

# M&E framework for enterprise development within a township economy

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higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



RHODES UNIVERSITY

*Where leaders learn*



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# Measuring Enterprise Development

## Defining enterprises:

...a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more...

..., whether or not incorporated or registered under any law, ...

...size classification by sector...

# Measuring Enterprise Development

Total Entrepreneurial Activity:

1. Entrepreneurial Intention
2. Early-Stage Enterprise
3. Established Enterprise
4. Business Discontinuance

# Measuring Enterprise Development

## Entrepreneurial Intention:

- Def: intend starting a business within next 3 years
- See a good opportunity + Belief in their skills + Grit
- For transition to entrepreneurial behaviour: enabling and support environment + cultural validation
- **Exceptionally Low and Decreasing in South Africa**

# Measuring Enterprise Development

## Early-Stage Enterprise:

Nascent: Committed resources, but no wages/salaries or income for 3 months

New Business Owners: Paid wages, salaries for more than 3 months, but less than 42 months

- Internationally comparable measure
- South Africa lower than comparable countries, support interventions required.

# Measuring Enterprise Development

## Established Enterprise:

Trading for more than 42 months

- Declined by 26% since 2015
- Sector specific support needed
- Relatively low due to earlier phases
- Sectorial stability indicator

# Measuring Enterprise Development

## Enterprise Discontinuance:

Withdrawal, closure, acquisitions

- 67% due to financial reasons – cash-flow, profit margins
- Rate of replacement low



# Legislative Framework

- National Strategy for Development and Promotion of Small Business, 1995  National Small Business Act, 1996
-  Ntsika Promotion Agency + Khula Enterprise Finance
- Ntsika: co-ordinate and monitor training, advice and non-financial services
- SEDA, 2004 replaces Ntsika: provide Business Development Support services, generally through other agencies
- Department of Small Business Development, 2014: loan and credit facilities orientated

# Legislative Framework

SEDA:

25% awareness, (Population Survey): largely Gauteng and urban centres

Access to technology and technology innovation drive

Demands unmet:

1. Business Planning – sector specific
2. Skills Training – occupational upskilling
3. Access to market & funding opportunities

# Thank You!

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