

# Exploring The Potentials of Entrepreneurial Incubation Programme As A Strategy for Reducing Youth Unemployment In The Eastern Cape

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## ABSTRACT

**Purpose:** Youth unemployment in the Eastern Cape of South Africa remains a persistent socio-economic challenge. This study investigates the prospects of entrepreneurial incubation programmes in alleviating youth unemployment, focusing on the extent to which such initiatives can enhance enterprise development, employability, and long-term economic participation among young people.

**Methodology:** A qualitative research design was employed to explore participants' experiences and perceptions. Data were collected through face-to-face interviews using an interview guide. The study targeted facilitators and students enrolled in the Walter Sisulu University Centre for Entrepreneurship Rapid Incubator (CFERI). Thematic analysis was utilised to interpret the data and uncover recurring patterns in participants' narratives.

**Findings:** The study generated four propositions (P1–P4) indicating that participants view entrepreneurial skills as essential for achieving financial independence and sustainable livelihoods. The findings highlight the critical role of mentorship, structured support systems, and access to professional networks in strengthening youth employment outcomes. Evidence also emphasises the need to continuously enhance business development support services to align with the evolving needs of young entrepreneurs, particularly those in rural contexts.

**Implications:** The study underscores the importance of targeted interventions such as mentorship programmes, networking opportunities, and coordinated support structures to bridge the entrepreneurial skills gap among rural youth. It further emphasises the need for strategic communication and legislative backing to ensure equitable access to incubation programmes, thereby promoting youth employment and regional economic resilience.

**Originality:** This study contributes novel empirical insights into how entrepreneurial incubation can be leveraged as a long-term, sustainable solution to youth unemployment in economically disadvantaged regions. By focusing on an under-researched rural province, it enhances theoretical and practical understanding of entrepreneurship-driven development in South Africa.

**Keywords:** Youth Unemployment; Entrepreneurial Incubation; Eastern Cape; Alleviation Programme.

## INTRODUCTION:

### Introduction and Background to the Research

This study explores the potential of entrepreneurial incubation programmes in addressing youth unemployment in the Eastern Cape. Akinola and Ohonba (2023) estimate that 60% of the youth in South Africa are unemployed. The Eastern Cape Social Economic Consultative Council reported a youth unemployment rate of 51.4% for the first quarter of 2023. Jubane (2020) asserts that an entrepreneurship culture is essential for township and rural youth to engage in the economy. Incubators are programs intended to assist young entrepreneurs who lack confidence (van der Spuy & Bornman, 2023). Lose and Tengeh (2015) indicate that the Small Business Development Corporation (SBDC) established South Africa's inaugural incubator in 1995 to assist small enterprises in addressing challenges. In September 2012, Dr Rob Davies, the Eastern Cape Minister of Trade and Industry, launched the Incubation Support Programme (ISP) to foster collaboration between the private sector and the government. The Nelson Mandela University Centre for Entrepreneurship & Rapid Incubator (CFERI) seeks to promote the establishment and growth of youth start-up enterprises and related student ventures. The initiative aims to promote student entrepreneurship and cultivate partnerships with organisations, contributing to economic growth (Centre for Entrepreneurship & Rapid Incubator, 2015). Business incubators offer networking opportunities and social programs that promote entrepreneur participation; however, not all participants complete the programs (Beats, 2013). Young individuals encounter difficulties securing employment due to political instability, volatile economies, and insufficient training and skills (Alawad, Kreishan & Selim, 2020). In South Africa, limited employment opportunities and income inequality contribute to significant economic disparity (Oyedemi & Choung, 2020). Furthermore, incubation programmes attract substantial financial investments (Kavhumbura, 2014). This study examines the impact of Entrepreneurial Incubation programmes on youth unemployment in the Eastern Cape.

### Rationale of the Study and Problem Statement

South Africa had the highest unemployment rate of 28.4% in 2023 (Statista, 2024). Sibanda and Thebe (2022) claim that apartheid caused South Africa's unemployment problem, hurting traditionally underprivileged communities. After decades, women and youth notice it more. The Eastern Cape had the highest unemployment rate in South Africa at 41.9 per cent in Q4 2023. In the Eastern Cape, women have a 53.2% unemployment rate, men 31.9%, and youth 53.2% (Eastern Cape Social Economic Consultative Council, 2023). However, business incubators promote profitable ideas and startups (Kolympiris & Klein, 2017). Minister of Small Business Development Stella Ndabeni-Abrahams launched the Walter Sisulu University Centre for Entrepreneurship Rapid Incubator (WSU-CfERI) in Mthatha, Eastern Cape, on June 24, 2022. The CfERI encourages student and local youth entrepreneurship and business growth to reduce unemployment. It helps prospective entrepreneurs and promotes sustainable business and community innovation. Jones et al. (2021) noted that business incubators can minimise youth unemployment. Although incubator systems are becoming increasingly popular, their efficacy remains debated (Simango, 2022). There is little evidence on how entrepreneurial incubation programs reduce Eastern Cape youth unemployment. This study examines how entrepreneurial incubation programs can reduce youth unemployment in the Eastern Cape. The outcomes of this study may provide empirical answers to the problem of youth unemployment in the Eastern Cape. This study will provide empirical information to inform future research, policy, and actions to address similar difficulties elsewhere. It will also provide insights to improve the incubator programme. Thus, this study examined how entrepreneurial knowledge and skills affect youth unemployment in the Eastern Cape, and how business development support services, entrepreneurial mentorship, and business networking affect it.

### Research Propositions

**Entrepreneurial Knowledge and Skills - P1:** Participants are likely to perceive that acquiring entrepreneurial knowledge and skills contributes meaningfully to improving young people's chances of economic participation and livelihood development in the Eastern Cape.

**Business Development Support Services - P2:** It is anticipated that participants will describe business development support services as central to empowering youth and enabling pathways that may ease the challenges associated with unemployment in the Eastern Cape.

**Entrepreneurial Mentorship - P3:** Participants are expected to highlight mentorship as an influential experiential support mechanism that strengthens youth entrepreneurial readiness and enhances their prospects for breaking cycles of unemployment in the Eastern Cape.

**Business Networking - P4:** Participants are likely to articulate that access to business networks plays a significant role in opening opportunities, building confidence, and expanding economic possibilities for unemployed youth in the Eastern Cape.

### **Theoretical Foundation of the Study**

Business incubation has fostered entrepreneurship for over a century and is now formalised. The programmes are implemented in many schools, but their impact on entrepreneurial skills and intentions is unknown. Thus, the researcher will analyse relevant literature using peer-reviewed journal articles, scholarly books, professional journal publications, government website statistics, professional association materials, and more. Martins et al. (2018) stress that literature reviews help researchers find relevant data. This study underpins Human Capital Theory, Resource-Based Theory, and Economic Theory of Entrepreneurship. This study focused on expanding entrepreneurial knowledge and skills, providing business support services, offering mentorship, fostering networking, and reducing Eastern Cape youth unemployment.

Human Capital Theory was proposed by Adam Smith in 1776 (Khaykin et al., 2021). Human Capital Theory emphasises education, training, and skill development for employability and productivity. Capital is an asset with the economic potential to provide value-added services (Khaykin, Lapinskas & Kochergina, 2020). By mentoring, training, networking, and investing, entrepreneurial incubators help startups grow (Assenova, 2020). According to Human Capital Theory, these activities boost entrepreneurial abilities, self-confidence, and business intelligence. Higher education must focus on entrepreneurship training to boost student entrepreneurship (Aboobaker, 2020). Human Capital theory fails the realism test due to methodological flaws, including reliance on a single theoretical perspective and closed-system modelling, improper use of mathematical instruments, and multivariate analysis of interrelated variables (Marginson, 2019). To achieve its goal, this study examined secondary theories that enhanced access to resources and support networks.

Barney developed Resource-Based Theory (RBT) in 1991 (Barney et al., 2021). Huang, Chen, Yu, and Zhu (2021) argue that accelerators and incubators can be assessed using the Resource-Based View (RBV) framework of Resource Theory. This focus on human capital resources and performance strengthens the Resource-Based Theory, clarifies concerns in the strategic human capital literature about firm specificity and performance mobility, and helps explain hindering factors (Ployhart, 2021). The conventional Resource-Based Theory (RBT) fails to explain how some companies achieve a competitive edge in an unpredictable, fast-changing business environment (Utami & Alamanos, 2023). The third suggestion was added to the study to boost entrepreneurship and employment. Integration of these three principles achieved the study's goal of reducing youth unemployment.

Richard Cantillon developed the economic theory of entrepreneurship in 1755 (Givens-Evans, 2022). The Economic Theory of Entrepreneurship explains how economic conditions affect entrepreneurship. It claims that favourable laws, resource availability, and market opportunity foster entrepreneurship (Parker, 2018). According to rational and Schumpeterian economic theories, entrepreneurs maximise profits or innovate by adapting to changes in the firm's socio-economic environment (Aizhana et al., 2023). Simon and Parker (2018) study how incentives and constraints affect occupational decisions, entrepreneurial innovation, and macroeconomic results in economic theories of entrepreneurship.

## Review of Related Literature

Entrepreneurship education is widely recognised as a critical strategy for addressing youth unemployment. Audu et al. (2019) emphasise that all educational programmes should integrate entrepreneurship training to equip learners with essential skills for economic participation. In a similar vein, Jubane (2020) advocates for the development of programmes that build job-relevant skills for unemployed youth, particularly those in townships and rural areas who lack exposure to entrepreneurial culture. Geza et al. (2022) further argue that youth require continuous support not only to start businesses but also to advance their entrepreneurial careers. To achieve this, policies and programmes must be expanded to reflect the diverse skills and knowledge that youth possess, especially given the lack of such understanding, which leaves rural youth more vulnerable (Msweli, 2023).

Business development support services also play a central role in enhancing entrepreneurial success (Tukwayo & Mbukanma, 2026). Anon (2023) notes that non-financial support services such as IT assistance, personnel development, and client management help strengthen profitability and organisational growth. Ogunsanya et al. (2024) add that ensuring these services are delivered through youth-friendly platforms is essential for improving awareness and accessibility of entrepreneurial support initiatives. However, ineffective communication between municipalities and communities can constrain local economic development efforts (Xaba, 2024). Evidence from Tsambou et al. (2024) shows that vocational training in employment-support programmes accelerates job seekers' transition into employment, even though scholars continue to debate the long-term effectiveness of such programmes (Matsumoto, 2022).

Entrepreneurial mentorship is consistently recognised as a key enabler of entrepreneurial success. Mentorship strengthens confidence, expands access to resources, and enhances the identification of opportunities (Ngomthi & Mbukanma, 2024; Saurabh et al., 2022). Business accelerators, according to Matsumoto (2022), further support entrepreneurs by offering intensive training, cohort-based learning, and access to financing opportunities. Higher education institutions also influence students' perceptions of entrepreneurship as a viable career path (Ozen et al., 2023). Yet, Johnston (2019) stresses the need for rigorous evaluation of mentorship initiatives to assess their outcomes and maximise their impact.

Business networking is another vital component of entrepreneurial development. Patrick et al. (2022) found that LinkedIn-based training increased immediate employment outcomes for South African youth by 10%, highlighting the power of digital networking. Olanrewaju et al. (2020) observe that entrepreneurs increasingly leverage social media for resource mobilisation, information gathering, and crowdfunding. Networking also shapes entrepreneurial orientation, as demonstrated by Mohamad and Chin (2019), who found a strong relationship between networking activities and entrepreneurial behaviour. Collaborative mentorship between established and emerging entrepreneurs can further strengthen small business capacities and reduce unemployment (Pfano et al., 2015). Building on this, Anwana and Anwana (2020) advocate for a national network of mentors, coaches, and counsellors to support emerging entrepreneurs holistically.

At a policy level, youth employment remains a national priority. President Ramaphosa (2020) underscored its importance in addressing poverty, unemployment, and inequality. In rural South Africa, agriculture has long been viewed as a potential avenue for reducing unemployment and poverty (Zantsi, 2021). Agricultural cooperatives, according to Yobe et al. (2020), continue to play an important role in alleviating extreme poverty in developing contexts. Giwu et al. (2024), examining youth participation in agriculture in the Eastern Cape's Umzimvubu Local Municipality, found that agricultural engagement not only enhances livelihood security but also offers opportunities for youth employment and household food stability.

Overall, the reviewed literature highlights the multifaceted nature of entrepreneurship and youth employment, emphasising the crucial roles of skills development, mentorship, business support, networking, and enabling policy environments. Together, these components reinforce the potential of entrepreneurial incubation initiatives to address youth unemployment in resource-constrained settings.

## Research Methodology

This study adopted a qualitative research methodology to address its objectives and gain an in-depth understanding of how entrepreneurial incubation programmes influence youth unemployment in the Eastern Cape. Qualitative research is well-suited for examining lived experiences and interpretive meanings, although it may be critiqued for its reliance on researcher subjectivity (Busetto et al., 2020). To address this, the study followed systematic procedures that strengthened credibility and ensured a rigorous interpretation of the data (see Figure 1). Guided by an interpretivist paradigm, the study sought to explore the subjective perspectives of facilitators and student participants involved in incubation programmes. Interpretivism enabled the researcher to capture the nuanced realities, social interactions, and contextual factors shaping youth entrepreneurship within the region. This paradigm was appropriate as it aligns with the study's aim of understanding how individuals experience, perceive, and make meaning of incubation processes. A case study research design was employed to allow an in-depth exploration of the environment, operations, and effects of the Walter Sisulu University Centre for Entrepreneurship Rapid Incubators (CFERI). The case study approach provided rich, contextualised insights into how incubation activities support youth entrepreneurial development, enabling the formulation of practical recommendations to reduce youth unemployment.

The study targeted facilitators and student participants within CFERI, as these individuals hold direct experience and knowledge relevant to the investigation. A purposive sampling strategy was applied to select participants who could provide meaningful and insightful contributions based on their involvement in incubation activities. The final sample comprised 20 facilitators and 15 students, providing a balanced perspective on programme implementation and participation. Data were collected using a semi-structured interview guide, which allowed flexibility in probing individual experiences while maintaining consistency across interviews. This method supported rich storytelling and allowed participants to articulate their perspectives in depth. The conversational nature of semi-structured interviews was appropriate for capturing detailed, context-bound insights aligned with interpretivist inquiry.

The study utilised thematic analysis to analyse the interview data. This analytic approach allowed the researcher to identify meaningful patterns, recurring ideas, and shared experiences across participant responses. Through systematic familiarisation, coding, theme development, and interpretation, thematic analysis proved essential for uncovering the complex human experiences embedded in entrepreneurial development. Its flexibility and depth made it particularly valuable for understanding the multifaceted impact of incubation programmes on youth employment readiness. Ethical approval for the study was obtained from the Faculty of Economic and Financial Sciences at Walter Sisulu University under protocol number 076/2024/MBM/BME-0483. Participants were briefed on the study's purpose, assured of confidentiality, and informed of their right to withdraw at any time. Informed consent was obtained prior to all interviews, ensuring adherence to ethical research standards. Overall, the qualitative, interpretivist, and case-study-driven methodology enabled a rich exploration of how incubation activities influence youth entrepreneurial outcomes in the Eastern Cape. The approach provided deep insights into the experiential dimensions of incubation programmes and supported the development of grounded, context-specific recommendations to enhance youth employment and entrepreneurial development in the region.

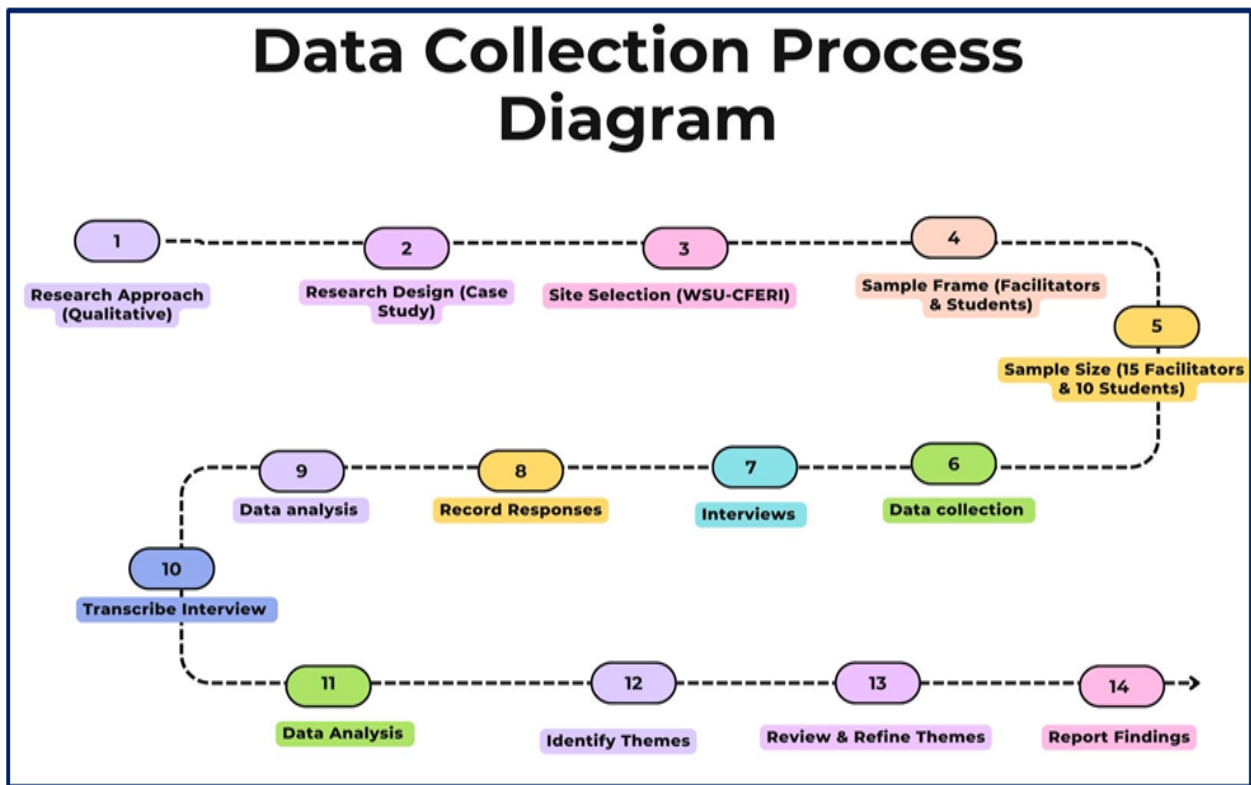


Figure 1: Data collection process diagram (Source: Author)

### Participants Profiles

This study had 20 facilitators and 15 students. However, only 25 participants actually took part in the interviews. Table 1 shows the overall composition of the final 25 individuals who took part in the interviews:

Table 1: Participants' Profiles

Presentation Participants Profiles	
<b>Participants</b>	Facilitators
<b>Participant 1</b>	Facilitator
<b>Participant 2</b>	Facilitator
<b>Participant 3</b>	Facilitator
<b>Participant 4</b>	Facilitator
<b>Participant 5</b>	Facilitator
<b>Participant 6</b>	Facilitator
<b>Participant 7</b>	Facilitator
<b>Participant 8</b>	Facilitator
<b>Participant 9</b>	Facilitator
<b>Participant 10</b>	Facilitator
<b>Participant 11</b>	Facilitator
<b>Participant 12</b>	Facilitator
<b>Participant 13</b>	Facilitator
<b>Participant 14</b>	Facilitator
<b>Participant 15</b>	Facilitator
<b>Participant 16</b>	Student

<b>Participant 17</b>	Student
<b>Participant 18</b>	Student
<b>Participant 19</b>	Student
<b>Participant 20</b>	Student
<b>Participant 21</b>	Student
<b>Participant 22</b>	Student
<b>Participant 23</b>	Student
<b>Participant 24</b>	Student
<b>Participant 25</b>	Student

### Thematic Analysis and Discussion of Findings

Thematic analysis is a rigorous methodology for identifying, organising, and elucidating patterns of meaning within a data collection. It allows the researcher to comprehend collective and distinctive meanings and experiences in an individual data item (Clarke & Braun, 2017). This study employed theme analysis to deconstruct the data and establish a clear thematic identity. Figure 2 below summarises the thematic analysis employed in this research. Data themes were employed to provide a basis for theoretical understanding of the research and to contribute to the literature.

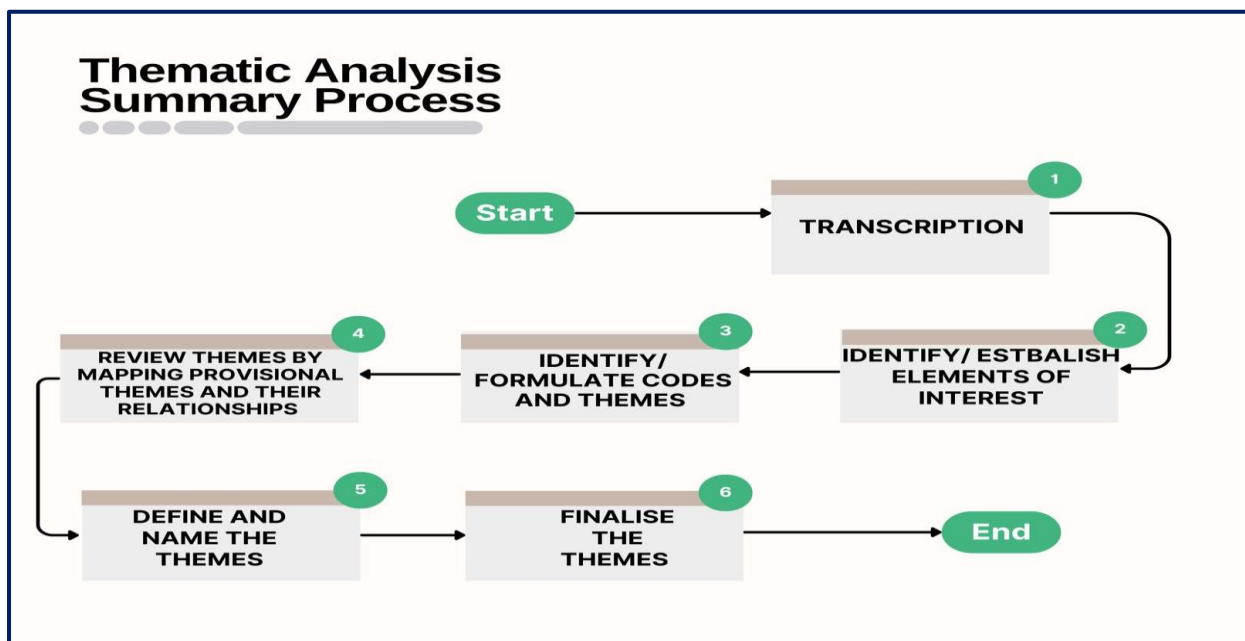


Figure 2: Thematic Analysis Summary Process (Source: Author Concept)

#### Theme 1: Empowerment and Self-Sufficiency

The main theme emerging from participants' input is that entrepreneurial knowledge significantly empowers young people, equipping them with the skills and confidence to develop their own job prospects. This shift from unemployment to self-employment demonstrates the transformative impact of entrepreneurship in encouraging economic independence among young people. This change relies heavily on the entrepreneurial spirit, defined by the ability to recognise opportunities, take calculated risks, and innovate. Education is critical in cultivating this spirit, especially in a fast-changing economic context. It is the duty of educational institutions to develop necessary entrepreneurial skills, foster a supportive environment, and reduce the negative stigma associated with failure (Ahmad et al., 2023).

Studies demonstrate that small enterprises founded on a robust knowledge base and skill set are more likely to survive in the long term (Melak & Derso, 2023). The evaluated publications continuously emphasise

that obtaining entrepreneurial skills is essential for youth self-employment. Agogbua and Mgbatogu (2024) assert that entrepreneurship training requires acquiring knowledge from many pertinent resources that correspond with entrepreneurial objectives. Participants discussed the importance of these skills in tackling youth unemployment in the Eastern Cape, where formal job possibilities are limited.

According to participant 3, *“Dealing with Eastern Cape youth unemployment calls for entrepreneurial ability. Many young people lack the resources to enter official employment, but with the correct skills, they may spot market gaps and start companies that not only offer self-employment but also create jobs for others.”*

Another participant who underlined the need for young people to move from job seekers to job producers echoed this attitude. Moreover, the participants underlined the importance of entrepreneurship education in providing young people with financial literacy, marketing, and business management skills. This educational structure promotes self-sufficiency and reduces dependency on a weak official employment market.

As noted by participant 6, *“Learning entrepreneurial skills is a proactive way to address youth unemployment and help young people to be critical thinkers and innovative problem solvers.”*

According to the responses, any venture's success depends on having the appropriate entrepreneurial skills and talents. According to academics such as Adeeko (2023), the goal of entrepreneurship courses is to encourage self-employment to reduce reliance on government employment. Furthermore, Akande and Alabi (2023) confirm that entrepreneurial skills significantly influence young people's employment outcomes.

## **Theme 2: Skills Acquisition and Business Expansion**

Participants also emphasised the significance of skills development in promoting company growth and expansion. According to Kotha et al. (2023), entrepreneurs who received training reported higher sales revenue, and those who were more ambitious saw even greater financial success. As Madichie and Agu (2023) note, applying sustainability principles to enhance the knowledge and practices of informal entrepreneurs and thereby encourage sustainable entrepreneurship is also essential for community development.

Another important element that has arisen is financial education, which equips young people with the necessary financial management skills to support economic success and advance community development (Iqbal et al., 2023). Participants emphasised the value of practical skills such as marketing, customer service, and financial management, acknowledging their critical role in expanding and sustaining businesses.

Participant 14 shared, *“One especially motivating example I saw was a group of young farmers learning financial planning, sustainable agriculture techniques, and entrepreneurial competencies.”*

These first-hand reports highlight the observable advantages of the training programmes. Many interviewees also confirmed that successful entrepreneurs use company development assistance services to improve operational effectiveness.

Participant 21 recounted, *“Qombe Maize, a startup that won a national competition, employed 39 young individuals as part-time and full-time workers following their victory.”*

This demonstrates how local employment rates are positively impacted by increased entrepreneurial participation and business expertise (Naqvi et al., 2023).

### Theme 3: Effectiveness and Success of Business Development Services

The participants demonstrated strong confidence in the effectiveness of company development services, which provide essential economic, financial, and social support for adolescent entrepreneurship. They highlighted that mentorship, advisory assistance, and extensive training are essential components of effective business development services (Leger et al., 2024). These services not only enhance young people's abilities but also enable them to engage in entrepreneurial endeavours that foster greater economic stability.

Participant 8 noted, *“I have personally observed how these programs link young businesses with possible investors, so access to capital is absolutely essential to lower youth unemployment.” This highlights the essential role of comprehensive support in fostering entrepreneurial success.*”

Furthermore, the participant narratives highlight the role that customised support services play in promoting long-term company growth.

Participant 11 said, *“The degree to which business development support programs meet the particular needs of young entrepreneurs determines their efficacy. Programs providing practical assistance and financial access usually show the most notable outcomes.”*

Financial support programmes should include funds and business skills training, mentoring, counselling, and other relevant support services. Financial inclusion is widely recognised, and programmes often include mentorship initiatives, skills development and community involvement, to ensure a comprehensive approach to youth development (Iriza & Madichie, 2024). Mentorship and accessible funding support have a favourable relationship and a remarkable impact on entrepreneurs' motivation, especially in the early stages of the project (Marsal et al., 2024).

### Theme 4: Success and Growth Through Business Development Services

Participants' experiences show how Business Development Services (BDS) promote business expansion and sustainability. BDS assists youth entrepreneurs in overcoming the obstacles of starting and running a business by providing training, capital, and mentorship, resulting in job creation and economic empowerment. According to Khoza and Msimango-Galawe (2021), BDS is an essential instrument in both developed and developing economies, as it reduces the failure rates of small businesses. According to Gunawardana and Bandara (2021), who contend that BDS programmes increase entrepreneurs' motivation and working capacity, two factors crucial for long-term business success, and these programmes equip entrepreneurs with useful skills and tools.

The success of these services in encouraging long-term expansion is supported by the accounts of Participant 7: *“Many young entrepreneurs have found great advantage in these tools. One young woman I advised started her catering company using the knowledge she acquired from a business support program. She currently hires a number of other young people from her area.”*

This example demonstrates how BDS helps individual enterprises, while also promoting community development by increasing job opportunities. Participant 17 explained how BDS training and resources help to scale agricultural ventures: *“Yes, I know someone who profited much from an agricultural-based company development program. They got tools and instruction to launch a modest farm, which is today flourishing and employs more than five young people.”*

Addressing these areas with evidence-based policies can create an enabling environment where women entrepreneurs thrive, contributing to a more inclusive, equitable, and prosperous society (Emon & Nipa, 2024). This correlation is attributed to the fact that enterprises owned by women tend to exhibit remarkable resilience in the face of economic fluctuations, as evidenced by Dewitt et al. (2023). Ekechi et al. (2024) underscore the importance of a holistic approach that integrates financial inclusion, policy support, technological innovation and capacity building to foster a vibrant small business ecosystem and contribute to overall economic development in Africa.

### **Theme 5: Practical, Hands-On Training and Real-World Experience**

To help young entrepreneurs bridge the gap between theoretical knowledge and real-world application, participants argued for programmes that emphasise experiential learning, such as internships and business simulations. Incorporating real-world problems into practical activities exposes students to realistic, ill-structured problems (Kim et al., 2018; Chiu, 2021, 2022).

Participants 2 and 9 suggested, *“More practical business simulations and problem-solving activities should be included in programs. These would enable budding entrepreneurs to grasp the difficulties of running a company before they even launch one.”*

This insight underscores the significance of experiential learning, which empowers participants to address real-world business challenges with greater confidence. Empirical studies indicate that experiential methods enhance understanding of concepts, especially when students engage with practical situations (Admane & Mondhe, 2021; Weng et al., 2022). By replicating authentic business environments, programmes can enhance critical thinking, problem-solving and resilience, which are essential abilities for entrepreneurial success in unpredictable markets.

### **Theme 6: Guidance and Support for Business Challenges**

Participants 15, 19, and 25 underlined the importance of mentoring in helping new entrepreneurs navigate the intricate obstacles of business development and expansion. As one participant pointed out, this advice offers both technical know-how and moral support: *“Entrepreneurial mentorship gives us direction and encouragement, so enabling us to negotiate the difficulties of launching a company. This generates additional employment and raises our prospects of success.”*

In addition to reducing early-stage risks, this mentorship helps new entrepreneurs develop a resilient mindset. The idea that mentoring is essential to entrepreneurship success is supported by research, especially in network building and skill development (Ewuru et al., 2024). As an example, Participant 20 recalled, *“With the branding for my startup, my mentor was quite helpful. His observations of consumer preferences and market developments greatly changed my strategy.”*

This case emphasises how focused mentoring solves specific entrepreneurial problems, thereby enhancing firm performance and economic self-sufficiency. Entrepreneurship has become an extremely relevant tool for promoting sustainable economic development. It helps reduce unemployment, creates job opportunities, and assists the government in boosting economic growth. These entrepreneurial development programmes include coaching to improve people’s competencies and skills, thereby enhancing their knowledge of startups (Shahzad et al., 2021). Entrepreneurship-related training or workshops attended by the individuals influenced them to take entrepreneurial initiatives, as this education or training not only boosted their confidence but also developed the required business-oriented skills (Tunio et al., 2021).

### **Theme 7: Business Development and Growth**

Networking, Skills development and mentoring become crucial components of small business growth and progress. By developing technical, leadership, and interpersonal skills, all of which are essential for career and business growth, research indicates that mentoring has a major impact on entrepreneurial success (Ewuru et al., 2024). Mentors offer vital input, helping business owners identify their weaknesses and develop their technical, leadership, and communication skills. Accordingly, mentoring not only provides mentees with specialised business skills but also enhances their adaptability and industry value. This is further supported by Lee et al. (2020), who note that mentoring enables aspiring leaders to learn from seasoned professionals, develop effective plans, and eventually contribute to the long-term growth of their businesses.

Participant 18’s replies supported these findings by demonstrating mentorship's practical benefits for their own business: *“Yes, I was mentored when I first launched my own business. My mentor helped me grasp*

*the value of customer service and marketing. That support gave me the courage to expand my firm, and I now aim to pass on the same skills to the young people I mentor.”*

This response shows how important mentors are for branding and market strategy, which are key to any business looking to improve its market position. Facilitators also stressed how mentoring can help fill in gaps in business knowledge. This emphasis requires entrepreneurial mentors to be resourceful and creative in their approach to business management and growth (Addy et al., 2024). By fostering a culture of collaboration, trust and mutual respect, mentors can harness the collective potential of their team and drive business success (Adeoye et al., 2024). Entrepreneurial mentors must be able to pivot quickly, adjust their strategies, and experiment with new approaches to business development and growth to assist their mentees.

### **Theme 8: Access to Opportunities and Resources**

Networking has evolved as a vital component of entrepreneurial success. Students agreed that professional contacts provide access to resources, create partnerships, and broaden commercial opportunities.

As participant 16 explained, *“By means of networking, we can access tools such as seminars, training courses, and knowledge about grants and funds intended especially for young entrepreneurs.”*

This viewpoint emphasises the strategic value of networks in securing limited resources crucial to startup development. Research underscores networking as a strategic instrument in competitive business landscapes, promoting firm growth by linking entrepreneurs with essential resources and expertise (Passaro et al., 2020; Hussain et al., 2024). Networking facilitates access to clients, mentors and investors, establishing avenues for business growth and sustainability. Jardim (2021) notes that networking involves establishing a network of contacts, fostering the sharing of information and services among individuals and groups. This attitude captures the important role networking plays in building community, improving market access, and enabling broader entrepreneurial development.

### **Alignment between Research Propositions and Research Findings**

The alignment between the research propositions and the empirical findings demonstrates a coherent relationship between entrepreneurial incubation mechanisms and youth employment outcomes in the Eastern Cape.

Proposition 1 is supported by participants’ consistent acknowledgement of the link between entrepreneurial skills acquisition and employability. In line with existing literature, the findings suggest that entrepreneurship education enhances young people’s capacity to initiate income-generating activities, thereby improving economic independence and financial stability (Akande & Alabi, 2023; Nor, 2024). However, the data also indicate that skills development alone may be insufficient when structural constraints, such as limited resources or inadequate training infrastructure, persist. This underscores the need for complementary support mechanisms to maximise the employment impact of entrepreneurial education.

Proposition 2 is reinforced by evidence that youth in the Eastern Cape benefit from business development support initiatives, including subsidised internships, grants, and experiential learning opportunities (Tsambou et al., 2024; Kane et al., 2020). Participants highlighted that such services improve the quality and stability of employment by providing practical exposure and business-readiness. These findings point to the importance of continuous monitoring and refinement of business development support services to ensure their responsiveness to the evolving needs of young entrepreneurs.

Proposition 3 finds strong support in participants’ perceptions of mentorship as a critical enabler of entrepreneurial resilience, motivation, and adaptability. Consistent with prior studies, mentorship was found to strengthen confidence, expand professional networks, and enhance entrepreneurial decision-making, thereby contributing to job creation and economic participation (Popa & Deliu, 2024; Giwu et al., 2024). The accessibility of mentors within incubation programmes further amplifies these

positive outcomes, highlighting mentorship as a key institutional lever for addressing youth unemployment (Jam-Jam & Mbukanma, 2023).

Proposition 4 is validated by thematic patterns indicating that networking facilitates access to resources, markets, and financing opportunities essential for enterprise growth. Participants' experiences suggest that engagement in structured networking platforms enables young entrepreneurs to establish and expand their businesses, contributing to employment generation. These findings align with existing evidence that effective networking enhances firm performance and sustainability, particularly when supported by institutional and professional structures (Clement Afo, 2022; Chukwuka & Imide, 2023).

Collectively, the findings confirm that entrepreneurial incubation programmes operate through interrelated mechanisms of skills development, support services, mentorship, and networking that jointly influence youth employment outcomes. This integrated understanding provides a logical foundation for drawing policy-relevant implications.

## CONCLUSION:

### Key Contributions, Conclusion and Implications for Business Practices

Building on the empirical findings, this study provides significant insights into the role of entrepreneurial incubation programmes in mitigating youth unemployment in the Eastern Cape, one of South Africa's most economically marginalised regions. The qualitative evidence demonstrates that incubation initiatives foster youth entrepreneurial development by strengthening skills, enhancing access to resources, and creating supportive learning environments conducive to enterprise growth.

Anchored in Human Capital Theory (HCT), Resource-Based Theory (RBT), and the Economic Theory of Entrepreneurship, the study offers a multidimensional explanation of how entrepreneurial capabilities are developed and sustained. Specifically, skills and knowledge acquisition (HCT), access to strategic resources and support structures (RBT), and opportunity creation within enabling economic environments (Economic Theory of Entrepreneurship) interact to shape entrepreneurial success. These theoretical insights translate into several key contributions and implications for business practice and policy.

- a. The findings underscore the importance of practical skills development, particularly in marketing, financial literacy, and customer management, as a foundation for business sustainability and growth.
- b. This study highlights the value of customised business development services that are responsive to the specific needs of young entrepreneurs and capable of improving operational effectiveness.
- c. Mentorship programmes emerge as a central mechanism for navigating business challenges, building confidence, and facilitating access to opportunities, requiring mentors who are contextually aware and resourceful.
- d. The results emphasise the need for structured networking platforms that connect youth to investors, partners, and industry experts.
- e. Financial inclusion, through grants, microfinance, and seed funding, is identified as essential for venture establishment and long-term viability, particularly in resource-constrained settings.
- f. Community participation is shown to play a vital role in strengthening entrepreneurial ecosystems by fostering inclusivity and social support.
- g. Finally, the study advocates for evidence-based policy implementation that addresses contextual barriers faced by youth and enhances the reach, quality, and sustainability of incubation initiatives.

In conclusion, the study demonstrates that entrepreneurial incubation programmes possess substantial potential to alleviate youth unemployment by equipping young people with relevant skills, practical exposure, mentorship, and access to developmental networks and financial resources. By integrating HCT, RBT, and the Economic Theory of Entrepreneurship, the study presents a robust analytical framework linking capability development, resource coordination, and economic opportunity. This framework not only addresses existing gaps in the literature but also offers a practical model for policymakers, practitioners,

and researchers seeking to leverage entrepreneurship as a sustainable pathway for employment creation in resource-constrained environments.

### Limitations of the Study

This study is subject to several limitations. First, the qualitative case study design limits the generalisability of the findings beyond the Walter Sisulu University incubation context. Second, the reliance on self-reported data may introduce response bias, as participants may have emphasised positive experiences. Third, the study focused on a single province, which may not fully capture regional variations in incubation effectiveness across South Africa. Despite these limitations, the study provides valuable contextual and empirical insights that can inform future comparative and mixed-methods research.

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