 interviews at the Future Families premises as it was a central point, which provided a secure, quiet, private, and comfortable location that participants were used to and was conducive for the interviews. The remaining three interviews were held at participants' business premises in a safe and confidential setting that had minimal distractions.

As part of the ethical issues that will be discussed in Section 3.10 of this chapter, the interviews were conducted after participants had read through the informed consent letter (see Appendix D) and voluntarily agreed to be audio-recorded for the interviews and have their anonymised responses to be included in the study. The researcher audio recorded each interview (Geyer, 2021:357) with participants' informed consent in order to accurately capture the dialogue between the researcher and participants. Each interview was scheduled a week in advance and lasted for a duration of 30 minutes to one hour. Data saturation was reached after the tenth interview when the researcher noted that the information given by participants was becoming repetitive with each subsequent interview and no new information was being obtained from the participants (Geyer, 2021:373).

The use of semi-structured one-on-one interviews in the study was advantageous as it gave the researcher an allowance to enter the interviews prepared with several open-ended questions, which facilitated the collection of thick descriptions from a small sample of ten participants (Geyer, 2021:358). In particular, the semi-structured interviews assisted the researcher in gaining a detailed picture of the participants' perceptions about the FREC programme and its contribution to poverty mitigation. The interviews also gave both the researcher and the participants more flexibility as the researcher could ask follow-up questions while the participants could elaborate on their answers so as to give a fuller picture (Makofane & Shirindi, 2018:40). The disadvantage of semi-structured, one-on-one interviews is that they are time-consuming and expensive to conduct (Geyer, 2021:358). In this case, the researcher had to travel back and forth several times to the

research site to interview participants. On average, each interview session took about 30 minutes to one hour to conduct. Inversely, the lengthy time it takes to conduct semi-structured one-on-one interviews can prove beneficial as it gives the researcher enough time to use several communication techniques to get more data from participants while the participants will have enough time to respond to the questions asked (Greeff, 2011:345).

### **3.5.4 Data analysis**

Data analysis refers to the process of bringing order, structure and meaning to the mass of collected data (Schurink, Schurink & Fouché, 2021:391). Qualitative data analysis transforms data into findings as it reduces the volume of raw information, sifting significance from trivia, identifying significant patterns, and constructing a framework for communicating the essence of what the data reveals (Schurink et al., 2021:391). The researcher utilised a thematic data analysis process to analyse the research data that was yielded by the semi-structured one-on-one interviews. Thematic data analysis is a process of identifying, analysing, organising, describing, and reporting themes found within a data set (Willig, 2014:147; Nowell, Morris, White & Moules, 2017:2). In this study, the researcher followed a six-phase process in analysing the research data. Following these phases, the researcher familiarised herself with the data, generated initial codes, searched for themes, reviewed the themes, defined the themes, and finally produced a research report. An in-depth description of these phases is hereafter presented.

- **Phase 1: Familiarisation**

Data analysis in qualitative research is twofold. It begins with a preliminary data analysis during data collection, when the researcher starts to familiarise herself with the collected data. This is followed by intensive data analysis after the collected data has been organised (Schurink et al., 2021:401). Thus, familiarisation began during data collection when the researcher became intrigued by participants' responses (Terry, Hayfield, Clarke & Braun, 2017:13). This process involved the researcher immersing herself with the collected data (Nowell et al., 2017:6) in view of identifying themes and patterns of meaning across the data set (Schurink et al., 2021:402). The researcher organised the audio recordings of the interviews onto a computer folder and backed up the saved data (Schurink et al., 2021:403). Thereafter, the researcher prepared the collected data for analysis by transcribing the audio recordings of participants' interviews word for word.

The transcription process assisted the researcher in familiarising herself with the collected data and other important information that she might have missed during the interviews. The researcher thereafter read and re-read all the collected data thoroughly and replayed the audio recordings several times in order to further familiarise herself with its overall content (Schurink et al., 2021:404).

- **Phase 2: Generating initial codes**

Having organised, transcribed, and read through the data several times, the researcher printed the transcripts and began to generate initial codes by focusing on specific characteristics that were emerging from the data (Nowell et al., 2017:5). The researcher aggregated the data into smaller categories of information, seeking evidence for the code from the data set and then moving on to assigning the codes (Creswell, 2014:198). Thus, the data analysis process united data sourced from multiple participants in a meaning-making process (Schurink et al., 2021:403). The researcher wrote the generated codes in the margins of the ten hard copies of the data items and compiled a list of codes that identified both the patterning and diversity of relevant meaning within the data sets (Terry et al., 2017:13-14). Subsequently, the coding process assisted the researcher in making sense of the data, developing insight, and providing a rigorous foundation for in-depth data analysis (Terry et al., 2017:13).

- **Phase 3: Searching for themes**

Having generated the initial codes, the researcher began sorting and collating all the relevant codes into themes and sub-themes (Nowell et al., 2017:8). According to Terry et al. (2017:18), the development of themes involves examining codes, combining, clustering or collapsing codes together into a bigger and more meaningful pattern. The researcher looked for themes that appear frequently and the underlying similarities between them and then developed a table where the themes were outlined (Schurink et al., 2021:408; Terry et al., 2017:19).

- **Phase 4: Reviewing themes**

During this phase, the researcher reviewed the coded data extracts for each theme to consider whether they appear to form a logical pattern and whether the themes capture the meaning in the collated, and coded data segments (Terry et al., 2017:21). Where necessary, new codes were inserted and some themes were collapsed into each other while other themes were broken down into separate themes (Nowell et al., 2017:9). The

researcher shaped and clarified the identified themes (see Chapter 4, Table 2) and reviewed them in relation to the coded data and research question (Schurink et al., 2021:408).

- **Phase 5: Defining themes**

The researcher conducted and wrote a detailed analysis of each theme so as to capture its uniqueness by identifying the story that each theme tells (Nowell et al., 2017:9). The researcher used narrative passages to convey the findings of the analysis. The narratives conveyed a detailed discussion of each theme and sub-theme as well as multiple perspectives from research participants in the form of direct quotations, which are presented verbatim in the research report to mirror participants' exact responses (Creswell, 2014:200).

- **Phase 6: Producing the research report**

Having familiarised herself with the data, coded, developed, and defined the themes, the researcher put together the data analysis and connections with scholarly literature into a singular output that answers the study's research question (Terry et al., 2017:25). In producing the research report, the researcher attempted to make sense of the data and the lessons learnt on the FREC programme's contribution to poverty mitigation while linking her interpretation to the literature developed by previous scholars (Creswell, 2014:200). In addition to following the six phased thematic data analysis process, it was important for the researcher to employ several mechanisms to enhance the trustworthiness of the analysed data as is discussed hereafter.

### **3.6 Data quality**

Trustworthiness is an integral part of qualitative research and is established when a research study is recognised and understood as legitimate by other researchers, practitioners, policymakers, and the public. In essence, a study's trustworthiness is one way in which a researcher can persuade him or herself and the readers that their research findings are worthy of attention (Nowell et al., 2017:3). The four criteria that the researcher employed to improve the trustworthiness of the research findings include credibility, transferability, dependability, and conformability.

- **Credibility**

According to Anney (2014:276), credibility refers to the confidence that can be placed in the truth of a study's research findings. To improve the credibility of the findings, the researcher used the following strategies: triangulation, peer debriefing, and member checking (Schurink et al., 2021:395). Triangulation is built on the view that people learn more by observing from multiple perspectives (Neuman, 2014:166). The study employed two sources of data that included current FREC and former FREC participants. Data was also collected at different times and at two study sites in Mamelodi and Nellmapius. Member checking by offering participants an opportunity to review a transcript of their own interview to verify the accuracy of the verbatim transcriptions (Schurink et al., 2021:396; Nieuwenhuis, 2019:144). Two of the study's participants took up this task and could confirm the accuracy of their interview transcripts. The researcher had peer debriefing with fellow researchers who were working on the same theme and with the study supervisor (Anney, 2014:277; Nieuwenhuis, 2019:144) who assisted in determining the appropriateness of the collected data and the researcher's interpretations thereof.

- **Dependability**

Dependability entails the stability of qualitative findings over time. By implication, clearly documented and evidenced studies are more dependable (Schurink et al., 2021:395). The researcher improved the dependability of the research findings by providing an audit trail of the research process as the researcher has attempted to do in this research methodology chapter that accounted for how data was collected, recorded, and analysed (Anney, 2014:278). Thus, in view of improving the dependability of the study the researcher endeavoured to ensure that the research process was logical, traceable, and clearly documented (Nowell et al., 2017:3).

- **Transferability**

Transferability refers to the extent in which findings of a study can be applied in other contexts and studies (Schurink et al., 2021:393). To ensure the transferability of this qualitative study, the researcher provided thick descriptions of the research context and findings (Anney, 2014:277). This argument is also advanced by Schurink et al (2021:393) who argue that a qualitative study's findings should be recognisable not only by other scholars or readers in the field but by the context within which the study has been conducted. The latter was accomplished by using quotations and contextual descriptions in the research report that link the findings to the context. Whereas qualitative study

findings cannot be generalised (Schurink et al., 2021:393) upcoming entrepreneurs and business incubators in similar contexts will be able to relate with the findings of this study.

- **Conformability**

Conformability is the degree to which the research results can be confirmed or corroborated by other researchers (Anney, 2014:279). It furthermore implies that other researchers can be able to confirm the origins of the derived findings and conclude that they would also come to the same or similar conclusions by following the same methods that were employed in the study (Schurink et al., 2021:394). In other words, conformability establishes that the researcher's interpretations and findings clearly result from the collected data and requires the researcher to demonstrate how conclusions and interpretations have been reached (Nowell et al., 2017:3). To achieve this, the researcher outlined the process of data collection, data analysis and interpretation in a research report with the view of providing evidence that corroborates the research findings and interpretations (Schurink et al., 2021:394).

### **3.7 Pilot study**

Before the main study, the researcher conducted a pilot study which was aimed at testing and possibly refining the planned research procedures (Yin, 2014:240). Strydom (2021:386-387) states that a pilot study engages a few participants who have the same characteristics as those of the main investigation in view of ascertaining trends. Its main aim is to improve the success and effectiveness of the investigation. The researcher held two pilot study interviews, one with a current and another with a former FREC programme participant to test the feasibility of the study, the interview schedules, and the voice recorder (Strydom, 2021:387). The pilot study was also used to test whether the venue for the interviews will be conducive for the main study. The researcher included the pilot study data in the main research findings as there were no adjustments made in the interview guides or data collection procedures after the pilot study.

### **3.8 Ethical considerations**

Ethical considerations have to do with a set of moral principles that offer rules and behavioural expectations about the most appropriate conduct towards research subjects (Strydom & Roestenburg, 2021:118). In addition, any person pursuing social science research, needs to be aware of and adhere to the general agreements shared by

researchers about what is proper and improper in the conduct of scientific inquiry (Babbie, 2016:62). The ethical consideration that guided the researcher in conducting the study are discussed hereafter.

### **3.8.1 Permission to conduct the study**

Mogorosi (2018:75) highlights that central to good scientific enquiries lies the obtaining of ethical clearance prior to the undertaking of the research and upholding the standards in high esteem throughout the research. Towards this end, the researcher obtained a letter of authorisation from Future Families that enabled her to conduct the study with FREC participants. Data collection commenced after the study was granted ethical clearance by the Research Ethics Committee in the Faculty of Humanities at the University of Pretoria, reference number: 26369801 (HUM018/1022) (see Appendix E).

### **3.8.2 Privacy, anonymity, and confidentiality**

Privacy, anonymity, and confidentiality are somewhat synonymous concepts with slightly nuanced differences (Strydom & Roestenburg, 2021:124). As privacy relates to the setting where interviews are conducted, the researcher made reasonable efforts to ensure that the interviews were conducted in complete privacy in quiet and secure rooms that were provided for this purpose at Future Families or at participants' workplaces. Strydom and Roestenburg (2021:124) view confidentiality as an extension of privacy and has to do with limiting other people's access to private information. In this regard, the researcher kept all audio recordings and transcripts of the interviews in a secure folder, and these will be securely archived for a period of 10 years in the Department of Social Work and Criminology at the University of Pretoria, in line with the stipulations of the university. Only the researcher will be able to link responses to a specific participant seeing that she was in direct contact with participants during the interviews. Along with privacy and confidentiality the researcher had to ensure the anonymity of research participants. Anonymity "refers to not being asked to give personal information that will enable others to recognise you" (Strydom & Roestenburg, 2021:124). This was ensured by using pseudonyms instead of participants' real names in the reporting of the findings to protect the identity of participants.

### **3.8.3 Informed consent and voluntary participation**

Informed consent and voluntary participation are somewhat intertwined principles. Good ethical research studies involve voluntary, unforced decision-making about participating in a study and the consequences thereof. Mogorosi (2018:88) infers that participants should be informed of their liberty to at any point in the interview state if they no longer want to participate in the study. Shirindi (2018:67) states that it is important to obtain participants' written informed consent that clearly outlines the rules of engagement. Participants were informed through an informed consent letter of the study's goal and objectives to ensure transparency, thus providing them with the choice to decide whether they want to participate in the study or not. They were also informed of the methods of data collection and their consent was requested to audio record the interview. Participants had the option to withdraw from the study at any given time without any consequences arising on their part. They were additionally not obligated to answer any question asked if they were not comfortable doing so. Likewise, there were no incentives or compensation that were offered to lure participants to participate in the study. Before each interview, the researcher and participants read the informed consent letter that included all the above information was read with the participants before the study and those who consented signed the consent form. In exercising their voluntary participation, some participants dropped out of the study even after confirming that they were interested in being interviewed in the study. In accordance with the ethical considerations, the researcher respected their decision and did not coerce them to participate and there were no consequences imposed on them for withdrawing from the study.

### **3.8.4 Transparency**

Transparency is an important ethical consideration that relates to avoiding deception, misleading participants, the purposeful misrepresentation of facts or keeping some information from participants (Strydom & Roestenburg, 2021:123. Babbie (2016:69) maintains that researchers should be truthful about who they are and explain the purpose of the study to participants and not deceive them since deceiving them is unethical. The researcher avoided deceiving the participants by introducing herself as an MSW Social Development and Policy student in the Department of Social Work and Criminology at the University of Pretoria. Furthermore, the researcher did not make false promises to

participants, exaggerate, or underrate the purpose of the study so as to convince participants to participate in the study.

### **3.8.5 Avoidance of harm**

The wellbeing of participants in the research process is of utmost importance, therefore possible harm must be avoided (Maree, 2019:48). The researcher ensured that the interviews were conducted in a familiar environment either at Future Families or their own workplaces that were safe and secure so that participants could be at liberty to share their experiences. The researcher was observant to detect when participants were not comfortable sharing certain information and did not probe any further to avoid any psychological harm (Strydom & Roestenburg, 2021:119).

### **3.8.6 Debriefing**

Debriefing participants immediately after the study is concerned good practice (Strydom & Roestenburg, 2021:119). Although there were no known risks and discomforts that participants were anticipated to experience by way of their participation in the research study, the researcher did some debriefing with each participant after an interview session. The researcher encouraged participants to indicate if they felt that the interview triggered some negative emotions and experiences so that if needed, they can be referred to a professional social worker for counselling. The researcher obtained a counselling letter from Future Families' social worker which serves to confirm that the participants will be able to receive counselling should a need arise (see Appendix F). However, none of the participants cited the need for a referral to a social worker or indicated any matters of concern arising from the study. However, the invitation for debriefing was kept open and participants were informed that they could approach a designated social worker at Future Families who had been assigned to render assistance in this regard.

### **3.8.7 Actions and competence of the researcher**

Strydom and Roestenburg (2021:126) maintain that researchers are ethically obliged to ensure that they are competent, honest, and adequately skilled to undertake a research study. The researcher attended a research methodology module as part of the MSW Social Development and Policy programme where she was thoroughly trained on how to conduct a qualitative study. During fieldwork, the researcher constantly had supervision

sessions with the study supervisor. The researcher is a registered social worker, who has conducted numerous qualitative interviews in her career. She was additionally guided by social work values and ethical principles that uphold the respect for human rights, dignity, and worth of all people (International Federation of Social Workers, 2018).

### **3.8.8 Publication and dissemination of research findings**

Ultimately, the researcher has an ethical obligation to publish and disseminate the research findings. Strydom and Roestenburg (2021:128) ascertain that the failure to report research findings is considered unethical and is neither in the best interest of science nor the community. The study's findings are presented in this research report and will be made available to all through the University of Pretoria's institutional repository. Participants were notified by means of the informed consent letter that the research findings will be published in a research report, conference paper(s), or scientific journal. However, they will not be presented in a way that could be directly linked to any specific participant.

### **3.9 Limitations of the study**

The presented participants' views are not indicative of the perspectives that are shared by all FREC programme participants as the study sampled 10 participants that were enrolled in the FREC programme between the years 2021 and 2022. Additionally, as the study collected subjective information in participants' own words, there is a possibility that some participants might have shared biased information for reasons that may be difficult to identify. To minimise the possibility of this happening, the researcher informed the study's participants that their responses would be anonymised and not linked back to them.

### **3.10 Summary**

This chapter provided a discussion of the research methodology that was used in exploring the FREC programme's contribution to mitigating poverty. The study adopted a qualitative research approach an interpretivist paradigm and an exploratory goal. The research study was applied research in that it was immediate relevance for the social work profession. The study utilised a case study research design and in particular, an instrumental case study design. The chapter also provided a discussion of the research methods used in the study, beginning with the study population followed by the sampling

and data collection methods. The study utilised a thematic data analysis process and adopted criteria such as credibility, transferability, dependability, and conformability to enhance the study's trustworthiness. The chapter also highlighted how the pilot study was conducted as well as the ethical considerations and the limitations of the study. The next Chapter Four presents the study's empirical findings.

## CHAPTER FOUR

### EMPIRICAL FINDINGS

#### 4.1 Introduction

This chapter presents the findings of the empirical study conducted in Mamelodi and Nellmapius on the FREC programme's contribution to mitigating poverty. The research question that guided the empirical study was how does the FREC programme contribute to mitigating poverty from the participants' perspectives? The findings are presented in two sections, starting with participants' biographical information and thereafter, the themes and sub-themes that emerged from the qualitative research data analysis process. The empirical findings are presented in the form of narrative passages that directly quote the research participants' views, which are then discussed with evidence from literature sources. The chapter ends with a chapter summary.

#### 4.2 Biographical details of research participants

As required by the study's criteria, all participants were either current or former FREC programme participants. Participants' biographical information is summarised below in Table 4.1. The information includes participants' gender, age groups, and highest educational qualifications. It additionally includes information on whether participants were current or former FREC programme participants, the month and year when they joined and or dropped out of the FREC programme and the phases that participants had reached in the FREC programme. The biographical information also captures participants' marital status, household size, the number of family members that contribute to their household income and their relationship to the participant. In view of protecting participants' identities, alpha numeric pseudonyms that range from P1 to P10 are used in the presentation of findings.

**Table 4. 1: Participants' biographical information**

Participant	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
<b>Gender</b>	Female	Female	Female	Male	Male	Male	Male	Male	Male	Female
<b>Age group in years</b>	46-52	39-42	39-42	46-52	25-31	25-31	25-31	39-45	32-38	46-52
<b>Highest qualification</b>	Certificate	Certificate	Diploma	Certificate	Diploma	Certificate	Degree	Diploma	Grade 12	Grade 12
<b>Employment status</b>	Self-employed	Self-employed	Self-employed	Self-employed	Self-employed	Self-employed	Self-employed	Employed full-time and self-employed part-time	Self-employed	Employed part-time and self-employed part-time
<b>Enrolment</b>	Current	Current	Current	Current	Current	Former	Former	Former	Former and current	Former
<b>Date of joining FREC</b>	April 2022	August 2022	May 2022	February 2022	August 2022	June 2021	September 2021	May 2022	March 2022 (rejoined in March 2023)	August 2021
<b>Date of dropping out from FREC</b>	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	October 2021	November 2021	October 2022	March 2022	October 2021
<b>Phase reached in FREC</b>	Phase 5	Phase 5	Phase 6	Phase 3	Phase 5	Phase 4	Phase 5	Phase 5	Phase 3	Phase 2
<b>Marital status</b>	Married	Married	Single	Single	Single	Single	Single	Single	Co-habiting	Co-habiting
<b>Household size</b>	5	3	4	6	6	1	5	1	2	6
<b>Household member contributing to income</b>	1 (P1's husband)	2 (P2 and her husband)	2 (P3 and her mother)	2 (P4 and his sister)	3 (Two aunts and a friend)	1 (P6)	3 (P7, sister and grandmother)	1 (P8)	2 (P9 and partner)	2 (P10 and partner)

As indicated in Table 4.1 above, the study's participants were representative of two genders as four were female, while six were male. Thus, demonstrating engaging in entrepreneurial ventures is not confined to one gender. The participants fell into three age groups, four were in the 25-31 years, three fell in the 39-45 years and an additional three were in the 46-52 years. In terms of their highest educational qualifications, all participants had completed Grade 12 as this was in line with the admission criteria into the FREC programme. Of these participants, two possessed a Grade 12 school leaving certificate, while four had tertiary level certificates in tourism, early childhood development, cyber security, and information technology. Moreover, three had tertiary level diplomas in public management, civil engineering, and marketing, while one had a bachelor's degree in accounting. Eight of the study's ten participants were fully self-employed while two operated micro businesses on a part-time basis. The information shows that the majority of the study's participants possessed tertiary-level qualifications and all of them had micro businesses.

The study sampled six current and four former FREC programme participants. The study's criteria required participants to have joined the FREC programme between the years 2021 and 2022. As indicated in Table 4.1, three of the study's ten participants joined the FREC programme in 2021, while seven joined the programme in 2022. Participant P9 was initially registered for the FREC programme in 2021 but later dropped out in 2022 and re-joined the programme in 2023. At the time of the study, one participant was enrolled in Phase Two, two participants were in Phase Three, another participant was in Phase Four, five were in Phase Five, and one participant was in Phase Six of the FREC programme. According to Learmonth (2022), FREC programme participants may enter the FREC programme at any one of its six phases depending on the needs presented by participants and if applicable, the stage of their self-established micro-businesses. This implies that participants did not necessarily have to chronologically follow through the phases of the FREC programme phases as they could start at any of the six phases based on their individual needs.

The five participants who dropped out of the FREC programme did so between October 2021 and October 2022. Of these five participants, one participant each dropped out in phases two, three, and four of the FREC programme, while another two dropped out in phase five. This finding confirms an observation by Learmonth (2022) that despite the vast financial investments that FREC injects into training programme participants, not all participants complete the entrepreneurship training as some drop out along the way and therefore lose out on gaining valuable skills for sustainable livelihoods. In relation to participants' marital status, six of them were single, two were cohabiting, and another two participants were married. The size of participants' households ranged from one to six household members. The two participants who lived alone were singlehandedly responsible for contributing to their household income. The rest of the participants contributed to their household income alongside their partners, nuclear or extended family members.

#### **4.3 The themes and sub-themes that emerged from the study**

Eight themes emerged from the study's data analysis process. These themes include participants' reasons for joining the FREC programme, participants' reasons for leaving the FREC programme, benefits derived from participating in the FREC programme, and personality traits that enhance participants' survival in business. The

study's themes additionally include challenges faced by participants in running their micro businesses, entrepreneurship and micro businesses' contribution to poverty mitigation, participants' struggles with the FREC programme, and participants' recommendations for improving the FREC programme. These themes and their associated sub-themes are displayed in Table 4.2 below and will thereafter be presented in a discussion that integrates participants' direct quotations with literature evidence.

**Table 4. 2: Themes and sub-themes**

<b>Themes</b>	<b>Sub-themes</b>
1. Reasons for joining the FREC programme.	1.1 The need for financial capital. 1.2 The need for physical capital. 1.3 The need for human capital. 1.4 The need for social capital
2. Reasons for leaving the FREC programme.	2.1 The desire to secure income to meet basic needs. 2.2 An inaccurate understanding of the FREC programme.
3. Benefits derived from participating in the FREC programme.	3.1 The acquisition of financial and business management skills. 3.2 Access to equipment funding. 3.3 Access to social capital.
4. Personality traits that enhance participants' survival in business.	4.1 Innovation. 4.2 Having a passion for business. 4.3 Taking calculated risks. 4.4 Having a vision for one's business.
5. Challenges faced by participants in running their micro businesses.	5.1 A lack of financial and physical capital. 5.2 Poor access to markets. 5.3 Loadshedding. 5.4 Income poverty.
6. Entrepreneurship and micro businesses' contribution to poverty mitigation.	6.1 Developing the township economy. 6.2 Employment creation. 6.3 Meeting participants' household needs.
7. Participants' struggles with the FREC programme.	7.1 A lack of stipends. 7.2 Mixing beginners and existing FREC participants in one class. 7.3 The prolonged process of securing funding from the FREC programme.

<p>8. Participants' recommendations for improving the FREC programme.</p>	<p>8.1 Providing participants with stipends. 8.2 Introducing online classes. 8.3 Issuing training certificates. 8.4 Not leaving anyone behind. 8.5 Providing participants with a thorough orientation. 8.6 Reinvesting into the FREC programme. 8.7 Structuring the FREC programme into two tracks. 8.8 Speeding up the funding process.</p>
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### **Theme 1: Reasons for joining the FREC programme**

The study's findings indicate that participants joined the FREC programme due to various reasons such as the need for financial, physical, human, and social capital. These findings are hereafter discussed as sub-themes.

#### **Sub-theme 1.1: The need for financial capital**

Participants' responses confirm that entrepreneurs require financial capital for the optimal operation of their micro businesses. Participants cited that they joined the FREC programme as they needed and expected to receive funding to expand their micro businesses. Growing their businesses would ultimately assist in mitigating poverty and unemployment. The following were their responses:

*"They told us about funding after the programme ... That's the honest truth! Most of us came here because of the funding." (P3)*

*"My expectation was to get funding." (P6)*

*"I need funding." (P5)*

*"If you find businesspeople like myself and others who participate in this [FREC programme], it's primarily because of funding because we need to extend, expand and also help grow our businesses. In so doing, we are able also to address ... poverty... unemployment and stuff. So yeah, if we get funding, we are able to function." (P7)*

Financial capital includes funding as well as cash, savings, credit, and other economic assets (Krantz, 2001:9). Financial capital is the most versatile of the five sustainable livelihood capitals as it can be converted into other types of capital or assets including physical, social, and human capital (Lombard, 2019b:190). SDG target 8.3 encapsulates the need for development-oriented policies that support and encourage the formalisation and growth of SMMEs by availing them access to financial services (UN, 2015).

### **Sub-theme 1.2: The need for physical capital**

The findings illustrate that participants were also motivated to join the FREC programme due to the prospect of eventually receiving business equipment to increase the efficiency of their micro businesses. Some participants indicated that they had big dreams that needed support and viewed the prospect of receiving equipment through the FREC programme as a dream come true. These findings are corroborated by the following participants' responses:

*“When they were busy telling us about FREC, for me it was like a dream come true because they were promising us that they will buy us big machines. Especially when you're manufacturing something, or you want to trade something ... That is why I came here ... I had big dreams that needed support.”* (P4)

*“What me and my partner wanted is ... equipment, people buying us equipment ... So that's what they offered ... when they explained the whole programme to us. It made sense at that particular moment to join [the FREC programme].”* (P9)

*“I expected ... to get equipment cos we were not gonna get funding as in cash. That's what they told us ... they were gonna give us helping tools.”* (P10)

Equipment is a form of physical capital and is a human-made good that assists micro businesses in their business operations. However, the physical capital that is required to support livelihoods is often out of reach for poor people (Serrat, 2017:23). The findings therefore concur with the sustainable livelihood approach that embodies the need for access to tangible assets to strengthen economic activities.

### **Sub-theme 1.3: The need for human capital**

The study's findings reveal that participants also joined the FREC programme because they needed business and financial skills that would empower them to grow, expand and run their businesses optimally. Participants indicated that they needed to sharpen their skills and acquire the right skills for their businesses that would enable them to discern whether they are adopting the right or wrong business practices. The following are their responses in relation to the need for human capital:

*“Before I joined, I wanted to know what FREC is all about, I googled and I found out that it is a business skills programme, so I thought you know what? Maybe this is the chance for me to ... sharpen my skills with this.”* (P1)

*“I decided to join the programme because I was hoping to probably get the right skills for my business.”* (P6)

*“They promised to ... help our business to grow further so that we can be able to run them professionally and give us skills so that wherever we were struggling we can carry on ourselves knowing the right from the wrong, what we did wrong for the growth of the company. So that we know the skills and the tools that we must use for our company to grow.” (P10)*

On his part, P7 joined the FREC programme as he needed skills and knowledge to “... manoeuvre life’s challenges” citing that, “even poverty can’t keep you back when you’re knowledgeable.”

Human capital is associated with the acquisition of knowledge and skills and is widely regarded as a productive resource that raises incomes and standards of living and can contribute to economic growth (Midgley, 2014:83). A chronic shortage of skilled labour contributes to an alarmingly high unemployment rate in South Africa (SEDA, 2016:5; World Bank, 2010). Human capital is important for sustaining livelihoods. More so, as the effective and prudent use of any resource depends solely on human skills and capabilities (Sati & Vangchhia, 2017:95). Entrepreneurship training for survivalist business operators by accredited service providers such as FREC could help create, change, and strengthen attitudes to business that could transform a survivalist business operator into an entrepreneur who is empowered to grow his or her business (Mensah & Benedict, 2010:149).

#### **Sub-theme 1.4: The need for social capital**

One of the study’s participants highlighted joining the FREC programme as he needed the social capital that would provide him with much needed business mentorship and support. The participant indicated that he wanted to benefit and tap on the willingness and experience provided by the FREC programme mentors to enable him to become a better businessperson. In turn, the participant would be accountable to the mentors and make sure that he works hard to realise his dreams. The following narration summarises his view:

*“You just need someone who can really believe in you and channel you and take your hand and if you can come into this programme and find people who are willing, experienced, professional, to say ... you are very ambitious, you are very dedicated ... do it this way. Then you become a better person. Then you are always able to refer back, am I still on the right track? Then you always want to prove to them that I can do better because you don’t want to disappoint them.” (P7)*

As noted by Patel (2015:294) social capital encompasses social networks and relationships of trust with, for instance, family members, neighbours, friends, and other

associations. These networks serve to provide personal and material support as well as access to resources. Social capital furthermore minimises the vulnerability that is experienced by individuals. Bridging social capital increases people's ability to gather information and gain access to new opportunities while linking social capital involves social relations that can assist in accessing resources or power (Claridge, 2018:1).

## **Theme 2: Reasons for leaving the FREC programme**

The study's findings show that the participants that dropped out of the FREC programme did so due to the desire for income to meet their basic needs and an inaccurate understanding of how the FREC programme works. These reasons are hereafter discussed as sub-themes:

### **Sub-theme 2.1: The desire to secure income to meet basic needs**

P8, who was the only member and breadwinner in his household, dropped out of the FREC programme following the COVID-19 pandemic after securing a job that would enable him to meet his basic needs. The following quotation summarises his view in this regard:

*"iCOVID nje, you know ukuthi iye yasibaizisa (COVID-19 distracted us) so when the employment opportunity presented itself, I was like why not? I need to grab it with both hands cos I need to put food on the table." (P8)*

The above participant's response confirms what was posited by Learmonth (2022) that registering in the FREC programme affects participants' endurance to such an extent that when a job opportunity presents itself some participants drop out of the programme without contemplation.

### **Sub-theme 2.2: An inaccurate understanding of the FREC programme**

The findings show that some participants joined the FREC programme with an inaccurate understanding of how the FREC programme works, especially in relation to how funding would be disbursed after joining the FREC programme. In this regard, some participants were of the view that they would immediately receive funding for their micro businesses and felt despondent upon the realisation that they needed to go through the entire programme before they could start receiving funding. The following quotation captures one participant's view in this regard:

*"As businesspeople when we come to an institution, we think overnight we will be given the grant. So, I might have left the programme a bit disappointed than what I would have expected ... [I thought] maybe I will*

*come in and attend the programme for two weeks, thereafter they will come see my place, give them an idea and they take me through the process, but that is not the case.” (P7)*

*“They are a little bit vague-nyana (little vague) ... coming to them explaining the programme, they seem not to be sure to say bafwethu (brothers) okay this is how we work, you attend two modules, after two modules we get your details and put you in database after then after four modules we buy you or you need to go find a quotation for things that you want.” (P9)*

### **Theme 3: Benefits derived from participating in the FREC programme**

The findings show that the study’s participants were engaged in various livelihood strategies that included painting, running a bakery, an ECD centre, a laundromat, a guest house and a construction business, a water purification business, an internet café, a detergent manufacturing business, and a spaza shop. Participants identified several benefits that they derived from participating in the FREC programme which enhanced their livelihoods opportunities such that were able to run their micro businesses more effectively. These benefits included the acquisition of financial and business management skills, access to equipment funding, and access to social capital. These benefits are hereafter discussed as sub-themes.

#### **Sub-theme 3.1: The acquisition of financial and business management skills**

Participants indicated acquiring financial and business management skills as one of the benefits they derived from participating in the FREC programme. In this regard, participants learnt skills in taking orders, record keeping, banking, bookkeeping, financial discipline, and social media marketing. These skills strengthened participants’ business operations and profit margins. Their responses in relation to the acquisition of financial and business management skills are captured as follows:

*“There were things that I wasn’t taking seriously when I take orders. Now I make sure that I write all my orders and the money that I got I have to write what happened to the money. Did I take certain money to the bank and the other one what happened to it? ... That really helped me bodi [with] profit margins, bodi [with] how to control my profit and all that.” (P1)*

*“It made me a little bit disciplined. Like for instance, the accounting system that they introduced to me ... it’s the best. I don’t need to go and look for an accountant, everything that I want is on that system ... I can see ukuthi [that] I am having a profit or is it a loss or what? How many clients did I see in March, in February? Before bengibadela iaccountant [I was paying an accountant] for these things.” (P3)*

*“I’ve learnt a lot from them, especially ... how to run and manage the finances in the business ... Like when you run a business even as the owner of the business, you need to have a salary, don’t depend on the business money, because if you depend on the business money that’s where you face challenges, that’s where you face bankruptcy.” (P4)*

*“This programme taught us how to ... do marketing in a different way. I am not a social media [person] ... but the things I learnt here ... (were very helpful). I can even do [marketing] videos then I post them on WhatsApp.” (P2)*

P2 saw the FREC programme as a generic form of training that is applicable to any type of business. She could find relevance and make connections between the FREC programme and her early childhood development business. Resultantly, she felt a sense of gratification for having learnt how to efficiently run her ECD business. The following narration sums up her view:

*“Here by FREC, all the modules I’ve done so far are also related to ECD, because ... [FREC is] about your business ... and ECD is [also] in that package ... For me, it really means a lot because I’ve learnt to operate my ... business.” (P2)*

P6, a former FREC programme participant acknowledged that the FREC programme empowered him with problem solving and conflict management skills that he could apply both to his business and personal life. The following quotation illustrates his view:

*“The programme, ne ereruta ka [taught us] how to behave actually. How to deal with problems, how to deal with conflicts either with a customer, a friend or a loved one.” (P6)*

A study by Mensah and Benedict (2010:157) established that entrepreneurship training should empower participants with business strategy, marketing, finance, time management, leadership, motivation, communication, and negotiation skills. Furthermore, it is important to equip entrepreneurs with economic literacy which has to do with making decisions about money, resources, and assets (Engelbrecht, 2008:3). According to Learmonth (2022), the FREC programme aims to help talented individuals who have business ideas or existing micro businesses to achieve better financial independence and business viability. The FREC programme is designed to equip programme participants with relevant skills for finding employment or starting their own micro businesses. It furthermore includes content on employability, financial

literacy, entrepreneurship, and mentorship which are important skills for running micro businesses (Ford News, 2021).

### **Sub-theme 3.2: Access to equipment funding**

While FREC does not give funding in the form of financial capital the findings show that the programme plays a critical role in facilitating participants' access to equipment funding once they have reached Phase Six of the FREC programme. Such physical capital is essential in assisting participants in running their businesses more efficiently. P3, who was the only participant in the study who had reached this phase of the FREC programme indicated that she received funding support in the form of water tanks and assistance with installing the water purification machines which she already had in her possession. The participant cited gratitude for receiving an investment of equipment directly into her business instead of cash which she could have diverted to meet basic needs. The following is her response:

*“I just got funded now, they bought me Jojo tanks and paid for the installations of ma machine yami [my water purification machines] ... They buy what you want. Icash ngabe sesiyidlile (if it was cash, we would have eaten it already). I think they were doing that before ... Its best if they buy you, unlike having cash with you.” (P3)*

As asserted by Serrat (2017:23) physical capital is vital for running businesses and includes access to tools and technology.

### **Sub-theme 3.3: Access to social capital**

Access to social capital was another benefit that participants derived from the FREC programme even though only one participant (P7), had indicated it as one of the reasons why he joined the FREC programme (see sub-theme 1.4). Apart from being mentored in the FREC programme, participants mentioned that the programme provided them with a platform to bond and share their business ideas and journeys in view of encouraging and supporting one another. This is reflected in the following participants' narratives:

*“Ukuhlangana nabantu laba [meeting with these people], my [FREC] classmates, they have shared how they got to where they are right now and ... have been in the business. So, they are sharing a lot, ngijabulela loko [and that excites me].” (P5)*

*“When you are with people and then you hear what people are saying about their business, what they need to know about their business, so it is great, so I will definitely, definitely come back.” (P1)*

Social capital includes social resources such as networks, social claims, affiliations, and associations (Krantz, 2001:9). Bonding social capital is defined as the strong relationships that develop between people of similar interests and provides an important source of support to people who suffer from socio-economic hardship (Claridge (2018:2). Apart from accessing bonding capital, the findings show that participants were also able to derive bridging capital and form social networks where they could share ideas on how to take their businesses to a higher level as well as information on funding opportunities. The following participants’ narratives highlight this view:

*“I did share [this idea to approach the authorities to secure suitable business premises] with some of my friends whom I’m attending [FREC] with. There’s this lady who is producing dishwasher from scratch some were selling chicken feet. Bayi [they are a] group. Yeah, we are willing to work, unfortunately we don’t have the capital.” (P4)*

*“So, part of that is that you find that we engage as aspiring entrepreneurs in those sittings so we share mostly with either opportunities or institutions we can visit for funding.” (P7)*

*“Networking with other entrepreneurs has helped. At least now I know ukuthi (that) this one is doing that, and I can sell her 1,2,3.” (P3)*

Participants also acquired linking social capital which involves social relations with those in authority that can be used to access resources or power (Claridge, 2018:4). P5 furnished the following response concerning how linking social capital enhanced his livelihood opportunities:

*“So, one of the colleagues who works here ... Okay, before all of this happened, I started a company selling chilli sauce here by the gate, so she was my customer, she came to me and asked me why I don’t I come inside here and hear what they offer. So, I came inside, and they told me that I should come in attend the classes and I started with the classes and that’s how I knew of this.” (P5)*

Participants revealed that being mentored and guided on how to run a business went a long way in helping them run their businesses better. The following are the participants’ views in this regard:

*“I am being mentored ... They [FREC] constantly come check up on me. How is the business doing? How do you want us to help?” (P9)*

*“Entrepreneurship wise, like thinking out of the box ... expanding, opening a new place, maybe moving from the place that I had to another place. That is where I got these ideas from. Before, I was running my internet café in a very small place, there kwa godimo and ene ele ko motseng wabo [up there and it was in someone’s house]. So, moving and coming to the main road was beneficial for me because bebang advisor [they advised me] ... They [FREC] use to say to me, move okreye [and find] a place where you will be exposed to a lot of people and then maybe get a bigger space.” (P6)*

Midgley (2014:103) ascertains that economic development is not simply a matter of entrepreneurship and investments in capital but in social relationships that foster economic transactions.

#### **Theme 4: Personality traits that enhance participants’ survival in business**

The findings reveal that the study’s participants possessed personality traits such as innovation, a passion for business, taking calculated risks, and having a clear vision for one’s business. These traits were important in enhancing their livelihood opportunities and survival in business. These traits are hereafter discussed as sub-themes:

##### **Sub-theme 4.1: Innovation**

Participants indicated that they possessed innovative business ideas that set them on the path to success as well as the ability to identify new business opportunities and diversify their livelihoods to mitigate risks. The following narratives summarise their views:

*“I am on my way to becoming a network engineer ... I will be providing internet to rural parts of South Africa or Africa as a whole.” (P6)*

*“When I was still working, I only re-sold ama ice cubes, but I was interested in this purifying business ... I was a re-seller yama (of) mineral water. I would buy from somebody else and re-sell ... This is even mine; this is also mine; this is me [proudly pointing at a bottle of water with her brand on the FREC table.]” (P3)*

*“I’m a creator, I love creating ... anything that inspires me. Bheka [look] [pointing at one of his paintings] ... I saw it as a hobby. So, now ... Ngiyibheka [I look at it] at a different perspective, as a business now ... So, mina bengifuna [I also wanted] something to sell to make money. I saw the environment, there’s a lot of people selling food so I decided to take one thing that I can sell here to complement their food. So, I decided on chilli sauce, I took chilli sauce to sell it here, it was a success they loved it.” (P5)*

*“When you take this one, you take that one you are able now to have more disposable income and gradually opportunities come because... then you remain pushing, pushing, push, push then you come out of your misery.”*  
(P7)

Developmental social workers believe that people have the capabilities to find ways of getting out of poverty while acknowledging the fact that they need assets to get out of poverty and towards this end emphasise collaborative partnerships with other stakeholders (Lombard, 2019a:56-59). Micro businesses are a critical driving force to poverty alleviation, economic growth, innovation, and job creation in South Africa (Bvumba & Marnewick, 2020:1; SEDA, 2016:5). Target 8.3 of SDG 8 recognises entrepreneurship and micro businesses as antipoverty strategies that can be promoted through development-oriented policies that support creativity, and innovation and the formalisation and growth of SMMEs (UN, 2015).

#### **Sub-theme 4.2: Having a passion for business**

Participants identified having a passion for business as an important trait that enhanced their livelihood opportunities. Such passion was either inbuilt within them and or influenced by their surroundings through watching television and learning of successful international and local businesspeople. Others had family members who were businesspersons. The following participants’ narratives support these views:

*“Basically, I’ve always seen myself as a businessperson. And primarily because of our surroundings ... when you watch TV and you see people like Donald Trump, a real estate agent, I then developed the love that I can make it in business and change people’s lives. Then as you grow you learn about bo (the likes of) Robert Kiwosaki, quite a few influential businesspeople even within our ranks. Bo (the likes of) Motsepe and others, JD Gumede, so even growing up I always wanted to be a businessperson.”*  
(P7)

*“Business is and has always been on the cards as I told you. Right after high school, the first thing that I did, we opened a shop where we were selling bunny chows, me, and my friends and from there I used to do gigs. Like I would be a DJ ... I think it’s always been there that eventually I will end up running my own thing.”* (P9)

*“Naturally, this is in the blood (continually hitting his arm) it’s in genes, my grandfather was a businessman.”* (P4)

*“Because I know tlabe ke (I will be) ... doing what I love and I know I am going to excel.” (P6)*

### **Sub-theme 4.3: Taking calculated risks**

Participants’ responses indicate that taking calculated risks was another personality trait that created livelihood opportunities and enhanced their survival in business. The following participants’ narrations support this view:

*“Entrepreneurs and academics are channelled to think a certain type of way and it is right for us as entrepreneurs because we reason everything up, we take calculated risks...” (P7)*

*“And then from there we [me and my life partner] started saving for the machines and those other things. And then 2018 January I resigned from work, and she also resigned the previous year December. We resigned and we went to the bank, we took a loan and took the money we saved up, we started up a new business. I think it was just, I don’t know, it was just taking a leap of faith.” (P9)*

At the same time, risk taking did not always pay off or work well as noted by P3, who took the risk of resigning from work to go into business. The following quotation captures her view in this regard:

*“I worked for the government for 17 years. When I resigned, I had a plan of buying a franchise, a water franchise and things didn’t go well, we clashed somewhere and even now they still owe me my money, I haven’t gotten my money. I still need to go and look for a lawyer to fight for my money back, things didn’t go as planned, so I fell. It was a sad story.” (P3)*

Participants’ responses confirm what SEDA (2016:8) asserts that aspiring entrepreneurs are risk takers and that they come up with innovative solutions through their own discovery. As noted by Kerr et al. (2018:16) the personality traits of an entrepreneur can either build or destroy a great business idea. It is noted in literature that entrepreneurs have different personality traits which include innovativeness, locus of control, and the need for achievement (Kerr et al., 2018:16). Entrepreneurs are furthermore believed to have an exceptional capacity to identify and use new opportunities, have commitment and motivation and are willing to take risks (Rusu et al., 2012:3574). At the same time, not doing enough research about the business that one wishes to venture into can lead to failure even before the business starts (SEDA, 2016:8). If upcoming entrepreneurs do not research and educate themselves about the business they are planning to start and the technology required to run and market their business, they might set themselves for failure.

#### **Sub-theme 4.4: Having a vision for one's business**

The findings show that having a vision for one's business is another factor that enhances livelihood opportunities. The study's participants viewed themselves as capable of contributing to poverty mitigation and were in search of sustainable livelihood opportunities for themselves, their families, and the community at large. The responses show that participants planned to grow their businesses, hire more staff to work in their businesses and rescue many families from the claws of poverty. Participants' views are captured in the following narratives:

*"You must have a vision to grow it further, it can't always remain a micro business, yah so, it can sustain you but then you have to expand it along the way. Oskayema plekeng eyi one (don't be stagnant in one place)so if you have opportunities, go after them, try to meet [help] as many people as possible wabo (you see)." (P6)*

*"As long as I am working on my goals and employing other people, I can improve mine and the other family's life." (P3)*

*"I want to work, I want to work, work, work and hire more people because I realise many rich people in South Africa, their money only benefits their families and their kids only. After they die, people they don't benefit. I wanna be like you know, McDonald's, KFC, Ackermans ... even if I die people will still go to work, so that's my dream." (P4)*

*"That's why I'm saying if you get more, if you expand, that's where you get to employ more people, if you employ more people, it means how many families are you helping? For example, if you employ ten people, how many families are you going to help?... So, this is what with FREC we are trying to do. It's like at least next year we must move to the CBD and get another shop, cos when you open another branch you get to employ other people." (P9)*

*"I will have to have more employees to get to a certain point because I know a lot of things ... I can do but on my own I cannot achieve them. I will have to find someone, and I also want to help someone. I also want to teach this young [generation], as I am teaching my daughters, now they can also bake. I want to teach somebody to give them the skill, so that they can carry on doing something for themselves. I don't want to keep it on my own. As I was taught, I want to teach someone so that they can make something out of themselves cos you see now there are no jobs, people are struggling and it's not nice." (P10)*

Self-efficacy for example can determine whether the entrepreneur will be successful or not as it describes the person's confidence in his or her own abilities to perform tasks and is linked to having expectations, goals, and motivation in relation to one's business (Kerr et al., 2018:16). Personality traits are linked to the person's capabilities

to participate successfully in poverty mitigation activities. Without the right personality traits, poor people can still fail to get out of poverty even when assets and capital are provided for them to start and run SMMEs.

### **Theme 5: Challenges faced by participants in running their micro businesses**

The study's findings reveal that participants faced several challenges in running their micro businesses. These challenges included a lack of financial and physical capital, poor access to markets, load shedding, and income poverty. These challenges are hereafter discussed as sub-themes.

#### **Sub-theme 5.1: A lack of financial and physical capital**

As the majority of the study's participants had not yet received funding from the FREC programme. They cited a lack of capital, particularly financial and physical capital as major challenges that constrained their livelihood opportunities. Participants were of the view that they possessed great business ideas which could not materialise because of a lack of financial and physical capital. This lack of capital constricted participants' abilities to increase their business production thereby lowering their production costs. As such, they were relegated to being survivalist entrepreneurs who lived from hand to mouth. The following narratives capture participants' responses in relation to a lack of capital:

*"Many people are ready to work, we need to work mama, and I got my group that is willing, even myself I am willing. I can work 24/7 around the clock, I can only sleep for three hours, I am ready to work. Unfortunately, the capital is not there." (P4)*

*"Accessing funding is hard. So, I have to work for someone, probably have access to capital, probably in a form of a personal loan ... Even now, I'm starting with zero equipment, gothlakantsha (putting together) your PC, your smaller printer. So, you have to struggle until you get the right PC ... I have been wanting this for too long. So, eba (it becomes a) problem, you start with nothing, you build from scratch, you have to buy this, you have to do that." (P6)*

*"I am still struggling because [I don't have access to funding]. I have to bake from my pocket and buy stock and that money ... it's hard to save. I save but then at certain times I have to go back to savings so that I buy bread or whatever that is needed in the house ... You see if I had equipment and I [would] buy a lot of stuff [ingredients] ... cos now I am using a little stove and that stove is costing me time and money as well because that bucket [of scones] that I making we have to share, kids have to carry for school ... I'm going backwards instead of going forward." (P10)*

Literature confirms that a lack of access to finance and credit is a major challenge that often leads to the discontinuation of small businesses in South Africa (GEM, 2014). The lack of financial capital contributes to the failure of micro businesses which often lack the collateral and financial records required for loans from commercial banks (Ramakumba, 2014:25). Moreover, South African banks and lenders are less likely to finance new SMMEs as they are more inclined to lend to well established businesses. This makes it difficult for poor people to start small businesses (Financial Services Regulatory Task Group, 2007 in SEDA, 2016). In this sense, the lack of financing for new SMMEs is a major concern as people require assets to get out of poverty, without capital, most entrepreneurs fail to start or grow their businesses (Olawale & Garwe, 2010:731).

### **Sub-theme 5.2: Poor access to markets**

Poor access to markets was another challenge that participants indicated as impacting on their micro business and constraining their livelihood opportunities. Participants were of the view that their businesses were situated in obscure locations that did not expose them to the right clientele. At the same time, the market in participants' localities could only afford to purchase items that were priced below their market value. This in turn negatively affected their businesses as they ended up charging less for their goods. The following were the participants' responses in this regard:

*“The biggest problem for an artist [is] for your paintings to be taken into an art gallery you need to have a studio. I don't have a studio.” (P5)*

*“If my business was maybe in an open area, main road or something, it was going to be easier for us.” (P9)*

*“We are forced to charge less so that we keep business afloat otherwise no one is coming but then it kills us because we are not making profit. I'm just doing it ... just for bread and stuff, so I am not growing.” (P10)*

As customers were unable to afford to pay cash for the goods that participants were selling, participants were compelled to sell the goods on credit. This ultimately impacted on profitability as they experienced delays in credit repayment. This view is summarised in the following quotation:

*“Like now I am not doing anything, the people I was expecting is the people who took credit from me they can't pay me, I am still waiting for them to pay me so that I can stock again, it's a problem.” (P4)*

Olawe and Garwe (2010:731) confirm that location has a huge impact on the potential market and growth of new micro businesses. Furthermore, the location and size of SMMEs hinder them from forming collectives that enhance their bargaining power (SEDA, 2016:10). It is also acknowledged in literature that survivalist entrepreneurs are usually isolated from markets (Choto et al., 2014:96). The inability to access markets furthermore threatens the longevity of SMMEs as it is one of the requirements to access funding and mentorship at the early stages of a business (SEDA, 2016:10).

### **Sub-theme 5.3: Load shedding**

Load shedding emerged as another challenge that impacted on participants' micro businesses and constrained the ability to reach their businesses' highest potential. More so, as production stopped during load shedding. This particularly affected one participant's baking business as she could not bake during load shedding. Oftentimes, the load shedding schedule changed without warning leading to her oven goods flopping during load shedding resulting in major losses. The following quotation encapsulates this participant's view:

*"I cannot work when there's load shedding. Now, I'm struggling, my customers pass. I cannot make money when there's load shedding cos I cannot bake and now sometimes you bake some stuff ... then it's in the oven, the schedule changes ... you've put something in that oven and then it's a flop. You cannot sell it to a customer now, you have to give it to the kids so that they can eat it, it's a loss." (P10)*

Load shedding is a major challenge in South Africa, which affects businesses negatively (Ramukumba, 2014:25). Poor infrastructure coupled with high energy costs and the lack of consistent electricity supply negatively affects micro businesses (Ramukumba, 2014:25). As many SMMEs depend on electricity to conduct business, load shedding directly slows down their business operations (Mbomvu et al., 2021). A study conducted by Akpeji, Olasoji, Gaunt, Oyedokun, Awodele and Folly (2020:82) estimates that the economic cost of one full day of load shedding is around 54 536 million rands per day. This implies that if the current trend of load shedding continues, the economy risks collapse, and this will ultimately exacerbate poverty. In order to address poverty in South Africa, reliable and sustainable energy sources are required.

### **Sub-theme 5.4: Income poverty**

Participants indicated that income poverty prompted them to engage in poor business practices such as diverting income generated from the business to meet household

needs. Thus, poverty hindered them from practically implementing the business and financial management skills that they learnt from the FREC programme. P6 a former FREC programme participant and P4, a current FREC participant responded as follows in this regard:

*“FREC ... were requiring me to ... provide them with my financial statement of which it was something hard for me to do. Even now it’s something hard for me to do because I can’t properly track my finances due to the fact that I have to provide for the baby [and], myself. Basically, I live from hand to mouth. Money comes in, today, I have to buy something ... it’s a problem.”*  
(P6)

*“Because of the [financial] responsibilities that I have, I don’t separate myself from the business. I take the profit money and buy the stuff for my kids.”* (P4)

The informal economy in South Africa is mainly characterised by survivalist enterprises that generate income below the poverty line, have poor capital investments, a lack of training in business acumen and hardly any assets (Bvuma & Marnewick, 2020:4; Yesufu, 2021:15). Survivalist enterprises have very little growth potential and are less likely to hire staff (DTI, 2008). Berry 2002 in SEDA (2016:5) ascertains that survivalist firms in South Africa are mainly owned by self-employed black individuals from the poorest segments of the population. These may include businesses that take the form of street trading enterprises, backyard manufacturing services, and occasional home-based evening jobs (DTI, 2008). Survivalist enterprises are perceived to be doomed for failure, while governments often fail to support and recognise their existence (Ranyane, 2015:305). The vulnerability context affects people and their assets and is part of the environment in which people exist. It consists of trends, shocks, and seasonality (Kollmair & Gamper, 2002:5; Lombard, 2019:191). The shocks that the majority of South Africans especially the youth are faced with include extreme poverty and high levels of unemployment. Vulnerability is usually beyond people’s control and can only be managed through policy changes by transforming structures and processes (DFID, 1999). Understanding people’s vulnerability can help in identifying the assets needed for them to deal with the shocks they are faced with.

## **Theme 6: Entrepreneurship and micro businesses' contribution to poverty mitigation**

The findings reveal that participants perceived entrepreneurship and micro businesses as contributing to livelihood outcomes such as the development of the township economy, employment creation, and meeting participants' household needs. These contributions are hereafter discussed as sub-themes.

### **Sub-theme 6.1: Developing the township economy**

Participants indicated that entrepreneurship and micro businesses contribute to the township economy by availing access to opportunities, goods, and services in townships. They however cited that micro businesses require assistance with business skills and equipment for them to expand, grow, and contribute to mitigating poverty and unemployment. Below are the participants' responses in this regard:

*"Entrepreneurship and micro businesses can [contribute to poverty mitigation] because if you have the necessary skills or we get ... more equipment, then I can also hire someone or more people so that we bake more or sell a lot ... Then someone has bread on the table for them and their families as well." (P10)*

*"The township economy is the major contributor to the broader economic spectrum of the country. Hence you see major developments taking place in our locations ... We need to extend, expand, and also help grow our businesses in so doing we are able also to address the issue which you have placed of mitigating poverty and ... unemployment." (P7)*

*"Small business are the main people who alleviate poverty in our townships. Remember in our townships abantu abaningi (a lot of people) do not work ... and if I'm your neighbour and ngiyabona ukuthi uyasokola (I can see that you are struggling), I can call you come. You can come [work for me] twice a week and do 1, 2, 3 for me. I think by doing that we can alleviate poverty." (P3)*

*"There are certain things you cannot afford to do with a micro business [that is operating] from hand to mouth. Understand? Not unless you grow your business from strength to strength and then uyazi ukuthi (you know that) okay fine, this is where you are going. Yeah, but over time I think ibusiness uma ilokhu ikhula (when the business is growing) then you will be able to afford ukwenza (to do) bigger things and things you aspire to achieve." (P8)*

One participant's micro business contributed to the township economy by increasing children's access to education. Through her ECD business, P2 admitted children who could not afford to pay and only let their parents start paying the fees when they secure a job. At the same time, parents were relieved of their caregiving responsibilities and

could look for employment while their children were at the daycare centre. The following was this participant's response:

*"I want to help parents who can't afford it now to put their children in a day care ... I sit down with them, one by one and say ... bring the child, we don't have to worry about the money now. You don't earn anything, you don't have a job but I say I want to help so that children can have education ... It's not about the money, but when you have the job we can talk again ... for me the important thing is that I don't want children in the street."* (P2)

In South Africa, the term township refers to the underdeveloped urban living areas that started in the late 19th century and were reserved for people of African descent. The term township economy refers to the production, distribution, and consumption of goods and services taking place in township areas (Manyaka-Boshielo, 2017:3-4). As poverty is a multidimensional challenge (Taylor, 2018:132) micro businesses should also contribute to access to education and other programmes that tackle its multifaceted nature.

### **Sub-theme 6.2: Employment creation**

Some participants cited that through entrepreneurship and micro businesses, they were able to contribute to job creation and employed other people in their businesses albeit on a part time basis. These participants' responses were as follows:

*"We've employed one person, it's just her and partly my mother who helps us here and there"* (P9)

*"I have ... one employee [who does] finances and ... three employees, being a plumber, electrician and the person who does maintenance. But obviously they are not full-time cos they are not on an incoming salary."* (P7)

Entrepreneurship refers to the attempt to create a new business or expand an existing one (Singh & Rathore, 2020:96). It is a special, innate ability to sense and act on opportunity that combines thinking out of the box with a unique brand of determination to create something new (Martin & Osberg, 2007). Hussain et al. (2014:559) ascertain that entrepreneurship contributes to poverty reduction when it creates employment through the start-up of new enterprises or the expansion of existing ones. Micro-businesses comprise of a broad range of SMMEs some of which are formally registered while others are informal (DTI, 2008). Micro businesses are a critical driving force to poverty alleviation, and job creation (Bvumba & Marnewick, 2020:1; DTI, 2008; SEDA, 2016:5). Concomitantly, survivalist enterprises are less likely to hire staff (DTI,

2008) and if they do hire staff, they have no more than five employees (Yesufu, 2021:15). Sustainable entrepreneurial ventures can influence the achievement of the SDGs across the economic, social, and environmental protection pillars of sustainable development (Venancio & Pinto, 2020:2).

### **Sub-theme 6.3: Meeting participants' household needs**

The findings show that engaging in entrepreneurship and micro businesses assisted participants in meeting their household needs for food, clothes, and school fees. Furthermore, entrepreneurship and micro businesses were often the only livelihood strategies that helped sustain generations of families in township communities. The following participants' narratives sum up this view:

*"Yes, it [entrepreneurship] is helping me to provide for my food, clothes and paying for my studies as well... I was able to provide for ... [my child] since he was born, like providing for your child, doing things for yourself." (P6)*

*"Most of our siblings ... were raised by extended families. We were raised from informal micro small businesses ... and those businesses were able even to take kids to varsity ... If a business of selling sweets, tomatoes, making two cents as profit on one item can carry someone from primary to high school and they never go to bed without eating. It shows that it is sustainable." (P7)*

*"Even to pay for my studies, I sell everything, I sell stuff or food every month. This month I make chicken and pap, the other month I make chicken and roti, another month I make fat koeks and mince to pay for my studies." (P2)*

One participant was of the view that for micro businesses to fully mitigate poverty they should transcend operating as survivalist enterprises and be able to expand. Other than that, micro businesses can only be able to meet basic human needs. This participant's response was captured as follows:

*"There are certain things you cannot afford with a micro business, [that is operating] from hand to mouth ... not unless you grow your business from strength to strength and then uyazi ukuthi (you know that) okay fine, this is where you are going. Yeah, but over time I think ibusiness uma ilokhu ikhula (when the business is growing) then you will be able to afford ukwenza (to do) bigger things and things you aspire to achieve." (P8)*

As livelihood strategies, entrepreneurship and micro businesses can lead to livelihood outcomes such as more income, increased wellbeing, reduced vulnerability, improved food security and a more sustainable use of natural resources (Kollmair & Gamper, 2002:8).

## **Theme 7: Participants' struggles with the FREC programme**

Participants indicated facing struggles with the FREC programme that included a lack of stipends, the mixing of beginners and existing entrepreneurs in one class and the prolonged process of securing funding from the FREC programme. The struggles were primarily rooted in a mismatch between participants' expectations and how the FREC programme is structured. These struggles are hereafter discussed as sub-themes.

### **Sub-theme 7.1: A lack of stipends**

Both current and former FREC programme participants expressed challenges related to the lack of stipends. They indicated that they struggled with transport money to attend the FREC programme. They also expressed the concern that they lost out on business revenue as they had to close their businesses on those days when they attended the FREC programme, resulting in them further struggling to meet their basic needs. In this regard, P4, a current FREC programme participant mentioned that:

*"I am struggling sometimes maam! Money to come, you travel and when you are here in class, the business stops. And then sometimes when you go home there is no food, there is no money." (P4)*

Former FREC programme participants shared similar sentiments as captured in the following narratives:

*"Along the way ofelletsa olooser (you end up losing) hope in these kinds of programmes... you still need to eat, you still need to tsoga vroeg obule (wake up early in the morning and open the) business, oyireng oyireng (do this and that) ... To commute every day, buy myself lunch and all that was crazy actually. Because I was spending a lot of money to go there buy food and come back." (P6)*

*"Not that people do not want to come ... when you are an existing business, you don't even have money sister. The programme runs for three days, four days. Unless they say no, we give a stipend every day, you come. Others would even take the stipend bathenge izinkwa ekhaya (and buy bread at home)." (P7)*

### **Sub-theme 7.2: Mixing beginners and existing entrepreneurs in one class**

Both current and former participants had reservations about the mixing of beginners and experienced entrepreneurs in one class. More so, as the two groups had different levels of skills, training, and experience. The following quotations are indicative of participants' views in this regard:

*"You can't place an entry level businessperson with a businessperson who has been doing it for five years or three years in the same class. You see, so you find that in this programme we all grouped in one class as entrepreneurs ... To sit in a class where you spend five hours to be taught*

*something you feel you know. I'd rather go to eSpaza ngiyovula (my tuckshop business than coming to FREC for classes)." (P7)*

*"FREC akere (isn't) they start with module 1 up to 13? I did up to module 10, in the middle batlotsea ba (they will admit those in) module 1 again rona resofetse ka (while we are not yet done with the) programme. So, I am suggesting it's best to finish the programme before they take another group ... They are killing our enthusiasm." (P1)*

### **Sub-theme 7.3: The prolonged process of securing funding from the FREC programme**

The findings show that participants struggled with the prolonged process of securing funding from the FREC programme. Participants insisted that this prolonged process demotivated them and is one of the reasons why some participants dropped out of the programme. In the same vein, participants were of the view that the lengthy process that participants had to go through before obtaining funding was not expressed clearly to them. The following quotations encapsulate the views of two former FREC programme participants on this matter:

*"One other aspect, I need equipment as in today or kagosane (tomorrow). So, going up and down, here we do this, we do that, sometimes ayi spane (it does not work), we end up losing hope along the way wabo (you see)." (P6)*

*"One thing maybe I'm not comfortable with is that they don't know how to explain things to people, like they are a little bit vague-nyana ... They seem not to be sure to say bafwethu (brothers) okay, this is how we work, you attend two modules, after two modules we get your details and put you in database then after four modules we buy you or you need to go find a quotation for things that you want." (P9)*

### **Theme 8: Participants' recommendations for improving the FREC programme**

The study's participants provided recommendations for improving the FREC programme. These were in relation to providing participants with stipends, introducing online classes, issuing training certificates, not leaving anyone behind, providing participants with a thorough orientation, and encouraging funded participants to reinvest into the FREC programme. They additionally recommended structuring the FREC programme into two tracks. These recommendations are hereafter discussed as sub-themes.

### **Sub-theme 8.1: Providing participants with stipends**

Participants were of the view that the FREC programme should meet them halfway by providing them with money for transport and food during training. More so as they were struggling with hunger and lost business revenue on the days on which they attended the FREC programme. While participants found it difficult to close their businesses to attend the FREC programme they simultaneously felt that they needed to be part of the FREC programme. The following narrations demonstrate their views in this regard.

*“I feel gore (that) they should cover transport costs ba try-e gore meet-a halfway wabo, yah ba try-e gore meet-a halfway (they should try to meet us halfway you see? Yes, they should try to meet us halfway). At least you know gore (that) if I am not at my shop keko (I am at) FREC for that day, I am not losing any income wabo (you see). Because we love to be part of di programmes tse so (these kinds of programmes), due to time eba (it becomes) difficult for rena wabo (for us you see).” (P6)*

*“Because we are not saying we want people ukuthi ubathengele isinkwa (to buy us bread), but you have to understand, if you want to address the issue of poverty you have to put yourself in the shoes of someone olambile ukuthi uma ungangifakela manje, olambile, ufike walala ungadlanga, olambile ufike wala ungadlanga (who is hungry, that when you can give me R50 now, a hungry person who slept without eating), you slept without eating, bakufakele R50 (they now give you R50) and you have a choice of attending and the choice of buying bread ... and coming back the next day.” (P7)*

### **Sub-theme 8.2: Introducing online classes**

Participants were of the view that the FREC programme should consider providing online classes to minimise travelling time and cater for the needs of the entrepreneurs who could not afford to be at the FREC programme in person. Participants opined that the FREC programme should move with the times by embracing technology. The following participants' quotations reflect their views:

*“So, the solutions that they can implement for people like us, probably try do online learning wabo (you see) to reduce time for us gore re attende wabo (to attend you see?) ... Since dilo di changer nou (things are changing now), they should try to move to digital or maybe have online learning resources, maybe for those who can't afford to be at centre every day, they can access those things online. At assessments maybe ba tsentshe (have a) lecture online.” (P6)*

*“You have technology now you can connect via Zoom. You know you can extend those programmes.” (P7)*

### **Sub-theme 8.3: Issuing training certificates**

One participant was of the view that the FREC programme should consider offering accredited courses where participants would graduate with a certificate. The participant felt that doing so would keep up with the current trend where other incubation programmes provide graduation certificates to programme participants. This participant's ideas are encapsulated in the following narrative:

*“You do not graduate from this. They must make it ukuthi ibe (to be) accredited at least, after this we get ama (the) certificate ... the certificates eba (becomes) right cos most of the incubation programmes we get certificates when you finish the modules or your studies.” (P3)*

### **Sub-theme 8.4: Not leaving anyone behind**

Participants opined that the FREC programme should consider revisiting its stringent admission criteria which leave out skilled entrepreneurs that are illiterate in favour of enrolling those that have a Grade 12 certificate. They were additionally of the view that the training programme should be delivered in a language that is easy for everyone to comprehend. These participants' views are summarised by the following quotations.

*“The FREC people must figure it out to help these people because some people are good especially some of the gig men [illiterate but skilled entrepreneurs, with skills in] mechanical engineering. They know how to fix the car, to fix the big generators naturally. It's a natural born thing, it's in the blood, they do many things but unfortunately, they can't read ... When you attend the module, doom! coming to exams doom! but he knows the job, production is there, this man is a tool, they can use him as a tool, so what about those people? ... Even myself I am here; in my business I cannot do the things that he is doing. This man can maybe he can make 2 million rands a day, but unfortunately the poor guy he can't read, he cannot write.” (P4)*

*“When it comes to the information and what they do, can they ... not use a lot of words that maybe we cannot understand. Just use simple English that everyone can understand ... But if you make things to be simple, so that any Tom, Dick, and Harry could just understand, then it becomes easy for your programme to achieve whatever stats or numbers that you want to achieve.” (P9)*

### **Sub-theme 8.5: Providing participants with a thorough orientation**

Participants were of the view that the FREC programme must provide participants with a thorough orientation so that they understand the whole FREC programme process and particularly how long participants can be enrolled in the programme before they can receive funding. The following narrations are reflective of participants' views:

*“I think they need to be clear from the onset, they need to be clear about the programme because now you tend to have so much, expectations ukuthi (that) okay, this is what I am expecting and then boom in a log run you are faced with these challenges, you need to go through this and that. They need to be clear from the onset, yeah ukuthi (that) we are going to assist you with this. If you could just maybe do this and that, and that. They mustn’t just keep us guessing.” (P8)*

*“If I sign up with them, I want to understand exactly what I am going to... achieve ... after how long... It shouldn’t be like the programmes we get from the government where ... there’s a lot of red tape that they put for you as an entrepreneur and then eventually hahontse hoyo (as time goes by) your self-esteem yafela (gets finished). You’re like haa its useless cos you never told me, the only thing that you told me was that “hayi no (actually), we fund entrepreneurs” but when you go through the processes it’s like hayi no (actually) we need this and that and that and now when you have those things, okay, no you need to attend this and this and this. You attend those things, no its actually not finance it’s a grant.” (P9)*

### **Sub-theme 8.6: Reinvesting into the FREC programme**

One participant recommended that the FREC programme should encourage funded micro businesses that are doing well to consider reinvesting into the programme in view of sustainability. The following quotation capture this participants’ views:

*“We need to reinvest so that those who came after us should also get what we got. Just imagine, they use to give money, they use to give lots not just R10 000, everything is fine. Those that came before us, they messed up, so if they can have like a limit ukuthi (that) if we give you R50 000 can you at least reinvest R25 000, I think most of them can. But then we do not want to reinvest.” (P3)*

### **Sub-theme 8.7: Structuring the FREC programme into two tracks**

Participants recommended that the programme should be structured in two tracks one for beginners and another one for existing entrepreneurs as mixing the two groups in one class derails the progress of each group. The participants’ views in this regard are summed up in the following quotations:

*“If the programme can be extended, separate the two, entry and existing and then run different programmes between the two. Then it can surely.” (P7)*

*“People who are already in businesses should not be mixed with those who are yet to start their businesses because you find that what is discussed there becomes irrelevant for the other group, like discussing social grants*

*which becomes a bore for a person who is already in business and in need of advanced skills, and for those beginners it becomes too much for them when the existing business people discuss their business challenges.” (P8)*

### **Sub-theme 8.8: Speeding up the funding process**

Participants recommended that the FREC programme should speed up the process of giving funding to eligible programme participants. The following quotes highlight the participants' views:

*“So, with FREC as I said, if they could cut a lot of tadada (unnecessary stuff) and just simplify ... this is the package this is what we do tadada. From here we move here and here and this is what you'll get.” P9*

*“They must try to speed up the funding process... I think etseya nako (it takes time).” P6*

## **4.4 Summary**

Chapter Four presented the study's empirical findings. The findings were presented in two sections, starting with participants' biographical information and thereafter, the themes and sub-themes that emerged from the qualitative research data analysis process. Participants' biographical information included their gender, age, highest qualification, employment status, enrolment status with the FREC programme, date of joining FREC, date of dropping out from FREC, phase reached in FREC, marital status, household size and household member contributing to income. Eight themes with underpinning sub-themes emerged from the findings. These themes included participants' reasons for joining the FREC programme, reasons for leaving the FREC programme, benefits derived from participating in the FREC programme, personality traits that enhance participants' survival in business, challenges faced by participants in running their micro businesses, entrepreneurship, and micro businesses' contribution to poverty mitigation, participants' struggles with the FREC programme and participants' recommendations for improving the FREC programme. The findings were supported by participants' direct responses, which were interpreted and analysed by using evidence from the existing literature. The next chapter presents the study's key findings, conclusions, and recommendations.

## CHAPTER FIVE

### KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents the study's key findings, conclusions, and recommendations. It starts by highlighting the extent to which the study's goal and objectives were accomplished. Thereafter, the study's key findings and conclusions are presented. Following this, recommendations are offered for entrepreneurship programmes, social workers, supporting the local economy, and further research. This is in view of strengthening their contribution to poverty mitigation through entrepreneurship and micro businesses.

#### 5.2 Goal and objectives

The goal of the study was to explore the FREC programme's contribution to mitigating poverty from the participants' perspectives.

This goal was realised through the following objectives:

##### Objective 1

- To contextualise the FREC programme within the sustainable livelihoods framework.

This objective was achieved in chapters one and two (see sections 1.2 and 2.3) where the SLF was presented as the study's theoretical framework. In these sections, it was demonstrated that the SLF consists of five components which are the vulnerability context, livelihood assets, transforming structures and processes, livelihood strategies, and livelihood outcomes (DFID, 1999). This objective was also realised in section 2.4, which contextualised the FREC Programme within the SLF. It was revealed in this section that the FREC programme envisages empowering programme participants to move from survivalist entrepreneurship to sustainable livelihoods (Learmonth, 2022). The objective was additionally realised in Chapter Four, (see sub-themes 3.1, 3.2, and 3.3) which captured the benefits derived from participating in the FREC programme from a sustainable livelihoods framework by capturing the assets that participants accessed through the FREC programme.

## Objective 2

- To determine the reasons for participants joining the FREC programme.

This objective was attained in Chapter Four (see theme 1), which identified the need for financial, physical, human, and social capital as the reasons why participants joined the FREC programme. The objective was also attained in theme 4 of the same chapter, where participants indicated their passion for business and the vision to expand and grow their businesses as some of the factors that motivated them to engage in entrepreneurship and micro businesses.

## Objective 3

- To explore the alignment between the goals of the FREC programme and the needs of the participants for sustainable livelihood outcomes.

This objective was partially realised in Chapter Two (see section 2.4), which identified creating job opportunities through entrepreneurship training and the funding of micro businesses as the goal of the FREC programme. This section furthermore revealed that the FREC programme aims to help talented entrepreneurs who have a business idea or an existing micro business to achieve better financial independence and business viability (Learmonth, 2022). The objective was additionally realised in Chapter Four (see theme 2), which revealed participants' reasons for leaving the FREC programme as underpinned by the desire for immediate income and stipends to meet basic needs (sub-theme 2.1 and sub-theme 7.1). This desire was misaligned with the FREC programme whose goal is not to give participants allowances for basic needs. Sub-theme 2.2 of Chapter Four demonstrated that some participants joined the FREC programme with an inaccurate understanding of how the FREC programme disburses funding after participants have joined the programme. It was shown that some participants were of the view that they would immediately receive funding for their businesses after joining the FREC programme while in fact, the FREC programme takes participants through a six-phased training process before eventually funding their micro businesses. Thus, participants struggled with the prolonged process of securing funding from the FREC programme (see sub-theme 7.3) of Chapter Four.

#### **Objective 4**

- To explore what has changed in participants' social and economic well-being since joining the FREC programme.

This objective was addressed in Chapter Four (see sub-themes 3.1, 3.2 and 3.3) which articulated the benefits derived from participating in the FREC programme as including the acquisition of financial and business management skills and equipment funding which enhanced participants' livelihoods opportunities such that were able to run their micro businesses more effectively. Participants were additionally able to access social capital, which gave them an opportunity to form lasting business relationships. The FREC programme provided participants with a platform to bond and share ideas on how to take their businesses to a higher level as well as information on other funding opportunities. This objective was also achieved in sub-themes 6.1, 6.2 and 6.3 of the same chapter which highlighted that through the knowledge and skills gained from the FREC programme participants were able to contribute to livelihood outcomes such as the development of the township economy, employment creation and meeting their household needs.

#### **Objective 5**

- To recommend strategies to contribute to sustainable livelihood outcomes.

The objective was achieved in Chapter Four (see theme 8), which presented participants' recommendations for improving the FREC programme in relation to giving stipends to programme participants, improving programme and class modalities, and concurrently presenting training and funding to programme participants. This objective was also achieved in this chapter (Chapter Five), which presents recommendations in relation to the study's research outcomes and further research.

### **5.3 Key findings and conclusions**

This section presents the study's key findings and the conclusions that are drawn from them.

- ❖ The literature review and empirical findings show that poverty and unemployment are key challenges in South Africa.

- It can be concluded that poverty and unemployment detract South Africa from realising inclusive social and economic development.
- ❖ The literature review and empirical findings show that poverty encompasses a lack of access to physical, social, financial, and human capital.
- It can be concluded that poverty is a multidimensional challenge. As such poverty mitigation programmes should facilitate access to a wide range of capital.
- ❖ The study's findings show that the FREC programme contributes to poverty mitigation by providing participants with business skills and funding which enables them to make better profits, realise sustainable livelihoods and support their households and the local economy.
- It can be concluded that business mentorship and incubation programmes such as the FREC programme play a critical role in poverty mitigation.
- ❖ The study's findings reveal the agency of men and women living in poor communities in adopting entrepreneurship and micro businesses as livelihood strategies.
- It can be concluded that people living in poor communities have the agency to address poverty. Poverty mitigation programmes should therefore harness and support the agency of those living in poverty.
- ❖ The findings show that individuals with and without tertiary qualifications pursue entrepreneurship and micro businesses as livelihood strategies.
- It can be concluded that the high rate of poverty and unemployment in South Africa compels both graduates and non-graduates to pursue entrepreneurship and micro businesses as livelihood strategies.
- ❖ The findings show that both self-employed and formally employed people pursue entrepreneurship and micro businesses as livelihood strategies.
- It can be concluded that entrepreneurship and micro businesses serve as viable livelihood strategies for meeting household needs, employment creation, and contributing to the township economy.
- ❖ The findings show that entrepreneurs in poor communities lack the necessary business skills to successfully operate their micro businesses.
- It can be concluded that entrepreneurs in poor communities require mentorship, training, and support to successfully run their micro businesses.

- ❖ The findings show that FREC is a business incubator and mentorship programme that equips entrepreneurs with business management skills, mentorship, and possible funding.
- It can be concluded that the FREC programme plays an important role in equipping entrepreneurs with business management skills, mentorship, and possible funding in view of assisting them to transition from survivalists to sustainable livelihoods.
- ❖ The findings show that entrepreneurs in poor communities lack the financial capital to grow their micro businesses.
- It can be concluded that a lack of financial capital motivates emerging and existing entrepreneurs in poor communities to join business mentorship and incubator programmes such as the FREC programme.
- ❖ The findings reveal that in the absence of financial and physical capital, human and social capital are not sufficient to uplift entrepreneurs from poverty.
- It can be concluded that a comprehensive set of capital that includes human, social capital, physical, and financial resources is required for survivalist entrepreneurs to transition to sustainable livelihoods.
- ❖ The findings show that entrepreneurs possess personality traits such as innovation, vision, a passion for business, and taking calculated risks.
- It can be concluded that personality traits such as innovation, vision, a passion for business, and taking calculated risks are important in enhancing the livelihood outcomes of entrepreneurs.
- ❖ The findings show that entrepreneurs in poor communities encounter challenges such as poor access to markets, load shedding, income poverty, and delays in credit repayment by customers.
- It can be concluded that the challenges that are faced by entrepreneurs in poor communities impact on the profitability and sustainability of their micro businesses.
- ❖ The findings show that a lack of immediate access to funding discourages FREC participants from completing the FREC business incubator and mentorship programme.

- It can be concluded that dropping out of the FREC business incubator and mentorship programme hinders participants from fully benefiting from the FREC programme.

## **5.4 Recommendations**

Based on the study's key findings and conclusions, the researcher came up with the following recommendations for the FREC programme, government departments and corporate companies, social workers, and further research.

### **5.4.1 Recommendations for the FREC programme**

- The FREC programme should consider developing a separate programme for illiterate emerging or existing entrepreneurs who possess practical skills in mechanics, plumbing or construction but are in need of business skills training, mentorship, and access to funding.
- FREC should consider having separate classes for participants who have not started their businesses but have a business idea and those who are already in business.
- The FREC programme should not prolong the process of giving funding to its participants. In this regard, funding should be disbursed concurrently with theoretical training.
- FREC should consider providing stipends to participants for transport and to compensate the loss of revenue that participants experience on those days when they had to attend the FREC programme.
- FREC should consider taking the programme to the participants' communities in the Mamelodi and Nellmapius townships instead of only presenting it at the Future Families premises in Silverton. This is in view of increasing the visibility of the FREC programme and to make it easier for participants to attend the programme.
- In light of the fourth industrial revolution, FREC should consider utilising digital platforms, availing training materials online and providing virtual classes for participants that are unable to attend physically.
- FREC should consider having its programme accredited and offer graduation certificates to participants upon completion of the programme.

- FREC should consider enforcing reinvestment into the FREC programme by participants after they start making profits over and above a pre-determined threshold in order for the programme to be financially sustainable.

#### **5.4.2. Recommendations for government departments and corporate companies**

- Given the high rate of unemployment in South Africa, the Department of Basic Education and the Department of Higher Education and Training should make entrepreneurship training compulsory in all primary and secondary school, college, and university programmes so as to develop a new generation of business minded people that are innovators and job creators.
- Corporate companies and government stakeholders should consider replicating the FREC model by partnering with communities and non-profit organisations in creating business incubator and mentorship programmes that provide business skills and funding to entrepreneurs in view of mitigating poverty.
- The government and local municipalities should incentivise individuals, corporate companies and communities to source goods and services from local entrepreneurs and micro businesses in view of boosting the local economy and mitigating poverty.

#### **5.4.3: Recommendations for social workers**

- In pursuit of a developmental social work approach, social workers should contribute to the establishment of entrepreneurial projects that create opportunities for employment, income generation and meeting basic needs.
- Social workers should engage in continual professional development opportunities that enhance their understanding of entrepreneurship, social entrepreneurship and other poverty mitigation strategies.
- As brokers, social workers must intensify efforts in linking service users that have business ideas and a passion for business with entrepreneurship business incubator and mentorship programmes.

#### **5.4.4: Recommendations for further research**

- As most of the study's participants had not yet been funded by the FREC programme, future research could extend the focus of this study by sampling

funded FREC programme participants. This is in view of exploring how access to financial and equipment funding alongside social and human capital contributes to sustainable livelihood outcomes for micro businesses.

- A doctoral study that extends the focus of the study from entrepreneurship to social entrepreneurship is recommended in view of finding innovative solutions to poverty and unemployment in township communities.

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## Appendix A: Permission letter to conduct research



Ford Resource &  
Engagement Centre  
Ford Motor Company  
Watloo Plant  
Gate 1  
Simon Vermooten Rd  
Pretoria  
+27 12 111 7887

Ford Resources and Engagement Centre  
Ford Motor Company  
Gate 1  
Simon Vermooten Road  
Pretoria

Subject: Letter of Authorisation to Conduct Research Future Families Enterprise.

Dear Prof Lombard,

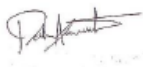
This letter will serve as authorisation for the University of Pretoria Master's students to conduct the research project entitled "The Ford Resources and Engagement Centre (FREC) programme's contribution to mitigating poverty: perspectives from participants" at Future Families Enterprises. I, Robin Learmonth authorise the master's students to conduct their research study with current participants enrolled in FREC's Entrepreneurship Mentoring Programme (EMP) and those who dropped out.

The FREC team will inform potential participants of the purpose of the study and seek their permission to provide their names to the students who will in turn communicate with inviting them to participate in the study.

This also serves as an assurance that the FREC team will provide the students with all the necessary information concerning the FREC Entrepreneurship Mentoring Programme (EMP) to enable them to conduct the study.

If you have any queries or concerns please contact Martin Matakanure at +27 12 111 7887, [martinm@futurefamilies.co.za](mailto:martinm@futurefamilies.co.za).

Yours faithfully



## Appendix B: Semi-structured interview schedule - Current FREC participants

Goal of the study: To explore the FREC programme's contribution to mitigating poverty from the participants' perspective.

### Section A: Biographical information

#### 1. Age group

18-24	25-31	32-38	39-45	46-52	53+

#### 2. What gender do you identify as?

Male	Female	Transgender	Other	Prefer not to answer

#### 3. When did you join the programme?

Month	Year

#### 4. Educational level

Grade 12	Certificate	Diploma	Degree	Vocational

#### 5. How far have you progressed in the FREC programme?

.....  
 .....

#### 6. Marital status

Single	Separated	Living with partner	Married	Divorced	Widowed

#### 7. How many people live in your household?

1-3	4-6	7-9	10+

#### 8. How many members contribute towards the income in your household?

None	1	2	3	4+

## Section B: The FREC Programme

1. How did you hear about the FREC programme?
2. Why did you decide to join the programme?
3. What were your expectations when you joined the FREC programme?
4. In what way is the programme meeting these expectations?
5. How is the FREC programme assisting you to start or grow a micro-business(es) to become self-sustainable?
6. What knowledge and skills have you learnt from the respective phase(s) of the FREC programme towards earning a sustainable income?
7. What changes have you experienced in your and your family's social and economic well-being since you have joined the programme?
8. How does the FREC programme enable you to obtain a sustainable livelihood to meet your and your family's basic and other needs?
9. Would you recommend the FREC programme to a friend/family? Why do you say so?
10. How do you see your ongoing involvement in the programme in the short and longer term to have a better future for yourself and your family?
11. What suggestions do you have for the FREC programme to better assist participants to start or grow a micro-business to earn a sustainable livelihood?

## Appendix C: Semi-structured interview schedule - Former FREC participants

Goal of the study: To explore the FREC programme's contribution to mitigating poverty from the participants' perspective.

### Section A: Biographical information

#### 1. Age group

18-24	25-31	32-38	39-45	46-52	53+

#### 2. What gender do you identify as?

Male	Female	Transgender	Other	Prefer not to answer

#### 3. When did you join the programme?

Month	Year

#### 4. When did you leave the programme?

Month	Year

#### 5. Educational level

Grade 12	Certificate	Diploma	Degree	Vocational

#### 6. How far have you progressed in the FREC programme before you left?

.....

.....

#### 7. Marital status

Single	Separated	Living with partner	Married	Divorced	Widowed

**8. How many people live in your household?**

1-3	4-6	7-9	10+

**9. How many members contribute towards the income in your household?**

None	1	2	3	4+

**Section B: The FREC Programme**

1. How did you hear about the FREC programme?
2. Why did you decide to join the programme?
3. What were your expectations when you joined the FREC programme?
4. In what way has the programme met these expectations by the time you left the programme?
5. Why have you decided to leave the FREC programme?
6. What changes have you and your family experienced in your social and economic well-being because of your engagement in the FREC programme?
7. What knowledge and skills have you learnt from the FREC programme that you now use towards earning a sustainable income?
8. In what way has the FREC programme enabled you to obtain a sustainable livelihood to meet your and your family's basic and other needs?
9. Would you recommend the FREC programme to a friend/family? Why do you say so?
10. What suggestions do you have for the FREC programme to better assist participants to start or grow a micro-business to earn a sustainable livelihood?

## Appendix D: Informed consent letter



12/10/2022

**Researcher:** Nompumelelo Sibuyi  
Tel: 0812771316  
Mobile: 0795053569  
E-mail: [mpumisibuyi@gmail.com](mailto:mpumisibuyi@gmail.com)

**Research supervisor:** Dr Peggie Chiwara  
E-mail: [peggie.chiwara@up.ac.za](mailto:peggie.chiwara@up.ac.za)

### INFORMED CONSENT TO PARTICIPATE IN A RESEARCH STUDY CURRENT AND PAST PARTICIPANTS

- 1. Title of the study:** The Ford Resource and Engagement Centre (FREC) programme's contribution to mitigate poverty: perspectives from participants
- 2. Goal of the study:** The goal of the study is to explore the FREC programme's contribution to mitigating poverty from the participants' perspective.
- 3. Procedures:** The study will use one on one interviews to collect data from participants. The interview is estimated to approximately take one hour. The interview will be audio recorded and the recording will be transcribed for the purposes of data analysis. Only the researcher and the study supervisor will have access to recordings and transcripts. The researcher will write a research report for submission to the university. The research data will be securely stored by the University of Pretoria for a period of 10 years and destroyed afterwards. If data is used again, it will only be for research purposes.
- 4. Risks and discomforts:** There are no known risks and discomforts that you may endure as a result of participation in the research study. The researcher will do a debriefing with you after the interview and if needed, refer you to a social worker for further consultation on matters of concern arising from the study
- 5. Benefits:** Participants will not receive any incentives for participating in the study. However, you may benefit indirectly as your participation may leave you with a sense of satisfaction

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Room 10.17, Humanities Building  
University of Pretoria, Private Bag X20  
Hatfield 0028, South Africa  
Tel +27 (0)12 420 2325 or 420 2030  
Email [peggie.chiwara@up.ac.za](mailto:peggie.chiwara@up.ac.za)  
[www.up.ac.za](http://www.up.ac.za)

Faculty of Humanities  
Fakulteit Geesteswetenskappe  
Lefapha la Bomotheo

that your view is recognised in recommending strategies for the FREC programme to mitigate poverty for sustainable livelihood outcomes.

6. **Participants' rights:** Participation in the study is voluntary. You have the right to withdraw from the study at any point during the interview. You also have the right to refuse to answer any question during the interview that you do not wish to respond to without any consequences to you. You have the right to ask questions on the proposed study before you give informed consent to participate in the study. You also have the right to access the research data that you shared in the interview.
7. **Confidentiality and anonymity:** Your identity will be known to the researcher, however a pseudo name will be used to protect your identity. Information collected in the study will be treated confidentially and your name will not appear in the research report, conference paper(s) or scientific journal in which the results may be published. Findings will not be presented in a way that could be directly linked to any specific participant.
8. **Person to contact:** If you have questions or concerns relating to the study, you may contact the researcher, Nompumelelo at 0795053569 or send an email to [mpumisibuyi@gmail.com](mailto:mpumisibuyi@gmail.com)

**Declaration**

I, ....., understand my rights as a research participant, and I voluntarily consent to participate in this study. I understand what the study is about and how and why it is being conducted.

\_\_\_\_\_  
Date    Place    Participant's signature

\_\_\_\_\_  
Date    Place    Researcher's signature

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Lefapha la Bomotho

## Appendix E: Ethical clearance letter



**Faculty of Humanities**  
Fakulteit Geesteswetenskappe  
Lefapha la Bomotheo



28 October 2022

Dear Miss N Sibuyi

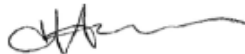
**Project Title:** The Ford Resource and Engagement Centre (FREC) programme's contribution to mitigate poverty: perspectives from participants  
**Researcher:** Miss N Sibuyi  
**Supervisor(s):** Dr P Chiwara  
**Department:** Social Work and Criminology  
**Reference number:** 26369801 (HUM018/1022)  
**Degree:** Masters

I have pleasure in informing you that the above application was **approved** by the Research Ethics Committee on 27 October 2022. Please note that before research can commence all other approvals must have been received.

Please note that this approval is based on the assumption that the research will be carried out along the lines laid out in the proposal. Should the actual research depart significantly from the proposed research, it will be necessary to apply for a new research approval and ethical clearance.

We wish you success with the project.

Sincerely,



**Prof Karen Harris**  
**Chair: Research Ethics Committee**  
**Faculty of Humanities**  
**UNIVERSITY OF PRETORIA**  
**e-mail: tracey.andrew@up.ac.za**

**Research Ethics Committee Members:** Prof KL Harris (Chair); Mr A Bizos; Dr A-M de Beer; Dr A dos Santos; Dr P Gutura; Ms KT Govinder Andrew; Dr E Johnson; Dr D Krige; Prof D Mabree; Mr A Mohamed; Dr I Naomié; Dr J Okeke; Dr C Puttergill; Prof D Reyburn; Prof M Soer; Prof E Taljard; Ms D Mokalapa

Room 7-27, Humanities Building, University of Pretoria, Private Bag X20, Hatfield 0028, South Africa  
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## Appendix F: Counselling letter



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Ford Resources and Engagement Centre  
Ford Motor Company  
Gate 1  
Simon Vermooten Road  
Pretoria

Subject: Counselling Services to Research Participants

Dear Prof Lombard,

The purpose of this letter is to inform you that I Delia Nation a Social Worker at Future Families have agreed to offer counselling and psychosocial support to any Ford Resources and Engagement Centre's Entrepreneurship Mentoring Programme participants participating in the research study to be conducted by your master's students.

If the need arises, the students should communicate with me to schedule appointments. These services will be provided free of charge.

If you have any concerns or bookings please contact me at +27 082 374 5174 [delia@futurefamilies.co.za](mailto:delia@futurefamilies.co.za).

Yours faithfully



Delia Nation

Social Worker: Future Families