



International Journal Advanced Research Publications

ENTREPRENEURIAL ILLUSIONS AND THE DEVALUATION OF EDUCATION: HOW SOUTH AFRICA'S TENDER ECONOMY RESHAPES YOUTH PERCEPTIONS OF SCHOOLING, MOBILITY AND SUCCESS

*Humphrey Lepheth Motsepe

Limpopo Department of Agriculture and Rural Development (Towooomba Research Centre), Management College of Southern Africa (MANCOSA) and University of Venda, South Africa.

Article Received: 31 October 2025, Article Revised: 20 November 2025, Published on: 10 December 2025

*Corresponding Author: Humphrey Lepheth Motsepe

Limpopo Department of Agriculture and Rural Development (Towooomba Research Centre), Management College of Southern Africa (MANCOSA) and University of Venda, South Africa.

DOI: <https://doi-doi.org/101555/ijrpa.2561>

ABSTRACT:

This article examines how exposure to South Africa's tender-driven economy influences youth attitudes toward formal education, social mobility, and definitions of success. Drawing on the notion of "tenderpreneurship", where individuals secure government contracts with minimal formal education, the paper explores narratives in which financial gain, rather than schooling, becomes a marker of achievement. Employing a conceptual analytical approach grounded in recent empirical studies on youth entrepreneurship and educational inequality in South Africa, the article synthesises evidence about: (a) the limitations of entrepreneurship education and the disconnect between formal qualifications and tender-based success; (b) structural factors that incentivise pursuing tender opportunities over schooling; and (c) the resulting implications for social inequality and long-term economic development. I find that while formal education remains strongly associated with lower unemployment risk and higher human capital, for a subset of youth, the visibility of tender-derived wealth fosters a devaluation of schooling. This devaluation may contribute to increased dropout rates and a deteriorating societal perception of education's instrumental value. The paper argues that policy and academic discourses must re-engage with the social value of education beyond immediate financial returns. Implications include the need to strengthen institutional transparency in procurement, reorient entrepreneurial support programmes, and invest in

human capital development to safeguard the long-term viability of both youth aspirations and equitable economic growth.

KEYWORDS: Education devaluation, South Africa, Social mobility, Tenderpreneurship, Youth perceptions.

INTRODUCTION AND BACKGROUND

In South Africa, the relationship between formal education, youth unemployment, and emerging pathways to economic success continues to evolve in ways that complicate the traditional narrative that schooling is the primary route to social mobility. Policy frameworks and public institutions consistently promote education as essential for economic inclusion and long-term employability, a position supported by empirical labour-market trends showing that individuals with higher levels of education face significantly lower unemployment rates (Statistics South Africa, 2025a). Yet, despite these measurable benefits, many young people remain unconvinced that formal education will translate into stable work or upward mobility. Youth unemployment remains one of South Africa's most persistent socio-economic challenges. The latest labour force data show that young people aged 15–34 continue to experience unemployment levels far above the national average, with millions classified as not in employment, education or training (NEET) (Statistics South Africa, 2025b). Even among those who complete matric, secure qualifications, or participate in public training programmes, absorption into the labour market remains limited. This disconnect between educational investment and employment prospects contributes to widespread frustration and a declining sense of confidence in education as a reliable pathway to success.

Against this backdrop, a contrasting set of social signals has emerged. South Africa has witnessed increasing public visibility of individuals who achieve financial success through government procurement contracts, often referred to as tender-based entrepreneurship or “tenderpreneurship.” Although the term has been used in public discourse for more than a decade, concerns about preferential tender allocation, political patronage, and irregular procurement practices remain prominent in contemporary assessments of governance and economic opportunity (Martin van Staden, 2024). These assessments frequently highlight cases in which individuals with limited formal schooling or minimal business experience secure high-value tenders and accumulate considerable wealth. Media coverage and social media amplification have played a central role in shaping public awareness of this phenomenon. High-profile displays of tender-derived wealth, luxury vehicles, designer

clothing, and lavish lifestyles, create powerful images of success that compete directly with the slower and less glamorous trajectory associated with formal education. These images resonate particularly strongly with young people navigating a stagnant labour market. Studies of youth aspirations in South Africa demonstrate that visible success, even when achieved through irregular or opaque processes, can influence perceptions of what constitutes a realistic or desirable life trajectory (Statistics South Africa, 2025b).

This paper examines how a tender-driven economy contributes to what can be described as “entrepreneurial illusions,” in which the financial rewards associated with procurement contracts appear more attainable and more rewarding than the uncertain outcomes of pursuing education. The central research problem is the tension between education-as-empowerment narratives promoted by government policy and the counter-narratives generated by real-world examples of tender-based wealth. While education remains foundational to long-term human capital development, the existence of visible shortcuts to prosperity may erode the perceived legitimacy of schooling, particularly within communities where unemployment is high and opportunities are scarce. The objectives of this paper are threefold:

First, it synthesises recent literature on education, youth unemployment, and entrepreneurship in South Africa to provide a grounded understanding of the socio-economic context.

Second, it examines structural and institutional factors that enable tender-based success for individuals without formal qualifications, including governance weaknesses and procurement inefficiencies identified in contemporary policy critiques (Martin van Staden, 2024).

Third, it considers how these dynamics shape young people’s perceptions of success, mobility, and the value of formal schooling.

Understanding this intersection is critical. If education continues to lose its symbolic and practical value, South Africa faces long-term risks to its human capital base, social cohesion, and economic stability. At the same time, a procurement environment that rewards connections over competence undermines public trust and reinforces inequality. These dual pressures highlight the need for clearer insights into how tender-derived entrepreneurship influences youth aspirations. This paper therefore investigates the following research question:

How does the prominence of tender-derived entrepreneurship in South Africa influence youth perceptions of the value of formal education and social mobility?

LITERATURE REVIEW

Research on youth entrepreneurship in South Africa has evolved significantly over the last decade, largely in response to persistent structural unemployment and slow labour-market absorption. Much of this work positions entrepreneurship education as a strategic intervention for enabling young people to create their own economic opportunities rather than relying solely on wage employment. Recent studies continue to argue that building entrepreneurial capability can contribute meaningfully to self-employment outcomes by enhancing entrepreneurial confidence, knowledge, and mindsets (Ncube, 2024). This literature typically frames entrepreneurship education as a transformative tool capable of developing self-efficacy, fostering creativity, and equipping youth with the competencies needed to pursue business ventures in a rapidly changing economy. Similar findings are echoed in international research where scholars such as Tesfaye and Haider (2021, as cited in Ncube, 2024) emphasise that entrepreneurship education strengthens entrepreneurial intention through improved skills and positive attitudes. However, despite the growing emphasis on entrepreneurship as a policy priority, the practical outcomes of entrepreneurship education remain mixed. High failure rates of youth-owned start-ups illustrate that entrepreneurial ambition alone cannot overcome structural constraints such as limited access to finance, high competition, inadequate mentorship, and insufficient market linkages (Fatoki, 2022). Recent South African analyses further demonstrate that while many young people aspire to start businesses, only a small fraction manage to sustain them over time, largely because structural and institutional barriers limit their ability to convert entrepreneurial skills into viable enterprises (Meyer, 2023). These findings challenge overly optimistic claims within some policy documents that entrepreneurship education can be a singular solution to youth unemployment.

The researcher observes that although the rhetoric around entrepreneurship is increasingly enthusiastic, the empirical evidence presents a more sober reality. Entrepreneurship education strengthens intention but does not automatically translate into successful business formation. This nuance is important because policy narratives sometimes conflate awareness, interest, and actual entrepreneurial activity, creating unrealistic expectations about entrepreneurship's ability to absorb unemployed youth. Another core strand of literature focuses on the education system itself. Researchers consistently argue that South Africa's schooling sector continues to reproduce social inequalities, making it difficult for young people from disadvantaged backgrounds to achieve upward mobility. A range of studies show that

persistent inequalities in schooling resources, teacher quality, infrastructure, and learning outcomes deepen pre-existing disadvantage and weaken the transition from school to work (Spaull & Pretorius, 2022). The most recent national assessments continue to show that many learners leave school without foundational numeracy and literacy competencies, which significantly reduces their chances of thriving in either employment or entrepreneurial ventures (Department of Basic Education, 2023).

This body of work argues that education remains a critical determinant of economic opportunity, but the system's uneven performance limits its mobility-enhancing potential. For many youth, especially those from under-resourced communities, obtaining quality education remains an uphill battle. Consequently, their entry into the labour market is characterised by unstable, low-paying, or informal jobs that offer little long-term security (Spaull & Pretorius, 2022). In examining this dynamic, the researcher concurs that structural educational inequality plays a central role in shaping youth aspirations and their perceptions of what is realistically attainable through schooling. Scholars have also explored the mismatch between education and labour-market demands. Evidence shows that many graduates struggle to find employment not because of lack of education but because the economy is not producing enough jobs for a growing youth population (Seekings, 2021). Furthermore, employers frequently cite lack of experience, weak problem-solving capacity, and poor work readiness as major challenges, suggesting that formal qualifications alone are insufficient for labour-market success (Meyer, 2023). This literature highlights that educational attainment does not guarantee employment outcomes in contexts where structural unemployment is persistent. This contributes to disillusionment among young people who invest in schooling but still find themselves excluded from formal employment.

A growing segment of scholarship also critiques the strongly individualised framing of entrepreneurship education. Several researchers argue that placing the burden on youth to "create their own opportunities" obscures the structural constraints that limit entrepreneurial success, such as market saturation, lack of financial inclusion, poor business infrastructure, and barriers to accessing supportive networks (Fatoki, 2022; Meyer, 2023). The researcher supports this critique because it aligns with empirical evidence indicating that structural rather than personal factors primarily determine whether youth businesses succeed or fail. Although literature on youth entrepreneurship is well established, there is comparatively limited academic engagement with the phenomenon of tender-based entrepreneurship,

commonly referred to as “tenderpreneurship.” Tenderpreneurship involves individuals or companies securing lucrative government contracts, often facilitated through political connections, insider information, or governance weaknesses. While the term has been widely used in public discourse, recent scholarship examining its implications within contemporary South Africa is relatively limited. Earlier work such as Gasa (2017) examined the dependency of some businesses on state tenders but paid limited attention to the broader social and cultural consequences of tender-based wealth accumulation. What remains understudied in current scholarship is how this form of entrepreneurship influences youth aspirations, attitudes towards schooling, and perceptions of mobility.

Over the past five years, corruption-focused literature has revived interest in procurement processes, highlighting widespread irregularities, inflated contract values, poor oversight, and the entrenchment of patronage networks (Martin van Staden, 2024). Reports by civil society organisations, oversight bodies, and investigative journalists consistently document cases where tender allocation is guided more by political affiliation and personal networks than competence, qualifications, or proven business capacity. This emerging evidence presents a troubling disconnect between formal expectations of merit and the actual functioning of procurement systems across various government departments. The visibility of tenderpreneurship has been amplified by social media platforms where individuals publicise lifestyles marked by expensive vehicles, designer clothing, and luxury travel. These displays create powerful imagery that competes with more traditional success narratives rooted in education, hard work, and gradual career progression. Youth studies show that when young people observe peers or community members achieving rapid wealth through non-educational means, they may begin to question the value of prolonged schooling (Statistics South Africa, 2025).

The researcher notes that this situation introduces a socio-cultural dimension to entrepreneurship discourse that is largely absent from mainstream analyses. In contrast to traditional entrepreneurship, which is associated with risk-taking, innovation, and value creation, tenderpreneurship is often perceived as an avenue made accessible through connections rather than capability. Yet for youth living in socio-economically depressed areas, the tangible visibility of tender-derived wealth may outweigh abstract policy messages about the importance of formal education. Recent public administration scholarship emphasises how weak procurement governance contributes to these outcomes. Studies on

public-sector accountability have shown that poorly monitored procurement processes create opportunities for opportunistic contracting, front-ing, and the outsourcing of government functions to politically connected entities (Williams, 2023). These studies suggest that procurement in South Africa has shifted from a technical administrative process to a politicised economic arena where economic opportunity is deeply intertwined with political networks. Surprisingly, youth development literature rarely intersects with governance literature on procurement corruption. Most youth scholarship focuses on employment, education, psychological wellbeing, and socio-economic exclusion but does not consider how governance failures shape youth conceptualisations of success. Conversely, governance studies describe the procedural failures of procurement but pay little attention to their social consequences on youth aspirations. This gap is precisely where the present article positions itself.

The researcher introduces a new dimension to this conversation by arguing that tenderpreneurship represents more than an economic phenomenon; it is also a cultural narrative that competes with formal education as a symbol of upward mobility. This narrative is particularly compelling in communities where unemployment is high, educational outcomes are uneven, and traditional labour markets are stagnant. Within such settings, stories of individuals who become millionaires without completing school may carry greater weight than policy statements about the long-term benefits of education. Furthermore, while entrepreneurship education literature centres on skills, innovation, and individual agency, tenderpreneurship literature, where it exists, focuses largely on corruption, irregularity, and state capture. There is almost no research that explicitly investigates youth perceptions of tender-based success or how the visibility of tenderpreneurs influences schooling decisions. Given the increasing digital exposure of young people to images and narratives of rapid tender-based wealth, this omission in scholarship is significant.

The researcher is not in support of narratives that glamorise tenderpreneurship as a legitimate entrepreneurial pathway. However, the researcher argues that ignoring the cultural and perceptual influence of tenderpreneurship leaves youth policy incomplete and disconnected from lived realities. For many young people, social comparison plays a central role in shaping aspiration. When the most visible success stories involve individuals who accumulate wealth without formal skills or qualifications, schooling may appear to be an inefficient or irrelevant pathway. This insight aligns with broader social theory research indicating that perceptions of

opportunity are shaped not only by economic structures but also by cultural narratives and visible role models (Seekings, 2021). When role models reflect pathways outside education, the symbolic value of education diminishes. The challenge, therefore, is to examine how youth interpret the mixed messages within South Africa's socio-economic landscape: a labour market that rewards education unevenly, an entrepreneurship ecosystem struggling with structural obstacles, and a procurement system that appears to reward connections over capability.

The literature reviewed demonstrates that although entrepreneurship remains a popular policy tool, its influence on youth is shaped by diverse social and structural factors. Education literature highlights inequality and uneven outcomes, while governance literature underscores systemic weaknesses that enable tenderpreneurship. Yet there is limited integration between these literatures. Thus, there is a clear need for scholarship that bridges the analytical gap between entrepreneurship studies and the socio-cultural realities associated with tender-derived wealth. This article contributes to that emerging conversation by examining how tenderpreneurship reshapes youth perceptions of education, success, and mobility in South Africa's evolving economic landscape.

THEORETICAL FRAMEWORK

This analysis is anchored in two complementary theoretical perspectives that help explain both the economic and sociocultural dynamics shaping youth perceptions of education within South Africa's tender-driven environment. The first perspective is human capital theory, which remains central to how policymakers and scholars interpret the relationship between education, skills acquisition, and long-term economic outcomes. Recent work continues to confirm that education contributes directly to improved employability, increased productivity, and greater resilience in shifting labour markets (Mabaso & Ontong, 2025). Human capital theory argues that individuals accumulate knowledge and competencies through schooling, and these capabilities enhance their capacity to participate meaningfully in the economy. In South Africa, where labour market demands are increasingly shaped by digital transformation and the Fourth Industrial Revolution, human capital development is consistently presented as a necessary condition for economic growth and national competitiveness (Mabaso & Ontong, 2025; OECD, 2025). From this perspective, investment in formal education is not only a personal strategy for upward mobility but also a societal priority for building a skilled labour force capable of driving innovation and sustaining

development. Human capital theory therefore provides a strong foundation for understanding why education continues to be promoted by the state, employers, and international development agencies as a key instrument for reducing unemployment and inequality.

However, economic explanations alone do not fully capture the social reality in which South African youth are making decisions about schooling and work. For this reason, the analysis also employs a sociological lens focused on value formation, legitimacy, and the social construction of success. Sociological theories highlight that perceptions of what counts as valuable or legitimate are shaped not only by institutional messaging but also by observable outcomes in everyday life. When young people witness tangible and immediate wealth accumulated by individuals who do not necessarily possess formal qualifications, they may begin to question the inherent value of education (Seekings, 2021). In such contexts, legitimacy becomes attached to visible indicators of success rather than the processes or formal credentials traditionally associated with upward mobility. This dynamic is particularly pronounced in environments where tender-derived wealth is highly visible. Public discussions on social media and in communities often showcase individuals who secure government contracts and rapidly accumulate financial capital without completing secondary or tertiary education (Williams, 2023). The researcher views this as a sociocultural shift where lived experiences and observable patterns of reward overshadow institutional narratives on the necessity of education. When tenderpreneurship becomes normalized within communities, it can redefine what success looks like and reshape the pathways young people view as viable. The value of formal education may decline not because its economic potential disappears, but because alternative forms of capital, social networks, political connections, or access to procurement systems, appear more immediately rewarding.

Combining these two perspectives allows the researcher to examine the tension between economically rational assessments of education and the sociocultural revaluation of success. Human capital theory explains the long-term benefits of education and the risks that arise when formal learning is undermined. The sociological lens, however, explains why these risks can materialize even when educational returns remain strong. It draws attention to how shifts in public perception, social comparison, and symbolic value can influence individual decision-making, sometimes in ways that contradict traditional economic logic. Taken together, this theoretical framework allows the researcher to analyse how tender-driven entrepreneurship may weaken the perceived legitimacy of schooling. It provides a basis for

understanding why some youth may choose to exit the education system prematurely, why entrepreneurial illusions become attractive, and why national strategies focused solely on improving educational outcomes may be insufficient without addressing the socio-economic environment that shapes how success is understood.

METHODOLOGY

The researcher adopted a conceptual analytical design to interrogate how South Africa's tender-driven economic environment may influence youth perceptions of education, social mobility, and success. This approach was chosen because the purpose of the study is to explore societal dynamics, structural conditions, and discursive patterns rather than gather personal or sensitive data from individuals. Conceptual analysis is well suited for examining emerging socio-economic trends, particularly when the literature is fragmented or when empirical research on the specific topic is still developing (Amoah & Amoah, 2023). By drawing on existing scholarly work, policy documents, and public datasets, the researcher was able to critically synthesise knowledge without engaging human subjects, which eliminates the need for formal ethical clearance.

The research process began with a structured review of recent peer-reviewed publications related to youth entrepreneurship, education, and labour market transitions. Studies on entrepreneurship education were particularly important because they offer insight into how young people develop entrepreneurial intentions and how these intentions translate into practice within African contexts (Agbaje et al., 2024; Ncube, 2024). These sources also highlight the persistent gap between theoretical entrepreneurship training and the practical realities of running a sustainable business in structurally constrained environments. The researcher considered such literature essential for understanding why tender-based opportunities may appear more attainable or attractive to young people who struggle to convert entrepreneurial education into viable enterprises.

The review further incorporated recent analyses on youth unemployment and inequality, which provide critical context for understanding why alternative pathways to economic mobility gain traction among young people (Seekings, 2021; Statistics South Africa, 2025b). South Africa's labour market remains characterised by low absorption rates, skill mismatches, and high levels of long-term unemployment among youth, factors that often shape perceptions of formal schooling and training. These structural realities amplify the

appeal of non-traditional economic routes, including tender-driven entrepreneurship, especially in communities where successful tenderpreneurs are both visible and influential.

To examine the structural and institutional dynamics of tendering, the researcher also reviewed research on public procurement processes and governance. Although some foundational work predates the five-year window, its relevance lies in its detailed examination of how dependency on government tenders evolves and how tenderpreneurship becomes institutionalised within certain economic sectors (Gasa, 2017). More recent scholarship documents ongoing challenges in procurement governance, including weak accountability mechanisms, limited transparency, and the persistence of politically connected networks that benefit disproportionately from state contracts (Williams, 2023). These sources provide critical insight into why tendering can become a parallel pathway to success that operates independently of formal educational qualifications.

Following the literature selection, the researcher employed a qualitative thematic synthesis method to integrate the findings. This involved identifying recurring patterns across sources, clustering these patterns into analytical themes, and interpreting how the themes relate to the research question. Thematic synthesis is a recognised approach for conceptual and theoretical work because it enables researchers to trace connections between social norms, institutional practices, and economic structures (Fatoki, 2022; Meyer, 2023). Through this method, the researcher identified three overarching themes: the normative appeal of tenderpreneurship, the structural barriers that hinder sustainable entrepreneurship among youth, and the gradual devaluation of education observed in community attitudes and public discourse.

This methodology allows the researcher to draw broader insights into how tender-derived wealth shapes perceptions of legitimate success, even without collecting primary data. By synthesising multidisciplinary scholarship and policy evidence, the conceptual design provides a comprehensive foundation for exploring how youth in South Africa interpret the relationship between schooling, mobility, and visible forms of economic achievement.

RESULTS

The synthesis of contemporary literature, labour market data, and policy analyses produces three interrelated findings that illuminate the complex landscape in which South African youth interpret the value of education, assess entrepreneurial opportunities, and react to visible examples of tender-based wealth. These findings point to an evolving tension between

formal education, structural unemployment, and alternative paths to economic participation. Together, they demonstrate why the prominence of tender-driven success has significant implications for youth perceptions of mobility and legitimacy.

Formal education continues to provide measurable labour-market advantages, even as youth remain sceptical of its value

Across multiple studies, formal educational attainment remains one of the strongest predictors of improved labour-market outcomes in South Africa. Contemporary human capital research confirms that the country's shift toward digitalisation and Fourth Industrial Revolution technologies places a premium on cognitive, technical, and adaptive skills that are typically developed through structured education and post-school training (Mabaso & Ontong, 2025). This literature consistently shows that those with upper secondary education or higher qualifications experience lower unemployment rates and greater employability prospects in a rapidly transforming economy (OECD, 2025). National labour statistics reinforce this pattern. According to the latest labour force data, unemployment is significantly lower among individuals with matric and post-school qualifications compared to those without any secondary education (Statistics South Africa, 2025a). This association aligns with long-standing international evidence demonstrating that educational attainment enhances productivity, employability, and wage prospects, particularly in labour markets undergoing digital transitions (OECD, 2025). However, despite these measurable benefits, youth in South Africa often remain unconvinced that education will translate into meaningful opportunities. The researcher finds that this scepticism is shaped by two structural pressures. First, the overall labour-absorption rate remains low, even among educated youth, which produces frustration and weakens the perceived return on educational investment (Statistics South Africa, 2025b). Second, visible cases of individuals achieving rapid financial success without formal qualifications disrupt the expected relationship between schooling and economic mobility. In other words, although the data confirm that education continues to matter in the labour market, young people do not always experience its benefits in tangible ways. This disconnect influences how they interpret success, value education, and make decisions about their own futures. The researcher argues that in a context of high unemployment, these structural contradictions weaken the symbolic power of schooling and create a fertile environment for alternative success narratives to flourish.

Entrepreneurship education increases intentions but rarely produces durable, sustainable enterprises

The literature shows that entrepreneurship education programmes have expanded across South Africa, particularly as policymakers promote small enterprises as engines of job creation. Empirical studies consistently find that entrepreneurship education enhances entrepreneurial intentions, confidence, and self-efficacy among young people. For example, research on university-level and vocational entrepreneurship programmes shows that exposure to entrepreneurial training increases motivation to start a business and fosters an entrepreneurial mindset (Amoah & Amoah, 2023). Similar findings appear in systematic reviews, which conclude that targeted entrepreneurship education strengthens perceived feasibility and desirability of entrepreneurial activity (Agbaje et al., 2024). Yet despite these promising psychological outcomes, evidence shows that intentions rarely translate into sustainable business creation. Recent studies indicate that most youth-owned start-ups struggle to survive due to limited market access, insufficient start-up capital, weak social networks, and lack of practical experience in running a business (Amoah & Amoah, 2023). Structural barriers such as bureaucratic complexity, slow regulatory processes, and poor access to financial services further reduce the likelihood of early business survival (Western Cape Government, 2024). The researcher notes that these challenges are particularly acute in historically marginalised communities, where young entrepreneurs face resource constraints, limited mentorship, and saturated local markets. Many youth report that while entrepreneurship education improved their confidence, it did not prepare them sufficiently for the practical demands of sustaining a business in volatile economic conditions. An important insight emerging from this synthesis is that entrepreneurship education alone cannot overcome the structural constraints that shape youth economic participation. While it may enhance motivation, it does not sufficiently compensate for systemic weaknesses in the business ecosystem. The researcher therefore argues that youth often turn to alternative forms of entrepreneurship, including tender-based opportunities, because these appear to bypass structural barriers that hamper traditional business development.

Tender-driven entrepreneurship bypasses formal qualification barriers and reshapes youth perceptions of success and legitimacy

Although formal entrepreneurship pathways remain constrained, tender-driven entrepreneurship represents a distinct and highly visible alternative. The literature identifies tender-based enterprise development as a long-standing feature of South Africa's

procurement landscape. Earlier analyses documented the emergence of so-called “tenderpreneurs”, individuals whose businesses derive most or all of their income from government procurement contracts (Gasa, 2017). These studies described a heavy dependence on state tenders, with some firms receiving over 90 percent of their revenue from government contracts (Gasa, 2017). More recent policy analyses highlight persistent concerns about procurement inefficiencies, political patronage, and opportunities for irregular tender allocation (Martin van Staden, 2024). These reports suggest that despite attempts to strengthen procurement governance, the system remains vulnerable to manipulation by well-connected actors. This environment creates pathways through which individuals without formal qualifications, business experience, or technical expertise can access substantial financial returns. The researcher observes that this phenomenon is especially influential in shaping youth perceptions because tender-based wealth is highly visible in public spaces and social media. Luxury cars, expensive homes, and high-end consumer goods displayed by tender beneficiaries circulate widely on digital platforms. These images introduce an alternative narrative of success that competes with the slow, disciplined, and uncertain trajectory associated with formal schooling. At the psychosocial level, the prominence of tender-driven wealth may contribute to what the researcher terms *entrepreneurial illusions*.

These illusions involve the belief that:

- formal education is unnecessary for upward mobility,
- financial success is accessible through state contracts rather than through skills or innovation, and
- business success depends more on networks or political connections than on competence or qualifications.

Although the existing literature does not systematically document the consequences of these perceptions for youth, studies on aspiration formation suggest that visible models of success have powerful normative influence, especially in contexts of socio-economic inequality (Statistics South Africa, 2025b). The researcher argues that exposure to tender-based success can shift youth aspirations away from education-dependent careers and toward strategies that appear easier, faster, and more financially rewarding. The literature gaps are notable. While earlier analyses examined the mechanics of tenderpreneurship, there is almost no contemporary research on its symbolic meaning for young people. Likewise, very few studies assess how tender-derived wealth alters youth attitudes toward schooling or contributes to school disengagement. The researcher identifies this as a critical gap, particularly given

continued reports of young people leaving formal education in pursuit of entrepreneurial pathways that appear more promising.

A new dimension: Tender-driven success as a cultural and economic signalling system

Beyond the three main findings, the synthesis reveals an emerging cultural dimension not yet covered widely in the literature. Tender-based wealth functions as a form of social signalling, communicating that status, recognition, and mobility can be achieved rapidly and without academic credentials. The researcher contends that this signalling influences youth in three ways:

1. ***Status signalling***: Wealth associated with tenders is perceived as legitimate or aspirational, regardless of the means through which it is achieved. This weakens the symbolic value of education as a status marker.
2. ***Mobility signalling***: Tender success suggests that rapid upward mobility is possible through networks rather than through educational achievement, which can alter how young people set long-term goals.
3. ***Risk signalling***: Youth may underestimate the risks associated with tender-based income, including its instability, political vulnerability, or legal uncertainties, because social media emphasises rewards rather than costs.

This new dimension deepens the understanding of why tenderpreneurship is so influential despite its limited representation within the overall economy.

DISCUSSION

The findings reveal a complex and multi-layered tension between the promise of formal education and the competing social signals created by South Africa's tender-driven economy. This tension is not merely economic; it is cultural, psychological, and structural. It shapes how young people interpret success, how they imagine their futures, and how they assess the credibility of educational pathways in a society marked by visible inequality and limited labour market absorption.

Education as a stabilising pathway: Reinforced yet increasingly contested

The first set of findings affirms that education continues to function as a stabilising force for long-term employability, particularly in an economy shaped by technological change. Recent analyses of skills demand in South Africa show that digitalisation and Fourth Industrial Revolution technologies place a premium on cognitive and technical competencies that are

most effectively acquired through structured schooling and post-school training systems (Mabaso & Ontong, 2025). The OECD (2025) similarly emphasises that individuals with higher levels of education remain significantly more competitive in labour markets characterised by automation pressures and technological restructuring. National labour market statistics corroborate this relationship. Unemployment rates decline consistently as education levels rise, suggesting that education still plays a protective role against labour-market exclusion (Statistics South Africa, 2025a). Even in contexts where job creation remains sluggish, individuals with matric or tertiary qualifications are more likely to secure stable employment, participate in formal sectors, or access skill-intensive forms of work. Yet despite these measurable benefits, the researcher notes a growing scepticism among youth about whether education is worth the investment. This scepticism is rooted in lived experience: many young people observe that even well-qualified graduates struggle to find employment in an economy where demand for labour remains persistently weak (Statistics South Africa, 2025b). The disconnect between the theoretical value of education and the lived experience of unemployment erodes confidence in schooling as a reliable pathway to mobility.

Entrepreneurship education: Promise without the ecosystem to sustain it

The second set of findings highlights a recurring tension in policy design. South Africa invests heavily in entrepreneurship education as a strategic response to youth unemployment, with the assumption that cultivating entrepreneurial mindsets will generate new enterprises and economic opportunities. Reviews of entrepreneurship programmes demonstrate that such training does increase entrepreneurial intentions, motivation, and confidence (Agbaje et al., 2024). Research by Amoah and Amoah (2023) similarly shows that young people who participate in entrepreneurship education frequently report higher levels of self-efficacy and interest in starting businesses. However, the translation of intention into sustained enterprise formation remains limited. Young entrepreneurs face a combination of structural and operational constraints, including insufficient start-up capital, saturated local markets, limited mentorship, weak networks, and bureaucratic hurdles (Western Cape Government, 2024). Many youth-led start-ups exit the market before reaching maturity, suggesting that entrepreneurship education alone is not enough to overcome wider systemic barriers. The researcher argues that this reveals a critical mismatch between policy assumptions and socio-economic realities. Entrepreneurship education is often conceptualised as a behavioural intervention that changes mindsets, yet the actual barriers confronting young entrepreneurs

are structural. Without supportive ecosystems, access to finance, market linkages, and strong business development services, entrepreneurial intentions cannot mature into sustainable enterprises. This gap in outcomes creates fertile ground for alternative forms of entrepreneurship that appear to bypass structural constraints. One of these is tender-driven entrepreneurship.

Tender-driven entrepreneurship: A parallel economy that reshapes norms and aspirations

The third finding exposes a striking divergence between the conventional pathways promoted through education and the informal norms that shape many young people's perceptions of success. Tender-driven entrepreneurship offers financial rewards that can be immediate, highly visible, and seemingly disconnected from formal qualifications or technical expertise. Earlier work documented an overreliance on government procurement among certain firms, with some deriving the vast majority of their income from tenders (Gasa, 2017). More recent analyses continue to highlight procurement irregularities, patronage networks, and opportunities for individuals with strong political connections to secure lucrative contracts (Martin van Staden, 2024). For young people observing these dynamics, tender-derived wealth can appear more attainable than careers requiring long-term academic investment. Luxury cars, high-end fashion, and public displays of wealth on social media further amplify this perception. The researcher argues that these images create an alternative narrative of success grounded not in educational attainment but in access to networks and state procurement opportunities. This phenomenon has deeper implications for how youth interpret social mobility. Research from Statistics South Africa (2025b) shows that youth aspirations are strongly shaped by visible role models and social signals. When the most visible symbols of economic success do not depend on academic credentials, education can lose its symbolic power. The researcher suggests that tenderpreneurship may produce what can be termed "entrepreneurial illusions": the belief that formal education is optional because wealth can be secured through procurement pathways that require connections rather than competence.

Implications for inequality and human capital development

One of the most concerning implications identified in the findings is the potential erosion of trust in education as a meritocratic institution. When young people perceive that economic rewards are allocated through networks rather than qualifications, they may disengage from schooling or view it as irrelevant. This disengagement threatens both individual life chances

and national development objectives. South Africa's long-term economic success depends heavily on building a skilled, adaptable workforce capable of navigating technological change (OECD, 2025). If education loses legitimacy in the eyes of young people, the country risks undermining its human capital base. Furthermore, the normalisation of tender-based wealth can exacerbate inequality. When procurement systems reward those with political connections, individuals from marginalised communities face even steeper barriers to mobility. This dynamic entrenches a dual economy in which some individuals access rapid wealth through tenders while others remain excluded despite educational achievements. Over time, this may weaken social cohesion and erode public trust in institutions.

Theoretical implications: Expanding human capital theory

The findings suggest that traditional human capital theory requires adaptation to account for the symbolic and normative dimensions of success in the South African context. While human capital theory assumes that education enhances productivity and therefore increases earnings, it does not adequately explain contexts where non-meritocratic pathways offer greater financial rewards. The researcher argues that models of educational investment must incorporate the role of visible success narratives, alternative economic logics, and socio-cultural norms in shaping youth decision-making.

Practical implications: Reforming procurement and strengthening educational credibility

From a practical standpoint, two policy areas require urgent attention:

First, procurement reforms are essential for restoring legitimacy to state contracting. Transparent, merit-based tender systems could help reduce the appeal of tenderpreneurship as a shortcut to wealth. As Martin van Staden (2024) argues, procurement processes must be insulated from political influence to protect public value and promote economic fairness.

Second, entrepreneurship education must be strengthened with real-world resources, mentorship, incubation networks, and market opportunities. Without these, entrepreneurship programmes risk becoming symbolic interventions that raise hope without enabling sustainable outcomes. The researcher argues that when education and entrepreneurial training are meaningfully linked to real economic opportunities, they can offer a credible alternative to the illusion of effortless wealth through tenders.

CONCLUSION

This analysis set out to understand how the growing prominence of tender-based entrepreneurship in South Africa shapes young people's views about schooling, opportunity, and the broader meaning of success. What emerges from the discussion is a complex and evolving landscape in which traditional commitments to education coexist uneasily with the highly visible, often rapid wealth associated with government procurement spaces. This tension is not simply a matter of contrasting career pathways. It reflects a deeper shift in how opportunity is imagined and how young people make sense of the routes available to them in a society still grappling with inequality, unemployment, and uneven access to resources. A central insight from the synthesis is that formal education continues to matter profoundly for long-term empowerment. It strengthens employability, supports resilience in dynamic labour markets, and contributes to a broader stock of skills that a country needs in order to grow. Young people who complete secondary schooling or pursue post-school qualifications tend to have more stable labour market trajectories and greater protection against long-term unemployment. This is particularly true in economies that are becoming more technologically intensive, where even entry-level jobs increasingly require digital literacy and problem-solving competencies. In this sense, schooling is not simply a credential. It represents a foundation for adaptability, critical reasoning, and lifelong learning. These elements remain central to any sustainable development agenda.

At the same time, the analysis illustrates that education alone is not enough to generate broad-based opportunity. Young people are often encouraged to view entrepreneurship as an alternative pathway to economic advancement, especially in contexts where formal employment is scarce. Yet the findings demonstrate that the transition from entrepreneurial intention to sustainable enterprise is not straightforward. Many youth who participate in entrepreneurship education programmes do not succeed in establishing ventures that endure beyond the start-up stage. The reasons extend beyond personal motivation. They include limited access to finance, weak market linkages, lack of networks, and insufficient mentoring or incubation support. When these structural barriers are overlooked, entrepreneurship education risks becoming symbolic rather than transformative. It raises expectations without addressing the systemic constraints that shape entrepreneurial ecosystems. This gap between intention and lived experience contributes to frustration and a sense of stagnation among young aspiring entrepreneurs. Into this space enters the phenomenon of tender-driven entrepreneurship, which offers a visibly different route to economic success. Unlike formal

employment or conventional start-ups, tender-based enterprises do not necessarily require advanced qualifications or extensive technical expertise. In some cases, access to procurement opportunities is mediated through personal networks, political ties, or informal social capital rather than through merit or demonstrated competence. This creates a parallel pathway where substantial financial gain can be achieved quickly and without the long investment horizon associated with education or business development. The effect of this parallel route is significant. It reshapes what many young people perceive as possible and shifts attention toward the kinds of success that appear more accessible and financially rewarding in the short term.

The implications are profound. When young people witness significant wealth generated through tenders, especially when such success is not linked to academic achievement or specialised skills, it can disrupt the narrative that education is the most reliable path to upward mobility. Over time, this may lead to what could be described as an erosion of the symbolic value of schooling. If the rewards of education are viewed as slow, uncertain, or misaligned with labour market demands, while tender-based wealth appears immediate and attainable, young people may become less motivated to invest in their studies. In communities where tender entrepreneurship is both visible and celebrated, the social norms that guide aspiration may shift accordingly. This can influence educational outcomes, including school completion rates or attitudes towards academic performance. The potential consequences for society are far-reaching. If fewer young people see value in pursuing education, the long-term development of human capital may suffer. This has direct implications for national productivity, innovation potential, and the country's ability to compete in a knowledge-based global economy. It can also entrench inequality. Tender opportunities are not evenly distributed. They often favour those with stronger social connections or proximity to political networks. If youth perceive tenders as the primary route to success, but only a limited subset can realistically access them, the result may be heightened frustration, alienation, and social division. Moreover, this dynamic risks normalising the idea that connections matter more than competence, which undermines confidence in meritocratic systems and weakens public trust.

For policymakers, this tension calls for a dual strategy. On one hand, procurement systems must be reformed so that they operate transparently and reward demonstrable capacity rather than social capital. A procurement environment that prioritises technical quality,

accountability, and fair competition can reduce the perception that tenders are a shortcut to wealth. This does not mean eliminating opportunities for small or youth-owned businesses. Instead, it requires designing procurement processes that genuinely support emerging entrepreneurs while maintaining rigorous standards. Transparent and well-regulated procurement can help restore confidence in public systems and reduce the incentive to view education as irrelevant. On the other hand, the country must also invest more deliberately in entrepreneurial ecosystems that provide meaningful support to young people who want to build sustainable businesses. This includes improving access to seed funding, strengthening business incubation platforms, expanding mentorship networks, and facilitating linkages to markets. When young entrepreneurs are able to participate in real economic value chains, entrepreneurship becomes a credible alternative rather than a symbolic aspiration. Such support should be integrated with education systems so that students acquire not only theoretical knowledge but also practical competencies, experiential learning opportunities, and exposure to real-world enterprise development.

Education policy itself may need to evolve as well. Strengthening the alignment between schooling and labour market realities can make education more relevant and attractive. Expanding digital skills training, enhancing vocational and technical programmes, and integrating problem-solving activities into curricula can better prepare young people for the demands of modern economies. Schools and universities can also play a role in shaping the social meaning of success, emphasising long-term capability rather than short-term gain. Career guidance, mentorship, and exposure to varied role models can help broaden young people's sense of possibility. Looking ahead, further empirical research is essential. Much of the current understanding of tender-driven perceptions is anecdotal or inferred from broader socio-economic trends. It is important to examine, in a systematic way, how widespread these views are among youth and how deeply they influence decisions about schooling. Research should explore whether exposure to tenderpreneurship correlates with dropout rates, shifts in academic motivation, or altered attitudes toward career planning. Longitudinal studies may provide insights into how these perceptions evolve over time and how they affect long-term life outcomes. It is equally important to investigate gendered, regional, or class-based differences in these perceptions, as young people's experiences are not homogeneous.

In summary, this conceptual analysis highlights an important societal crossroads. South Africa's young people are navigating a landscape where traditional pathways to opportunity

coexist with highly visible alternative routes. The prominence of tender-based success does not negate the value of education, but it complicates how education is understood and prioritised. Responding to this reality requires action that strengthens both the integrity of public procurement and the quality of educational and entrepreneurial support systems. A society that wants to build inclusive, sustainable development cannot afford to allow young people to believe that the most promising opportunities lie outside the realm of skill, effort, or learning. By addressing the tensions identified in this analysis, South Africa can work towards a future in which education and entrepreneurship complement each other, providing young people with genuine, equitable pathways to success.

REFERENCES

1. Agbaje, O. M., Naidoo, R., & Govender, K. (2024). *Entrepreneurship education and youth entrepreneurial intentions in sub-Saharan Africa*. Journal of Entrepreneurship in Emerging Economies, 16(2), 355–372.
2. Amoah, P., & Amoah, S. K. (2023). *Entrepreneurship education and business start-up outcomes among African youth*. Education + Training, 65(1), 14–32.
3. Department of Basic Education. (2023). *National Senior Certificate diagnostic report 2022*. Department of Basic Education.
4. Fatoki, O. (2022). *The failure of new small businesses in South Africa: A thematic analysis*. Journal of Social Sciences, 64(1), 12–22.
5. Gasa, V. (2017). *Dependency on government tenders: Implications for entrepreneurship*. Journal of Public Administration, 52(4), 692–708.
6. Gasa, V. (2017). *The rise of tenderpreneurs in South Africa*. South African Institute of Race Relations.
7. Mabaso, B., & Ontong, K. (2025). *Skills development for the Fourth Industrial Revolution in South Africa*. Journal of Human Resource Development in Africa, 12(1), 45–62.
8. Martin van Staden. (2024). *Curbing tender corruption: Separating economy and state*. Institute of Race Relations.
9. Meyer, N. (2023). *Barriers facing youth entrepreneurs in South Africa: A review of recent evidence*. Journal of Contemporary Management, 20(1), 260–278.
10. Ncube, M. (2024). *Entrepreneurship education and youth entrepreneurial intention in South Africa*. Journal of Entrepreneurship Education, 27(2), 45–59.

11. OECD. (2025). *Education at a Glance: South Africa Country Note*. Organisation for Economic Co-operation and Development.
12. Seekings, J. (2021). *The social and political consequences of South Africa's youth unemployment crisis*. Social Dynamics, 47(3), 480–497.
13. Spaull, N., & Pretorius, E. (2022). *Learning losses and inequality in South Africa's education system*. South African Journal of Childhood Education, 12(1), 1–10.
14. Statistics South Africa. (2025a). *Quarterly Labour Force Survey (Q3 2025)*. Pretoria: Statistics South Africa.
15. Statistics South Africa. (2025b). *The Social Profile of South African Youth 2014–2024*. Pretoria: Statistics South Africa.
16. Williams, Z. (2023). *Procurement governance and accountability challenges in South Africa*. Journal of Public Administration, 58(1), 112–130.