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Towards a Theoretical Framework for Social Enterprise in South Africa

by
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A thesis submitted in fulfillment of the requirements
For the degree of Doctor of Philosophy

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Supervisors:

Dr Kerrin Myres

Declaration:

I declare that this thesis is my own, unaided work. It is being submitted for the degree of Doctor of Philosophy in the University of The Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

_____

(Signature of candidate)

Date:

Dedication:

I dedicate this thesis to my late mother, and my father, who brought us up to believe that our lives are irrevocably altered by learning and service. During the course of this research I lost my mother to breast cancer. In recognition of her legacy of service to those in need I dedicate this work to her. I am inspired by my father who drew strength from adversity created by loss, and who, at the age of 86, continues to serve those in need with conviction. Together, my parents brought light to this world and positively touched the lives of many South Africans. Their work resonates with me and influenced the choice of this thesis topic because social entrepreneurship is about helping those in need.

Abstract

The last 20 years have witnessed a proliferation of literature on social entrepreneurship. However, this body of work has not adequately considered the phenomenon from the perspective of social enterprise participants across different contexts. To address this shortcoming, this thesis focused on exploring an "insider view" on the rationale and nature of social enterprise in the South African context. Attention was paid to the shared experiences, evolution, resource-mobilisation strategies and overall purpose of social enterprise. What was of interest in South Africa was how social enterprises contribute to social needs, as this could provide insights into whether this phenomenon provides a complementary solution to the country's socio-economic development backlogs.

The research methodology considered appropriate to answer the research questions of the thesis was the interpretive constructivist case study which sought to understand social enterprise in terms of the subjectively-constructed reality of its actors. The empirical material consisted of four South African case studies of social enterprise in the education, healthcare, food security, and enterprise-development sectors. The four case studies were: Life College, a Gauteng-based educational project that develops psychosocial skills among disadvantaged youth nationally; Magema Gardens, a Jozini-based co-operative engaged in food security; The International Centre for Eyecare Education (name subsequently changed to the Brien Holden Vision Institute), an eye healthcare organisation focused on the prevention of avoidable blindness across Africa; and KwaXolo Crafters, an Ulundi-based co-operative that trades in traditional craft artefacts for enterprise development.

A total number of 53 participants were involved in the interviews and focus groups which included the founding parties, their teams, and stakeholders. The research data sources were the document review, interviews, focus groups and field notes. The raw data from each data source was coded. The codes were then grouped into code families, and the code families were grouped into themes. During the coding process attention was paid to ensuring the

preservation of the language and voice of the research participants from the raw data through to the grouping of the themes. The themes provided the basis for within-case analysis and cross-case analysis.

The outcomes of the research provided valuable insights into the nature, practice and impact of social entrepreneurship. The evolution of the social enterprises was intertwined with the socio-political and economic struggle to meet the needs of South Africans. The identified social needs remained unmet after the advent of democracy and the four social enterprises continue their social mission work. During the evolution process, the need for resource mobilisation led to innovative responses to meeting social needs. Foremost in the minds of the social actors was their aspiration of sustainable social impact.

The cross-cutting themes that emerged pointed to sustainability and social impact being the prominent constructs of social entrepreneurship. Accordingly the findings on sustainability and social impact provided a basis for proposing a theoretical framework aimed at securing greater insight into the concept of social entrepreneurship, and advancing scholarly research in South African social entrepreneurship. The original contribution of the theoretical framework in this thesis is that it provides a link to and point of convergence between the subjective experience of the social entrepreneurship community and the emerging literature on social entrepreneurship. It also strengthens the theoretical underpinnings of social entrepreneurship and expands the understanding of how social entrepreneurship is experienced by its actors.

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CHAPTER 1

1. THE RATIONALE FOR RESEARCHING SOCIAL ENTERPRISE

1.1. Background to the study

Social entrepreneurship has been described as one of the defining trends of the 21st century (Mair, 2010). A social entrepreneur is an entrepreneur with a central and explicit social mission (Dees, 1998), motivated by the need to make a difference. It is a person who identifies an urgent, prominent or basic social need, and harnesses social conviction, innovation and business acumen to meet that need. Social entrepreneurship is usually a bottom-up process (Praszkier & Nowak, 2011) driven either by an individual or a team, and the organisational vehicle used is the social enterprise. The incidence of social entrepreneurship is gaining prominence globally, and this is evident in the increase in the number of social entrepreneurs and social enterprises (Austin, Stevenson & Wei-Skillern, 2006; Martin & Osberg, 2007; Nicholls, 2009). Whilst the profile of social entrepreneurship is on the rise its definition remains contested. This debate is addressed fully in the literature review.

Alter (2007) traced the roots of entrepreneurial initiatives to serve social objectives to the co-operative movement. She pointed out that this movement was underpinned by principles of self-help and caring for others. The term "social entrepreneur" was conceived by social innovators such as Bill Drayton, the founder of Ashoka (the global association of social entrepreneurs), and academic J.G. Dees who wrote a highly cited paper on the meaning of social entrepreneurship in 1998. One of the prominent contemporary social entrepreneurs is Muhammad Yunus, the founder of the Grameen Bank which provides banking services to the poor in Bangladesh. He was awarded a Nobel Peace Prize in 2006, jointly with the Grameen Bank, for the provision of micro credit to poor communities. More recently, the work of Yunus has been surrounded by controversy. Some have questioned his work,

suggesting that he has strayed from his original social mission; others have pledged their support for his work among poor communities. This controversy highlights the existence of tensions inherent in social entrepreneurship.

Social entrepreneurship has particular significance for South Africa because the country faces the triple challenges of inequality (Hall, 2008; Chikumbo, Ozturk & Tate, 2012), poverty (Watters et al, 2012) and unemployment (Littlewood & Holt, 2013). South Africa also faces the dual challenges of global integration and meeting the promises of democracy (Rogerson, 2004). Almost two decades after democracy the outcomes of government's social programmes are mixed (Littlewood & Holt, 2013); as a result, significant development challenges remain. Basic constitutional rights such as food security, education, healthcare and housing are still not accessed by all South Africans. Against this backdrop the country would benefit from initiatives that address social needs. In this regard social entrepreneurs could be recognised as agents of transformation because they potentially add much-needed value in different areas of social need (Hall, 2008) and community development (Malunga, Iwu & Mugobo, 2014). While social enterprises operate in different domains of society, in the context of this research, the focus was on basic social needs such as food security, healthcare and education, which are enshrined as rights in the South African Bill of Rights.

Ebrahim Patel, the South African Minister of Economic Development, endorsed the role of social enterprises in South Africa during the opening session of the 2011 Social Enterprise World Forum held in Johannesburg. According to an article in *Fin24* entitled "Social schemes can drive jobs: Patel", he stated that social enterprises and the social economy can yield substantial development returns for South Africa, and therefore require comprehensive government and public support. He described the social economy and social enterprises as drivers of employment that could contribute to South Africa's "New Growth Path" objectives. This statement by the minister signals a potentially positive government policy trajectory. An enabling policy and legal framework is important for social entrepreneurship to thrive (Watters et al., 2012; Malunga, Iwu & Mugobo, 2014). This thesis could therefore

contribute to policy development efforts with research that is empirical and accesses the point of view of the social entrepreneurship stakeholder.

1.2 Statement of the problem, purpose statement and research questions

1.2.1. Statement of the problem

The global rise of social entrepreneurship has been driven by the proliferation of international challenges such as widening wealth discrepancies (Zahra, Rawhouser, Bhawe, Neubaum, & Hayton, 2008), welfare funding not reaching all who require it (VanSandt, Sud & Marmé, 2009), and the global nature of social need (Florin & Schmidt, 2011). Given the extent of these global challenges social entrepreneurship provides a possible model for the provision of services to the poor (Seelos & Mair, 2005; Peredo & McLean, 2006). Social entrepreneurship therefore offers the promise of a solution to the challenges of the global community in general and South Africa in particular.

In spite of this promise social entrepreneurship literature lacks adequate empirical studies that anchor its theoretical foundations (Santos, 2009; Urbano, Tolenado & Soriano, 2010). Existing literature is still in a stage of relative infancy (Hoogendoorn, Pennings & Thurik, 2010; Short, Moss & Lumpkin, 2009) and draws from diverse theories (Lehner & Kaniskas, 2012). The literature is characterised by definitional dilemmas (Mair & Marti, 2006; Nozuri, Westover & Rahimi, 2010; Short et al, 2009), and inadequate experimental research (Hoogendoorn et al, 2010). The literature is practitioner-led (Roberts & Woods, 2005), with discussions centred on the work of individuals (Dey & Steyaert, 2010) and the characteristics of social entrepreneurs (Haugh, 2012). Most research in social entrepreneurship is dominated by the American and European traditions (Bacq and Janssen, 2011; Hackett, 2010) and there is an opportunity for more geographically diverse research.

From a methodological perspective entrepreneurship has generally focused on positivist approaches (Jones, Latham & Betta, 2008) characterised by quantitative research designs and a lack of qualitative studies (Lindgren & Packendorff, 2009), and there is a need for research that links the social entrepreneur to his or her context (Mair & Marti, 2006) and considers how the participants see themselves and their environment (Seanor, Bull & Ridley-Duff, 2007). The research could also be strengthened by referencing the voice and experience of insiders (Diochon & Anderson, 2010; Seanor & Meaton, 2008). In the South African context, social enterprise could play a role in contributing to social needs (Evoh, 2009), and yet it remains under-researched (Urban, 2008), fragmented (Littlewood & Holt, 2013) and in its early stages (Malunga, Iwu & Mugobo, 2014). There is limited empirical research (Hall, 2008; Littlewood & Holt, 2013) that will strengthen and enhance an understanding of the phenomenon in the African and South African context.

In view of the theoretical, methodological gaps discussed above the rationale for this research derives from a need for empirical, case-based, and geographically diverse research that will qualitatively explore the experience of the social entrepreneurship community. In addition this research is socially relevant as it explores a phenomenon that offers potential benefit to society. The intention was that this research should add value to social entrepreneurship through the discovery of new information (that extends existing theory) and the integration with existing theory (Boyer, 1990).

1.2.2. Purpose statement and research questions

The purpose of this research was to gain insight into social enterprise in South Africa from the perspective of social entrepreneurship stakeholders. The study represents a shift away from an "expert" view that is detached from the social enterprise to an inside view of the actors. This was achieved through an interpretive constructivist qualitative study using the case study method. The intention was to establish a theoretical framework that could

contribute to strengthening and extending the existing understanding of social entrepreneurship.

The study was guided by the following research questions:

1. What is the nature and role of social enterprise in South Africa?
2. What factors influence the evolution of the social enterprise?
3. How do social enterprises harness the resources required to function sustainably?
4. What are the goals and impact of social enterprises?
5. How does the social entrepreneurship community understand and experience social entrepreneurship?

1.3. Theoretical assumptions

The interpretation of the concept of entrepreneurship is derived from the work of Schumpeter (1934) who described the entrepreneur as a leader able to overcome obstacles in order to create combinations that stimulate economic development. Schumpeter's (1934) definition was considered appropriate because he sees the entrepreneur as a change leader and addresses the concept of combinations of resources, which is relevant to social entrepreneurship (Stryjan, 2006; Swedberg, 2007).

The definition of social entrepreneurship was based on the work of Dees (1998), who defined social entrepreneurship as a subset of the broader category of entrepreneurship (Stryjan, 2006), and described the social entrepreneur as an entrepreneur with a mission to serve humanity in some way. This definition was preferred because it is very widely cited and it laid the basis for the conceptualisation of social entrepreneurship as the integration of the social and entrepreneurial/commercial. This conceptualisation continues to feature in current research (Doherty, Haugh & Lyon, 2014). Whilst Dees has recently published in the area of social enterprise as an intersection between enterprise and philanthropy (Dees, 2008), large-scale change (Dees, 2010), and the need to balance problem-solving and charity (Dees,

2012), his seminal definition remains constant as no material modifications were made in his subsequent literature.

An emerging research thrust that explores tensions in social entrepreneurship was considered relevant as it introduces a critical lens to the discourse. In this regard the work of Parkinson and Howorth (2007), and Dey and Steyaert (2010), which questions the apparently ideology-free and optimistic tenor of social entrepreneurship, renders the discourse more robust. Cho (2006) observed that social entrepreneurship literature reflects a non-critical approach that does not question either the dominant or the subtext of social entrepreneurship. Current thinking now challenges the rapid "growth myth" of social enterprise (Teasdale, Lyon & Baldock, 2013). This critical thrust introduces a more balanced appreciation of the complexity of social entrepreneurship.

1.4. Building on the voice of the actors

The interpretive constructivist approach was considered the most appropriate paradigm to answer the research questions set out above as it provides access into how the social entrepreneurship community constructs and experiences its reality. It also gives voice to social entrepreneurship actors in the discourse.

This approach builds on the emerging interpretive constructivist research (Parkinson & Howorth, 2007; Jones et al, 2008; Moss, Short, Payne & Lumpkin, 2010) that references the social entrepreneurship experiences of the actors.

1.5. Definition of key terms

Social entrepreneurship

Social entrepreneurship is a process with social mission at its core and entails the application of innovative entrepreneurial/business approaches to solving social problems (Dees, 1998). The elements of social entrepreneurship are:

- *Social entrepreneur.* An entrepreneur with a central and explicit social mission (Dees, 1998). This is an individual or a collective with the vision, motivation and passion to drive social innovation through the application of entrepreneurial principles in order to achieve an identified social mission. The work of social entrepreneurs covers a wide range of social problems.

- *Social enterprise.* An organisation or venture that exists to advance a social mission or address a social failure through the application of entrepreneurial and business principles (Alter, 2007). This encompasses a variety of different models of social enterprise, including: social-purpose private businesses, social businesses, co-operatives and non-profit but income-generating entities.

- *Social entrepreneurship stakeholders.* These include parties such as the beneficiaries of the social enterprise, the social entrepreneur(s), the staff and management of the social enterprise, funders, researchers and institutional partners.

1.6. Conclusion

Social entrepreneurship is a phenomenon that is rapidly gaining global prominence and this trend is mirrored in South Africa. Social enterprises offer the promise of complementary

solutions to meeting social and economic needs, yet the academic and theoretical foundations that underpin the practice require strengthening. Against this backdrop the purpose of this thesis is to conduct an interpretive exploration of social enterprise in order to develop a theoretical framework that will enhance understanding of the phenomenon.

The literature review in the chapter that follows considers social entrepreneurship literature in terms of its theoretical foundations and its current expositions, the intention being to historically track the genesis of the concept and the manner in which it evolved into its contemporary conceptualisations.

CHAPTER 2

2. LITERATURE REVIEW

2.1. Introduction

This literature review has been framed around the dominant themes and central arguments that emerged from the literature as they relate to the five research questions that are outlined in the first chapter of this thesis. The specific themes addressed in this literature review include: i) The status of social entrepreneurship literature; ii) The nature and role of social entrepreneurship; iii) The factors driving the evolution of social entrepreneurship and its prevalence; iv) Resource mobilisation for sustainability in social entrepreneurship; and v) The impact of social entrepreneurship.

The introduction to the literature review will provide a high-level overview of the literature and reference general and focused literature reviews of social entrepreneurship (Bacq & Janssen, 2008; Short et al, 2009; Hoogendoorn et al, 2010; Malunga, Iwu & Mugobo, 2014; Doherty, Haugh & Lyon, 2014), all of which offer insights into features of social entrepreneurship literature over the past six years. The two literature reviews undertaken in 2014 had greater focus on social enterprises as hybrid organisations (Doherty, Haug & Lyon, 2014) and the role of social entrepreneurship in community development (Malunga, Iwu & Mugobo, 2014) and reflect a movement towards emergent thematic clusters in the literature.

The common point made in four of the five literature reviews is that the field is still in a state of relative infancy. The reasons for the infancy are because the field is still "phenomenon" driven and the concept of social entrepreneurship is open to various interpretations. A further observation made concerns the imbalance between conceptual and empirical literature, which means theoretical and conceptual literature is numerically greater than empirical

literature (Hoogendoorn et al, 2010; Short et al, 2009). An examination of social entrepreneurship articles from 1991 to 2008 revealed that most articles written during the period were theoretical (Moss, Lumpkin & Short, 2008), and focused on definitional debates. However Doherty, Haugh and Lyon (2014) hold a contrary position and suggest that the field has actually matured beyond definitional debates to the exploration of key themes. The implication of this assertion is that social entrepreneurship may be beginning to transition beyond its infancy.

Another characteristic of social entrepreneurship literature is the dominance of American and European traditions (Bacq and Janssen, 2008; Hackett, 2010; Hoogendoorn et al, 2010), and this influenced how the concept evolved and was framed (Teasdale 2012). Doherty, Haugh and Lyon (2014) provide evidence of an apparent dominance of European literature and attribute this to increasing political interest. Kerlin (2006) suggested that both the United States and Europe witnessed an accelerated expansion of social enterprises during the 1980s, probably as a result of government endorsement, institutional support, and academic interest. In particular, the major foundations in the United States and the European Union facilitated the development of social entrepreneurship. The reasons offered by Kerlin (2006) explain the existence of a body of substantial academic work from these regions. It has been suggested that the United Kingdom has the most developed policy and institutional support for social entrepreneurship (Teasdale et al, 2013). The result is that social entrepreneurship literature is predominantly from the West and, as such, is framed by western socio-economic contexts (Hackett, 2010). More applied academic research in different countries is called for in order to provide a greater balance to this western dominance in research output. Literature that has its roots in developing countries could lead to a re-evaluation of some of the assumptions in the social entrepreneurship discourse (Hackett, 2010).

The trend of practitioner activity leading academic research (Austin, 2006; Bacq & Janssen, 2008; Murphy & Coombes, 2009) which is evident in the international literature is also

evident in the South African evolution of social entrepreneurship research (Urban, 2008). There is an emerging practitioner focus in social entrepreneurship in South Africa from institutions such as the World Economic Forum and the Schwab Foundation for Social Entrepreneurship (hereafter Schwab Foundation). Both organisations host high-profile practitioner awards. In addition, South African universities have chairs and departments focused on social entrepreneurship. Yet the amount of academic research in the area remains limited. This presents a gap and opportunity for more academic research, especially in South Africa where the need for both theory and research in social entrepreneurship is considerable given the vast social challenges. The high-level trends identified in the literature over the past six years are discussed in greater depth in the paragraphs that follow.

2.2. Status of social entrepreneurship as a field of scholarship

2.2.1. Social entrepreneurship: an emerging or established field?

Mair (2006) stated that a common characteristic of emerging fields is the lack of theoretical integration and the tendency to draw from theories from different disciplines. Social entrepreneurship literature and research has taken a number of trajectories (Moss et al, 2008), which range from individual and organisational to institutional levels. In addition the field has drawn from a range of theoretical frameworks (Lehner & Kaniskas, 2012). Regrettably research development in the field has been constrained by its disparateness and a lack of consensus regarding definitions of the phenomenon (Noruzi et al, 2010). Social entrepreneurship literature is characterised by substantial divergence and limited convergence. Whilst there is still divergence about what social entrepreneurship is and its academic standing and credibility, there is a degree of convergence regarding its potential benefit to society (Hall, Miller & Millar, 2012; Moss et al, 2008).

There is a direct relationship between the credibility of a scholarly field and the quality of theories that explain and predict phenomenon in that field (Haugh, 2012). In the case of

social entrepreneurship literature has been mushrooming for over 20 years, and yet it is still a field that faces the challenge of coherence (Dacin, Dacin & Matear, 2010; Short et al, 2009) and strong conceptual grounding (Chell, 2007; Parkinson & Howorth, 2007; Santos, 2009; Urbano et al, 2010, Malunga, Iwu & Mugobo, 2014). Roberts and Woods (2005) and Dorado (2006) described the practice of social entrepreneurship as being widespread, but academic inquiry is still emerging. In addition to this, Short, Moss and Lumpkin (2009) argued that the field is still emerging because there is a specific shortage of empirical literature, and that the limited empirical literature there is lacks rigour. They suggested that until a substantive balance is achieved between theory and research, the field of social entrepreneurship cannot be described as an established field. In spite of this, it has been suggested that the conceptual and theoretical infancy of social entrepreneurship should not mask the fact that the practice has ushered in innovative solutions to the needs of a new century (Dees, 1998; Bacq & Janssen, 2008).

A contrary view was expressed by the Australian-based Peredo and McLean (2006), who argued that the concept of social entrepreneurship has now become firmly entrenched in business and in the literature. This view appears to be confirmed by Urban (2008), who stated that social entrepreneurship had become mainstream after a period of sitting on the periphery of the non-governmental and non-profit movement. He pointed out that the mainstreaming of social entrepreneurship is particularly relevant for South Africa where the need for social development is considerable. The degree of contestation in social entrepreneurship shown in the debates discussed above suggests that the field is still emerging; if it were an established field there would at least be consensus on the basic definition of the phenomenon.

Commenting on the state of social entrepreneurship theory, Santos (2009: 1) observed:

> Despite the growing interest in academia about social entrepreneurship, there is currently no accepted theory that can bind the phenomenon and define its distinctive

domain of action and guide research, practice, curricular development and public policy.

The field is therefore in need of exacting theories or theoretical frameworks that would: i) Identify the key concepts; ii) Explain the relationship among the concepts; and iii) Propose a compelling rationale for the relationships (Whetten, 1989). Whilst there a substantial volume of literature on social entrepreneurship, the existence of definitional debates even in recent social entrepreneurship literature (Dacin et al, 2010; Teasdale, 2012) confirms the contention that the field is still emergent. This backdrop of a theoretical infancy presents an opportunity for empirical research across different contexts that contributes to theoretical grounding by confirming and extending previous findings.

2.2.2. Social entrepreneurship: an independent field?

Mair and Marti (2006) questioned whether social entrepreneurship is an independent field of study. They see social entrepreneurship as a sub-category of entrepreneurship in which the social context simply provides a new setting and backdrop for the further study of entrepreneurship. Similarly, Dacin et al (2010) contended that social entrepreneurship is not a distinct field, but rather an entrepreneurial context falling within the broader category of entrepreneurship. They suggested that a social entrepreneur is one of the four types of entrepreneurs, which include the conventional, institutional, cultural and social entrepreneur. The argument for social entrepreneurship being a sub set of entrepreneurship (Mair & Marti, 2006; Miller, Grimes, McMullen & Vogus, 2012; Murphy & Coombes, 2009) that solves social problems is a compelling one because it is precisely the entrepreneurial characteristics of the social entrepreneur, and the entrepreneurial practices of the social enterprise, that give the phenomenon its idiosyncratic nature. In addition it is the exclusively social context of social entrepreneurship that distinguishes social entrepreneurship from other forms of entrepreneurship. It should be pointed out that whilst all forms of entrepreneurship do have some social benefit, in the case of social entrepreneurship the social mission is dominant.

(Tan, Williams & Tan, 2005). The classification of social entrepreneurship as a form of entrepreneurship is beneficial for both the fields of entrepreneurship and social entrepreneurship as the research and theory in each area will strengthen the other.

2.2.3. Research methodology in social entrepreneurship

Almost a decade ago Mair and Marti (2004) described social entrepreneurship research as a phenomenon driven by many studies based on anecdotes and case studies. They called for more empirical studies and a variety of methodological lenses. They also specifically called for more qualitative research methods. At the same time Harding (2004) observed that there was little social entrepreneurship research, theory, national data and international comparatives. Mair (2006) proposed a social entrepreneurship research agenda that focused on comparative analysis of social enterprise covering the role of time, place, form, the actors, and management practices in social entrepreneurship. A significant proportion of commentary on social entrepreneurship has magnified the role of the individual social entrepreneur as a driving force in social entrepreneurship (Alvy & Lees, 2000; Bartlett, 2004; Dees, 1998; Roberts & Woods, 2005; Simms, 2009; Thompson, 2002; Zahra et al, 2009). This presents an opportunity to expand the emerging trend of research that focuses on social enterprise in different countries (Hackett, 2010; Lehner, 2011).

The call by Mair and Marti (2004) for more qualitative research was reiterated by Lindgren and Packendorff (2009). A literature review conducted by Moss et al (2008) examining the period from 1991 to 2008, mainly in the United States and the United Kingdom, revealed that most research involved theoretical articles and there was inadequate construct measurement. A subsequent review of social entrepreneurship literature conducted by Moss et al (2008) which included 152 articles showed that 28% of the articles applied an empirical case study method, 35% applied qualitative research and less than 1% were interpretive. Further analysis of empirical research including 31 studies undertaken by Hoogendoorn et al (2010) concluded that methodologically the number of qualitative and empirical studies is

limited, there is no variety in research design, and sample sizes are small. The above trends suggest that: a) There is a need for more empirical studies; b) There is a need to balance the research profile to include work from other countries; c) There is a need for more qualitative research; and d) There is an opportunity for interpretive case studies from other contexts.

There are two journals dedicated to social entrepreneurship. These are the *Journal of Social Entrepreneurship* and the *Social Enterprise Journal*. These journals represent a positive stimulus and platform for dedicated research into the different aspects of social entrepreneurship, especially contributions from different parts of the world, and this enhances the research agenda. This research study into social entrepreneurship will respond to the call for qualitative studies, comparative analysis, an analysis of different contexts, and the need for interpretive research. In view of the emerging and contested nature of the field, each of the sections that follow is concluded with a theoretical proposition that integrates the theory and outlines the assumptions and position of the research.

2.3. The nature and role of social entrepreneurship

2.3.1. What is social entrepreneurship?

A social entrepreneur is an entrepreneur with a compelling social mission (Dees, 1998). This is a person or a group of people who identify a social need and who use innovative business and entrepreneurial principles and solutions to meet that need. This definition was considered appropriate because it is seminal, widely cited as a reference point, and reflects the core essence of social entrepreneurship as a phenomenon – the centrality of social mission – as explained by Dees (1998: 2):

> For social entrepreneurs, mission is explicit and central. This obviously affects how social entrepreneurs perceive and assess opportunities. Mission-related impact becomes the central criterion, not wealth creation.

Whilst Dees has recently published research looking at social enterprise as an intersection between enterprise and philanthropy (Dees, 2008), large-scale change (Dees, 2010), and the need to balance problem-solving and charity (Dees, 2012), he has not offered a new explanation of social entrepreneurship. His seminal definition has remained constant. The recent articles by Dees (2008, 2010 and 2012) have further expanded his basic contention that social entrepreneurship is a phenomenon characterised by the harnessing of business and entrepreneurial approaches to address social needs. This means that his original definition remains appropriate in current times.

The Dees definition was criticised by Boschee and McClurg (2003) because it did not include any reference to sustainable social entrepreneurship solutions. Sustainability in this context entails utilising a combination of income-generating strategies, which could include government subsidies, philanthropy and earned income, to support the activities of the social enterprise or the social entrepreneur. They argued that earned income should be critical to any understanding of social entrepreneurship, because it is the essence of the entrepreneurship element of the term. It could be argued that the sustainability element is implicit in Dees's (1998) statement that social entrepreneurs use entrepreneurial and business principles to meet identified needs, because a key element of entrepreneurial activity was to ensure business continuity and sustainability. Whilst Dees (1998) did not explicitly refer to sustainability, the application of business, innovative and entrepreneurial strategies to achieve social mission has to be sustained over time.

The discussion that follows highlights some of the definitions of social entrepreneurship in the literature. However, it should be noted that the existence of various definitions could be seen as an opportunity for more research (Florin & Schmidt, 2011; Mair & Marti, 2006) in different contexts that integrates and consolidates current understanding. The proliferation of numerous definitions of social entrepreneurship has been described as "the variegated and multiple expressions of social entrepreneurship" (Mair & Marti, 2006: 39). They observed

that, whilst literature on social entrepreneurship has emerged over recent years, there remains a substantial amount of controversy in its conceptualisation. The disparate definitions and terminology were seen to be stifling the legitimacy and research in the field (Short, Moss & Lumpkin, 2009). There was a need for clarity regarding exactly what constitutes social entrepreneurship, because it could be a valuable vehicle to meeting social needs and may require support in the form of policy and legislation (Peredo & McLean, 2006).

It has been suggested that the differing interpretations of social entrepreneurship may be as a result of the different sectors in which social entrepreneurs operate (Short et al, 2009), the fact that the term emerged from different disciplines (Hackett, 2010) coupled with the term's constituent elements (Ormiston & Seymour, 2011), the varied motives of social entrepreneurs, or the varied types of social enterprises (Zahra *et al.*, 2009). Some have attributed the different definitions to the fact that social entrepreneurs are mostly driven by practice rather than theory (Austin et al, 2006), while Santos (2009) attributed the varied definitions to the broadness of activities described as social entrepreneurship. The different reasons listed above may provide partial explanation for varied interpretations; it is, however, clear that the paradigms and disciplines of the authors have also contributed to this variety of definitions (Poon, Zhou & Chan, 2009).

A further reason suggested as the basis for different definitions was the geographical argument that researchers coming from different areas have adopted different approaches to the definition of the phenomenon with the most notable geographical research traditions being the American and the European approaches (Bacq and Janssen, 2011; Hoogendoorn et al, 2010; Teasdale, 2012). The American approach included innovation (focus on the individual) and the enterprise (focus on the social enterprise) and encouraged business oriented approaches to social problems. The European approach focused on the non-profit, community business and co-operative sectors which emphasised a more collective and communal process.

Definitions of social entrepreneurship ranged from individualised notions that focused on the specific characteristics, behaviours, and attitudes of the social entrepreneur (Mawson, 2008), to definitions that provided both individuals and groups (Thompson, 2002; Peredo & McLean, 2006; Hall et al 2012, Malunga, Iwu & Mugobo, 2014). The individualised definitions emphasised individual agency as opposed to collective agency. One of the individualised definitions suggested that – at its core – the concept was about "good stewardship" and finding new ways to serve people (Bartlett, 2004). The individualised conceptions of entrepreneurship have been criticised as they do not allow for a more "collective" form of social entrepreneurship (Urban, 2008). In support of a collective definition of social entrepreneurship, evidence of distributed entrepreneurship among a circle of persons committed to a given social purpose was identified by Spear (2006). Some definitions emphasise the bottom-up nature of social entrepreneurship (Praszkier & Nowak, 2011). Another conceptualisation describes social entrepreneurs as actors in a communal process that draws its legitimacy from serving others (Parkinson & Howorth, 2007). This definition was based on research into the language of social entrepreneurs, and was significant because it is one of the few definitions based on the meaning constructed by the social entrepreneurs themselves.

Against the backdrop of numerous interpretations, Roberts and Woods (2005) emphasised the need for a "working definition" that would assist in propelling the construct forward – as it was an important vehicle for social development. In order to build this working definition they drew a distinction between the academic perspective and the practitioner perspective. They then proceeded to integrate these views and defined social entrepreneurship as a process driven by committed individuals that entails the development and implementation of interventions aimed at change and transformation. This definition places emphasis on the transformative impact of social entrepreneurship and may be useful as a working definition in developing countries that require transformative interventions. However, its limitation is that it pays no attention to the business and entrepreneurial dimensions.

Some researchers have sought to resolve the landscape of competing definitions with multidimensional frameworks for defining social entrepreneurship (Weerawardena & Mort, 2006; Massetti, 2008). The multidimensional view of social entrepreneurship was proposed by Weerawardena and Mort (2006), who saw the construct as a multidimensional one with innovativeness, proactiveness and risk management as its dimensions – all of which operate within the constraints of the environment, sustainability and social mission. Another multidimensional definition is advanced by Massetti (2008), who attempted to integrate a number of definitions into a matrix of social entrepreneurship based on whether the venture had a more market- or socially-driven mission, and whether or not it required a profit. The multidimensional definitions are a clear attempt to accommodate the varied dimensions of social entrepreneurship. In support of broader approaches Hackett (2010) suggested that what needed to be accepted is the fact that variety and diversity is a fundamental characteristic of social entrepreneurship.

Chand (2009) expressed concerns about integrative broader definitions such as those discussed above, because they are too accommodative and may imply that "anything goes" – resulting in further ambiguity. Chand's (2009) view was supported by Santos (2009), who believed that a multiplicity of definitions and an approach that is too accommodative, have retarded the development of a robust body of theory on social entrepreneurship. Because social entrepreneurship is an "umbrella construct", the concept remains vague and ill-defined (Mair, 2010). In particular, the distinctive features of social entrepreneurship are lost in definitions that are too permissive. Mair argued that a field is better served by tighter theories that can be tested and validated.

From the foregoing discussion, it is evident that there are two broad schools of thought regarding definitions of social entrepreneurship. One school favours accommodative definitions that serve as an umbrella for the varied manifestations of social entrepreneurship, and the other supports more exacting definitions. Hackett (2010) observed that although

there is substantial social entrepreneurship activity in developing countries, these countries have not been active participants in definitional debates. The stance adopted in this thesis is that the more precise definitions better serve the research endeavour, especially in a pioneering context such as South Africa. This is because South Africa offers a developmental context in which some of the defining elements of social entrepreneurship can be tested through empirical research.

A level of frustration was expressed by those who comment on the numerous definitions of social entrepreneurship (Dacin et al, 2010; Teasdale, 2012). This frustration derives from the fact that social entrepreneurship has a great deal to offer the world and developing countries, and yet the academic evolution of the field is hampered by a lack of coherence. Commenting on the lack of coherence in the broader field of entrepreneurship, Bruyat and Julien (2000) stated that for any field to progress, there must at least be a minimum level of consensus that enables knowledge to be accumulated and research to be conducted. They argued that even if there is a level of disagreement, there must be some basic agreement on the main themes. In the case of social entrepreneurship, it is suggested that this minimum consensus does exist.

The difficulties around definitions considered, Bartlett (2004) suggested an alternative approach that does not define social entrepreneurship, but rather provides a list of attributes to characterise it. This list includes access, entrepreneurial approaches, local context, social aims and objectives, social ownership, earned income, social innovation, social impact self-help, community wealth creation, and benefit and investment for social returns. Whilst the long checklist is useful in characterising social entrepreneurship, it is not clear if all attributes must be present to define social entrepreneurship, whether some attributes are more important than others, and what the nature of interaction amongst the attributes is. A variation of this approach that identifies essential attributes is proposed by Noruzi et al (2010) who identified the three elements of social entrepreneurship to be: i) A response to market failure; ii) Transformative innovation; and iii) Financial sustainability. This variation is more useful as it identifies core or distinctive elements of social entrepreneurship.

An approach that is becoming more evident in contemporary social entrepreneurship literature is to provide definitions that focus on the distinctive features of the social enterprise as opposed to the social entrepreneur(s) (Hartigan, 2006; Dart & Clow, 2010; Watters et al, 2012; Doherty, Haugh & Lyon; 2014). These definitions shift the focus away from the individual to the organisational vehicle that social entrepreneurs operate within. This shift in focus is relevant to this research because the primary unit of analysis is the social enterprise.

The varied definitions discussed in the preceding section have been summarised in terms of categories that reflect thrusts in the evolution of the definitional debate over time. The conceptualisation by the author of this thesis in Table 1 suggests that definitions evolved from the individual, the process, the multidimensional and the organisational.

Table 1: A categorisation of approaches to social entrepreneurship definitions

Definition Category	Description	Author (s)
Individual/group	Definitions that focus on individual and collective characteristics, behaviours and agency	Dees (1998) Thompson (2002) Bartlett (2004) Peredon & McClean (2006) Mawson (2008) Malunga, Iwu & Mugobo (2014)
Process	Definitions that focus on the processes involved in social entrepreneurship	Roberts & Woods (2005) Parkinson & Howorth (2007) Praszkier &Nowak (2011)
Multidimensional	Definitions that focus in the dynamic interaction of a number to elements or dimensions	Bartlett (2004) Weerawardena & Mort (2006) Massetti (2008) Hacket (2010) Noruzi et al (2010)
Organisational	Definitions that focus on the social enterprise	Hartigan (2006) Dart & Clow (2010) Watters et al (2012) Doherty, Haugh & Lyon (2014)

Commenting on the various definitions, Cho (2006) pointed out that most definitions of social entrepreneurship are deficient in two respects. The first is that they do not pay sufficient attention to the social aspect, and the second is that they have tended to focus on the subject or subjects of social entrepreneurship. The narrative is therefore devoid of discussion around social process. In view of this observation and in spite of the definitional contestation that prevails, there are crosscutting dimensions that that are evident in most of the definitions discussed above. These are as follows:

i. The critical dimensions of social entrepreneurship are sustainable social mission, and innovative social solutions;
ii. The beneficiaries of social entrepreneurship are generally under-serviced, disadvantaged, marginalised and disempowered members of society.
iii. Although the needs addressed by social entrepreneurship may begin at a localised level, their relevance and impact can be both national and global.
iv. There is a pivotal role played by an individual or a group of individuals in opportunity recognition, leveraging resources and creating an organisation's vehicle – the social enterprise

These dimensions have been developed by integrating aspects of the definitions discussed in the preceding discussion. These dimensions are in concert with the definition provided by Dees (1998) and serve to amplify it. The working definition that will be applied to this thesis is therefore the application of entrepreneurial solutions to social mission (Dees, 1998). In conclusion it should be pointed out that most of the definitions discussed above were developed from conceptual papers and not tested through empirical research. Guided by the Dees definition the focus of this research will be to seek an interpretive understanding of what social entrepreneurship is rather than focus on definitional dilemmas (Parkinson & Howorth, 2007). What will be explored during the research phase is whether the contestation of definitions evident in the literature exists in practice (Teasdale, 2012).

2.3.2 Theoretical foundations of social entrepreneurship

The two building blocks of social entrepreneurship are the "social" and "entrepreneurship" aspects, each of which requires consideration. It has been suggested that the entrepreneurship element is responsible for the controversies regarding the definition of social entrepreneurship (Tan et al, 2005 Mair & Marti, 2006; Steinman, 2008), and that the social aspect gave the term its distinctive identity (Tan et al, 2005). Against this backdrop the section that follows will discuss each of the building blocks of social entrepreneurship and explore the above stated contentions regarding the social and the entrepreneurial aspects of social entrepreneurship. Selected theories that amplify the social and entrepreneurial aspects and contribute to an improved understanding of social entrepreneurship are also referenced.

2.3.2.1 The social aspect of social entrepreneurship

Cho (2006) observed that the social aspect of social entrepreneurship has not received attention in many definitions yet this aspect is what introduces complexity to the phenomenon. The social aspect of social entrepreneurship promises benefits to society, and serves to distinguish social entrepreneurship from other forms of entrepreneurship (Tan et al, 2005). This aspect of social entrepreneurship will be considered from two points of view, the first is to explore the understanding of "social need" in social entrepreneurship, and the second is the manner in which social context frames social need. Whilst the social aspect may be key to distinctiveness, Arthur et al (2006) observed the absence of theoretical and conceptual coverage of the "social" aspect in the discourse. They suggest that through a social process lens, the social entrepreneurship movement offers an alternative social solution that is "incrementally radical" in nature and offers a positive trajectory in terms of meeting social needs. Schofield (2005) presented a contrary view that social offering of social entrepreneurship is a mask for more serious social problems. One way of reconciling

these views is to see social entrepreneurship as one of several social processes aimed at improving the human condition.

Any discussion of the social aspect of social entrepreneurship must cover what the social entrepreneurship literature understands as social need, since this is what the social entrepreneur or enterprise seeks to address. Needs identified by social entrepreneurs may be emerging, longstanding or even new technologies that offer social solutions (Murphy and Coombes, 2009). Seelos and Mair (2005) and Mair and Marti (2006) suggested that the appropriate framework for defining social needs should be globally accepted sustainable development goals such as the Millennium Development Goals. This is based on the principle of using a generally acceptable and credible framework of needs. Guclu, Dees and Anderson (2002) defined a social need as the gap between what is seen to be socially desirable and the material existing in reality. They emphasised that there must be a consensus regarding what is seen to be socially desirable. Mair (2010) suggested that social entrepreneurship responded to human needs that were not met, and these needs could also be seen as human rights. She pointed out that in most societies the basic needs or rights of citizens are not being met to varying extents. Because of this, social entrepreneurship will remain a prominent phenomenon of the 21st century. It appears as though in order to mobilise a social coalition (i.e. the relevant social entrepreneurship stakeholders), the understanding of the social need must be credible and consensual.

Bradshaw (1972) proposed a differentiated approach to social needs. He described four categories of social need: normative, comparative, felt and expressed. Normative needs were identified as deficiencies in relation to an established norm or standard; comparative needs were determined in comparison to those not in need; felt needs were needs that people feel; and expressed needs were needs that people articulate. Bradshaw (1972) also provides a method of determining whether needs are real by assessing the degree of presence of all four social needs in a given situation. This categorisation is useful as it allows for broad clusters that include several types of needs, because social entrepreneurs operate across diverse areas,

ranging from basic to material and psychological needs; they also address various forms of social, economic and political exclusion and marginalisation.

Social needs are also differentiated depending on context, for example at a global level there is a vast difference between the context of the developed and developing world. Mair and Marti (2006) contended that in the developing world the social aspect of social entrepreneurship is focused on basic needs and changing social structures, and in the developed world, the social aspect may, for example, relate to gaps in social welfare. Zahra et al (2008) suggested that the attributes of social opportunities or gaps that social entrepreneurs respond to tend to be prevalent, relevant, urgent, accessible and radical. The prevalence of social needs means that they are widespread and observable. Relevance refers to needs that capture the attention of social entrepreneurs, and urgency drives the need for present action. Accessibility means that the social entrepreneurs must see potential solutions and "radical" relates to innovative social solutions.

Given the differentiated nature of social needs discussed above, the scope of this research thesis will consider basic needs such as food, healthcare, education and economic participation. The focus is motivated by the fact that South Africa has not yet been able to meet constitutionally enshrined needs and it would be beneficial in terms of the credibility of the phenomenon to gain insight into its impact within the context of constitutionally enshrined needs.

Social needs are framed by social context, specifically the social needs, dynamics and pressures that propel the social entrepreneur to initiate the social enterprise. This lens is concerned with the social context of the entrepreneur and how this may generate opportunities. Of interest is how environmental signals influence the social entrepreneur to behave in a particular manner (Chell, 2007). The concepts that relevant are Granovetter's (1985) concept embeddedness of economic action, and Reynold's (1991) proposition regarding differential advantage and the role of social contexts in accessing entrepreneurial

opportunity. Granovetter (1985) stated that all economic action is embedded in social context and the structures of social relations. He pointed out that this does not necessarily imply an "over-socialised" conception of people as machines completely driven by social factors. It does, however, imply that purposive action is rooted in concrete social reality and structures that are not necessarily static, but can be reconstructed over time. Although the ideas of Granovetter (1985) were meant to apply generically to economic action, they have been applied to the sociology of entrepreneurship (Thornton, 1999). Granovetter's (1985) ideas are very relevant to social entrepreneurship, because they embed the actor in the social context that frames their intent.

Reynolds (1991) highlighted the importance of both the structure of economic opportunity and the structure of differential advantage. He stated that it must be recognised that participants have differential advantage in being able to access entrepreneurial advantage. What this means is that not all participants in a given social system have equal capacity to perceive, identify and act on entrepreneurial opportunities. Reynolds identified four contexts in relation to entrepreneurship in general: a) Social networks; b) Life-course stage; c) Ethnic identification; and d) Population ecology. Social networks were concerned with the advantages yielded by belonging to particular networks; life-course stage considered life situations that have propelled people to become entrepreneurs; ethnic identification looked at people's ethnic grouping and how this may have been an advantage or disadvantage; and population ecology took into account environmental factors. These four contexts frame the entrepreneurial opportunity and influence the manner in which it finds expression. Since these factors affect the differential access to entrepreneurial opportunity in general, they were also likely to have a similar impact on social entrepreneurial opportunity, and the identification of social need.

The concept of embeddedness discussed above anchors the social entrepreneurship actors in their context, and the idea of differential advantage enhances the understanding of how relevant contextual factors converge and propel social entrepreneurial actors to pursue social

mission. In addition to these concepts it is indeed the social aspect of social entrepreneurship that makes the phenomenon both credible and beneficial to the wellbeing of society. Cho (2006) questioned the fact that social entrepreneurs claim to be acting in the interests of society yet the process of forming a social enterprise is not a process of active social discussion and engagement. The consequence of this is that the social entrepreneurship movement may sidestep legitimate social and political processes aimed at bringing about structural change. Cho (2006) further pointed out that social needs are time specific which implies that social entrepreneurs are acting on behalf of a particular generation. One way of dealing with these concerns is to focus on needs that have been legitimised through a credible process of social engagement. Accordingly this research study was guided by the principle of applying the lens of a generally accepted framework of social needs (Seelos & Mair, 2005) and in the case of South Africa such a framework would be constitutionally enshrined needs.

2.3.2.2. The entrepreneurship aspect of social entrepreneurship

The relevance of the entrepreneurship aspect of social entrepreneurship will be considered from two perspectives. The first point of view examines the parallels between the evolution of entrepreneurship scholarship and the evolution of social entrepreneurship scholarship. The second is the view that entrepreneurship is the founding discipline of social entrepreneurship and therefore the two phenomena must share common characteristics. The evolution of social entrepreneurship is similar to the evolution of social entrepreneurship in three ways: the development of theory lagged the practice; the field lacked a uniting paradigm: and both fields experienced an infancy stage (Bacq & Janssen, 2011; Mair & Marti, 2006). Similarly, social entrepreneurship repeated the history of entrepreneurship because of the dominance of case studies/descriptions and the frequent bemoaning of the absence of consensual definitions and generalisable theories (Steyaert & Hjorth, 2006).

Commenting on entrepreneurship in general, Chell (2007: 5) made the following observation:

> Throughout the 20th century, the nature of the entrepreneur and the entrepreneurial process have defied consensual definition, in part due to the differing social, economic and political discourses around the term.

As an attempt to narrow and refine the concept, researchers in entrepreneurship have confirmed the founding disciplines of entrepreneurship as psychology, sociology and economics (Thornton, 1999; Zahra, 2007). They saw the bulk of entrepreneurship research and theory as having borrowed from these and other disciplines – possibly at the expense of developing an independent and substantial theory of entrepreneurship. Entrepreneurship theory is a rugged landscape of multidisciplinary contributions that draw from economics, psychology, sociology, business management and other disciplines. It has been proposed that the disciplines of economics, sociology and psychology contributed significantly (although not exclusively) to entrepreneurship thinking (Amit, Glosten & Muller, 1993; Glade, 1967; Shane, Locke & Collins, 2003). Similarly, social entrepreneurship has also been characterised by literature emanating from different disciplines and paradigms (Lehner & Kaniskas, 2012; Mair and Marti, 2006). This multidisciplinary legacy has contributed to disparate theory development both in entrepreneurship and social entrepreneurship fields. Parkinson and Howorth (2007) concurred with the concerns regarding differing approaches, and noted that the definition of entrepreneurship was constantly being revised and reformulated. However, the holy grail of entrepreneurship remained elusive. The consequence was that the founding discipline of social entrepreneurship (i.e. entrepreneurship) was characterised by a theoretical gap.

This gap was alluded to by Swedberg (2007), who stated that in spite of a large volume of writings on entrepreneurship, not much progress has been achieved in the development of a comprehensive theory of entrepreneurship. Zahra (2007) agreed that a theory of entrepreneurship was lacking, and suggested that in order to fill this gap, future studies of entrepreneurship could gain more substance and relevance by anchoring themselves firmly

in the contexts of entrepreneurial ventures. This proposition has special relevance for social entrepreneurship because, in essence, it is a form of entrepreneurship that is anchored in the context of a specific social need. Perhaps what was required was an acknowledgement of the interdisciplinary nature of entrepreneurship (Parkinson & Howorth, 2007; Dacin et al, 2010). It therefore can be concluded that both entrepreneurship and social entrepreneurship share an evolutionary legacy that is interdisciplinary, and that is the nature of both phenomena.

In a discussion on the common characteristics between entrepreneurship and social entrepreneurship as form of entrepreneurship, the contribution of the work of Schumpeter (1934, 1961) is considered to be relevant to social entrepreneurship (Alvord, Brown & Letts, 2004; Peredo & McLean, 2006; Stryjan, 2006; Lindgren & Packendorff, 2009). Schumpeter was among the seminal theorists of entrepreneurship. He saw the entrepreneur as the trigger of business-cycle changes (Formaini, 2001). Schumpeter (1934) focused on the role of the entrepreneur in the economic system and described the entrepreneur as an innovator, a "Man of Action" who causes economic development to occur in the economic system. Development is a change in the economic sphere. The entrepreneur was a leader who was able to overcome obstacles, which include resistance to change or development, both internal (within the individual) and external (within society). The entrepreneur was seen as a somewhat heroic leader who acts on the economic environment and does something new. What is very significant is that the entrepreneur was not necessarily limited to the economic domain; he may also effect change in other areas of society. In this articulation, entrepreneurship was conceptualised in terms of a relationship between a special individual and his or her environment (Schumpeter, 1934).

Schumpeter described the economy as a system that does not change itself; it was a system that sought to maintain a state of equilibrium. He saw the entrepreneur as a special type of person who causes economic development or change to occur by introducing disequilibrium. This was achieved by the introduction of new combinations, which could entail the introduction of a new good/service, method of production, market, supply source,

organisational form, or industry position (Schumpeter, 1934). The entrepreneur did not necessarily come from a specific class or social sector, but if successful, he might end up belonging to the capitalist class. Only a minority of people became entrepreneurs, and the catalyst for entrepreneurial action was personal. At this point, it is reluctantly conceded that the realm of psychology is entered. Schumpeter justified this intrusion by the need to explain the economic motives of the entrepreneur. These motives were seen as essentially self-centered, because the entrepreneur was comfortable not relying on social and economic tradition, and was moving "upstream" against the established flow of economic life (Schumpeter, 1934).

Swedberg (2007) saw the work of Schumpeter as being useful in providing the building blocks for a theory of social entrepreneurship. He singled out the concepts of combination and resistance as being key to any current and future thinking on entrepreneurship. Combination refers to the manner in which the entrepreneur combines existing resources to create something new, and resistance refers to the internal and external hurdles of resistance that the entrepreneur must overcome in order to achieve desired objectives. Stryjan (2006) also suggested that Schumpeter's ideas regarding combinations were of particular relevance to a resource-based view that sees social entrepreneurs as actors who combine new configurations of resources. These concepts were useful as building blocks of social entrepreneurship theory, because social entrepreneurs operate in a context of resource constraints, and have to harness relevant stakeholders and resources to address social needs in an innovative manner (Swedberg, 2007). Schumpeter's work on its own could not provide a comprehensive theoretical base for social entrepreneurship, because it pays limited attention to the impact of social, cultural and political factors on entrepreneurship. So, whilst Schumpeter may provide building blocks for describing what defines the entrepreneurial aspect, it may be necessary to look to other theories to build the social aspect of social entrepreneurship. The social, cultural and political factors are in fact important, because social entrepreneurs develop enterprises in the context of social need and societal institutions that are unable to meet these needs.

2.3.2.3. Africa and South Africa

Littlewood and Holt (2013) note an emerging interest in academic research across the African continent and in South Africa, yet they point out that this work has not produced a consensual understanding of the concept within the African environment. They suggest that there is a need for empirical work that adequately reflects the diversity and nuances of the African context. Given the importance of context there will be a level of specificity in the manner in which both entrepreneurship and social entrepreneurship manifest in the African and South African context. Kiggundu (2002) proposed three analytical levels: the entrepreneur, the entrepreneurial firm, and the external environment as being relevant to the process of entrepreneurship research in Africa, which he argues is inadequate and requires gear-changing strategies. The change of gear required includes the production of more usable knowledge, scaling up institutional and policy support, and mainstreaming entrepreneurship. His study is useful both in providing an analytical framework, and in flagging demographic, racial, social and contextual issues and their impact on entrepreneurship. He concludes by encouraging more and better quality research in order to build a robust African system of entrepreneurial knowledge.

Further African publications are seen in the work of McDade and Spring (2005), and Urban (2006). McDade and Spring (2005) analysed entrepreneurship practices of entrepreneurs across 10 African countries, and observed the existence of a new generation of entrepreneur who was educated, experienced and desired to make a contribution towards economic and social development. A further example of African research was provided by Urban (2006), who explored the effect of culture on entrepreneurial intentions. He conducted research using a cross-cultural sample and found that self-efficacy had a greater impact on entrepreneurial intentions than culture. His study served to temper the view of Pretorius and Van Vuuren (2003) which argued that there may be a correlation between culture and entrepreneurship. The comments made by Urban (2008) on the need for social entrepreneurship research in

South Africa are most appropriate to end this section. He aptly stated that "in South Africa where social entrepreneurship (SE) remains an under-researched area, the importance of SE as a phenomenon in social life is critical" (Urban, 2008: 347; Pretorius & Van Vuuren, 2003) conducted research in South Africa exploring whether South African culture is conducive to an entrepreneurial orientation, and found that this was not the case. They proposed further research considering how factors that stimulate an entrepreneurial orientation and culture could be stimulated.

Having considered the similarities in the evolution of entrepreneurship and social entrepreneurship and the entrepreneurship theories that provide building blocks to social entrepreneurship, it is concluded that the nexus between entrepreneurship and social entrepreneurship is historically and presently strong. The historical evolution of entrepreneurship theory has bestowed a legacy of competing perspectives on social entrepreneurship. The rugged landscape of entrepreneurship theory is also mirrored in social entrepreneurship (Mair & Marti, 2004). Clearly, if the term entrepreneurship lacks coherence, then social entrepreneurship will reflect the same characteristic. Social entrepreneurship as a form of entrepreneurship contributes to the plurality and heterogeneity of entrepreneurship (Steyaert & Hjorth, 2006) thereby enriching and expanding entrepreneurship.

2.3.3. The distinction between commercial and social entrepreneurship

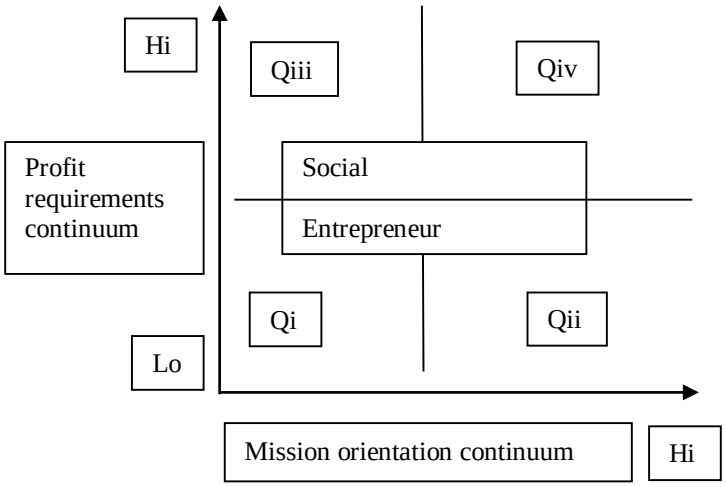
The differences between social and business/commercial entrepreneurship are important because they enhance insight into the unique features of social entrepreneurship. There are several proposed distinctions between social and commercial/business entrepreneurship in the literature. According to Dees (1998), social entrepreneurs were focused on social value creation, while commercial entrepreneurs were focused on wealth creation. Furthermore, the social entrepreneur was accountable to stakeholders, while the commercial entrepreneur was accountable to shareholders (Mort, Weerawardena & Carnegie, 2003). Thompson (2002)

stated that social entrepreneurs are committed to helping others, and business entrepreneurs were committed to making money, while Roberts and Woods (2005), and Bacq and Janssen (2011) believed that the social entrepreneur was primarily motivated by social need, whereas the commercial entrepreneur may be motivated by financial and other needs. Martin and Osberg (2007) drew a distinction between markets where social entrepreneurs served underprivileged markets, and business entrepreneurs who served markets that could afford the product or service. Carter and Shaw (2007) conducted research among social entrepreneurs and observed that social entrepreneurship projects tended to be local, while this was not the case with business/commercial entrepreneurs. Lastly, Murphy and Coombes (2009) saw the difference between social and commercial entrepreneurship as being related to the manner of resource mobilisation. Mair and Marti (2006) did not focus on differences, but rather subordinated the economic to the social, arguing that whilst social entrepreneurs created both social and economic value, they saw their primary focus as being social, with the economic aspect serving the requirement for financial sustainability. The economic (financial sustainability) is therefore a means to achieve the social mission (Diochon & Anderson, 2011).

All the distinctions discussed above identify the differences between social and business/commercial entrepreneurship in terms of a specified dimension – with two polarities or opposites at each end. The value of the distinctions is that they amplify the unique aspects and, to a certain extent, define the boundaries of social entrepreneurship. What would be more appropriate is an integrative approach that emphasises complementarity, which is the dual value creation (Alter, 2007) and recognises that the market and social distinctions should co-exist in a hybrid type organisation. In this regard the Massetti (2008) social entrepreneurship matrix intersects the market/mission continuum with the profit/no profit continuum and offers a more integrative approach. The intersection of these two continuums creates four quadrants: the low market and profit traditional non-profit (Qi), which is the classic non-governmental organisation; the transient organisation (Qii) which responds to a short-term market but low profit need; the high profit low social

mission traditional business (Qiii) and the tipping-point quadrant, (Qiv) which balances profit and social mission. This model is shown in Figure 1:

Figure 1. The Social Entrepreneurship Matrix



Source: Massetti (2008; p 7)

This approach reflects the dynamic and hybrid nature of social entrepreneurship. It is also closer to the multidimensional view of social entrepreneurship that characterises most of the more recent conceptualisations. Santos (2009) and Mueller, Nazarkina and Volkmann (2011) proposed that the distinction between social and commercial entrepreneurship should be dropped, because it adds no value to the discourse. This argument was based on the fact that all forms of economic value creation generally improve the welfare of society, and that a total wealth notion that recognises different combinations of value is appropriate. Williams & Nadin (2012) also argue for the need no move beyond the social and commercial dichotomy. Based on research in the informal sector they suggest that a continuum of objectives from social to commercial is more appropriate. The integration of the dichotomy between social and commercial entrepreneurship was summarised by Chell (2007: 14), when she made the following conclusions:

i. To behave entrepreneurially is to engage in a process that creates value;

ii. The value serves two purposes: it positions an enterprise among competitive enterprises and generates wealth that is to be distributed (according to a formula/agreement) among its stakeholders;

iii. The process is embedded within a socio-economic context; and

iv. Such context, if the mission of value creation is to be maintained, suggests that the enterprise that promoted the activity and its outcomes must be sustainable.

An approach that integrates the social and commercial elements within the context of value creation and conceptualises the social and commercial aspects as complementary aspects of value creation (Ormiston & Seymour, 2011; Mueller et al, 2011) was considered appropriate to conclude this section. It is the apparent polarity and competitive nature of the social and the commercial that intersect to optimise shared value (Florin & Schmidt, 2011). The notion of share value is critiqued by Pirson (2012) who, having analysed the pathway of three social enterprises, found that over time shared value gave way to either social or commercial objectives.

2.3.4. Models and types of social enterprise

The different social, political and economic contexts in which social entrepreneurship emerged have led to a range of organisational forms that fall under the ambit of social enterprise. This point was illustrated by the differing organisational formations that emerged from the American (social enterprise/businesses) and the European traditions (co-operatives and NGOs) (Hoogendoorn et al, 2010). Kerlin (2006) compared social enterprises in the United States and Europe and found that while there were a great variety of types of social enterprises in the United States, this variety did not exist in Europe. The reason for this lies in the different historical, regulatory and socio-political contexts.

The literature review yielded two general approaches to understanding the organisational forms of social enterprise. The first approach entailed the classification of social

entrepreneurship into distinctive or overlapping categories; the second traced the historic evolution of the organisation and proposed a continuum of social enterprises as a tool for locating different types of social enterprises. In view of the post-2008 credibility loss of business globally, the hybrid organisational models ushered in by the social enterprise movement offer the world new and credible formations and approaches that balance the financial and social imperatives (Pirson, 2012). It has been suggested that the hybrid nature of social enterprises is in fact one of its defining characteristics (Doherty, Haugh & Lyon (2014). Some of the different approaches and models are elaborated on in the paragraphs that follow.

The first approach, developed by Roper and Cheney (2005), identified three different models or categories of social enterprise: private, not-for-profit, and public-sector social enterprises. The factor that distinguishes the three models is the sector in which the social enterprise is located. Another classification was proposed by Hartigan (2006), who identified leveraged non-profits, hybrid not-for-profits, and hybrid for-profits. In this classification, the distinguishing factors are the organisational structure and the source of income. Leveraged non-profits ensure financial sustainability by having a very wide range of funders. Hybrid not-for-profits recover costs through the sale of goods and services to private and public-sector partners. Hybrid for-profits, also described by Dees, Anderson & Wei-Skillern (2003) as for profit social ventures, combine both financial and social return on investment. Hartigan's approach points to a key feature of the social enterprise, which is its strategy to achieve economic sustainability. Hartigan's classification has been adopted by practitioner organisations – such as the Schwab Foundation – in categorising social enterprises in its database. This means the model has useful practical application.

Similarly, from a financial sustainability point of view, Alter (2007) identified the embedded, integrated and external social enterprise. The embedded social enterprise is where the social programmes and business activities are the same. The integrated social enterprise overlaps and usually enhances revenue streams, and the external social enterprise

is where a distinct business funds the social programme. Pirson (2012) applied Alter's category of social enterprise described above in order to compare the relative shared value propositions of each model. He concluded that the embedded social enterprise provided the optimal structure to achieve shared social value.

The second approach to social enterprise formations tracked their evolution from non-governmental organisations to social enterprises – as a necessary path to ensure survival and sustainability (Fowler, 2000; Chand, 2009). This implies that social enterprises find themselves located at a point in this process of evolution. A related approach is proposed by Jones, Latham and Betta (2008), who located social enterprises at different points along a continuum that ranges from organisations set up by revolutionaries with social agendas, to situations where social innovation is seen as a business opportunity.

Corporate social entrepreneurship has been identified as a form of social entrepreneurship that seeks to transform the way in which companies function. This entails an individual or group of corporate social entrepreneurs driving the transformation of an organisation based on values (Austin and Reficco, 2009). The key focus of corporate social responsibility is to integrate corporate social responsibility into the core business of the organisation. However, such a transition is questionable since most corporations seek to maximise shareholder value and not social mission

The varied social entrepreneurship modes of interaction with the public, and the different structures, have contributed to difficulties in defining the concept, in particular its boundaries (Hines, 2005). In addition, a further level of complexity arises because it has been suggested in the literature that there are also different types of social entrepreneurs. Zahra et al (2009) describe a typology of social entrepreneurs based on their motives, modes of opportunity identification, and ethical challenges. These are the social engineer who focuses on creating new large-scale systems, the social bricoleur who uses expertise and resources to meet local needs, and the social constructionist who operates alternative structures to meet social needs.

Each of these types of social entrepreneur will impose a different nuance on the social enterprise and its operation.

Low (2006) suggests that boards are important structures that should be incorporated into the models and structures of social enterprise. He points out that not much focus has been paid to the governance of social enterprise, yet boards could play an important role in safeguarding the integrity of the social enterprise.

Given the variety of models and types of social entrepreneurship that exist it appears as though accepting this variety as a characteristic of the phenomenon is an important first step in understanding social entrepreneurship. The second step would then be to define the parameters of this variety by defining inclusion and exclusion criteria. Accordingly, this thesis will define a social enterprise as an organisation or venture that exists to advance a social mission through entrepreneurial and sustainable strategies – such as earned revenue, non-trading income and business ventures. A rich mosaic of different models of social enterprise exists, including: social-purpose private businesses, social businesses, co-operatives, and non-profit but income-generating entities. The research into types of social enterprise has been predominantly case study based and begins to offer certain organising principles for understanding the nature and types of social enterprise.

2.3.5. The traits of the social entrepreneur

Some of the literature has focused on the traits of social entrepreneurs as individuals (Thompson, Alvy & Lees, 2000; Bartlett, 2004; Thompson, 2002; Roberts & Woods, 2005). Thompson et al (2000) state that there are generic traits that cut across all forms of entrepreneurship. These are: the capacity to have a bold vision; leadership skills – the ability to operationalise a vision; and the will to build something that will be sustainable. The social entrepreneur has also been described as a person who mobilises others towards the achievement of catalytic change (Waddock and Post, 1991).

According to Dees (1998), what was unique about social entrepreneurs is that they combine social mission and a disciplined business-driven approach. Social entrepreneurs are persistent (Roberts & Woods, 2005), have socially-oriented values (Hemingway, 2005), a very prominent social consciousness, are very resourceful and able to create something from nothing in order to solve a social problem (Hartigan, 2006). They tend to be team players (Hall et al, 2012) and possess the ability to rally people around a specific social mission. Social entrepreneurs are not discouraged by obstacles and other constraints that stand in the way of achieving their social mission (Roberts & Woods, 2005; Lehner, 2011).

The trait approach was criticised by Light (2006) who argued that the individualised definition of social entrepreneurship promotes a cultish approach and ignores the role of organisational resources. Cho (2006) also cautioned subject-driven approaches that elevate the role of the individual or individuals. An even more extreme view on this matter was expressed by Dey and Steyaert (2010) who saw the focus on the traits of the great individual as a form of regression to the days when the field of entrepreneurship focused on the personality of the entrepreneur. They saw this approach as both elitist and individualistic, and urged scholars to avoid being mesmerised by the "messianic" portraits of the individual social entrepreneur, who is able to "save the world". Whilst it is accepted that there is a need to temper the trait approach, some writers (Thompson et al, 2000; Bartlett, 2004; Thompson, 2002; Roberts & Woods, 2005) have made a case for the social entrepreneur as an individual or group, demonstrating a cluster of generic traits, who have adopted innovative solutions to addressing social needs. A further observation regarding the trait literature is that it has been largely anecdotal or descriptive and not based on traditional instruments for assessing personality traits. Individual traits therefore remain relevant, but they are merely one aspect of the elements that constitute the broader concept of social entrepreneurship. What would be of interest is whether groups or persons who initiate social enterprises have a collective portfolio of traits that are complementary and enhance the team dynamic of social enterprise.

2.4 Factors driving the evolution of social entrepreneurship

2.4.1. Driving factors

Commenting on the driving forces of social entrepreneurship, Dees (1998: 1) stated:

> The time is certainly ripe for entrepreneurial approaches to social problems. Many governmental and philanthropic efforts have fallen far short of our expectations. Major social sector institutions are often viewed as inefficient, ineffective and unresponsive. Social entrepreneurs are needed to develop new models for a new century.

Different social, political, institutional, economic and historical factors have influenced the global proliferation of social entrepreneurs and social enterprises. These include: initiatives to reinvent government, resulting in a retreat of government and increased civic involvement (Mort, Weerawardena & Carnegie, 2003); the inadequacy of the free market neo-liberal model in ensuring the welfare of all (Roper & Cheney, 2005; VanSandt et al, 2009); the perception of market failure (Miller et al, 2012); public funding not reaching the poor (Seelos & Mair, 2005); diminishing public funding (Peredo & McLean, 2006); the global movement towards marketisation and privatisation (Bull, 2008; Zahra et al, 2009); the need to fill institutional voids (Nicholls, 2009); and uncontrolled capitalism that has resulted in social injustices (Sud, VanSandt & Baugous, 2009). The transition of NGOs into social enterprises (Chand, 2009) has also been influenced by the entry of for-profit entities into the non-profit sector and causing NGOs to adopt business practices in order to be competitive (Ryan, 1999). In South Africa, gross inequalities (Hall, 2008) and the government's inability to meet the social deficit (Urban, 2006) are some of the factors that have influenced local social entrepreneurs. These driving forces have propelled individuals and groups to seek innovative business-oriented solutions to pressing social needs.

The permeability of cross-national borders and the globalisation of business in international markets has made it easier for social entrepreneurs to pursue global opportunities. The reason for the globalisation of social ventures is related to the global nature of the need (Florin & Schmidt, 2011). Other factors driving this globalisation of social entrepreneurship were global wealth disparities, the corporate social responsibility movement, market and institutional failures, and advances in technology (Zahra et al, 2008). Globalisation of social entrepreneurship was seen as a rapidly increasing trend that will contribute significantly to global development because of its focus on meeting social needs in different parts of the world.

An example of institutional factors driving social entrepreneurship was the United Kingdom's Department of Health creating incentives for its staff to form healthcare social enterprises. Staff reported that the opportunity to grow from the experience and "give back" motivated their actions (Hall et al, 2012). The findings of this work confirmed Lehner and Kaniskas's (2012) observation that often opportunity recognition to start social enterprise can occur in a collective form. At the level of the individual social entrepreneur, one of the forces driving the formation of social enterprises was found to be compassion, that emotion that connects a particular individual to the suffering of others (Miller et al, 2012). Social entrepreneurs were also motivated by personal fulfilment motives to form social enterprises. (Mair & Marti, 2004). These observations move the discussion beyond the macro (i.e. social, political and economic) reasons towards an exploration of the micro (i.e. the personal and affective) reasons for the formation of social enterprises.

Many of the driving forces discussed above reflect social, economic and political forces in western nations. The driving forces in many developing and developed countries across the world may vary considerably and would be of interest to researchers. It is reasonable to assume that in South Africa socio-economic delivery backlogs, and a non-governmental movement weakened by the retreat of international funders following the advent of

democracy, and the need for social change and transformation, would constitute some of the driving forces.

2.4.2. The need for social change

Social entrepreneurship offers the broader field of entrepreneurship an opportunity to contribute to social change (Stryjan, 2006). The purpose of social enterprises is to bring about some form of social change and in developing countries social entrepreneurs are viewed as agents of social change (Diochon & Anderson, 2011). This link between social entrepreneurship and social transformation was empirically explored by Alvord, Brown & Letts (2004). In their analysis of seven successful case studies of social entrepreneurship, they looked at: the nature of innovation; the character of the leader and organisation; and how the ventures expand and sustain their impacts in order to transform larger systems. One of the important concepts they discussed was that of "scaling up" – which entails expanding services and benefits to more people, and large-scale behaviour change. The same theme was addressed by Perrini and Vurro (2006), who emphasised the organisational factors that facilitate the leveraging of social change through social entrepreneurship. They identified the organisational factors as: a) broad and bold vision; b) a scalability orientation; and c) economic robustness of ventures. They saw these three factors as relating positively with social change, growth, and economic performance, and this link can be mediated by environmental factors.

The work of Alvord et al (2004), and Perrini and Vurro (2006) described above sought to identify dimensions in social entrepreneurship ventures that could cause a larger systemic impact on the quality of lives of communities. These dimensions were important as they pointed to areas of capacity-building in order to achieve a greater impact. The concern with the study above is that it focusses on increasing numerical impact and does not consider the need to factor in system and institutional change. At a more localised level, Wallace (1999) argued that social enterprises should be part of community development strategies because

they are best placed to facilitate community economic development. They also promoted self-determination and local community cohesion. This perspective was supported by Seelos and Mair (2005), who considered two case studies of social entrepreneurship and elucidated the role that social entrepreneurs play in providing services to the poor and in supporting the goals of sustainable development. The same authors however did point out that in order for social entrepreneurship to make a noteworthy contribution to sustainable development objectives the volume of initiatives across the globe must increase.

The link between social entrepreneurship and social change assumes that social enterprises make a positive contribution to society. Some researchers have proposed a more considered approach, whilst others question this assumption. A level of caution was expressed by Seanor and Meaton (2007) regarding bullish views on the social impact of social entrepreneurship. They argued that whilst social entrepreneurs can expand the solutions available to society, they cannot drive social change on their own; they need government and institutional support (Zeyen, Markus, Mueller, Dees, Khanin, Krueger, Murphy, Santos, Scarlata, Walske, & Zacharakis, 2012). Furthermore, they argued that the model of social entrepreneurship should not be seen as the panacea for most situations. Parish (2008) went further and questioned the appropriateness of "privatizing" responsibilities that belong to government.

An even more critical stance regarding the relationship between social entrepreneurship and social change was adopted by Dey and Steyaert (2010), who accused the social entrepreneurship narrative of promoting too sanitised a view of social change. They saw the narrative of social entrepreneurship as suggesting that social change can be achieved with no social unrest and tension. They challenged scholars to question whether social entrepreneurship could be a movement free of political ideology and argued that the conceptualisation of the field lacks critical contributions that analyse its politics and subtle messages about social change.

A balanced view that acknowledges the bullish, cautionary and critical perspectives would see social entrepreneurship as an important complementary tool in managing social needs (Dart, 2004). What was not in dispute is the impact that social entrepreneurs have at a local level. What remains a moot point, however, is the role they could play at a systemic level as catalysts of change.

2.4.3. The prevalence of social entrepreneurship

Prevalence studies in social entrepreneurship have focused on two levels. The first is the prevalence of individuals who are social entrepreneurs or are involved in social entrepreneurship activity, and the second is the prevalence of social enterprise. The world average prevalence of social entrepreneurs as a percentage of the adult working population is 2.8 percent. However, individual country prevalence ranges from 0.2 to 7.6 percent. The South African prevalence is 1.8 percent (Lepoutre, Rachida, Terjesen & Bosma, 2011). These statistics were extracted from a special report on social entrepreneurship conducted by the Global Entrepreneurship Monitor which also found that there was a correlation between economic development and social entrepreneurship activity. According to Lepoutre et al (2011), because this was a once-off special topic research project, no historical comparatives were provided and, as such, it was not possible to comment on the growth rate over time.

Dart and Clow (2010) conducted research at the level of the social enterprise and pointed out the difficulties with creating a demographic profile of social enterprise because it has so many different forms and types. They suggested any framing attempt should include a clear description of distinctive features of social entrepreneurship. It has also been suggested that in the United Kingdom there is limited evidence of growth in the incidence of social enterprise (Teasdale, 2012) The estimated number of social enterprises has been consistently increasing because of the changing definitions and permeable parameters (Teasdale, Lyon and Baldock, 2013). These authors question the "growth myth" of social enterprise and suggest that the growth is not made real merely as a function of expanding parameters.

Given the racial discrimination and apartheid history of South Africa and the potential of social entrepreneurship as a vehicle for transformation, it is relevant to consider the distribution of social entrepreneurship activity among the different racial groups. Of particular interest is whether the prevalence of social entrepreneurship mirrors the differentiated access to resources that characterised apartheid. According to Herrington, Kew and Kew (2009), social entrepreneurship activity was relatively evenly spread among racial population groupings. They measure the rate of Social Entrepreneurship Activity (SEA), which is a measure used by the Global Entrepreneurship Monitor, to measure the proportion of social entrepreneurship activity among the adult population. This measure is a derivative of the Total Entrepreneurship Activity (TEA) measure. The rate of African and white entrepreneurship is 1.9%, 1.6% for Indians, and 1.4% for coloureds. This result means there is a balanced propensity across South Africa's different race groupings to engage in social innovation. It suggests that apartheid racial differentiations, policies and skewed resource provisions did not have a severely negative impact on the prevalence of social entrepreneurship among different race groups because the prevalence is relatively evenly spread. Herrington, Kew and Kew (2009) do not explain the reasons for this because the focus of the report is statistical. This trend strengthens the case for government support for social entrepreneurship as a racially-transformative force in South Africa.

The gender-prevalence profile, however, shows there are more significant differences between the prevalence of social entrepreneurship among males and females (1.3% and 0.5% respectively). This means that in South Africa there are more than half more male social entrepreneurs than females; yet there are more females in the population. These South African gender differentials were more pronounced than international trends. Najafizadeh and Mennerick (2003) attributed the lower incidence of women social entrepreneurs in societies in transition to the interplay between gender ideologies and broader socio-political and economic factors. These result in a generally lower economic participation level of women in comparison to men. The question that arises is the reason for lower racial

differentiation and yet higher gender differentiation in relation to the prevalence of social entrepreneurship. It is interesting to note that research undertaken by Harding (2004) in the United Kingdom concluded that women are more likely to become social entrepreneurs than men. Although this research was undertaken five years earlier than the GEM research referred to above, the trend does contrast with the South African trend.

An aspect of this research that requires further investigation is the difference between social entrepreneurs (i.e. those who initiate, form and drive social enterprises) and individuals involved in social entrepreneurship work/activity either formally through work or informally. Beyond these two levels there is also a broader social entrepreneurship community which includes strategic partners, donors and other institutions that support the social mission work of a particular social enterprise. Social entrepreneurship prevalence could be researched in terms of circles of prevalence that include the social entrepreneurs, those involved in social entrepreneurship work, and the stakeholder community.

2.5. Resource mobilisation for sustainability

Stryjan (2006) promoted a resource based view of social entrepreneurship drawing on Schumpeter's idea of new combinations, suggesting that social entrepreneurs are actors that find new resource combinations and configurations in order to meet social needs. He argued that the benefit of this approach is to link social entrepreneurship to mainstream thinkers on entrepreneurship. The section that follows identifies social capital, ethical capital, and sustainable resource mobilisation as key combinations applied by social entrepreneurship actors.

2.5.1 Social and ethical capital

Both social and ethical capital are intangible and not directly measurable assets leveraged by social entrepreneurs. One of the strengths of social entrepreneurs is their ability to create

social capital (Thompson, 2002; Stryjan, 2006; Bull et al, 2010), which entails mobilising groups around ventures that are valuable or beneficial to communities. In explaining the meaning of social capital, Portes (1998) suggested that it is more useful to focus on the contemporary and applied meaning of social capital, which is simply the positive results that derive from being part of a distinct social formation or group. Whilst the notion of social capital is applied in many different contexts, what is of interest is its application to entrepreneurship and social entrepreneurship.

Social capital is an important element for organisations seeking to be sustainable (Ridley-Duff. 2007). Individuals take advantage of their social groupings, affiliations and networks in order to achieve their entrepreneurial objectives (Kwon & Arenius, 2008), More specifically, social capital is essential to the efforts of social entrepreneurs, in that it increases stakeholder cohesion and propels the unity of purpose required to execute social entrepreneurship initiatives. The case for the symbiotic relationship between social capital and social entrepreneurship was further advanced by Hasan (2005) through the exploration of case studies in the Asian context. He discussed four examples of the relationship between social capital and social entrepreneurship, and identified common features across all four – such as collective volunteering, local social obligation, open participation and a sense of togetherness. Social entrepreneurs operate in a community setting and harness local and community relationships and cohesion (social capital) in order to deliver their social mission (Bull et al, 2010). A dimension of social capital that has not been explored in the literature is the role of trust as a non-financial resource that enhances the effectiveness of the social enterprise (Curtis, Herbst & Gumkovska, 2010). The presence or absence of trust among parties such as government and social entrepreneurs can inhibit or enhance the activities of the social enterprise. The social capital perspective is relevant because it provides a shift in focus away from the traits of the social entrepreneur to the importance of social context and social relations.

The relationship between ethical capital and social entrepreneurship offers an alternative frame of reference for understanding the phenomenon (Bull et al, 2010). This refers to the collective moral desire to give back to society and do something beneficial for the community. The assertion made by Bull et al (2010) regarding collectivity can be questioned as it has been demonstrated that research among healthcare social entrepreneurs indicated that the motives of social entrepreneurs can also be personal (Hall et al, 2012). Whether individual or collective, social entrepreneurs derive their legitimacy from a sense of morality and social desirability of their actions that propels their efforts (Dart, 2004; Parkinson and Howorth, 2007; Sud et al, 2009) and a sense of compassion for others in need (Miller et al, 2012). The application of ethical capital in order to balance the social and economic imperatives ensures that the social enterprise is able to be more sustainable. This intersection of the business and the social is what gives social entrepreneurship more legitimacy and desirability (Dart, 2004).

2.5.2 Sustainability and social entrepreneurship

Sustainability in social entrepreneurship literature has focused on two aspects, the first being the financial, and the second the social. These aspects are interdependent because sustainability refers to a social enterprise having a robust income/funding generation strategy that will ensure that the social benefit is able to endure. It has been argued that sustainability is central to any definition or "raison d'etre" of the phenomenon of social entrepreneurship (Boschee & McClurg, 2003; Rotheroe & Richards, 2007). This was particularly evident in the United Kingdom where sustainability underpins both an understanding of and policy framework for social entrepreneurship (Darby & Jenkins, 2006). Social entrepreneurship reflects life and natural principles that encourage sustainable ventures. These include optimisation, leverage, interdependence and being locally integrated (Patel & Mehta, 2011). It is precisely the convergence of social, economic and even environmental value that makes social enterprise a viable organisational model for social ventures (Murphy & Coombes, 2009).

Kuhlman and Farrington (2010) traced the genesis of the concept of sustainability from its roots in the environmental movement, and point out it has been redefined to include social, economic and environmental dimensions. Dean and McMullen (2007) also linked sustainability to the resolution of environmental failures. Kuhlman and Farrington (2010) further observed that the concept has evolved to assume context-specific applications, such as the development, business and environmental sectors. Interpretations of sustainability include connotations of the systemic balance of interrelated elements, and the need to safeguard finite resources (Parish, 2008). Sustainability in social entrepreneurship is aligned with the principles of sustainable development which entail providing a service to excluded communities in an innovative, inclusive and transparent manner (Rotheroe & Richards, 2007). Santos (2009) suggested that the pursuit of sustainable social solutions is the distinctive domain of social entrepreneurship. He contrasted this with sustainable advantage, which is the domain of business organisations.

Wallace (2005) drew a distinction between economic, financial and social sustainability, where economic sustainability relates to sustainable financial goals, financial sustainability relates to the bottom line, and social sustainability is about sustained social capital. It appears as though the economic and financial sustainability distinction may be academic because a bottom line contributes directly to the achievement of sustainable financial goals. Alter, (2007; and Bull and Ridley-Duff, 2007) understand social and economic sustainability as a continuum that is optimally balanced by the social enterprise model. Related to social capital is the notion of ethical capital and the argument advanced by Bull et al (2010) that there is a direct correlation between ethical capital and sustainability, their argument being that a collective morality sustains an organisation. A different nuance on the relationship between sustainability and social enterprise was advanced by Simms (2009), who described social enterprise as one of the models of sustainable change, offering solutions to social problems that rely on the capacity of the citizen sector to mobilise resources on a sustainable basis.

One of the strategies (commonly followed in business) applied by social enterprises to ensure financial sustainability is to develop multiple revenue streams to avoid too much reliance on a single income stream that if threatened could have a negative impact on social programmes. Frumkin and Keating (2011) analysed the advantages and disadvantages of financial concentration and found that revenue concentration does increase efficiency as the resources of the enterprise are concentrated and not spread across differing attempts to generate revenue. They suggested that rather than enterprises merely assuming that revenue diversification is the preferred strategy, the pros and cons should be considered and balanced. This line of research that requires quantitative methods offers researchers an avenue to explore the relative effectiveness and optimal mix of sustainability strategies. This study points to the need for social enterprises to develop well considered and evaluated sustainability strategies. The concept of multiple revenue streams as it applies to rural households and rural communities as a means of ensuring survival has been described as pluriactivity (De Silva & Kodithuwakku, 2010). This entails expanding farming and non-farming activities to diversify single-income risk and improve sustainability.

Some social enterprises have taken the sustainability emphasis a step further by developing a set of sustainability indicators which provide quantitative and qualitative inputs into sustainability measurement and reporting (Darby & Jenkins, 2006). The benefits of such an approach is that measurement focusses the efforts of organisations and provides a basis for improvement planning. Sustainability disclosure and reporting allows social enterprise to be accountable to stakeholders by reporting financial, social and environmental impacts (Rotheroe & Richards, 2007). Sustainability could operate at three levels: the production of the good or service in a sustainable manner; the level of ensuring sustainable resources which may be financial, human and material; and the sustainable social impact. Social entrepreneurship as a model seeks to ensure that the benefits of a self-sustaining venture are delivered to all stakeholders over time (Patel & Mehta, 2011).

2.5.3 Partnerships with social enterprises

One of the unique challenges facing the social entrepreneur is that in addition to the task of forming the social enterprise, they also have to engage with existing institutions of society and various partners in order to mobilise resources and support (Miller et al, 2012). The institutional environment of social entrepreneurship is important because it is an integral component of the context of the social enterprise. The institutional context, both formal (government, private and civil society organisations) and informal (values, norms, attitudes, rules and conventions), facilitates and limits the pace and opportunity of social entrepreneurship (Urbano et al, 2010). In a paper that compared and contrasted social entrepreneurship in the United States and Europe, Kerlin (2006) found that in the United States social entrepreneurship was accelerated by the major foundations, whereas in Europe social enterprise was backed by government and the European Union. This factor has had an influence on the differing expressions of social enterprise in these two regions. This is an example of the differing and enabling roles that institutions can play in the evolution of social entrepreneurship at a country level.

The United Kingdom has been actively involved in the process of reforming legislation in order to support the charitable and social enterprise sectors in the delivery of public benefit. (Dunn & Riley, 2004). Yet Chapman, Forbes and Brown (2007) researched the attitudes of the public sector in the UK towards social enterprise and found that although it recognised the importance of social enterprise it did not trust the ability of the sector to deliver social impact in a manner that is business-oriented. The fact that such attitudes and perceptions exist in a country that has a track record of providing support to social enterprises suggests that the social enterprise sector needs to improve the manner in which its delivery capacity is perceived by government in order to ensure sustained support.

Relationships with government, the business sector, the non-profit sector, and the academic sector can make a major contribution to increasing the impact, success and sustainability of

social entrepreneurship ventures (Seelos & Mair, 2005). In a book describing in detail a community regeneration project in the United Kingdom, Mawson (2008) described his varied experiences as a social entrepreneur dealing with different levels of government. While some government officials played a facilitating role, others presented obstacles and barriers to progress. He attributed this to the fact that, whereas the point of departure for government officials is policy, committees and bureaucracy, the point of departure for the social entrepreneur is people and passion.

Korosec and Berman (2006) researched how cities in the United States assisted social entrepreneurs to address social needs. In a survey among jurisdictions that covered a population of about 50,000 people, they identified specific forms of assistance as: raising awareness of the issues addressed by social entrepreneurs; providing public resources and assistance to help obtain further resources from other organisations; and the coordination and implementation of programmes. These results were also confirmed by Poon et al (2009), who stressed the important role that local government played as social and economic facilitators of social entrepreneurship in rural China. Similarly, research undertaken in Poland exploring the relationship between the public sector and two rural social enterprises revealed that the trust among the parties had a positive impact on the development of the social enterprises (Curtis et al, 2010). The relationship between social entrepreneurship and government is important as it highlights the need for government to address the reasons for non-delivery of services (Cho, 2006).

Nelson and Jenkins (2006) commented on the mutual benefits that can be derived from a working relationship between social entrepreneurs and corporations. They saw this as a new and exciting direction for Corporate Social Investment (CSI) initiatives undertaken by corporations. The focus, they argue, should be on a win-win relationship that yields benefits for both the social entrepreneur and the corporation. The potential for collaborative value creation in support of sustainable development is endorsed by Seelos and Mair (2005) who

saw social entrepreneurship as contributing directly to internationally-recognised sustainable development goals.

An emerging area of institutional support is the area of social finance which entails financial institutions providing financial instruments and resources to social mission initiatives for a financial and social return. Moore, Westley and Nicholls (2012) observed that financial institutions have not traditionally been supportive of social enterprise yet the area of social finance is critical to the growth of the sector and its impact. Mueller et al (2011) have predicted that by the year 2028 social impact investments will exceed traditional finance investments because individuals and institutions will realise the benefit of investing both for a financial and social return.

The different examples of institutional relationships across different countries described above point to the critical role that institutions can play in shaping the pathway of social enterprise in a given context. Social enterprises do not exist in a vacuum and need to engage in partnerships with other institutions that may have overlapping or complementary social objectives or goals. The potential opportunities for collaborative/supportive relationships between social enterprise and various institutions are significant and could be reinforced by case studies that identify successes and failures in this area.

2.6. The goals and impact of social enterprises

The literature regarding the impact of social enterprise has focused on social value creation (Seelos & Mair, 2005; Ormiston & Seymour, 2011), social impact measurement (Alter, 2007; Hanna, 2010), social impact metrics (Somers, 2005; Nicholls, 2009), and the scaling of the impact of social entrepreneurship (Dees, Anderson and Wei-Skillern, 2004; Bloom and Chatterji, 2009). The underlying assumption is that the phenomenon does have an impact or does create some social value. It is suggested that any understanding of the social value and impact of the enterprise must be based on what is perceived by the stakeholder (Hanna,

2010). Bloom and Smith (2010) are critical of the literature on the social impact of social entrepreneurship suggesting that there is limited empirical and theoretical work on this impact. What exists, they argue, are practitioner frameworks.

Social value creation is the benefit that derives from the meeting of previously unmet social needs (Ormiston & Seymour, 2011). The drive to meet specific social needs is usually captured and expressed in the missions of the social enterprises. The direct and indirect impact of social enterprises relates to the extent to which the enterprise is able to meet its mission and social objectives and in this regard specific measures and indicators are created (Alter, 2007). These measures relate directly to the quantification of the product or service being provided and in most cases the impact measurements and indicators essentially relate to the growth of the ventures (Ormiston & Seymour, 2011). However insofar as social enterprises may have developed impact measures they do not pay sufficient attention to evaluating the extent to which they were achieving their missions (Ormiston & Seymour; 2011). The extent to which social enterprise ventures were achieving their objectives is significant as this would enhance their credibility among all stakeholders and would also strengthen the case for institutional support and an enabling policy environment. According to Rossi, Lipsey and Freeman (2004) the challenge that comes with determining impact is to establish direct causality by focusing on the "net effects" that exclude any external and confounding factors.

In some instances social enterprises create indirect social value by responding to immediate and urgent needs in addition to their stated mission. Evidence of this was seen when youth empowerment organisation Ikamva mobilised resources to provide urgent supplies to community members displaced by xenophobic violence (Evoh, 2009). This type of impact is typically not measured as it does not relate to the direct mission of Ikamva. This suggests that supplementary activity reports should form part of the impact portfolio of social enterprises. This is an example of the impact of pluriactivity (De Silva & Kodithuwakku, 2010). A further indirect impact created by social enterprises is job creation. Harding (2004)

found that social enterprises created five times more jobs than mainstream businesses. This led her to conclude that social enterprises can potentially play an important role as an economic engine.

The two requirements for the assessment of impact of social interventions are the existence of clearly stated objectives and an implementation track record that can be measured (Rossi et al, 2004). The effective measurement of the impact of social enterprise is one of the challenges in this field (Zeyen et al, 2012). Measurement is important on order to evaluate effectiveness and to compare impact (Florin & Schmidt, 2011). In addition to measures related directly to the product or service being provided, social metrics such as return on social investment (Flockhart, 2005), the balanced scorecard (Somers, 2005) and blended value accounting (2009) have been applied to the measurement of impact of social enterprises. The rationale for the use of such metrics was to have a methodology that gives balanced consideration to both the financial and social aspects of value. Florin and Schmidt (2011) pointed out that the measurement of the impact of social enterprise requires points of evaluation and measurement along a chain of logic that ultimately links the actions of the enterprise to the root cause of the need being addressed. In this regard the concept of an impact map (Rotheroe & Richards, 2007) is a useful tool for demonstrating the cause and effect relationships that arise from the work of the social enterprise. Allan (2005) encouraged social enterprises to develop further assessment tools for the evaluation of their impact in the marketplace. In this regard he drew attention to similar initiatives which include the ethical business and fair trade market places. He saw the benefit of such an approach as being to potentially develop a social enterprise brand that represents the full value proposition of social enterprise. Because social enterprise is a hybrid model, if it earns trading income it could measure both its customer value proposition and its social mission impact (Florin & Schmidt, 2011). The social impact of social enterprise was therefore essentially related to social value creation which must be measured in order to track sustained change.

Commenting on the scaling of impact, Dees et al (2004) pointed out that the different forms of scaling could entail the scaling of a social enterprise organisational model, a programme or a set of principles. They suggest that careful consideration must be paid to the form of scaling if it is to be effective. The same authors also identified the five factors that required evaluation in order for scaling to have the desired impact: readiness, receptiveness, resources, risks and returns. They encourage an evaluation of each of these factors prior to the implementation of scaling of social enterprise impact.

The challenges involved the scaling of impact were addressed by VanSandt et al (2009) who suggested that for social entrepreneurship to have an impact that is material in relation to the needs it intends to address, it will have to significantly expand its impact. They further pointed out that the phenomenon does experience obstacles to scaling which include: a) The small and local nature of social enterprise; b) The fact that social enterprises provide external benefits and tend to internalise cost pressures; and c) The tendency for social enterprises to become similar over time thereby competing for the same resources (institutional isomorphism). VanSandt et al (2009) suggested that in order to overcome the obstacles they identified social enterprises should: a) Apply effectual logic which confirms their capability to have the impact they intend; b) Apply metrics that legitimate their efforts; and c) Use information technology as an enabler to becoming a global community.

The foregoing discussion of the literature on the impact of social entrepreneurship recognises the qualitative and quantitative aspects of impact, and the fact that impact must be sustainable. This area of social enterprise presents opportunities for comparative impact research both at a social enterprise and national level.

2.7 The experiences and reflections of social entrepreneurship actors

An emerging area of interest among academic researchers relates to the experiences and reflections of actors within social enterprises. These researchers tended to use interpretive and constructionist approaches to gain in-depth insight into how key participants in social enterprises interpret their experiences. The areas of exploration of the experiences and points of view of the social entrepreneurship actors included identity perception (Parkinson & Howorth, 2007; Jones, Latham & Betta, 2008; Moss, Short, Payne & Lumpkin, 2010), and ambiguity, contradictions and failure (Froggett & Chamberlayne, 2004; Seanor, Bull & Ridley-Duff, 2007; Seanor & Meaton, 2008; Diochon & Anderson, 2011.)

Research into the way in which social entrepreneurship actors construct their identities as individuals found that they drew their identity from a human and social morality as opposed to any entrepreneurial mindset (Parkinson & Howorth, 2007). Similarly Jones et al (2008) found that social entrepreneurship identity is strongly based in social activism and ideology. Both these studies suggest that from the point of view of the social entrepreneur the pursuit of social mission is primary as it shapes identity. At the level of organisational identity, Moss et al (2010) found that social enterprises exhibit a dual identity that shifts between the social and the commercial.

Seanor et al (2007) noted that much of the literature on social enterprises has been focused on the success of the phenomenon, with limited focus on failure and the lessons this provides from the point of view of the actors. The research they undertook revealed that real tensions exist in the pursuit of economic and social outcomes. Social entrepreneurs must balance further tensions between opportunities and threats, and the collective versus the individual. Another study by Seanor and Meaton (2008) investigated social enterprises that had failed, and found that uncertainty and ambiguity were a prominent feature of their experience. Froggett and Chamberlayne (2004) contrasted the narratives of social enterprise stakeholders with the dominant organisational narrative and reveal tensions between the told story and the

lived experience of social enterprise. More recently interpretive constructionist research undertaken by Diochon and Anderson (2011) revealed three areas of tension and ambiguity in the experience of social entrepreneurs. The three areas of tension include the tension between social and economic well-being, the tension between innovation and conformity, and the tension between independence and interdependence. Whilst these tensions may appear irreconcilable at face value they also drive the generation of innovative solutions.

Muhammad, Moingeon and Lehmann-Ortega (2010) conducted case study research among Grameen social businesses. The research method included interviews and the reflections of the founder who co-authored the article. The lessons gained from the experience, based on the reflections of the actors, were: the need to question existing assumptions; the desirability of complementary partners; the need for continuous experimentation; a preference for social profit-oriented shareholders; and the need to specify social profit objectives. The reflections of the Grameen leaders were at an organisational level as opposed to the personal reflections evident in some of the literature discussed above.

This research trajectory provides rich insights into social entrepreneurship from the perspective of the actors. Such insights present social entrepreneurship as a complex and nuanced activity of actors engaged in collective action that is both purposeful and ambiguous, rewarding and challenging. The protagonists are in a state of ongoing tension between reality and aspiration (Parkinson & Howorth, 2007). These tensions are ongoing and have the effect of generating the continuous pursuit of innovative solutions. The reflection of the voices of the actors will frame this research study and will hopefully make a contribution to a more robust understanding of social entrepreneurship.

2.8. Critique of social entrepreneurship

Cho (2006) observed that social entrepreneurship has many supporters and very few question the concept. He cautioned against support that does not reflect critically on some of the

underlying political narratives that underpin social entrepreneurship. He specifically identified the fact that the palliative nature of social entrepreneurship that does not question the underlying reasons for market or social provision failure runs the risk of circumventing structural social change or systemic social solutions. Hackett (2010) and Mueller et al (2011) also observe that there is not adequate critical debate and reflection about social entrepreneurship. The critique of social entrepreneurship is further developed by critical theory reflections on social entrepreneurship which are discussed below.

Firstly, VanSandt et al (2009) see social entrepreneurship as a development that reforms the capitalist system, introducing change in a manner that is divorced from politics and renders the capitalist system even more acceptable. Secondly, the possibility of a happy marriage between the term "social" and the term "entrepreneurship" was seen by some to be questionable, and a case could be made for inherent contradictions and tension between profit and social agendas which are difficult to reconcile (Bull, 2008; Seanor et al, 2007). It is argued that in reality the dominant business culture results in the social enterprise becoming more business and less socially oriented. Thirdly, social development solutions have been inappropriately cloaked in business and entrepreneurial rhetoric and this was indicative of the worldwide pervasiveness of managerialism and business paradigms in all spheres of life. Research into the language of social entrepreneurship revealed a mismatch between the dominant language of social entrepreneurship – which was business-oriented – and the actual language of practising social entrepreneurs, which was more socially-oriented (Parkinson & Howorth, 2007).

Finally, the promise of social entrepreneurship and its optimistic tenor implied a harmonious and apparently ideology-free approach to social problems, and in particular, to social change. It further promoted an elitist approach to change focused on heroic individuals (Dey & Steyaert, 2010). The proponents of social entrepreneurship paid little attention to the neo-liberal and marketisation ideology that informs the narrative of social entrepreneurship (Schofield, 2005). The question therefore arises as to whether social entrepreneurship is

fundamentally different from other mechanisms that previously existed to fill social backlogs; or is it simply a form of re-branding that will make other social-service entities aspire towards social entrepreneurship? (Reid & Griffith, 2006).

The critique of social entrepreneurship described above, calls for a revision of what is taken for granted in the social entrepreneurship discourse. The central assumption of critical theory is that the world is structured around material contradictions, and its proponents focus on the identification of underlying contradictions that are often masked by ideology (Gephart, 1999). The contradictions in social reality can be understood through a deeper exploration of the multiple social layers of reality, and this deeper level of insight forms the basis of a transformative approach (Neuman, 2006). Armed with this deeper insight, the intention of critical theorists is to open spaces and bring to the surface unspoken insights. In the case of social entrepreneurship, the work of the researchers described above reflects an unspoken critical angle on social entrepreneurship.

Curtis (2008) emphasised the benefits of a critical-theory approach to social entrepreneurship, as it juxtaposes itself to mainstream literature and allows for alternative interpretations to be explored. He stressed the importance of research that challenges dominant assumptions and recognises the influence of culture, history and social position. This approach introduces a political and power-relations dimension. It questions the political agenda of social entrepreneurship which aims to alter the trajectory of social transformation from a mass-based process – to "solutions" developed by groups of individuals.

Some thought-provoking questions arise out of the critical theory view of social entrepreneurship. Firstly, was social entrepreneurship intended to absolve governments of their primary obligation to meet the needs of their citizens? Secondly, does the social-entrepreneurial movement merely serve to dampen the focus on market and government failure, with the promise of social ventures? Thirdly, could social entrepreneurship be a neutral force in relation to the dimensions of race, class, gender and power?

These questions will be of particular interest in the South African context, which is characterised by racial polarisation, gender imbalances, and vast economic disparities. In this context, do social entrepreneurs not mask the delivery backlogs of government, and what is the real political agenda of social entrepreneurship? A critical-theory approach to social entrepreneurship provides a basis for exploring the racial and socio-economic contradictions that characterise South African society and how these may impact on social entrepreneurship. Such approach also involves a transformative emphasis that articulates with the South African socio-economic transformative agenda.

The impact of the above critique on the research was to sensitise the researcher to the tensions inherent in the concept and to look beyond the dominant narrative of the participants in order to unearth some of the unspoken narratives that characterise their experience.

2.9. Research questions

From the literature review undertaken, it was evident that social entrepreneurship scholarship has taken many different theoretical and conceptual trajectories, and there is both consensus and contestation in the different themes discussed above. The conceptual propositions at the end of each literature review theme attempt to provide conceptual building blocks for each of the research questions below.

- What is the nature and role of social enterprise in South Africa?
- What factors influence the evolution of the social entrepreneur and the social enterprise?
- How do social enterprises harness the resources required to function sustainably?
- What are the goals and impact of the social enterprise?

- How does the social entrepreneurship community understand and experience social entrepreneurship?

These research questions guided both the research methodology and the areas of exploratory focus. This means that a research methodology that most appropriately answered the research questions was considered, and the data collection process was focused on addressing the research questions.

2.10. Conclusion

The literature review presented a body of knowledge that was characterised by disparate perspectives, but also an emerging consensus. These features could be attributed to the fact that the field is developing. The divergence was most evident in the definitional debates regarding the nature of social entrepreneurship and its defining elements. There was, however, a degree of consensus regarding its core role, which is to address unmet social needs. Similarly whilst there was some agreement regarding the different factors that drive social entrepreneurship, their prevalence remains an area of contestation. The resource mobilisation strategies that emerged were varied but clustered around the themes of financial and social sustainability strategies. The impact of social entrepreneurship was said to be evident but it was not evaluated or measured effectively. Lastly, the experience of the actors was one of fulfilment and tension.

The key learning point from this chapter is that the state of social entrepreneurship literature reflects the nature of the concept, which is multidisciplinary, nuanced, context specific and complex. This suggests that an appropriate research methodology is required to address the research questions that frame the research engagement. This methodology is discussed in Chapter 3.

CHAPTER 3

3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a detailed description, discussion and evaluation of the paradigm, design and methods that were applied to the research. The research methodology of the thesis was crafted to ensure a framework that was appropriate to the overall purpose and research objectives and questions of the thesis, and to make a meaningful contribution to social entrepreneurship research.

3.2 Methodological gaps in social entrepreneurship research

The methodological gaps and opportunities identified in the literature review will be revisited in summary in this section in order to link these to the rationale for the research methodology. Firstly, having argued in the literature review that entrepreneurship is the founding discipline of social entrepreneurship some of the entrepreneurship methodological gaps flow through to social entrepreneurship. Regarding entrepreneurship, it was proposed that research should encompass both generalisable and statistically significant (coarse-grained methods) data, and context-rich and nuanced (fine-grained methods) data (Coviello & Jones, 2004). Secondly, Chell (2007) made the observation that much of entrepreneurship research and theory has been based on positivist methodologies, and the field was characterised by a preoccupation with quantitative research designs (Lindgren & Packendorff, 2009). These two reflections on entrepreneurship research point to an opportunity for both qualitative and interpretive research.

Similarly, social entrepreneurship research has to a large extent focused on positivist approaches (Jones et al, 2008), and there is a need to include approaches (Lindgren &

Packendorff, 2009; Mair and Marti, 2006) that link the social entrepreneur to his or her context, and consider how the participants see themselves and their environment (Seanor et al, 2007). Researchers have focused on the work of individuals (Dey and Steyaert 2010) and the characteristics of social entrepreneurs (Haug, 2012). The field has also been dominated by conceptual articles as opposed to empirical research (Moss et al, 2008; Hoogendoorn et al, 2010). Mair (2006) proposed a social entrepreneurship research agenda that focused on empirical comparative analysis of social enterprise covering the role of time, place, form, the actors and management practices in social entrepreneurship. Similarly Razavi et al (2014) draw attention to the context-dependent nature of the phenomenon and the corresponding requirement for more context specific research. From and African and South African perspective Littlewood and Holt (2013) observe that there is limited research that is based on empirical data that reflects the nuanced expression of social entrepreneurship across different African countries. These assessments of entrepreneurship and social entrepreneurship research point to the need for more empirical research designs that investigate the social enterprise and its context as opposed to the social entrepreneur. It should be noted that beyond the argument of addressing methodological gaps/opportunities, Mair and Marti (2006) contend that although it is important to apply a variety of approaches to research, the qualitative approach is more appropriate for the investigation of the complex phenomenon of social entrepreneurship.

3.3 Research paradigm

The overarching paradigm for this study was interpretive. The epistemological assumption of interpretive research is that knowledge is gained through social constructs and the shared meaning of actors (Klein & Myers, 1999). This approach was described by Neuman (2006: 88) as:

> … the systematic analysis of socially meaningful action through the direct and detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds.

Protagonists of the interpretive approach question whether knowledge that is independent of the agents that experience and interpret it can be achieved (Gephart, 1999; Morgan & Smircich 1980). Knowledge is therefore seen as relative and mediated by the meaning attributed by the subject. Accordingly this research was framed by an interpretive constructivist orientation which shares the relativism of the interpretive approach and sees the social world to be a construct that is subjectively experienced (Mottier, 2005). The inclination will be constructivist focusing on the subjective (internal) perceptions of the participants (the constructivist approach differs from the constructionist approach which relates to what is socially [externally] constructed). The constructivist approach to social entrepreneurship research was applied by Jones et al (2008), and Lindgren and Packendorff (2009). These authors shared the view that there was a need for a conceptualisation of social entrepreneurship that is based on the construction of meaning by actors (Parkinson & Howorth, 2007). This research methodology therefore provides a platform for the affirmation of the point of view and shared experience of the social entrepreneurship actors in the social entrepreneurship discourse.

In South Africa, the doctoral thesis by Steinman (2008) established a footprint for the interpretive social-constructivist approach to social entrepreneurship research. This outlook contends that truth is relative and depends on the subjective perception of the perceiver (Baxter & Jack, 2008). This study was qualitative, interpretive and constructivist, and sought to research the complex phenomenon of social entrepreneurship in its natural setting from the multiple and nuanced perspectives of the social entrepreneurship community. What was of interest was whether the South African social entrepreneurship community has a shared reality (Cupchick, 2001). The position of the researcher was that the South African body of knowledge on social entrepreneurship could never be robust without an in-depth and detailed

understanding of the social entrepreneurship community – from the authentic lens of those who construct and experience it.

Against this backdrop this study sought to strengthen and expand the emerging body of research that reflects the experiences, voice and reflections of actors within social enterprises. These researchers tended to use interpretive and constructionist approaches to gain in-depth insight into how key participants in social enterprises interpret their experiences (Parkinson & Howorth, 2007; Jones et al, 2008; Moss et al, 2010), (Froggett & Chamberlayne, 2004; Seanor et al, 2007; Seanor & Meaton, 2008; Diochon & Anderson, 2011.) This approach was particularly relevant to social entrepreneurship as it may shift the focus of literature from definitional debates among academics to the views and experiences of the actors.

My view is that this paradigm could be critiqued by those who argue that social entrepreneurship research must pursue an objective truth which could not be achieved through the lens of the actors. A related critique could entail questioning the view that social entrepreneurship has multiple realities. In response to these alternative views it is argued that this research must be evaluated in relation to its paradigm and related research strategy. The advantage of the chosen paradigm and methodology is that it allows the researcher to engage the complex and "messy" world of competing understandings of social entrepreneurship in order to reflect how the actors make sense of their world.

3.4 Research design

Whilst social enterprises appear to be beneficial at face value, empirical evidence regarding the value and contribution they make is limited, and this gap must influence the research agenda (Haugh, 2005). In his evaluation of the South African context, Hall (2008) called for case study research that would enable others to learn from the benefits of social enterprises. In response to Haugh (2005) and Hall (2008), the multiple case study design was used for

this research. This research design was considered to be appropriate to answer the research questions because it would allow for the exploration of the phenomenon across different contexts with different sets of actors. The units of investigation were four social enterprises across South Africa that vary widely in terms of social need, environment, organisational factors, and beneficiary profile.

The unit of analysis for the research was the social enterprise. The need to focus on this level of analysis in social entrepreneurship research was emphasised by Mair (2006), Hackett (2010), and Lehner (2011). However, Langley (1999) and Baxter and Jack (2008) draw attention to the data collection difficulties involved in isolating units of analysis because of permeable boundaries. As such it was recognised that the individual and context levels would be factors in the data gathering process.

3.4.1. Case study design

The research method selected for this study was the exploratory case study. Burns (1990) lists six reasons for the use of the case study method in research:

i. They provide data that precedes further research;
ii. They provide in-depth investigation opportunities;
iii. They provide both anecdotal and general findings;
iv. They can dispel generalisations;
v. Behaviour cannot be manipulated; and
vi. They can cover unique historical events.

The case study was selected for this research because it provided an opportunity for investigating the social enterprise within its environmental setting and real-life context (Burns, 1990; Baxter & Jack, 2008), allowing the researcher to benefit from multiple voices and points of view (Tellis, 1997) of the social entrepreneurship participants. The case study design was also applied to social enterprise by the following researchers: Alvord et al (2004), Spear (2006), Nicholls (2009), Urbano et al (2010), Ormiston and Seymour (2011). This

research was exploratory, because it was evident from the literature review that there was a need for more pioneering South African research, and that exploratory research was particularly relevant in the early stages of researching a phenomenon. In addition to the abovementioned reasons for the appropriateness of the case study method, the multi-perspective (Baxter & Jack, 2008; Tellis, 1997) opportunity that the case study provided through various sources of data, meant that the phenomenon of social entrepreneurship could be understood from the different lenses of the various social entrepreneurship stakeholders.

Eisenhardt (1989) proposed that theories could be built from case studies by following rigorous research processes. This assertion was supported by Cooper and Schindler (2003), who stated that the well-designed case study, as a method of research, could be a good basis for new constructs and theories. The implication of these assertions for this research study is that a rigorous, well-designed case study approach can contribute initial theoretical propositions to the field of social entrepreneurship in South Africa.

The multiple case study design was considered to be most appropriate to answer the research questions of this study. This was because the exploration of social entrepreneurship had to include multiple social settings (such as urban, peri-urban, rural, across two provinces/regions). The intention was to strengthen and extend emerging theory (Eisenhardt, 1989) in order to understand the differing contextual factors affecting manifestations of social entrepreneurship. Eisenhardt (1991) elaborated further on the strength of the multiple case study in providing the researcher with the opportunity, firstly, to corroborate findings and reduce chance associations and, secondly, to develop a more complete theoretical and practical picture of the phenomenon under investigation. Yin (2009) adopted a more measured stance by advising that the multiple case study can have both advantages and disadvantages. He stated that the main advantage is that the evidence from multiple case studies is seen to be more compelling and robust, and the main disadvantage is the time and resources required to conduct a multiple case study design.

3.4.2. Case study selection

Commenting on the value of having a clear strategy for case selection, Flyvbjerg (2006) highlighted the importance of information-oriented case selection, which entails selecting cases on the basis of the information that is expected. He described information-oriented strategies as targeting deviant cases, seeking variation, and ensuring the existence of critical cases, and cases that could change paradigms. The information-based case study selection approach was also endorsed by Tellis (1997), who advised researchers to select case studies that would maximise what could be learnt during the time available for the research. In addition to using expected information strategies as a criterion for case selection, themes that emerged during the literature review were also used as criteria for case selection. In this instance, the specific themes included the existence of different types and models of social enterprise, the need to gain insight into how social entrepreneurs meet different social needs, how social enterprises expand and scale up their impact to meet social needs, and the role of stakeholder relationships. The sampling approach applied was purposive sampling and the rationale for this method was to allow themes to emerge that could inform theory development, the intention being that the study strengthen and extend emerging social entrepreneurship theories that are located within the context of international research trends. This point was endorsed by Pandit (1996), who stated that the integration of emerging and existing theory enhances the internal validity of a study. A further benefit of theoretical sampling was to uncover a diversity of possibilities that may be relevant to the research questions (Pandit, 1996). Following from the above, the case study selection was based on a hybrid approach that incorporated both information-oriented and theoretical sampling.

The South African Office of the International Labour Organisation (ILO) conducted case studies (ILO, 2011) of 25 social enterprises across South Africa. Although not a peer reviewed research study, this project was considered relevant because the ILO is a credible global institution that worked with practitioners to establish a set of criteria regarding what constitutes a social enterprise. The two key criteria used to define a social enterprise were

that there should be a primary social purpose, and a financially-sustainable business model. The research study also differentiated between transitioning NGOs, pure social enterprises and social-purpose private businesses. The ILO criteria to a certain extent overlapped with criteria used for practitioner awards such as the African Social Entrepreneurship Competition, the Ernst and Young Social Entrepreneur Awards, and the Skoll Awards.

Four cases were selected from the education, healthcare, food security and enterprise development (the initiation and development of small to medium sized enterprises that become job creation platforms and provide products or services to the community) sectors. In order to ensure variety, polar types (Eisenhardt, 1989) were included. The poles were defined by dimensions such as social enterprises that are urban versus rural, local versus continental, established versus emerging, and individual versus co-operative-based social enterprises. Tellis (1997) advised researchers to select case studies so as to maximise or leverage what can be researched during the time available.

The strategy was to ensure as much variation as possible because if common themes emerged this would strengthen the findings. The information-oriented case selection criteria and theoretical themes combined resulted in the following case selection characteristics: a) The inclusion of a diverse spread of social enterprises; b) Local, national and continental coverage; c) Rural and urban coverage; d) Educational, health, enterprise-development and food-security coverage; e) The presence of social enterprises with varying beneficiary and stakeholder profiles; f) Social enterprises at different stages of development; and g) Different organisational sizes in terms of staff complement and income level. Table 2 shows this coverage.

Table 2: The different characteristics of the case studies

Case study	Organisation type	Location	Coverage	Social need	Formed by	Income ranges
ICEE	Hybrid NGO	Peri-urban and urban	Global	Eye healthcare	Two individuals	Above R20 million
Life College	Hybrid NGO	Urban	National	Psychosocial education	Individual	Below R5 million
Magema Gardens	Co-operative	Rural	Local	Food security Poverty	Individuals and collective	Below R1 million
KwaXolo Crafters	Co-operative	Rural	Local	Enterprise development Poverty	Individual and collective	Below R1 million

In terms of case selection, three features had to be present in all cases to be researched. These were sustainability, innovation and social impact. It was established in the literature review that the essential features of social enterprise are:

i. Sustainability (both financial and social). Financial sustainability is achieved through a combination of strategies aimed at ensuring financial and organisational sustainability, including diversifying income streams, increasing revenue (trading and non-trading) and managing resources efficiently. Social sustainability entails the existence of a cohesive group able to demonstrate sustainable delivery over time;

ii. Social innovation, which entails introducing local, regional, national or global change, developing new social products, new services, innovative resource-

mobilisation strategies, approaches, and processes. It could also entail changing a traditional practice to solve social problems;

iii. Social impact, which means that the social enterprise must have a demonstrable track record in meeting the identified need, and the potential to directly affect behaviour, change, policy change and an increase in the number of beneficiaries. Table 3 demonstrates how each of the selected case studies met the three selection criteria.

Table 3: Case study selection criteria

Case Study	Sustainability	Social Innovation (s)	Social Impact
ICEE	Eye healthcare product sales Research income	'Nonprofessional' eye health care provision Social Franchise	Global
Life College	Programme sales Investment Income	Partnerships Curriculum Programme delivery	National
Magema Gardens	Sustainable subsistence Agricultural product Sales	Resource mobilisation Entrepreneurial/ Co-operative model	Local
KwaXolo Crafters	Craft sales	Resource mobilisation Product innovation	Local

The above criteria were used to delineate what a social enterprise is. A comparable set of case selection criteria was applied by Moss et al (2010) in their exploration of dual identities in social enterprise. They considered social impact and an economically viable business model as the key criteria for defining social enterprise. Similarly, Lepoutre et al (2013) used social mission, innovation and earned revenue as key criteria that distinguished social enterprises in their global prevalence study. Alvord et al (2004) pointed out the drawbacks

of selecting social enterprise cases with success based criteria such as those described above as they limit the ability to properly compare success and failure.

When the case selection was completed each of the identified social enterprises were approached for an initial exploratory meeting that explained the research and requested the participation of the social enterprises. The extensive experience and involvement of the researcher in the NGO and social enterprise sector (education and enterprise development) made it possible for the researcher to use personal contacts and networks to access the relevant individuals (directly or indirectly) involved in the enterprises. This experience and connections enabled the researcher to build the trust and credibility that was required for immersion into each case environment.

3.4.3. Consent to participate in the research

As stated above the decision-makers were initially invited verbally (one-on-one meetings were held with Life College and the ICEE, and team meetings were held with KwaXolo and Magema) to participate in the research. The verbal request was then followed by formal written consent. The decision-makers in all four social enterprises responded positively to the invitation to participate. They saw it as an opportunity to document their achievements as a community and to share these achievements for the benefit of others. In all cases the leadership indicated that they were comfortable to reveal the identity of their organisations. However, they recognised the need for individual confidentiality at interview and focus group level. The potential for the research to influence government policy was emphasised and participants indicated that they would find value in the process and could possibly learn from their work being analysed and benchmarked against other social enterprises by an external agent. The case study organisations were requested to appoint a research co-ordinator who would be responsible for communication between the organisation and the researcher, gathering of documents, scheduling of interviews and focus groups and being the internal point of contact. This request was granted. The ICEE and Life College appointed

employees and Magema Gardens and KwaXolo Crafters appointed their management committee secretaries. A request made by all the case study organisations was that a visit be conducted at the end of the thesis submission process in order to share the generic findings. This was seen as a potentially positive learning experience.

3.4.4. Pre-field preparation

3.4.4.1. Case study protocol

Yin (2009) suggested that case study researchers should develop a case study protocol, which is an outline of the research procedures to be followed. He outlined four areas to be covered by a case study protocol. These included a general overview of the case study, the field procedures to be followed (e.g. selection of focus group participants), a guideline of the case study questions, and an outline of the architecture of the final report. A case study protocol based on these guidelines was developed, and was shared and approved by the each social enterprise leaders during the pre-research meetings (Annexure A).

3.4.4.2. Pilot case study

Yin (2009) further recommended a pilot case study as a means of refining data-collection plans and procedures. In accordance with his guidelines, the ICEE was used as the pilot case study and during this pilot, discomfort was expressed by respondents about the recording of interviews and focus group meetings, which, they argued might lead to self-censorship. Thus the recording was dropped. In addition, both the interview sheet and the focus group format was refined. Provision was made for a generic interview and a more specialised interview. The generic interview was shortened and the specialised interview designed to allow the researcher to obtain specific information (e.g. financial) that was required. The focus group discussion guideline was refined by being shortened and by allowing for more unstructured discussion points and discussions raised by focus group participants.

The ICEE was selected to pilot the research tools because the organisation is the largest of all the case studies and offered a larger pool of people to pilot both the interviews and the focus group. Furthermore the organisation works closely with the University of KwaZulu-Natal and the Durban Institute of Technology, has its own healthcare research division, and has a generally positive attitude towards research.

3.4.5. Participant numbers

The total number of participants was 53 (see Table 3). This included both the interviews and focus groups. In the case of Magema Gradens and KwaXolo Crafters all members available were interviewed. The total number of participants was considered adequate to account for the depth and breadth (Bowen, 2008) of the social entrepreneurship experience in the four cases. This number is within the ranges considered adequate for saturation (Guest, Bunce & Johnson, 2006), and for uncovering the diverse insights required for qualitative studies (Mason, 2010). At the ICEE the eleven staff members were purposively sampled (Guest et al, 2006) to represent a cross-section of levels, genders and departments. Life College recommended three interviews of the nine employees selected for interview. The organisation provided extensive documented information and the research co-ordinator was available to supply any additional information required. The three employees were all subject experts (Mawson, 2010) able to give quality information and insight as a result of their experience with Life College.

Table 4: Participant numbers breakdown

	Life College	**ICCE**	**KwaXolo**	**Magema Gardens**
Interviews	3	11	10	10
Focus groups	0	10 (5x2)	5	4
Total	3	21	15	14

3.4.6. Data capture

The original plan was to record both the interviews and the focus group sessions and have this data transcribed into print. However, as indicated above, during the first interviews respondents indicated a strong discomfort with the recording process. The reason provided for the discomfort was that the recording might lead to a self-censoring of interviewee responses. The respondent confidentiality undertaking by the researcher, which was also part of the pre-interview consent process, did not mitigate this concern.

The data from the interviews and the focus groups were therefore captured manually by the researcher during the interviews and focus groups using the interview and focus group sheets. The writing of the responses used as much of the language of the respondents as was possible to avoid filtering and to reflect the voice of the respondents. Writing quickly and clearly during the interview whilst still leading the questions was a challenge. This was discussed with each interviewee and in most cases the silences and pauses did not cause discomfort. After each session a break was taken to give the researcher the opportunity to complete any missing phrases and gaps whilst the information was still fresh. The data from the document review, the interviews and the focus groups for each case study was grouped in preparation for the coding process which is described in the paragraphs that follow.

3.4.7. Data-collection techniques

A characteristic of the case study design is the ability to use multiple sources of evidence (Yin, 2009). In this research study the document review, focus group and semi-structured interview were used by the researcher for data generation in order to gain an in-depth understanding of each case. In addition to these three data sources the researcher's field notes provided a fourth data set. The advantage of multiple sources of evidence is an increase in the trustworthiness of the data (Bowen, 2008). The document review provided secondary data, and the interview and focus group provided primary data. According to Yin (2009) the

distinct benefit derived from the use of data triangulation is that construct validity is enhanced because multiple sources of evidence essentially provide different ways of measuring the same phenomenon. In addition, triangulation adds to the richness and the depth of the data.

During the research process it became evident that obtaining identical data sets from all four cases was a challenge because not all social enterprises kept detailed primary written records from the time of inception. In the case of the two rural case studies there were limited literacy levels and documented information was also inadequate. In order to confirm and validate the information, secondary documents such as impact studies were secured and more time was spent confirming verbal data and verifying verbal data among respondents. This verification was done formally and informally with the assistance of local community development officers. It entailed constantly reviewing and checking information provided during the interviews, which prolonged the research engagement. Whilst the limited written information for the document review could be seen as a limitation, it is argued that the story and voice of rural social enterprise remained a critical element of this research. An understanding of South African social entrepreneurship could never be complete without insight into its rural manifestation which at this stage can, to a large extent, only be accessed orally.

3.4.7.1. The document review

The document review was conducted first and focused on information that would build an initial case profile. The review was based on desktop information already developed during the case screening stage. A document checklist (Annexure B) was produced, with a list of requested documents. These included founding documents, company profiles, company policy, and procedure documents. In the case of the rural case studies the documentation available was more limited in comparison to the urban and peri-urban case studies. The benefits of document analysis were the stability of the information, the unobtrusive nature of investigation, and the levels of accuracy. The disadvantages of document analysis were a

possible reporting bias reflecting the possible bias of the author(s), and the fact that access might be difficult (Tellis, 1997). The reporting bias risk was managed by obtaining documents from different authors and sources where possible.

The document collection process for Life College and the ICEE progressed well and was enhanced by technology. Both social enterprises have comprehensive websites and in addition they provided extensive documentation from various sources in terms of the document review guidelines provided by the researcher. However, the document review process was, as anticipated, more challenging for Magema and KwaXolo – both of which lacked a central place where data was archived or stored. Various committee members instead kept data that was relevant to their role. In both cases primary records such as financial records, minutes of meetings and bank statements were requested by the researcher and whilst these were brought by committee members for review and information extraction by the researcher, they were not handed over for the creation of duplicates. Members were protective of these documents and treated them as personal documents.

Mottier (2005) observed that interpretive qualitative researchers tend to be critical of secondary data, preferring to remain true to what is experienced and constructed by the research participants. However, this study sought to access data from different data sources created by the social entrepreneurship stakeholders. A relevant example of documentation was the numerous beneficiary evaluations from Life College and the ICEE, and these provided some data on the views of beneficiaries. Whilst the beneficiary testimonials on their own may have been constituted bias, they were seen as inputs into a larger portfolio of documentation.

3.4.7.2. The semi-structured interview

The semi-structured interview was considered to be appropriate as its semi-structured nature provides an opportunity to access the point of view of the respondents (by allowing a degree

of flexibility to yield to what respondents consider to be relevant), whilst at the same time being able to process similar interview data sets for cross-case analysis. The semi-structured interview has been used previously in social entrepreneurship research studies (Spear, 2006; Seanor & Meaton, 2007). A semi-structured interview format (Annexure E) with broadly-framed questions linked to the research questions and relevant theoretical themes identified in the literature review, was developed. The principles underpinning the design of the interview are provided in Annexure C. The themes for the interview included: the nature and evolution of the social enterprise; the social entrepreneurship experience; resource mobilisation strategies; the impact of the social enterprise; and the social entrepreneurship experience. The interview themes were derived from the key themes that framed the literature review which related directly to the research questions. The specific questions were designed to elicit individual, team and organisational information. The questions were open-ended and written in clear and simple language. The first three questions required familiar information and were designed to access information which would also allow for the easy introduction of the interviewee into the interview process. Respondents were given the opportunity to make unstructured comments at the end of the interview, the intention being for interview respondents to share their experiences and views on social entrepreneurship on a "clean sheet" basis at the end.

The interview schedules were translated by the researcher into Zulu for Magema and KwaXolo participants. The verification of the translation was conducted through a workshop session with northern KwaZulu-Natal community field officers. The purpose of the workshop was to confirm the accuracy of the draft translation by the researcher and to ensure that the technical terminology was appropriate for the participants. The participants were given the option of a Zulu or English interview because some of the respondents were fluent in English. The maximum interview duration was two and a half hours.

In preparation for the interview the entire questionnaire was rehearsed by the researcher in order to facilitate a free-flowing conversation. At the beginning of the interview the research

objectives, interview outline and data confidentiality were discussed. All literate respondents signed individual confidentiality forms, but in some cases, semi-illiterate and illiterate respondents signed a group confidentiality form as they felt more comfortable with this approach. The researcher had to create the group consent schedule in the field to ensure that the respondents were comfortable. The interview respondents were advised that the recording of the responses in writing may result in silent pauses which should be used as opportunities for reflection. The introduction of the interview was used to establish rapport and ensure that the interviewees were relaxed. Following the introduction each interviewee was given an opportunity to seek clarification if required regarding the research or the interview. During the interview, deviations were to a certain extent accommodated as these provided insight into what the interviewee considered to be important, and the flexibility of the semi-structured interview provided for this. The experience and training of the researcher in research and other forms of interviewing proved beneficial in creating a climate conducive to a quality conversation and a relaxed dialogue.

Whilst the advantages of the interview included targeted focus areas and insight, the disadvantages included possible bias and incomplete reflection (Tellis, 1997). Kohn (1997) pointed out that there is a tension regarding how much structure should be built into an interview instrument. Jauch, Osborn & Martin (1980) suggested that interview responses can lack depth regarding organisational dynamics and the data is specific to the time of collection. These concerns were mitigated by the fact that the interview was not the only data collection method.

Concerns about incomplete reflection raised by Tellis (1997) were evident in some instances at Magema Gardens, as some members did not document information and relied on memory. They tended to forget some information, and this resulted in the risk of information gaps. A great deal of extra time was spent using other members and stakeholders to verify and cross-check information. Another challenge that arose with the interviews was that many respondents indicated that if they were guaranteed confidentiality, they would be more open

and relaxed – particularly if they needed to be critical of colleagues or the work. The interviews also took longer because introductory explanations were more extensive.

3.4.7.3 The focus group sessions

The focus group was selected as a data-collection technique because of its ability to explore a range of opinions and encourage the generation of new ideas. Whilst the advantages and disadvantages of the focus group are similar to those of the interview, a distinct advantage was the manifestation of a group dynamic. The focus group participants included individual representative of categories such as employees, management, funders and institutional partners. Although focus group members were from different stakeholders they had a working relationship and knew each other and, as a result, discussion flowed. The heterogeneity of these groups was intended to capture multiple voices. Accordingly, during the focus group sessions, attention was paid to ensuring that all points of view were articulated. This was achieved by probing and facilitating balanced discussions where no single individual dominated the discussion. The internal stakeholders did not overlap with those involved in the semi-structured interview. The structure of the focus group discussion was based on a topic guide (Cooper & Schindler, 2003) for the researcher with discussion topics that mirrored the same broadly-framed themes as the semi-structured interview (Annexure D).

Focus group sessions were conducted with groupings of a maximum of five persons. The sessions were facilitated by the researcher assisted by a community worker where necessary. The focus group discussions began with introductory comments by the researcher on the objective of the focus group. Participants were also provided with an opportunity to ask questions or seek clarification. As with the interviews, the focus group sessions with participants from Magema and KwaXolo were conducted in Zulu. It should be noted that no focus group was conducted at Life College (although this was planned) because of what the organisation described as the difficulty of gathering a very wide variety of changing

stakeholders from across the country, and a concern from management regarding the need to safeguard intellectual property. They also felt a need to safeguard potentially competitive information. From the point of view of the researcher this was an unexpected outcome (Roulston, deMarrais & Lewis, 2003). Life College had documentation from various stakeholders providing significant input into the impact and benefits of the college. It was recognised that this data may be potentially biased. It did, however, provide evidence of impact. One of the main advantages derived from the focus groups was the impact of the group dynamic on the quality of information. There was rigorous debate on the phenomenon of social entrepreneurship (especially at the ICEE) – which led to new ideas and themes.

3.4.7.4. Fieldwork and data gathering challenges

Field notes were made by the researcher during the research process. These were observations, reflections and insights made during informal interaction and during times of reflection. The documentation of field notes is consistent with interpretive research that provides for the constructions of the researcher as well as those of the participants (Andrade, 2009). Although these field notes were written by the researcher, an effort was made to ensure that they reflected the language used by the actors. These field notes were also used as a data source and as such were coded along with other data sources (Annexure I).

Field work conditions at the ICEE were very enabling to the research project. Most staff were aware of the research as it had been internally communicated. The organisations allowed free access to their facilities. A dedicated office and parking, and use of the gym, library and canteen during the research period facilitated immersion and informal communication on the part of the researcher. There was a great deal of informal interaction in the canteen and the library. Documentation was extensive and staff were encouraged to interact with the researcher. The data-gathering process proceeded without obstacles.

The field work experience at Life College was similar and also enabling once the Board had agreed to the research engagement. Although less resourced, the college also provided full access to their facilities. Although it was stipulated that only three members of staff would be formally interviewed and there would not be a formal focus group, all staff were aware of the research and interacted freely with the researcher.

Magema Gardens and KwaXolo Crafters were extremely challenging and the difficulties faced with each enterprise were the same. The road conditions to reach the sites were very poor and the organsational sites could not be accessed with a regular sedan vehicle. Extensive walking was required from the vehicle to the site. Interviews and focus groups were held in the very hot sun (without chairs and tables) and there were very long waiting periods between research activities Although appointment times were agreed to in advance, the participants experienced various challenges such as deaths, transport costs and transport availability, which resulted in their inability to consistently comply with scheduled meeting times. Rural research escalates research costs and the researcher had to exercise patience, flexibility and adaptability. The actual interviews and focus groups also took much longer. It should be pointed out that in spite of all these challenges the actors had a compelling story of social enterprise to tell.

A number of data gathering challenges were encountered during the research engagement, some of which were expected and others not. Whilst the limited documentation at KwaXolo Crafters and Magema Gardens was expected given the extreme poverty and educational backlogs in these communities, the objections to recording and the reluctance to have a focus group at Life College were not anticipated as the data collection methods had been discussed in the preparatory meetings.

Measures undertaken to mitigate the challenges discussed above are considered adequate to create reasonable equivalent data sets as a basis for cross-case analysis. In order to mitigate the limited documentation at Magema Gardens and KwaXolo Crafters, longer interviews

were held and more secondary documentation was sought. The semi-structured nature of the interview format allowed for this flexibility. In the case of Life College the measure undertaken to mitigate the absence of a focus group was the collection of more stakeholder generated documentation and secondary documentation. It is contended that although the data sets presented challenges they provided an adequate base for cross-case analysis.

The researcher observed that whilst the consent to participate in the research was provided enthusiastically and willingly, a degree of apprehension did arise when the research engagement actually began. This experience provided an interesting sample of behaviour and revealed a level of protectiveness evident in some of the case study organisations. The social entrepreneurship actors had worked hard and had made substantial sacrifices in order to achieve the outcomes of their social enterprise and there appeared to be a need to safeguard those achievements. This tension, between wanting to share learnings and stories with others and being guarded at times, was also evident in other findings as will become apparent in the chapters that follow.

In conclusion, one of the challenges experienced was the subjective experience (Roulston et al, 2003) of the researcher during the research process. The research engagement entailed immersion into environments over a period of time where real human need was evident. During such a process the researcher worked with some of South Africa's poorest and most vulnerable communities. Although these were deliberately chosen, in this context the researcher had to self-manage and constantly reflect so as to ensure she did not become too emotionally involved, a development which could result in researcher bias.

The fieldwork and data gathering challenges experienced by the researcher are an aspect of the social entrepreneurship field research that could have only been experienced and accessed through the interpretive constructivist research paradigm that allows the researcher to enter the context of the actors in order to reflect their world and experiences. The world and experiences of these actors is multifaceted and complex and as such requires a flexible

and adaptable research paradigm. This paradigm legitimises the researcher's experience and allows it to be factored into the findings and recommendations.

3.4.8 Data analysis and interpretation

Data analysis is said to be the most important, demanding and challenging aspect of qualitative research (Miles, 1979; Basit, 2003). The prominent challenge presented by the analysis of quantitative data is data overload (Kohn, 1997). To manage this challenge, a proper sense-making (Langley, 1999) or data-analysis strategy must exist to maintain the integrity of the chain of evidence during the analysis process (Yin, 2009). The broad approach adopted to the data analysis was generally inductive (Thomas, 2006) and entailed detailed raw data reading and analysis in order to develop concepts, themes and a model based on themes that were dominant or significant. The data evaluation and coding was in accordance with the techniques of conventional content analysis (Hsieh & Shannon, 2005). The inductive approach to content analysis was considered most appropriate for topics where there is complexity and fragmentation in the understanding of a phenomenon (Elo & Kyngas, 2007), as is the case with social entrepreneurship.

A key characteristic underpinning the inductive approach was to ensure that the data analysis process remained consistent with the ontological and epistemological assumptions discussed in the research paradigm section of this chapter. These assumptions see individuals as co-constructions of their reality, and aims to understand the phenomenon of social entrepreneurship from the point of view of its participants. As such the data coding and analysis process categorised data and developed codes and themes that reflected the words and insights of the participants (Bowen, 2008).

3.4.8.1. Data coding

In order to remain intimate with the data and preserve the language of the participants the method of data reduction applied was manual coding (Basit, 2003). The key point is that codes were not developed in advance, but developed inductively following the interviews and the focus groups and were intended to reflect the language of the participants (Hsieh & Shannon, 2005). The reason that the codes were not developed *a priori* was to ensure that the data reduction and categorisation process retained the authenticity of the voice of the participants. The document review and field notes coding were also coded at the same time using established codes and additional codes as required. The data coding was done as soon as significant data (e.g. a batch of interviews) was available, the reason being to ensure immediate coding.

Towards the end of the coding process thematic saturation (Bowen, 2008) was achieved because themes were becoming repetitive and new codes emerged. The final list of codes from all data sources is provided in Appendix 1. The data coding and analysis process is shown in Table 5.

Table 5: Data coding and analysis (adapted from Hsieh & Shannon, 2005)

Step	Mechanism	Output
Direct written recording of interviews and focus groups (in English or Zulu)	Interview question answers, focus-group notes and researcher's notes	Completed questionnaires, focus-group notes, documents and researcher's notes
Key point identification	The sequential question-by-question line-by-line identification of key points based on interviewee language from all raw data (interview schedules, focus-group notes and field notes). The codes were written on the right margin of the interview schedule	Raw data with key points highlighted and key point codes on right hand margin
Data translation and reduction	The raw data with key point codes was translated into English where required, summarised into code descriptions, and captured into excel spreadsheets	Key point codes and code descriptions from every questionnaire answer, and all researcher notes and focus group notes
Code grouping or axial coding	The grouping of codes that are related into categories (code families) from the point of view of the respondents using the excel spreadsheet model	Code families
Code family linking	By linking the open data and axial-coding spreadsheet, higher-order relationships among families were identified.	Relationships among families, individual case descriptions theme development
Causal relationships among code families across cases	Pattern-matching and cross-case synthesis, integration with existing theory.	Theoretical propositions

The steps outlined in Table 5 were applied to the data analysis process. Respondents, interview responses, focus group notes, and general researcher notes, were coded initially on the raw data. A code was developed following repeated reading of the data in order to identity ideas that were independently expressed by several participants (Guest et al, 2006). All the data was then transferred into excel spreadsheets. The coding process firstly involved open coding, which analytically broke down the data from all data sources into key point codes. The key point codes were then grouped into code families based on relationships, these relationships being derived from the causal relationships perceived by the participants. Having established the relationships, the family codes were linked by high consensus

priorities that emerged from the narrative. The related family codes (themes) provided the basic framework for the themes in the individual case descriptions.

The themes that framed each of the case studies were developed through an iterative process of code grouping, linking and theme development. Table 6 shows the development (using the steps in the coding process in Table 5) of themes from the actual answers of the interview respondents through to case study themes. The examples were drawn from interview data from two different social enterprises. The last two steps in the table are the stage at which the researcher inductively created descriptions of the themes reflecting the language of the respondents, linking these to corresponding themes in the literature.

Table 6: Examples of the coding process for interviews

Step	Example 1	Example 2
Direct written recording of interviews (in English or Zulu)	"I worked in corporate but I got sucked in the work here because I wanted to give back"	"I enjoy working with smart people here, the environment is very cutting edge and collaborative and stimulating"
Key point identification IKP (Interview key point)	Key point code IKP1 (a)	Key point code 1KP3
Data translation and reduction	Giving back to society	Enabling, cohesive work environment
Code grouping or axial coding	Individual motivation family group	Team/Organisation/partnership family group
Code family theme	Making a difference/social good/ Societal benefit	Team work, internal cohesion and alignment

Table 7: Examples of the coding process for the document review and the field notes

Step	Document review	Field notes
Direct written filed notes or document	Notes to Annual Financial Statements. Notes regarding loans into the social enterprise	Free spectacles compromise performance of trading division (lunch discussion)
Key point identification DRKP (Document review key point) FNKP (Field notes key point	DRKP(44) d	FNKP 21
Data translation and reduction	Founders capitalising social enterprise	Donations vs sales
Code grouping or axial coding	Self-funding of social enterprise	Social vs commercial
Code family theme	Financial sustainability	Conflict between commercial and social imperatives

The code family themes provided the basis for the headings and sub-headings in the within-case analysis. The factors considered in the determination of a within-case analysis theme were whether the theme manifested across all the data sources, the prominence given to a theme across the narrative of the different interview respondents, and the prominence given to the theme during the focus group discussions. The theme was then described and discussed referencing the relevant data source. The within-case analysis also factored in specific views that may have not been commonly held but shared by individuals, as these provided divergent perspectives.

This process was repeated for each of the four cases. When all four cases had been coded into related family codes, these were integrated across cases. The researcher then integrated the output from the last step into the cross-cutting theme narratives that integrated existing theory (Hsieh and Shannon, 2005). It should be noted that in spite of the differing nature of

the cases the fundamental concerns of the actors were more similar than different. The cross-case analysis themes were created inductively by grouping the within-case analysis themes and linkages into higher-level organising themes. The factors considered in the determination of a cross-case theme mirrored those applied to the within-case themes described in the preceding paragraph. The individual case descriptions are in Chapter 4 and the cross-cutting themes in Chapters 5 and 6.

3.5 Limitations of the case study method

3.5.1 Generic limitations

According to Cooper and Schindler (2003), the case study has received a fair amount of criticism as a research method. It has been described by some as having questionable scientific worth because it cannot be used as a basis for comparison and generalisation. Yin (2009) lists three common criticisms of the case study as: a) Being insufficiently rigorous; b) Providing little basis for scientific generalisation; and c) Being time-consuming and onerous. He makes the observation that these critiques give little consideration to the potential of the case study to complement other methods.

In response to the above criticisms the research experience did confirm the time-consuming and onerous nature of the case study, especially in the two rural settings. Strategies to ensure rigour included the multiple data sources and extended immersion in the research environment. The question of generalisability and comparability assumes a specific research paradigm that requires generalisation and comparison as a basis for credible contribution to theory and knowledge. The intention of this research was not to generalise the findings to social entrepreneurship in general but to explore the phenomenon from the perspective of actors across four social enterprises in order to strengthen and expand understanding.

A compelling argument dispelling the "conventional wisdom" regarding case studies is presented by Flyvbjerg (2006). He sees the criticism of the case study as being based on misunderstandings and identifies five widely-held misunderstandings as follows: a) General theoretical knowledge is better than practical context-based knowledge; b) The findings of case studies cannot be generalised; c) The case study is more useful in creating hypotheses but not for testing; d) The case study is prone to bias in favour of the preconceptions of the researcher; and e) Propositions and theories are difficult to build from lengthy case studies.

Flyvbjerg (2006) then proceeds to respond to each of the misunderstandings by arguing that: a) Knowledge must balance context-dependent and context-independent research; b) Just one case study can be a basis for generalization; and c) Information-based case selection can increase generalisability and case studies reflect the full scope of reality. Flyvbjerg's (2006) arguments are of particular relevance to this research because in the literature review it was established that there is a need to balance conceptual research with empirical research in social entrepreneurship. Furthermore, the intention of this exploratory research was to gain further insight into the phenomenon in South Africa in order to create hypotheses and not make generalisations about social entrepreneurship.

3.5.2. Specific limitations

In addition to the generic limitations, two specific limitations arose during this research process. Firstly, Life College is a very small organisation and its stakeholders were scattered geographically. Only three members of staff were interviewed formally. These were employees who had extensive knowledge of the organisation and two of them had been with the organisation since inception. In addition, an initial informal session was held with two employees who provided substantial information on the organisation. Life College also provided extensive documentation reflecting the direct voices of stakeholders. Whilst the organisation may be small, Life College provided adequate data that was comparable to data

from the other case studies, and they have innovative strategies of sustainability and income generation worth investigation.

Secondly, Magema Gardens and KwaXolo Crafters proved to be challenging environments for traditional academic research methods. The translation of questionnaires and responses from English to Zulu had to be undertaken. Many technical terms do not exist in Zulu. A workshop was held with local community fieldworkers to confirm the accuracy and appropriateness of the language used in the draft translation. In order to minimise potential problems arising from different dialects of Zulu at Ulundi and Jozini, the same translator was used consistently. Travel to the social enterprises took time, and the respondents were not always available. This meant repeated trips to northern KwaZulu-Natal. Because of the reliance on verbal information, much time was spent researching other available information from local sources including community fieldworkers who worked with the organisations, and local media sources.

A general limitation that cuts across all the case studies is that accounts of present and past events are potentially open to various forms of bias which include selectivity, filtering and a storyline that supports the dominant narrative of the organisation.

3.6. Validity

The debate regarding the relevance of validity in qualitative research has two arguments. One view is that the philosophical assumptions of quantitative research that gave rise to the concept cannot be applied to qualitative research, and the alternative view is that qualitative researchers must apply appropriate strategies (to the research paradigm and strategy) to ensure validity (Johnson, 1997). In response to the debate regarding the appropriateness and relevance of validity in qualitative research it is proposed that validity should not be paradigm specific and should prevail both in qualitative and quantitative research (Johnson, 1997; Morse et al, 2002). One of the challenges of validity in qualitative research is the fact

that different terms and approaches have been applied, making the area difficult to navigate for researchers (Dellinger & Leech, 2007).

Whilst there is merit in a critical discourse regarding the philosophical assumptions underpinning these concepts, qualitative researchers can apply appropriate validity strategies that remain consistent with their paradigm (Seale, 1999). In this regard Haig (2001) suggested a set of criteria for quality interpretive case study research which includes plausibility, credibility, relevance and importance (Haig, 2001). Similarly the criteria for rigour in qualitative case studies includes credibility, transferability, dependability and confirmability (Baxter & Jack, 2008). The strategies listed below were applied to ensure that this research study is thorough and able to withstand scrutiny.

i. The pilot case study (Yin, 2009) provided an opportunity to test and refine the interview instrument;

ii. The use of multiple sources of data (Bowen, 2008; Yin, 2009) increased the trustworthiness of the data and provided multiple points of accessing an understanding of social entrepreneurship;

iii. The researcher inserted direct quotations, and used phrases close to the language of the participants in the field notes in the findings (Johnson, 1997; Elo & Kyngas, 2007);

iv. Both the key point codes and the family codes were generated using the language of the participants (Bowen, 2008);

v. Klein and Myers (1999) recommend that researchers reflect on how data may have been constructed in the process of interaction between the researcher and the respondents. They also suggest sensitivity to biases that may emerge from the narratives of the respondents. The approach adopted to manage these sensitivities in this research was not to interpret, but to reflect the direct and multiple voices of the respondents in the findings. In addition to this the researchers attempted at all times to be critical and reflect

(Johnson, 1997) on the interaction between the researcher and research process.

It was intended that the above-mentioned strategies contribute to what Dellinger and Leech (2007) describe as a positive "evaluative judgment" regarding the research.

3.7 Ethical considerations

As a general principle the "epistemic imperative" described by Mouton (2001) prevailed in this research study. This is the moral covenant that stipulates that the researcher has to have integrity and objectivity, maintain an ethical relationship with the participants, and ensure that all data are authentic, accurate and transparently handled.

The centrality of the participant in the research led to careful consideration of participant treatment. The guidelines proposed by Cooper and Schindler (2003) were applied to this research study because of their emphasis on the ethical treatment of research participants. They suggest three key guidelines: explaining the benefits of the research to the participants; explaining respondent rights and protections; and obtaining informed consent (Annexure G).

During the course of the actual fieldwork and the data-reduction process, the following steps were taken to ensure adherence to the principles discussed above:

i. When participant organisations were formally requested to be participants in the research, letters outlining the research objectives and process were sent to them;
ii. An internal communication process was undertaken explaining the research and its objectives;
iii. An informed consent form was signed by all participants. In the case of the co-operatives, their preference for group consent was agreed to;

iv. During the interview and focus group sessions the researcher made a personal introduction and outlined the research objectives and participants were given an opportunity to ask any questions or seek clarification; and

v. The ethical guidelines of the research were outlined prior to the one-on-one interviews and the focus group sessions.

3.8 Conclusion

This chapter presented the case for the appropriateness of the interpretive constructionist case study for the investigation of the research questions regarding social enterprise. This approach provided the social entrepreneurs with an opportunity to add their voices to the emerging understanding of the phenomenon in South Africa. The in-depth case study methodology allowed for an exploration of the multiple layers of the phenomenon which include the individual, the social enterprise and the context. Having the social entrepreneurs, their teams and stakeholders as respondents provided a more textured and nuanced understanding and experience of social entrepreneurship. The chosen methodology was considered appropriate because it introduces an authentically constructed experience and understanding of social entrepreneurship into the field.

The key learning point from this chapter is the need for flexibility whilst retaining rigour when researching an emerging field, particularly in environments where the participants are not familiar with research processes. The focus was on achieving reasonably equivalent data sets as opposed to identical data sets for comparative analysis, which is addressed in the chapter that follows.

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CHAPTER 4

4. WITHIN-CASE ANALYSIS: INDIVIDUAL CASE DESCRIPTIONS

The four case descriptions in this chapter present the phenomenon of social entrepreneurship from the multiple perspectives of the social entrepreneurship participants. The intention of the researcher was to gain an in-depth and detailed understanding of each case study "world" from the point of view of those who construct and experience it (Parkinson & Howorth, 2007; Jones et al, 2008; Moss et al 2010) in order to reflect the social missions' journeys, experiences and aspirations as part of the social entrepreneurship community.

Case study data was derived from the interviews, focus groups, document reviews and the researcher's field notes. The coding process described in the preceding chapter was used to build the data into the themes used to frame the case descriptions. In order to reflect the varied voices of social entrepreneurship, the degree of convergence and divergence within code families was considered. Convergence and consensus among the voices contributed to the determination of what became a prominent theme. Differing views around a code family were noted as points of critical discourse within the organisation. Within each case study, themes that were considered to be cross-cutting were, firstly, those that emerged across all the data sources and, secondly, those that were reflected across a variety of codes. The themes that emerged and framed the case descriptions were: case overview; case context; background; making a difference; sustainability; social impact; alignment, cohesion and vision; and governance and leadership. The manner in which the case study headings are formulated and described reflect the language and tenor used by participants. The relationship between the themes and the research questions are illustrated in the table below:

Table 8: Relationship between research questions and case study themes

Research questions	Case study themes
What is the nature of social entrepreneurship?	Case overview Background/Early days
What factors drive the evolution of Social entrepreneurship?	The social deficit/need Background/ early days
How do social enterprises mobilise resources (financial, material, human) to function sustainably?	Sustainability Alignment, cohesion and vision Governance and leadership Partnerships
What are the goals or intended impact of social enterprise?	Social impact
How do the actors understand their experience?	Making a difference

4.1. International Centre for Eye Care Education Africa

4.1.1. Case overview

The International Centre for Eye Care Education (ICEE) is a global organisation focused on developing, implementing and delivering sustainable solutions to underserved communities unable access to basic eye care health services. The primary objective of the organisation is to eliminate "avoidable blindness" globally. The ICEE operates in 53 countries, delivering eye care through 429 sites around the world. Whilst ICEE is part of the broader global structure, this case study was focused on the African organisation, a separate Trust led from South Africa with a footprint in 20 African countries.

ICEE Africa emphasises the impact of avoidable blindness and vision impairment on people and their employment, educational and developmental opportunities. The organisation has created a model based on four core aspects in order to overcome this challenge. The four

core aspects are: developing human resources for the eye care industry; building sustainable systems across the eye care sector; providing eye care services in disadvantaged communities; and performing and facilitating research aimed at gaining a comprehensive insight into the state of the eye care sector (ICEE Annual Review: 2011-2012).

ICEE was founded by optometrists (and professors) Kovin Naidoo and Brien Holden in 1999 after they met at an eye care conference in South Korea in 1997. They discovered that they shared a passion for eliminating preventable blindness and began working on the formation of ICEE Australia and South Africa at the same time. The South African organisation was initially based at the University of KwaZulu-Natal and has since moved to independent premises. The head office, which is now the African head office, is in Durban, KwaZulu-Natal and currently has a staff of 50 people. Since the establishment of ICEE Africa, the organisation has conducted 687,312 eye examinations, dispensed 202,421 spectacles and 514 low vision devices, and has trained 32,287 personnel (www.icee.org/who_we_are/index.asp accessed on 17/04/2012).

ICEE Africa works with a broad range of strategic partners to provide a number of eye care products and services for various sections of the market. The main product offered by ICCE Africa is an affordable range of spectacles that are dispensed in various government and mobile facilities, and sold in its Vision Centres. The Vision Centres are facilities which offer a wide range of services including vision screening, prescription of spectacles, cutting and fitting of lenses, and the dispensing of glasses. These Vision Centres are mainly set up in rural areas that lack proper basic eye care. Customers are mainly low income, as well as lower middle class (for cross subsidisation), visually impaired people. It is planned that the Vision Centres will be developed into a social franchise model.

ICEE was selected as a case study because whilst it has a footprint that spreads across Africa, its head office is in South Africa and it was one of the few cases that demonstrated strong, global, African and local partnerships with government and civil society. Its approach to eye

healthcare used nursing resources innovatively and broke ranks with traditional provision approaches that relied exclusively on professionals. The financial sustainability strategies included a growing earned income and its impact – providing sight – irrevocably altered the lives of its beneficiaries.

Subsequent to the completion of this research, the ICEE global board took a decision to change the name of the organisation to the Brien Holden Vision Institute. The reason for this name change was that the international eye healthcare community recognised the name since Brien Holden was responsible for the creation of an innovative contact lens. The view was that his name would lend credibility among the donor community.

4.1.2. The social deficit: eye care health

There are 670 million people globally who are blind and visually impaired because they lack access to eye care health services. Vision impairment is a global developmental challenge inextricably linked to poverty because visual impairment has an impact on education and access to economic opportunities. The annual cost of this challenge to the global economy in the form of lost productivity is estimated at US$269 billion (ICEE Annual Review, 2010-2011). It is against this backdrop that the World Health Organisation launched the Vision 2020 campaign aimed at preventing 100 million cases of blindness by the year 2020. It is argued that the only way to deal with this global developmental challenge is to develop an integrated and sustainable system of eye care services (Holden, Sulaiman & Knox, 2000).

Naidoo (2007) noted with concern that in relation to the rest of the world, Africa carries a disproportionate burden of blindness and vision impairment. Whilst Africa has 10% of the world's population, it has 19% of the world's blindness. This, Naidoo (2007) stated, mirrors the distribution of the world's poverty burden. The key obstacles to overcoming blindness in Africa are limited state resources for eye care health, lack of education, and poor infrastructure. It is against this backdrop that ICEE developed its mission to provide

integrated eye care solutions to enable more people to become economically active contributors to society.

The Constitution of South Africa guarantees the right of all citizens to health care services in Chapter Two, Section 27 (1). However, in reality the South African healthcare system inherited the racially based provision model of the apartheid system and this has had an impact on eye care services. In addition the South African healthcare system carries the burden of high HIV/Aids prevalence which places a strain on government health care resources (Naidoo, 2007). There is a severe shortage of eye care personnel; there is approximately one optometrist per 17,600 of the population and only 20% of the population is served by the private sector (Naidoo, 2007). The case context at an African and South African level described above summarises the social need that motivated the founders of ICEE, and still motivates the staff and stakeholders of ICEE Africa to do the work they do. Whilst the ICEE is a global organisation the focus of this research is on the South African division.

4.1.3 Research initiation at the ICEE

The ICEE was approached in October 2011 through a meeting held with its co-founder and Ashoka Award recipient, Kovin Naidoo. Naidoo and his team responded very positively to the request that the ICEE participate in the PhD research process. It was agreed that the ICEE would provide a research coordinator to be the main contact person in the co-ordination of the entire research engagement. The research co-coordinator was fully briefed regarding the research objectives, and all the aspects of the research engagement were discussed with him. The document collection process began in December 2011 with the request for documents listed in the document review list (Annexure B), all of which were provided during December 2011. Extensive additional background reading on the ICEE was provided. In January 2012 all staff of the ICEE were sent an email advising them of the research and requesting the

participation of a sample of staff. The staff identified to participate in the interviews and focus groups were communicated with via email in order to schedule times and dates.

4.1.3.1. Semi-structured interview respondents

The interview respondents were identified by the research coordinator and the researcher in order to represent the organisation in all its diverse dimensions. The respondents included a purposive sample of 11 staff members representing all levels of staff, as well as race, gender, department, service history and differing points of view on the organisation.

On the day of the pilot interview and during the introductory discussion the respondent indicated that they were uncomfortable with the use of a recording device during the interviews. The reason provided for the discomfort was the fact that the organisation was undergoing restructuring which entailed the globalisation of country offices and the participant did not want to self-censor. Although individual confidentiality was guaranteed, the discomfort persisted. The recording device was therefore not used. The subsequent interview participant also expressed this view and gave similar reasons. The reflection of the researcher in the field notes was that despite the fact that the general organisational climate appeared to be egalitarian, such reluctance might reflect a level of fear to critique the organisation openly.

It also emerged during the interview process that was a need to provide for a more specialist-oriented interview (e.g. representatives from the finance department needed to provide a more detailed account of the financial impact of the revenue generation projects undertaken) and a more generalist interview. The interview began with a personal introduction, an explanation of the research objectives, a confidentiality undertaking by the researcher and the signing of the consent form by the respondent. The general response of the participants was very positive and they appeared to provide balanced and honest responses to the questions. The interview questionnaires were completed during the interview process.

During the interview period a site tour was undertaken. The tour was conducted by the research coordinator and it was through the entire ICEE facility which included the offices, canteen, library and gym. It included introductions to most staff members and paved the way for informal interactions with other staff members. The tour also included the warehouse where stock is kept and the adjacent offices of organisations that work with the ICEE. The staff complement was mostly young professionals who have a passion for healthcare and community development. The working environment was casual and relaxed and the climate appeared to be collegial.

4.1.3.2 Focus group participants

The focus group participants were identified via their organisations by the research coordinator and the researcher. The focus group participants included a purposive sample of stakeholders representing different stakeholder bodies and partners of the ICEE. The focus group discussions began with a personal introduction, an explanation of the research objectives, an explanation of the focus group process, a confidentiality undertaking by the researcher, and the signing of the consent form by the participants. Focus group notes were taken by the researcher during the focus group discussion.

Both ICEE focus group sessions were very vibrant and characterised by robust discussion on the application of social entrepreneurship in the ICEE environment. There was substantial discussion among participants that focused on the manner in which the ICEE was implementing social entrepreneurship. The format of the focus groups was a semi-structured conversation following the themes outlined in the discussion guidelines (Annexure D). Both focus group participants agreed that there was a need for the ICEE to hold an internal workshop aimed at ensuring a cohesive understanding of social entrepreneurship among staff and key stakeholders.

4.1.4 Themes emerging from data

4.1.4.1. Background: early days were uncertain

The presentation of the background under the theme "the early days were uncertain" derives from a quote from one of the participants (I7) who was part of the early team. The early days of the ICEE were characterised by the uncertainty that exists in any new, untested and innovative project. Initial funding for the organisation came from Australia and the project was accommodated by the then University of Natal. In spite of the uncertainty regarding the future of the project the co-founders managed to keep the early team inspired in the face of many obstacles, as seen in the quote below.

> *I have made sacrifices e.g. family, time, personal needs. Even when things were tough Kovin motivated us.* (I7: 3/02/2012)

They drew resilience from a belief in the larger purpose and mission of the organisation, and the fulfillment they gained from growing with the ICEE. Members of the early team highlighted the personal and professional growth they had experienced over the years as seen in the quote below.

> *In the first five years growth was not great but from five years onwards growth was exponential … we have opportunity to grow.* (I8: 31/01/2012)

The early resource mobilisation strategy relied on initial funding from Australia, support from the university, and an initial group of committed and passionate individuals. Although the organisation has separate legal entities across various countries, the operational model is seamless. One of the prominent features of the ICEE was the innovative focus on training nurses in eye care. In this way, the organisation developed an innovative practice that was not in accordance with generally accepted practice in the optometry profession. The use of

nurses as opposed to optometrists goes against professional convention and allows the organisation to achieve a much broader footprint of targeted beneficiaries as seen in the quote below.

> *We broke ranks in the profession … the training of nurses was looked down upon*. (I1: 13/02/2012)

South African founder, Kovin Naidoo, saw the formation of the ICEE "as an extension of political activism" (I1: 31/10/2011). The first phase of the liberation struggle that he was active in had delivered political freedom and a constitution; the second phase that he was now involved in tried to ensure that all people had access to basic constitutional rights. He was determined to look beyond the "Afro pessimism" (I1: 13/02/2012) that prevailed to offer "African solutions to African problems" (I1: 13/02/2012). The early team members recognised the link between poverty and blindness and shared a commitment to making a difference in poor communities in Africa. The South African founder has been leading the African organisation since inception and has led the organisation to the present day. With its head office based in South Africa, the organisation saw itself as a contributor to the South African transformation project.

The present staff team consists of a group of professionals from different disciplines who were inspired and motivated by the contagious mission and vision of being a roleplayer who was giving back to society. Individual role clarity was a consistent feature, with all respondents understanding their roles both in terms of personal challenge and contribution to the organisation.

4.1.4.2. Making a difference: giving back

Most respondents interviewed stated that they were motivated to work for the organisation because it provided them with a platform to "make a difference" to the lives of those unable to access eye healthcare facilities. Some respondents stated that they had forfeited higher paying jobs in the private sector in order to do more socially rewarding work. It should be noted that most of the respondents were well qualified professionals who performed different roles within the eye healthcare environment. The fulfillment derived from what they described as "social elevation" (I5: 30/01/2012) which they explained as socially uplifting others. This provided them with the energy and drive to perform their roles and responsibilities, as shown in the quote below.

> *People want to be part of something bigger*. (I6: 30/01/2012)

Whilst making a difference relates to what motivates the individual, making an impact at the level of the organisation relates to a collective impact that becomes the impact of the organisation.

4.1.4.3. Sustainability: reducing reliance on donors

Sustainability was a theme that was mentioned frequently by the different participants. Whilst they had differing understandings of sustainability the focus for most was on financial sustainability.

The meaning of sustainability was explained by I10 (03/02/2012), as follows:

> *In the long term we need to be sustainable and not rely on funding*.

The need for a sustainable model for the ICEE was an early consideration for the organisation, as explained by ICEE Programme Manager for South Africa, France Nxumalo:

> *The programme began with an idea that if we could dramatically expand eye care access in KZN we would have a sustainable model that could be rolled out across Africa, wherever there is a healthcare system in operation.*
> (www.icee.org/who_we_are/index.asp accessed on 17/04/2012)

The ICEE was fortunate because during its early years it was able to develop a working operational model with the support of donor funding – mainly from Australia. However, the security of this donor funding became less certain over time, as I1 (13/2/2012) explained:

> *The need to be sustainable was a natural evolution, as we realised that our donor funding needed to be supported by other strategies. We began to talk seriously about sustainable solutions around 2005/2006.*

As seen in the quotes above, although sustainability was an early consideration, the seriousness of the sustainability theme evolved as the donor environment changed. Once again, the question of financial resources as a constraint emerged as the traditional donor funding model had to be supported by additional strategies. This led the ICEE to develop financial sustainability strategies such as the generation of trading income from the sale of spectacles. Accordingly, the ICEE Global Resource Centre (GRC) – which is the division responsible for the distribution and sale of low-cost spectacles – evolved a sustainable business model, as expressed by I2 (15/2/2012) below:

> *The GRC began as a department and is now looking to become a social enterprise. We want it to be a robust business; we want it to be a social business.*

Respondent I2 further stated:

I am very confident that the GRC and the ICEE can become a sustainable business.

Whilst I2 appeared bullish about sustainability, during the ICEE focus-group discussion dated 15 March 2012, participants also indicated that they were concerned about ensuring that their organisation did indeed become self-sustaining. In this regard, they saw the need for the organisation to strengthen its social-enterprise focus. The question of whether the ICEE was in a position to sustain its social mission over time was a source of concern for many participants as seen below:

ICEE needs to be more financially sustainable to stand on its own.
(I9: 2/02/2012)

Funding is always a challenge. (I10: 03/02/2012)

The participants had a variety of responses ranging from realistic and genuine concern, through to ambivalence and reluctance to engage on the topic. Whilst some were confident that over the years the organisation had been able to sustain its mission, some were of the view that clear strategies needed to be developed. The more senior and/or commercially oriented staff saw the need to secure and diversify the income streams of the organisation, thereby lowering the reliance on pure donor funding. Donor funding was a single income stream that could be affected by factors beyond the control of the ICEE. The social entrepreneurship thrust (initiating more income generating activities and projects) recently adopted as a strategic focus area was seen to be the vehicle to achieve this objective. Whilst there might be short- to medium-term security there was no long-term financial sustainability strategy that was understood by all.

Based on the 2009, 2010 and 2011 Annual Financial Statements, 70% of the income of the ICEE was derived from donor funding, and 25% from the sales revenue of the GRC. The

objective of the GRC was to grow sales beyond existing market segments into higher Living Standard Measure (LSM) groups in order to subsidise cost effective provision to lower LSM groups. (I2-15/02/2012). This division is delivering on its objectives because sales growth has increased sharply over the past five years. In addition to this, research and consultancy as a value added service to other institutions is being positioned as an additional potential revenue generator. If the ICEE is able to significantly increase its revenue streams as planned this will provide a more sustainable basis for it to scale up its social mission. Most staff appreciated the rationale of financial sustainability, but suggested that what needed improvement was the introduction of a broader range of financial sustainability strategies.

According to the classifications made by Hartigan (2006) discussed in the literature review, the ICEE has features of a "hybrid not-for-profit" as the social enterprise recovers costs through the sale of goods and services, and elements of a "leveraged non-profit" because it has a diverse funding base. In addition to this, research and consultancy as a value-added service to other institutions is being positioned as an additional potential revenue generator.

During focus group discussions at the ICEE on 2 May 2012, participants highlighted a number of structural barriers that they experienced in the pursuit of financial sustainability. The social entrepreneurship barriers existed at two levels: macro and micro. The macro-level barriers broadly related to the absence of a macro policy environment that is enabling for the development of social enterprises in South Africa. The two specific issues raised included the fact that the South African regulatory environment uses the term NPO (not-for-profit) both in The Companies Act and the NPO Act. This creates the perception that social purpose organisations are those that do not make a profit. It was proposed that the focus should be on the non-distributive characteristic, as opposed to the non-profit aspect.

The second issue was the fact that the bulk of government services were procured through tender processes designed for private companies and not for social mission organisations. The administrative requirements for NGOs were onerous and a deterrent to bidding for

government work. An example is the annual BEE verification process, which requires a level of expertise and an administrative evidence portfolio. It was proposed that there should be a preferential dispensation for non-distributive organisations because their income is not distributed to shareholders.

4.1.4.4. Social impact: changing the quality of people's lives

Social impact at the ICEE related to the impact individuals sought to have, programme impact, and targeted beneficiary impact. It also included monitoring of impact. Social impact was explained by participants as being one of the factors that motivated their involvement in the ICEE, as seen in the quotes below.

> *I have a passion to serve and improve the quality of peoples' lives; I know the impact of glasses on the daily lives of people.* (I7: 03/02/2012)

Similarly, an early team member said:

> *I enjoy what I do. I make a difference in the lives of others*. (I2: 15/2/2012).

These statements indicate that contributing and making a difference is part of a life purpose. When asked what social entrepreneurship meant to them, the ICEE focus group members said it was all about "impact" and "doing good". They pointed out that this was not an episodic impact, but an ongoing impact (2/5/2012).

Another staff member stated:

> *I want to elevate human development.* (I5: 30/1/2012).

The individual quoted earlier (I2) explained that knowing that she is making a difference to development gives meaning to her life.

Impact beyond the individual was described as follows:

> *We also know that the impact of vision goes much further than the health effects on individuals, trapping people in a cycle of poverty that destroys lives and communities. By providing eye care services to the world's underserviced communities, good vision can be restored and this cycle ruptured.* (B. Holden, ICEE, 2010-2011 Annual Review)

The impact the ICEE has on targeted communities was described by participants as both quantitative and qualitative. The quantitative measures of impact relate to the number of eye care patients serviced. In this regard the organisation continues to develop stretch targets to measure the ICEE footprint and impact. Having an appreciation of baseline positions regarding service provision has enabled the ICEE to set informed and achievable targets. This is important as it allows for the demonstration of a tangible track record of delivery. A quantitative milestone achieved by the ICEE during the 2010/11 period was having conducted 1 million eye examinations and screenings in South Africa. (ICEE 2010/2011 Annual Review).

> *We set the bar very high; we have reached more than one million people*.
> (I10: 3/2/2012)

The same respondent proceeded to say:

> *Although we have reached more than one million people, we could still have a much bigger impact.* (I10: 3/02/2012)

The social impact of the work of the social enterprises researched was said by most to be a fundamental source of fulfilment and pride. This fulfilment and pride was said to make up for the salary sacrifice they accepted when they joined the organisation. Although sustainability and social impact are dealt with as distinct concepts for analytical purposes, in reality, respondents saw them as operationally related. This is demonstrated by a quote from ICEE Programme Manager, South Africa, France Nxumalo:

> *As we developed the programme, we knew we would have to up-scale the infrastructure of the system and up-skill the existing human resources to allow for expansion. I'm pleased to announce that KZN has 127 eye clinics in public facilities, 55 sites have more equipment, and primary healthcare nurses, ophthalmic nurses and optometrists have been employed or trained to take on the new demand for services. This is more than just a milestone for eye care; it is a pathway for all who aspire to the development of new healthcare services in existing systems throughout Africa. If we can do this in KZN, we can do it elsewhere.*
>
> (www.icee.org/who_we_are/index.asp accessed on 17/04/2012)

The qualitative impact entails giving sight to beneficiaries, enabling them to access education and become economically active. It was said by stakeholders that the difference that sight makes to the individual can only be understood by those who are able to witness the positive responses of the beneficiaries as seen in the beneficiary response below:

> *I am confident that I will excel in my school work now that I have spectacles to see clearly.*
>
> (ICEE External Evaluation report by Dr B.R. Shamana, 02/02/2011)

The ICEE beneficiaries also commented on the positive impact on their lives of being able to see properly:

Before the glasses I couldn't see clearly, even in my job. I was asking one of my colleagues to help me, especially with writing, and now I can do it on my own. I'd like to thank ICEE because now I can see.

(Bright, ICEE, 2007-2008 Annual Review).

I just know I'm going to be more productive at work. Just being able to work without eye pain will make things easier for me. Now I'll be able to see clearly and won't have any pain! I'm hoping it will help me eventually work my way up, and support my children better than I do now. I can't wait for my new life to begin.

(Thembelihle Mhlongo, 2012).

In relation to the impact on beneficiaries Richard Meddings, Group Finance Director: Standard Chartered Bank (in partnership with ICEE), said:

Blindness and visual impairment are key issues affecting the educational and economic potential of individuals, their families, and their ability to work. Through this unique partnership with the ICEE and the Department of Health, we look forward to extending the reach of eye care services, and improve the lives of individuals living across KwaZulu-Natal.

(ICEE, 2008-2009 Annual Review).

In order to progress to a more rigorous approach in measuring impact research, monitoring and evaluation were increasingly being considered as an essential component of all ICEE programmes. The five-step process undertaken in the impact assessment involves: a situational analysis, a rapid assessment of the epidemiological baseline, publication, the setting up of Vision Centres, and impact evaluation. The strong research competence is seen as a differentiator that enables the ICEE to demonstrate its impact.

4.1.4.5. Partnerships: 'partner or perish'

Partnerships were at the core of the ICEE's operational methodology. In this regard, I1 (13/2/2012) stated that:

> *We adopted the slogan 'partner or perish' from the early days, and have applied it.*

Furthermore, according to Naidoo (ICEE, 2010/2011Annual Review):

> *This integrated-partnership approach is the only way to effectively scale-up our efforts without creating dependency in ICEE as an organisation.*

The partnership approach has been a feature of operations since the inception of the organisation, and was described by some as a core competence. The scope of partnerships is broad, ranging from government departments to educational institutions, professional bodies, research institutions, the private sector, donor organisations, and civil society organisations. Because ICEE Africa is part of a global organisation, it had several partnerships with international organisations. The nature of these partnerships differed from area to area, and they are structured in accordance with local circumstances. The ICEE also incubated emerging organisations in the eye healthcare sector. The incubation involved providing funding and resources as a platform until the organisations are able to function independently. The boundaries between the ICEE and some of its partners were permeable because the focus was on delivery of services.

The relationship with the Department of Health was strong, but some saw the public health focus as limiting the ability of the ICEE to pursue commercial/entrepreneurial ventures that could make the organisation more sustainable. Some even stated that the public health and income generation mandates were irreconcilable and that the social and public health mandate should at all times take precedence. The tension arose out of the fact that public

healthcare meant free and universal access, whereas there was a need for the ICEE to generate income from the sale of glasses to cover the costs of production so that it could be financially viable.

4.1.4.6. Alignment, cohesion and vision

The participants suggested that alignment was very important especially in the early days because it sustained the organisation. It was initially ignited by inspirational and pattern-breaking founders and leaders. Respondent I7 (3/02/2012) illustrated this idea, when she said:

> *The ICEE started being motivated by Kovin's passion; Kovin was driven and showed employees that there is always a bigger picture.*

This motivation still persists at the ICEE, according to I10 (3/02/2012):

> *"We have very passionate and committed leaders."*

The drive and passion described above are traits of the social entrepreneur that echo the classical entrepreneurship and social entrepreneurship trait theories discussed in the literature review. The work of Schumpeter (1934), anchored in the classical tradition, distinguishes the entrepreneur as a change-maker, and a person responsible for innovation. In addition to the role of the founder in creating a committed environment, teamwork was described as prominent. Employees described this common team ethos as follows:

> *Everybody in the ICEE contributes to giving back ... great team work ... very supportive of growth.* (I8: 31/01/2012).

Two other respondents described the working environment as:

... very cutting-edge and collaborative. (I10: 3/02/2012).

Growth-oriented, with a family vibe (I5: 30/01/2012).

Interview respondent said they appreciated the sense of being valued as part of a cohesive team of intelligent and motivated individuals. This resulted in a stimulating work environment that sustained individual and team drive. The working environment was described as being:

... too good to be true. (I5: 30/01/2012).

A general unity of purpose and vision were evident in interactions the researcher had with ICEE staff and stakeholders. Whilst there were differing views regarding how the ICEE should be doing its work the overall vision was supported by most in the interviews and focus groups. The integrated strategy of the ICEE had four thrusts which include human resources development, service development, research, and social entrepreneurship. There was a recognition that the vision and strategy were not static but must evolve as the organisation grows and environmental conditions change. The ICEE was not seen as a "perfect organisation" with no room for improvement, but was described as a "striving organisation" that was in a constant state of becoming.

Some respondents expressed concern regarding the extent to which staff members were able to be very critical of the strategy and the organisation in general. There was a view that there was a discord between strategy formulation and implementation which existed because implementation was distracted by opportunities that arose periodically (Focus Group: 02/05/2012).

A more critical appraisal of unity of purpose was expressed by a respondent, I11 (2/02/2012), when he said:

> *The ICEE is driven by idealism.*

I11 viewed the organisation's idealism as potentially blinding the consideration of business-oriented ideas in particular. A related concern emerged during focus group discussions held with ICEE stakeholders on 2 and 12 May 2012. Stakeholders shared what they described as "grey areas" or "frustrations" with the business thrust of social enterprise objectives, as they were seen to clash with development imperatives. For example, at times there was a need to negotiate the potential conflict between the public health and income-generation imperatives of the organisation. They cited an instance where a substantial donation of free spectacles had been received, which enhanced the organisation's public health mandate of providing spectacles to needy beneficiaries, but which compromised the sales' performance of the trading division. This example challenged the dual focus and introduced a tension between the social and commercial imperatives (Bartlett, 2004).

The same ICEE focus group that highlighted the tension concluded at the end of the discussion that all donors should be prepared to be aligned with the sustainability mandate of the organisation. In relation to the challenge of balancing the social and business/commercial objectives discussed above, one of the real risks that threatens social enterprise is the ascendancy of the commercial objective at the expense of the social mission. This "mission drift" occurs when the social enterprise drifts too far into the commercial sector (Alter, 2007). ICEE senior management recognised that this was an inherent conflict that needed to be managed to ensure that the social mission purpose remained dominant at all times.

4.1.4.7. Governance and leadership

The ICEE has an African based trust responsible for oversight over African programmes. This trust has non-executive and executive trustees. The view among staff was that good governance practices and accountability were essential in an environment of significant donor funding. However, differing views were expressed regarding the effectiveness of the governance and leadership structures of the ICEE. The management structure was said to be bureaucratic, with too many layers, and the trustees were not seen as visible to the organisation. There was a minority voice that did not really understand the workings of the board and its relevance to the work they did. The leadership role and force of character of the founding members was a dominant theme across all interviews. Founding members were described in an idealised manner by most staff. The founder was revered by most and constructively critiqued by few.

4.1.4.8 Emerging social enterprise

Discussion on the concept of social entrepreneurship and its application within the ICEE was robust and vibrant. Whilst social entrepreneurship was an agreed strategic thrust, there were differing levels of understanding of the concept and its application. Some stated that they had limited understanding of the concept whilst others said they had a good understanding of it. The social entrepreneurship discourse among ICEE stakeholders was at two levels: macro and micro. The macro-level issues broadly related to the absence of a macro policy environment that was enabling for the development of social enterprises in Africa and South Africa. The micro level considerations related to the need for the organisation to refine its social enterprise strategy and ensure that there was adequate understanding and buy-in among all stakeholders.

4.2. Life College

4.2.1 Case overview

Life College is an educational organisation, based in Gauteng, founded by Pat Pillai in 1997. The objective of Life College is to complement academic education by providing character education and life skills to disadvantaged young South Africans. The College seeks to develop what they describe as a champion or winning mentality through real-life projects, and by the provision of leadership education to youth, families, companies and government institutions. The focus is on life skills and self-empowerment imparted through programmes and short courses, as a key development anchor to improve general readiness for life (www.lifecollege.org).

The Life College Group comprises two legal entities – SA Life College and Life Co Investments. The Life College develops curricula in "champion mentality" and character and leadership, and services disadvantaged youth, adults and communities. Life Co Investments is the revenue-generating vehicle of the Life College Group and has various investments and, through LifeCo Mindset Academy, sells training programmes to businesses, government and civil society. It is 100% owned by Life College and has a Broad-based Black Economic Empowerment Level 3 rating (BBBEE rating by Premier Verification November 2011-November 2012).

The college has an intake of approximately 2,000 students per year serviced in three colleges and adult centres – two in Soweto and one in Eldorado Park. Life College offers short courses, which run for 13 weeks each. These short courses are offered to corporate and government funded schools, and private schools. The Life College Group has a vision to create a "nation of champions" and a goal to impact 1 million youth as well as 100,000 leaders across Africa by the year 2020. The organisation also has numerous high profile student and college projects. The institution has donors and partners who contribute to its

operating expenses. In addition, revenue is generated from the educational activities of the college. Founder Pat Pillai was awarded an Ashoka Award (internationally-recognised award for social entrepreneurs) in 2004.

The organisation describes itself as a social business and the founder provides his description of a social business as follows:

> *The answer may lie in the space between the selfish business and unselfish NGOs. In that space social enterprise emerges. It's an enterprise run on sound business principles that have been refined by capitalists over centuries – providing a product/service that either directly benefits society or distributes its profits back to society. (Pillai, 2011, www.wbsjournal, vol 2, p. 25).*

Life College places a focus on the attitudes and mindsets of individuals and teams of individuals as the key starting point for improving the state of readiness for life and work, as well as unlocking and instilling a champion mentality (which means a winning mentality) in individuals. The curriculum is constantly being developed to be effective in dealing with the challenges of young South Africans. The organisation works with 50 "Life Champions" or mentors such as Raymond Ackerman and Richard Branson who act as coaches or advisors from time to time.

The organisation met the case selection criteria because it focused on life skills among poor communities, using community resources such as schools and some of their initial beneficiaries. The organisation innovatively mobilised beneficiary resources (course fees and mental resources), community resources (schools, leaders), and corporate resources to develop appropriate programmes. Its range of financial sustainability strategies include both trading and non-trading income, and its social impact has been recognised by beneficiaries, stakeholders and external institutions. It is the only case study organisation that has leveraged the existing broad-based black economic empowerment policy framework to enhance its sustainability. This was achieved by participating in Black Economic Empowerment equity

transactions in order to benefit from investment income. Life College was also of research interest because it has a very small core staff – but as a result of innovative implementation approaches, its footprint is national and expanding exponentially.

Life College operates in a challenging environment characterised by competition for limited resources. Many institutions in South Africa are contributing in different ways to improving the quality of the educational input and Life College needs to differentiate itself and its contribution by developing high impact programmes if it is to sustain its mission.

4.2.2. The social deficit: character education

The need for life skills education exists in South Africa because of the residual impact of South Africa's education system under apartheid. Although this system came to an end in 1994, the impact of its design and intention to instill an inferiority mentality among sections of the population still reverberate throughout the system. Msila (2007) described the objectives of the system of education under apartheid as being to entrench systemic racism and reinforce the idea of inequality among races, in particular the superiority of the white race. He argued that since education is related to identity formation, many Africans developed an inferior self-concept and identity. It is this mindset described by Msila (2007) that Life College seeks to correct through its character development courses.

Life College staff point out that the character education deficit becomes more pronounced in working class and poor communities. Since the founder describes this type of community as being typical of the environment in which he grew up, he has first-hand experience of the impact of such environments on the future aspirations of young people. He stated that as a child he was always curious about people, particularly, "why some people have the mentality to strive and others struggle" (L1/06/03/2012). He came to the conclusion that there must be a difference in consciousness and wanted to make a difference among young people in this regard.

The evidence of the residual impact of apartheid education is seen in the August 2013 report of the Council For Higher Education which reveals that 20 years after the end of apartheid education only one in 20 Africans enters higher education and more than half drop out of the system prior to completion. The report concludes that the net effect is that only 5% of African youth complete higher education. The programmes offered by Life College, both at high schools and at universities, hope to provide youth with the skills that will enable them to be successful in further education and their chosen life vocation. At the time of this research, the organisation was in the process of developing ways to monitor their intended impact.

4.2.3 Research initiation at Life College

Life College was approached in November 2011 through a meeting with Pat Pillai who responded positively but advised that Life College would have to seek the permission of its board of directors to participate in the research. The members of the board duly discussed the request and expressed concerns about the possibility of the disclosure of intellectual property during the research process. The concern was about protecting educational programme material, which they saw as the college's competitive advantage. The researcher was asked to clarify the nature of information to be gathered during the research. The members of the board were given assurances that the focus of the research was not the programme material and, as a result, permission was given for the research to proceed. The protection of competitive advantage was interesting to observe in a social mission environment. It was also pointed out that Life College had a very small staff body and it was recommended that three of the key staff participate. Although it would have been desirable to interview more staff members, the parameters specified by the board had to be accepted. Life College identified a research coordinator who provided substantial background information during preliminary telephonic discussions. A meeting was held with the research coordinator in order to discuss the document review process and to plan the interviews. During the meeting it was agreed that she would be responsible for gathering material for

the document review and the interview arrangements. The research coordinator sent emails to the participating staff to advise them of the research and their participation in it.

During the course of the research Life College changed offices from Randburg in Johannesburg to a smallholding in Fourways. The reason for the move was because the organisation required more space to run their various programmes and they had decided to buy as opposed to rent property so that they could have an asset on their balance sheet. As a result the researcher had the opportunity to conduct two site tours through the old and new facilities. The new facilities were further from the city and were in a more serene environment that was more conducive to personal development.

The research coordinator compiled an extensive list of documents based on the document review guidelines and these were provided prior to the interviews. The documentation was comprehensive and beneficial to the research particularly because the beneficiary portfolio was written by the beneficiaries themselves.

4.2.3.1. Semi-structured interview respondents

The interviews began with a personal introduction, an explanation of the research objectives, a confidentiality undertaking by the researcher and the signing of the consent form by the respondents. The staff members who participated in the interviews were very positive regarding the potentially beneficial impact of the research for the social entrepreneurship community in South Africa. They all expressed an interest in the possible benefits of the research beyond the formal PhD study.

One of the respondents pointed out that there could be risk in sharing their story at such an early stage in the implementation of their social enterprise strategy:

I was initially opposed to participating in this research because Life College is in its early stages of social enterprise. (L3: 06/06/2012)

The reason for this was that the strategy was new and fragile and he saw it as providing the college with a competitive advantage in relation to competitors. The organization had recently adopted the mantle of social enterprise as a strategy. There was also concern with the fact that the social enterprise strategy had not yet been tested over a number of years. In this regard it was pointed out that the organisation provided a valuable case example of an emerging social enterprise. During the interview period one of the site tours was undertaken and introductions to other members of staff were made. Informal discussions were also held at Life College.

4.2.3.2 Focus group

Although permission had been granted for a focus group it was pointed out by senior management that this would be impractical. This was because the facilitators and beneficiaries came to the offices on a needs-only basis when training programmes were underway, and they were located across the province. It was suggested that trying to bring them together would be very costly and most of the stakeholders were young people with limited resources.

It was agreed that adequate stakeholder documentation would assist in securing a stakeholder point of view. It would have been more desirable to have a focus group because the focus group provides an interactive dynamic which provides the researcher with valuable research data, and there is potential for bias with testimonials. The Life College facilitator pointed out that the testimonials were balanced and they would provide the researcher will all the testimonials they had.

4.2.4. Themes emerging from the data

4.2.4.1 Background: learning from early failure

Life College founder Pat Pillai is a qualified teacher who was inspired in forming the organisation by revolutionary leaders such as Stephen Biko and his philosophies of black consciousness and independence. He was specifically attracted to the notions of self-sufficiency and self-reliance promoted by Biko. Although he experienced many resource constraints in the early days, he persisted in his pursuit of developing African solutions for leadership and character development through a variety of short courses for school learners and young adults. The original programme, Vac-App, which was founded in 1987, closed down because of financial strain and was relaunched in 1997. The Vac-App programme failed because there was no income stream to support its activities. Pillai learnt from this failure that any future programme should follow a financial sustainability model. The primary financial resources used to form Life College in 1987 and in 1997 were the personal financial resources of the founder. These were subsequently augmented by donations and sales income from programmes.

Today, Life College has a variety of high profile projects that have received media attention. They include the "Summit My Kilimanjaro" project and programmes associated with Steven Covey. In 2008, Pillai was awarded an Ashoka fellowship which drew him into a global network of Ashoka fellows and social entrepreneurs. The staff team consisted of a small but long-serving group of professionals who joined the organisation in order to "give back". It was explained that the small staff complement was a deliberate strategy to maintain a low cost base. The small permanent core was complemented by facilitators who were brought in only when learning programmes were being run. This low cost base safeguarded the organisation from income fluctuations that characterise the revenue profile.

Life College participants described the environment as very challenging and stimulating. Personal conviction was reported to be a significant feature of the working environment and team climate, as seen in the quote below:

> *We are a very small team. People know exactly what to do. Individuals are more committed than in [a] corporate; there it is a job, here it is a calling and commitment*. (L3: 06/06/2012).

The initial setbacks experienced at Life College appeared to have instilled in its leadership a resolve to succeed and make sure that the organisation was able to achieve its mission on an ongoing basis.

4.2.4.2. Making a difference by creating a winning mentality

Having a positive impact on the life direction and choices of youth who participated in Life College programmes was described as a source of major fulfillment among staff interviewed. The disempowerment experienced by many youth arising out of their hardships was precisely what Life College seeks to transform into a winning mentality that encourages young people to give back and develop strength of character.

> *We learn how to manage stressful situations, problem-solve, move outside our comfort zone and to be more self-aware.* (International Labour Organisation case study, 2009).

It was this transformation of learners that made the staff feel that their contribution was worthwhile. The fact that many of their programme facilitators (some had completed tertiary education and others were employed) were programme beneficiaries suggested that they had chosen to provide others with the same life-changing benefits that they experienced as

learners. According to anecdotal reports the income potential of Life College graduates increased by an average factor of eight over a lifetime in comparison to peers.

4.2.4.3. Sustainability as self-reliance

The theme of sustainability manifested itself in an interesting manner at Life College. It was prominent in the narrative of respondents, and their vocabulary was littered with terms such as "self-reliance", "resilience", "independence" and "robust". For the Life College founders, sustainability was almost synonymous with social entrepreneurship. When asked what social entrepreneurship meant, one of the early pioneers at Life College L2 (6/03/2012) said:

> *Social enterprise means we are self-sufficient, and what we teach is what we must live.*

Furthermore, according to the founder:

> *Enterprise – whether private or social – is fundamentally concerned with self-sufficiency and the generation of sustainable profits. The private enterprise distributes those profits to private shareholders. The social enterprise distributes all or a significant portion of its profits to a social or environmental purpose, i.e. social returns.* (Pillai, 2011: 2).

The concept of self-reliance was so important that the College included it in the character-development programmes it runs for beneficiaries. A further aspect said to influence respondents' preoccupation with sustainability was the College's history. Speaking of the historical evolution of Life College, L1 (6/03/2012) said:

> *Although Life College was initially founded in 1997, this was in fact a re-launch of Vac-App, a psycho-social development programme for youth founded 10 years*

> *earlier. We did not have any donations and relied on parents paying a small fee. The Vac-App programme failed because it did not have a proper capital base and financial model. The early failure provided a powerful lesson regarding the need for a social mission to be supported by a sustainable model.*

This statement introduces the aspect of financial resources and constraints, because it was for financial reasons (i.e. the lack of sustainable financial resources) that the first version of the programme, Vac-App, failed. This failure led to both reflection and learning on the part of local political leaders, who ran self-reliant community projects during the 1970s. In this regard, L1 (06/03/2012) stated:

> *I was influenced by the teachings of Steve Biko, the leader of the South African Black Consciousness Movement, who emphasised self-reliance. I realised that my programmes had to have a strong self-reliance element. When Life College was re-launched in 1997, it had a capital base and an income-generation plan.*

The political philosophies of Black Consciousness leader Steve Biko thus provided added motivation to the restart of the project on a firmer and more sustainable financial basis – this time, as Life College. It is interesting to note that self-reliance and sustainability were seen as synonymous by the Life College respondents. The financial failure of the precursor to Life College was an indication that the organisation needed to develop a financial and operational model that would ensure it could sustain its social mission work. Thus, one of the organisation's key decisions was how much to charge for its programmes. The management did not want to exclude the poor – who would arguably benefit most from the programmes – simply because they could not afford to make the payments. On the other hand, income from course fees was a potential generator of revenue. It was determined that course fees would be charged but there would also be cross-subsidisation of poorer students on an approximately 50/50 basis. This approach allowed for the balancing of social and economic needs in the interests of sustainability.

The annual financial statements from 2009 to 2011 show that Life College applies a hybrid of financial-sustainability strategies. Income is derived from the two wholly-owned subsidiary entities, Life College and LifeCo Investments. The college is a non-governmental organisation that offers character-development training and earns a trading income. Trading income accounts for 55% of the operating expenses of the organisation. Life College has set a financial target of R100 million in revenue by the year 2020. This target is based on the goal of having trained and reached one million youth by this time. The investment holding company, Life Co, invests in property, retail and education, and earns dividend income. The investment company is still relatively new and currently operates at a loss. Life College is actively improving the quality of its product in order to be competitive. The operational-efficiency strategies of the Life College Trust are set out below by L3 (6/06/2012):

> *... the infusion of business practices such as ensuring an appropriate cost base, managing the procurement of goods, having efficient staff costs, managing high-cost areas such as printing; and budgeting and cash flow management.*

In addition to lowering the cost base, Life College also developed a strategy of increasing revenue streams. As well as course fees, revenue streams included donations and medium- to long-term investment income. Donation income was low and plans existed to increase this revenue source. This meant there was a strong reliance on course fee income, the proportion of earned income being around 55%.

The Annual Financial Statements also revealed that members of the founding team have capitalised the enterprise in the form of personal loans when the cash flow need arose. These are loans that the enterprise must pay back to the individuals. In addition to the personal risk that the individuals undertake, the terms of the loans are more flexible than those that may be stipulated by a financial institution. The cost of the borrowings is therefore more beneficial to the enterprise.

A further financial sustainability strategy potentially derives from the fact that Life College has a B-BBEE verification certificate which makes it a preferred partner or provider as a result of its broad-based beneficiary status. The ICEE is also in the process of preparing for BEE verification in order to make the organisation a preferred provider for government spectacle-procurement opportunities. The BEE framework potentially creates additional revenue streams for social enterprise in South Africa. While the tender opportunities may be of a short-term nature, the dividend income streams from BEE equity-participation transactions are more medium- to long-term income sources.

Life College Investments is invested in retail, education and enterprise development. The investment income derived from these investments in the form of dividend income was intended to support the operations and financial requirements of the College. A property investment was also made so that rental payments previously paid were invested in an appreciating asset class. The interface with the business world exposed Life College staff to business principles and practices such as efficiency and the creation of multiple revenue streams that contributed positively to financial sustainability.

4.2.4.4. Social impact: adding value to the lives of young people

When the founding parties explained their motives for setting up the organisations, it was to make a positive difference to the lives of others. L2, one of the members of the founding team at Life College, said that her epitaph (relating to her work at Life College) will read as follows:

> *What I did counted; it contributed.* (L2: 6/03/2012)

Of the impact of the college, she said:

> *We can only continue working if we add value to our students*. (L2: 6/03/2012)

> *Life College gives people a voice. We contribute to students becoming economically active. We awaken in people the awareness that you have everything within yourself to do it.* (L2: 6/03/2012).

These quotes suggest that social entrepreneurship actors believe they are making a difference to the lives of others. Life College pointed out that they seek to make both a qualitative and quantitative impact, but have only recently begun to monitor their impact in a rigorous and professional manner. They conceded that in the past they did not keep good records of their beneficiaries. The quantitative measures of impact relate to the number of young people who participated in the programmes. In this regard the organisation developed numerical targets that sought to achieve a national footprint and impact. Having started with only 17 learners in 1987, the organisation reached approximately 5,000 learners during the first 10 years of its operations to 1998. Once re-launched on a larger scale in 1997 the organisation geared itself up for a more numerically significant impact. Currently, its intake averages 2,000 learners per year and it has had approximately 10,000 face-to-face interactions with learners over the years. According to their records it is estimated that over 12 million people have been touched by media content about Life College based on the circulation numbers of the media platforms that have given the organisation coverage over the years. One of the key strategies of Life College is to accredit universities to run their programmes as part of the first-year university credit basket. This approach is already being piloted in two of South Africa's 23 universities.

The qualitative impact entails empowering and instilling in youth a "winning mentality" that propels youth to pursue education and become economically active. Life College emphasises both the employability and entrepreneurial options of young people. The intention is that the products of Life College become economically active and they are encouraged to give back to the community.

The beneficiaries commented in a positive manner regarding the impact of the college as seen in the comment below:

> *I have been in the Life College programme for eight years now and it has been a wonderful experience. During my time in the programme, I learnt about entrepreneurial skills, how to be opportunistic, proactive and confident. One of my most prized achievements this year was completing my bachelor's degree in Finance at UJ [the University of Johannesburg]. My greatest achievement was joining FNB Private Bank.* (Jermain Swartz, Life College Beneficiary Testimonial, 2011).

> *Our association with Life College has continued for the past eight years, and has proved to be very fruitful and mutually advantageous. This is so since our respective curricula complement each other. This derives from the fact that Life College and ourselves ultimately embrace the same objective, i.e. that each learner at our school will embrace, and then go on to actualise their full potential.* (C.J. Morris, Principal, Eldorado Park Secondary School, Life College Beneficiary Testimonial, 2011).

> *We have been working with Life College since 2005. Life College has not only interacted with the students who attend Letsibogo Girls High, but also provided opportunities for both peers and parents to engage in dialogue. Some stats pertaining to the results achieved:*
>
> > *Letsibogo achieved a matric pass rate of 82.5% in 2010. A breakdown of our Life College students in terms of matric results, 56% of students achieved a B aggregate, 33% of students achieved a D aggregate and 11% of students achieved an E aggregate.*
>
> (E.V. Mathopo, Principal, Letsibogo Girls High, Life College Beneficiary Testimonial, 2011).

A Life College learner stated:

> *Life College was there for me to help with my subject choice, life choices and character development.* (Beneficiary testimonial – 2011).

As is seen in the reports above, the impact of Life College in these cases has been around creating opportunities for disadvantaged youth to pursue tertiary education, and for them to become economically productive.

Life College assesses its impact predominantly in the self-reported life changes that occur among beneficiaries after they have experienced the various programmes offered by the college. They collect large numbers of beneficiary testimonials provided both by individuals and institutions. Beneficiaries stated that, as a result of their involvement with Life College, they made better quality choices and decisions. Most importantly, however, they no longer saw themselves as being defined or constrained by their circumstances. Many of these young people have been so motivated by the learning experience during the programme that they want to share and give back to Life College. Commenting on impact during her interview, L2 said:

> *Our best facilitators are Life College students who have gone to varsity and come back.* (L2: 6/03/2012)

An emerging impact of Life College arises from the work they are engaged in with selected universities in the tertiary sector. This entails licensing universities to run their programmes. Life College believes that not only the learners benefit; faculty staff involved in the programme also expand their competencies.

4.2.4.5. Alignment, cohesion and vision

Life College staff also found that the organisational environment tended to engender cohesion because of their collective belief in the vision. They explained their work as a calling to serve:

> *In the corporate [environment], for employees it is about a job; here it is a calling and a commitment.* (L3: 6/06/2012)

> *This work is a calling.* (L2: 6/06/2012)

These respondents saw an alignment between their own calling and the objectives of the organisation, and this alignment sustained their efforts. A unity of purpose and shared vision were evident at the interviews and in the documents reflecting the voices of stakeholders. A nation-wide influence on the mentality of young people was the desired vision of Life College staff. This vision was understood, and considered to be both inspiring and achievable. Leaders of Life College clearly saw themselves as being responsible for mobilising resources and expertise and also role-modelling attitudes – all aimed at instilling a positive and winning mentality among their beneficiaries. It was pointed out that the ideal scenario would entail their programmes being part of national primary, secondary and tertiary education systems. This would require the integration of character education into the present national curricula. In this way they would achieve a system-wide impact and lay the foundation for a winning nation able to overcome the apartheid legacy.

An interesting reflection regarding the past was made during the interviews. In the early days, the organisation's members did not always find it easy to articulate their mission. Although they thoroughly understood what they were trying to achieve (they had internal unity of purpose), they were not always able to express their mission in a manner that was easily understood by others. Over time, and with reference to prominent local and

international thinkers/theorists in the personal-development and educational domain, they developed an accessible lexicon that articulated their mission and purpose. They were able to develop a vocabulary and voice that authentically expressed their social purpose

4.2.4.6 Partnerships that safeguard sustainability

An individual approach to partnerships was seen at Life College, where one-on-one partnerships were developed with prominent individuals. These individuals constituted a database that was drawn upon as required. The leadership shared the fact that they did not seek partnerships of dependence but preferred partnerships of mutual benefit. According to L1 (6/03/2012):

> *We sought long-term partnerships that protected our right to be sustainable.*

L1 said that the first important partnership at Life College was forged when L2 made the decision to join the Life College project, because she possessed a set of skills and competencies that were critical to the growth of the mission. It was interesting to see that L1 described this relationship as a partnership.

Other early partnerships were relationships developed with school principals, teachers and local community organisations. Institutional partners included the Steven Covey training company known as Franklin Covey, the Mandela Rhodes Foundation, Standard Bank, MTN, and Wesbank. The educational institutions were learning partners and the corporations were funders or clients. The Life College partnerships appeared to be transactional in that they relate to specific transactions that are not necessarily sustained over time.

4.2.4.7 Governance and leadership

Life College is a registered trust with a board of trustees that contributes to good governance and strategic leadership and also oversees the work of the College and the investment company. The trust has two subsidiaries, the NGO and the investment holding company. The trustees have a balanced skills base that provides the organisation with the skills and experience matrix that it requires in order to achieve its objectives. It was said that the board members also provided leadership with a constructively critical appraisal of their efforts. This was important as the employees tended to idolise founder. The individuals on the board lent credibility to potential partners by virtue of their connection with Life College. The existing fulltime leadership core has been involved with Life College since inception. It was stated that there is complementarity between the non-executives on the board and the executive management. This established a climate of good governance and an understanding of authority levels.

4.2.4.8 Emerging social enterprise

The concept of social entrepreneurship was seen as vital to the survival of Life College. It was pointed out that although the organisation may not have been formally exposed to the language and narrative of social entrepreneurship, it had been applying the principles since its re-launch. Respondents interviewed had been innovative in curriculum development, had sought income generation opportunities and had worked to make an impact in the lives of young people. The founder discouraged a strong reliance on donor income because of the risk of engendering a mentality of dependence. As a result the organisation had always sought ways of generating income to ensure survival and longevity. However the formal adoption of the concept of social enterprise was recent and they were in the early stages of formalising the strategy, structures and programmes. This evolution also meant having to incorporate relevant business practices that would ensure they achieved their mission. These included quality, competitive pricing and strategic differentiation. These elements of

business thinking were already evident in the narrative of the respondents. Life College therefore described itself as “becoming a social business”.

4.3. Magema Gardens

4.3.1 Case Overview

Magema Gardens is a community garden enterprise located 20 kilometres from Jozini Village in northern KwaZulu-Natal. The founder is Vusi Mthembu, a farmer, who discussed his vision with Zeph Mpontshane, also a farmer, who donated some of his land to initiate the garden. Mthembu and Mpontshane as a team mobilised other core founder members by selling a vision to the core group: they needed to work the land viably as a collective to feed their families and the community. He is said to have stated that the collective ethic is beneficial element of Zulu culture that should be adapted to current circumstances. The initial objective in establishing the garden was to address the challenge of local community hunger by developing a viable farming project. The founders approached the local chief and were initially allocated one hectare, and they began to farm the land. The crops produced in this garden included cabbage, potatoes, spinach, green pepper, butternut, maize, mango and onion – which were rotated seasonally. Over time, this 10-hectare community garden has brought food security to the members and the community and the opportunity to extract commercial benefits from the surplus produce.

The garden is owned jointly by a 16-member registered co-operative and is guided by a constitution and is managed by a management committee appointed by members. Each committee member has a specific portfolio and area of responsibility. All members are fully employed by the co-operative, which is led by Busi Mabika. Surrounding communities depend on the garden for their daily subsistence needs. They buy the produce at discounted prices. The members of the co-operative now aspire to become commercial farmers and as

a result are constantly increasing their distribution channels from direct sales to the supply of major retail groups such as Boxer Stores, a division of the Pick n Pay Group.

Magema Gardens was selected as a case study because it was formed to meet one of the most basic of human needs – food. The project is located in a very rural part of South Africa where there are limited skills and expertise, yet its members have demonstrated innovative and effective approaches to resource mobilisation in an environment lacking infrastructure, economic activity and institutional support. There is a strong reliance on earned income as a basis for sustainability, and the project has a strong community footprint. Its members are currently managing the transition from subsistence to commercial agriculture. The co-operative has adopted a unique model that balances individual and group ownership. Whilst each member owns their plot of land and has full responsibility for the agricultural product of the plot, they work as a collective in agricultural planning, irrigation, harvesting, sales and distribution. Magema Gardens was also of interest for this research as it is an example of collective social entrepreneurship.

4.3.2. The social deficit: food security

Magema Gardens is located just outside the town of Jozini. The Jozini Municipality is part of the Umkhanyakude family of municipalities known as the Umkhanyakude District or Maputaland. This district contributes only 1.2% towards the gross domestic product of the KwaZulu-Natal province. According to the Jozini Integrated Development Plan for 2010/11, the main challenges of the Jozini Municipality are: poor access to land, high unemployment (36% of the population have no income), poverty, limited resources, poor water supply and neglect in terms of economic development. A result of high unemployment is seen in what is described as the "male out" pattern whereby young males leave the community to seek employment and economic opportunities (Jozini Integrated Development Plan for 2010/2011). A consequence of this high unemployment is a low tax base which results in limited government resources to fund basic needs, as seen in the quote below:

Maputaland is one of the most rural areas in South Africa with some of the lowest literacy and highest unemployment rates. (C. Meugens, *The New Age*, 06/07/2011)

The economy of the Jozini Municipality is dominated by agriculture, government departments and subsistence farming. The dominance of agriculture points to the productive capacity of the land. The area has good climatic conditions and soil suitable for agriculture. Jozini is part of a secondary tourist corridor because it has several places of tourist and historical interest such as the Jozini Dam, the Lebombo Mountains, several game reserves and King Dingaan's grave (Jozini Municipality IDP). The profile described above frames the context that gave rise to the formation of Magema Gardens. The high levels of unemployment, poverty and hunger led the founding members to identify the one potentially productive asset they could access: the land.

4.3.3. Research initiation at Magema Gardens

The members of Magema Gardens were approached to participate in this research through the facilitation of local community field officers. This approach, whereby a trusted stakeholder introduced the concept of the research (not common in rural areas), was deemed more likely to generate trust in and openness to the research process. Following various preparatory meetings, consent was signed by all group members in February 2012.

Given the fact that some members spoke Zulu, the first task was the translation of the research documents which included the interview and focus group guidelines. It was not necessary to translate other documents such as the participant information sheet because most members were illiterate. A first draft of the Zulu translation was done by the researcher. This draft was then discussed and refined with the field officers of the Siyazisiza Trust who work closely with the Magema Gardens team and have insight into their lexicon. One of the most challenging aspects of translation was to use terms that the respondents were able to

understand given the many dialects of the Zulu language. Because of the nuanced nature of the Zulu language the questionnaire was shortened.

The first visit included introductions and a field tour of the community garden and one of its beneficiary home-based care organisations. Members explained that some of them spoke only Zulu whilst others spoke both Zulu and English. As such, both languages could be used depending on the person being interviewed. During this tour selected members led the researcher through the entire garden in order to showcase the various categories of agricultural produce. They also explained their farming cycles and methods. The researcher was given samples of produce to sample as they wanted to demonstrate the freshness and healthiness of their product.

Very limited documentation was available at Magema and most information regarding this multiple award-winning project was oral. However, the members of the committee did bring their financial and production records for perusal. The documents were originals and there was reluctance to allow them to be taken away for copying as they were used daily. A copy of the constitution was provided and the researcher was able to obtain other written, publically available sources on Magema Gardens.

4.3.3.1. Semi-structured interview respondents

Magema does not have a building. All interviews and focus group meetings were conducted in the gardens under the trees to ensure protection from the sun. Access to the Magema site is very difficult and can only be achieved by four-wheel drive vehicles due to the very poor quality of the road. Members often arrived late for interviews as a result of transport difficulties and other community events such as funerals. However, the garden, when one finally reaches it, is like an oasis. The chairperson invited all members of the committee to be interviewed and the balance of people was selected on the basis of availability. A total of 11 interviews was conducted. Some of the interviews were done in English (where members

indicated that they were comfortable with English interviews), but most were in Zulu. The members were initially suspicious of the fact that the researcher was writing down their responses but they were reassured by the field officers. The field officers pointed out that isolated rural communities tend to be generally suspicious of "outsiders" and their motives.

The interviews began with a personal introduction, an explanation of the research objectives, a confidentiality undertaking by the researcher and the signing of the consent form by the respondents. Members preferred to sign the consent in groups and some provided their identification numbers as they could not write. Whilst the interviews were underway other members worked in the garden. This was beneficial as those being interviewed frequently called on their colleagues to chip in when there were facts they could not recall. The entire interview was conducted in Zulu but the responses were written in English by the researcher.

4.3.3.2. Focus group

Members of the Magema Co-operative and stakeholders were more comfortable with the focus group sessions than the individual interviews. Their stakeholders included community members involved in the local school, hospital and fieldworkers. They pointed out that the group sessions were more consistent with their culture and style of work which also tended to be group oriented. The focus group sessions were honest and relaxed, with members expressing their views and discussing matters freely. Magema has limited stakeholders who are mainly community workers. One focus group meeting was conducted at Magema.

4.3.4. Themes emerging from the data

4.3.4.1. Background: from small beginnings

The formation of Magema Gardens was a direct response to food security needs. The founders Vusi Mthembu and Zeph Mpontshane realised that the community had an abundant

resource in the land and they needed to leverage this asset for the benefit of their families and the community. Vusi Mthembu was a small-scale cotton farmer whose business was affected by the relocation of the cotton mill and Zeph Mpontshane was retrenched. Both founders were concerned that their families would experience the hunger they saw in the community. Vusi Mthembu passed away from illness but Zeph Mpontshane continues to be involved in the management committee. They felt responsible for ensuring that they supported the new democracy by being self-reliant.

> *I noticed that many people were hungry and … there is a need to farm the land … We got together with others to find ways to sustain our lives*. (M1: 09/02/2012)

The skill of farming and agriculture had been passed on from generation to generation in the community as many families had small subsistence plots. Since land in rural areas is controlled by the traditional authority the founders approached the local chief in order to get a land allocation. In accordance with traditional practice, the co-operative does not have a title deed for the land but has access to its use in perpetuity. This means the organisation cannot bond the land as security for the raising of finance for growth. Magema Gardens started small and grew their produce and output over time:

> *We had no idea how far we would go… look at how well our garden is doing now and how much we have been able to grow* (B. Mabika, quoted in Meugens, C. 2011)

The operational model involves the sub-division of the land into individual plots for which each individual member takes full responsibility. Members stated that this approach promoted healthy competition, discipline and motivation as non-performance on one's plot would have a direct impact on the output of that individual. Members co-operated in the bulk-buying of seeds, payment for water usage and production planning. They also received orders from retailers such as Spar and Boxer as a unit and the production was then allocated

fairly in relation to all orders received. Members believed that this approach encouraged both personal and joint accountability for agricultural output.

Over time members have mobilised resources within the group in order to acquire farming implements and farming infrastructure needed to farm more effectively. A major difficulty experienced on a regular basis was water. The garden had a water pump that drew water from a local dam for irrigation purposes but when this pump broke they had to wait for long periods before the expertise required to restore the pump to working order was available. The team was in the process of exploring alternative solutions such as irrigation. They reported that the irrigation options were complex and technical and they required advice on appropriate solutions. During such periods the crop was negatively affected and members forced to sell or use the affected crop quickly. Another difficulty experienced was the transport or distribution of produce to markets. Transport providers placed a markup on the product and the co-operative was not able to benefit from that price margin. Although they had regular customers such as Boxer stores and Spar supermarkets, there have been times when the group has been unable to deliver the required produce within the specified timeframes and at the required level of quality. In general, Magema operated the garden under tough conditions that included drought, poor infrastructure, a lack of formal agricultural training, and no institutional support.

4.3.4.2. Making a difference to food security

> *Food security was important as hunger was a problem. Also, it showcases the fact that people can live very well off the land.* (M1: 09/02/2012).

The original objective of the founders was to make a difference to their families and the community by providing food security and to overcome hunger. All respondents interviewed stated that they joined because the benefit to families and the community was becoming evident. They could see that families who were members enjoyed food security, were

economically active, and were able to use their surplus income for the education of their children. Furthermore, Magema donated fresh healthy food to schools, hospitals, sick and indigent people, and sold their produce at very low prices to community members. Respondents spoke about the personal growth that being part of Magema has resulted in. Their work ethic was strong and they saw themselves as role models of self-mobilisation, contributing to the community and general prosperity.

One of the prominent features of Magema was a sense of pride and self-worth evident among members:

> *We always have cash and can educate children.* (M4: 09/02/2012).

They were proud of their efforts and produce. They had made a difference not only to their own lives, but their children now had higher economic participation potential as a result of their education.

4.3.4.3. Sustainability: sustainable food provision

Whilst sustainability at the ICEE and Life College was focused on organisational (financial and social) sustainability, in the rural context sustainability was more closely related to basic needs and employment, as explained by M1 (9/02/2012);

> *We noticed that people were hungry and thought there was a need to farm the land. We got together with others because we needed a way to sustain ourselves.*

The community members needed income to buy food, as explained by M7 (22/02/2012):

> *Mina ngangeniswa uBaba ngoba ngangingasebenzi.*
>
> *(I was introduced to the project by my husband, because I was unemployed.)*

Their statements demonstrate the survivalist rationale that led to the formation of the enterprise. For the Magema members, sustainability was related to their ability to sustain the growth of their agricultural output. The main challenge in this regard was to have a substantial order book that would keep them productive throughout the year. This was because they had differential pricing: the community and the needy were subsidised by retail orders. This meant that retailers (who have a much wider geographic reach and client base) were charged higher prices and the local community were charged lower prices. They needed consistent retail orders so that they could consistently supply their clients and use the surplus for the benefit of the community.

An interesting observation made by the researcher was the tendency by co-operative members to understate or discount their true financial achievements. The stated value of monthly income was consistently lower than what was reflected in the records they allowed the researcher to review. When asked about their financial standing respondents were "cagy" and provided modest numbers. Fieldworkers suggested that this was common in community projects because of the fear that potential assistance and support may be compromised should the true value of income and profit be revealed. Related to this was a reluctance to have a proper bank account for the collective out of the belief that this would attract taxes and other compliance requirements. Fieldworkers suggested that communities that experience extreme isolation tend to take time to trust others and they generally perceive financial disclosure as being potentially risky.

In the case of Magema Gardens, income was earned from the sale of the vegetables produced by members. The co-operative initially focused on subsistence farming, feeding families, and selling the surplus product, but over time it had become commercially-oriented. Most members stressed their desire to increase their land and production capacity, as explained by M2 (9/02/2012):

Sifisa ukuba nendawo enkuku kunalena esiyisebenzayo, ngoba inkinga yemakethe isikhona manje nsimu incane.

(We wish to have more land than we have now. We have a market, but our land is too small to provide for the market.)

The members saw access to more land as increasing their farming capacity – the consequence of this being increased sales revenue. Over the years, the organisation's cost structure was subsidised by the initial donation of tribal land by the Chief, and, secondly, the donation of implements, seed and irrigation equipment by the Siyazisiza Trust, a non-governmental organisation that supports rural development. Some of their transport and distribution costs continued to be subsidised by the Siyazisiza Trust. The members have more recently begun to fund their equipment (e.g. irrigation equipment) needs by requesting members to retain their income so that they can contribute financially to the equipment procurement project. Both the members of the co-operative and their supporters have set a joint objective of full financial sustainability. The two-pronged strategy in this regard is to increase sales volumes and to grow the distribution footprint into retail chains in the area. This is a significant challenge because it requires the maintenance of certain quality standards and a continuous supply of product. In order to cement client relationships, partnerships of mutual benefit have been developed. For example, Pick n Pay was assisting with a programme to improve product quality. Pick n Pay, in turn benefits in the form of enterprise-development points on their B-BBEE scorecard.

In the past the members have struggled to develop a substantial capital base for capital expenditure. This was seen by M7 (22/02/2012) as a barrier, as reflected in the following comment:

… ukungabi khona kwezinto ezanele zokunisela ulimo kanye nemali eyanele yokwenza lomsebenzi ngendlela efanele.

(We don't have farming implements and we don't have enough money to run this project in the correct way.)

The challenge of retaining income in order to establish a capital base that would enable the members to buy farming implements was being attended to by the members. They introduced a discipline of retaining income before it was distributed. Improved farming implements would increase their production capability and grow revenue. Members of this garden enterprise were fully aware of the measures they needed to implement to grow and they have developed as set of objectives and timeline to achieve these.

4.3.4.4. Social impact: community food security and employment

In a *New Age* article dated 6 July 2011, journalist C. Meugens described the impact of Magema Gardens as follows:

The project has improved the quality of life for its members. They are now able to pay school fees, provide clothes, a decent home and good food for their families, as well as donate food to the local orphanage and soup kitchen in nearby Jozini. Other benefits experienced by the community include access to fresh fruit and vegetables at affordable prices, and much needed employment.

The quotes that follow reinforce the impact of the garden;

Sidayisela umphakathi, nasezikoleni izingane zidla imfino, siqasha abantu abazosilekelela ekwenzeni umsebensi wase nsimini, sibakhokhele imali. Noma kuvunwa kuhlakula abagulayo bayasizakala kakhulu. (M2: 9/02/2012)

(We sell to the community, and at schools the children eat vegetables. We hire staff to assist us in the garden and they are able to earn an income. At harvest time we work with the sick and they benefit a lot.)

Ukudla okusele kuphiwa abantu abagulayo nabasweleyo. Intsha ithola ukufundiswa ngezolimo, bayaqashwa ukwenza umsebenzi engadini bathole imali. (M5: 22/02/2012)

(The surplus food is donated to the sick and needy. The youth learn agricultural skills, people are employed to work, and they earn an income.)

Baphila khona kuyo inhlangano, kanye nomndeni wami. Sidayisa ukudla okunempilo ayiko enye ingadi ekwazi ubusika nehlobo. (M10: 23/02/2012)

(We live off the co-operative and so do our families. We provide healthy food. There is no other garden able to continuously provide in summer and winter.)

The three quotes above provide examples of the impact and benefit of the garden according to its members. In a similar vein, the Magema Gardens focus group (9/02/2012) listed the benefit and impact of their venture, as follows:

Subsistence, education of children, employment, growth and income generation.

Geh Phungula, a field director at the Siyazisiza Trust, provided written comment regarding what he saw as the impact of Magema Gardens:

- ***Social cohesion***

  Members of these groups have been working together for a very long time (more than 10 years). As a result they have developed a spirit of brother and sisterhood within themselves. This spirit has kept the groups going so far.

- ***Self confidence***

  The experience learned and knowledge shared through capacity-building training has made the members more confident in themselves to deal with critical issues.

- ***Independence***

  The objectives of the group are about to be accomplished and members have learned to take decisions regarding their development on their own.

- ***Sharing***

  Though the members are working on communal land, each individual is working on his or her own plot. Members of Magema share the resources such as water, seedlings and insecticides a lot.

- ***Job creation***

  Members of these [Magema Gardens] groups depend solely on their groups for their daily living, and therefore the project creates permanent jobs for its members. The rate of unemployment is very high in the rural areas where these projects are operating. The local communities depend on these projects for getting seasonal jobs – especially during planting, weeding and harvesting.

- ***Financial freedom/stability***

  Members of these projects are able to feed and school their children and to create job opportunities for other people in the area. It means that they have financial freedom.

- ***Spirit of oneness***

  The groups have adopted and are practising their own style of governance, and therefore this has developed a spirit of oneness among its members which allows them to speak in one voice in matters pertaining to their territory.

At the Magema Gardens focus group dated 22 February 2012 participants stated the co-operative had an impact because all 11 co-operative members are direct beneficiaries who have jobs and are sustained by the co-operative. Fresh vegetables were sold to the local community at discounted prices and they regularly donated vegetables to needy and indigent families, bereaved families, and very sick people. They employed their children and other community members during harvesting, and as such provided short-term contract employment. The co-operative had installed a water pump which at times provided back-up water when shortages arose in the garden and the community. The members reported that being part of the project had exposed them to other benefits such as business education and understanding, travel, and a generally positive standing and influence in the community.

4.3.4.5. Alignment, cohesion and vision

The members of Magema were united in their co-operative agriculture objective. Their main aspiration was to become large commercial farmers who continued to support the community and they had an appreciation of the steps needed to achieve this objective. The first of these was to secure more land from the local chief, and the second was to ensure a reliable and consistent water supply. In this regard they were in the process of building a financial reserve that would allow them to acquire improved water pump and irrigation technology.

The social cohesion at Magema was the product of strong leadership and a collective work ethic. Members stated that those who did not comply with the work ethic requirements of the group were ejected from the group by other members. Emphasis was placed on discipline, cleanliness and a quality crop that would meet the procurement requirements of the retailers. If one member produced a sub-standard crop it would cause reputational damage to the entire garden. The high performance culture and alignment to vision at Magema resulted in a good quality output that sustained demand for the product.

The role of leadership in igniting social cohesion is further demonstrated by M5 (22/02/2012), one of the leaders of Magema Gardens, when she described her role as follows:

> *Iqhaza engilibambile ukusebenza ukugqugquzela amalungu ukithi asebenze ngokuzikhandla ukuze umsebenzi uphumelele, nanokuthi amalungu asebenze ngomoya omunye.*
>
> *(My role is to motivate and encourage members to work hard, so that our work can be successful. I also ensure that all members are united in their efforts.)*

M5 saw her role of leader as being to motivate and sustain the collective effort of the team. She emphasised team work and cohesion, which she saw as important in the achievement of their objectives. This teamwork emphasis was shared by fellow member, M7 (22/02/2012), who said:

> *Njengelungu lekomidi ngigqugquzela amalungu ukuthi asebenze ngokuzwana.*
>
> *(As a member of the committee, I encourage members to work as a team in harmony.)*

Other team members also believed that they should accordingly be team players and place the needs of Magema Gardens first, as reflected in the quote below:

> *Uma kunezidingo zenhlangano njengemali nami ngikhona, uma kusetshenzwa name ngikhona.* (M10: 23/02/2012).
>
> *(I am available for the needs of the organisation. If it is money, I contribute; if it is work, I am available.)*

Magema Gardens' member M6 also said her role was:

> *... ukusebenza ngokubambisana.*
>
> *(... to work as a team with others.)*

The views expressed above reflect social cohesion. This concept explains why the individual, group and broader benefits that derive from the garden have constantly sustained their efforts for over a decade.

A "mixed blessing" as experienced by the Magema Gardens was reported during the focus group. They were anxious because some community members viewed them negatively because they placed a cap on the number of new members as a result of land capacity constraints. Magema Gardens' member M3 (09/02/2012) expressed this as follows:

> *Others can't join because we don't have enough land; this makes them resent us at times.*

Similarly, another Magema Gardens' member (M4: 9/02/2012) stated:

> *People envy us because we always have cash and can educate children, improve our homes and provide healthy food to, for example, schools.*

Surrounding community members aspired to be part of the co-operative and were advised to replicate the model in other areas – but some preferred to join a co-operative with an established track record, such as Magema Gardens. Furthermore, Magema Gardens's founding members used self-selection; they chose like-minded people with a similar work ethic, and this approach improved cohesion.

4.3.4.6. Partnerships of trust

Magema had limited partnerships which included the local traditional authority in the form of the chief, the local Induna, agricultural development supporter Siyazisiza Trust, which provide agricultural and distribution advice, the local community, and retail clients. All these partnerships were longstanding and characterised by trust and mutual benefit. Magema reported that it had been unsuccessful in its numerous attempts to develop partnerships with relevant government departments such as Agriculture and Economic Development. These departments were seen as highly bureaucratic and as trying to impose their model of co-operatives which was not organic. It was believed that government-supported co-operatives did not encourage any form of individual effort.

Beyond the institutions discussed above there were very few institutions in the area with whom Magema could potentially partner.

4.3.4.7. Governance and leadership

Magema had strong leadership in the form of its chairperson, Busi Mabika, who led both the committee and the co-operative. The registered co-operative had a constitution referred to as the guiding document and the "rule book" of the group. The constitution provided for a management committee that included a chairperson, secretary and treasurer. The members indicated that they respected the authority of the committee and saw their decisions as being fair and in the interests of the collective. The culture was authoritarian and in many cases during the interviews and site tour the members deferred to their leaders for responses to questions asked.

It was interesting to note that Mrs Mabika is not the original founder of Magema Gardens although the co-founder was still involved and believed the current leader earned her position

on merit. During the focus group the participants indicated that they preferred a rotational and merit-based system of allocating leadership roles.

4.3.4.8. Emerging commercial farmers

The migration towards commercial farming was a focus of the leaders, members and stakeholders, and steps were being taken to ensure its fulfilment. The first step entailed securing a substantial portion of additional agricultural land from the local Chief. In this regard negotiations had already begun. They also recognised that they would need to go through some form of training to enable them to make this transition. The journey and experiences of the organisation prove that with strong leadership, a compelling vision, a cohesive team and strong community roots, groups are capable of starting from humble beginnings to achieve both social and early commercial success.

4.4. KwaXolo Crafters (Imvunulo Yesizwe)

4.4.1. Case Overview

The KwaXolo group of master crafters (also known as *Imvunulo Yesizwe* which means traditional attire) was formed in 1998 just outside Ulundi, KwaZulu-Natal by master crafter Nomusa Mkhwanazi who mobilised and motivated a small group of that included Norah Sibiya the current Chairperson. Nomusa Mkhwanazi became sick and incapacitated but her family members continued to be involved in the project. These women were faced with the challenges of unemployment and poverty. The founders believed that they had a cultural asset in their traditional artefact-making skills (e.g. beading) which they felt they could also use to become economically active. The group comprised 22 women who make a variety of innovative beaded and embroidered products such as runners, dancing sticks, *isicholo* (traditional hats worn by women) calabashes, cushions, jewellery and other traditional Zulu artefacts. These products are sold to tourists, local community members and organisations

that distribute to retailers such as Tiger's Eye. The group works from a community hall built for them by the Department of Social Development as a production venue.

KwaXolo is multi award-winning (see Table 10) registered co-operative with a constitution and a management committee. Each of the committee members has specific responsibilities. Within the group there are regular crafters and master crafters, the latter possessing more advanced skills levels and who are also responsible for pricing. The orders received are divided equally among the members, giving each member a chance to work and earn an income. Institutional partners include the Department of Social Welfare, Shoprite Checkers, Tiger's Eye, Khumbulani Craft, and local dealers. The partners assist in the form of infrastructure, craft skills, funding and product distribution.

The KwaXolo Crafters were of interest from a research point of view because they are a cohesive group of women driven to change the prevailing status quo of women in poor, rural and traditional communities. Like Magema Gardens, the crafters have adopted innovative methods of resource mobilisation in a context where few community resources exist. They integrate waste and recyclable materials into their product, have had to negotiate hard with the municipality and local government to use infrastructure for their projects, and they have developed a method of passing crafting skills across generations. The women have to be consistently innovative in their product mix in order to drive sales. They rely to a large extent on earned income and were seeking ways to commercialise their products. This co-operative – comprising women with limited education – has brought beneficial economic activity to communities. It is also a model that links the rural economy with the urban economy as some of their products are sold in major cities such as Johannesburg.

4.4.2. The social deficit: the poverty trap

The KwaXolo Crafters are based just outside the town of Ulundi in the north east of KwaZulu-Natal. The Ulundi Municipality is part of the Umzinyathi district which

contributes only 1.5% to the gross domestic product of the province of KwaZulu-Natal. According to the Ulundi Municipality's Integrated Development Plan (2007-2012) the vision of the municipality is to become the gateway to the heart of Zulu cultural heritage by 2030. In the Integrated Development Plan the municipality identified the following challenges: 40% of the population has no income; education levels are at 29%; there is a 12% prevalence of HIV/AIDS; there is a large proportion of female-headed families ("male out" pattern); there is a lack of social services; and there are substantial infrastructure backlogs. A large proportion of the population is rural and many of the areas are inaccessible because of poor roads. Commenting on the unemployment situation, a participant (K2: 14/02/2012) said;

> *Umsebenzi awutholakali, izingane zigcine zihlala emakhaya uma ziqede u standard 10.*
>
> *(There is no work. Most children end up staying at home when they complete their standard 10.)*

The Ulundi Municipality has several heritage sites and places of historical and tourism value. These include several game reserves, the Emakhosini (Valley of the Kings), Nodwengu (King Mpande's residence and grave), the Ulundi battlefield and the site of Piet Retief's grave. Tourism in the area has good potential but is underdeveloped and has not been marketed adequately. Whilst Ulundi is a hub of relative economic development, smaller towns in the area are not developed. The main economic sectors in the municipality are agriculture, government departments and tourism (Ulundi Municipality Local Development Plan, 2007-2012).

It is the context described above that led the KwaXolo Crafters to leverage the community asset of cultural heritage and craft skills that resided within community members in order to

generate economic benefit for their families and the community at large. This objective is aligned with the Municipality Local Development (2007-2012) Plan which has as its vision:

> *... by 2030 Ulundi shall be the gateway to the core of the Zulu cultural heritage.*

Although the KwaXolo vision was developed by the members long before the municipality developed its own vision, the leadership were aware of this vision and viewed the alignment between their activities and the vision of the municipality as a positive factor which may assist to mobilise resources.

4.4.3. Research initiation at KwaXolo Crafters

The members of KwaXolo were approached to participate in this research through the facilitation of local community field officers in January 2012. This approach, whereby a trusted community development worker introduced the concept of research (not common in rural areas), was deemed more likely to generate trust in and openness to the research process. Following various preparatory meetings, consent was signed by all group members in February 2012.

Given the fact that all members spoke Zulu, the translation that was done for Magema Gardens was given to the fieldworkers in the form of a draft by the researcher. The acceptance of the Zulu questionnaire by the fieldworkers was seen as a validation of the translation. The field visits for this case study were conducted at multiple sites as the product was not only located at the organisation's building but also in retail stores such as Indaba Curios and Wetherlys. The organisation has a wide product range that includes items they produce for sale and products that are commissioned as part of retail ranges. Limited documentation was available at KwaXolo. Most information regarding the project was in oral form and gained through interaction with community members and fieldworkers. The

constitution was provided in the form of a copy. The researcher was able to obtain other written, publically available sources on KwaXolo Crafters.

4.4.3.1. Semi-structured interview respondents

KwaXolo occupies a building donated by the Department of Social Welfare where all interviews and focus groups were conducted. The building, used by the organisation as a work space, is central and access to the facility is on a main route. Ten members were interviewed. Members appeared to understand the research objectives that were explained to them with the assistance of the community field development workers. The group members displayed an openness to discussing their history and experience with KwaXolo.

The interviews began with a personal introduction, an explanation of the research objectives, a confidentiality undertaking by the researcher and the signing of the consent form by the respondents. As was the case at Magema Gardens the members preferred to sign the consent in groups and some provided their identification numbers as they could not write. Whilst the interviews were underway other members worked on orders. The entire interview process was conducted in Zulu but the responses were written in English by the researcher.

4.4.3.2. Focus group

One focus group session was conducted at KwaXolo with selected members, the community and fieldworkers. The focus group meeting progressed very well. Some discussion generated problem-solving among members. During the focus group sessions some operational challenges emerged and members present brainstormed. There was idea generation regarding selected members travelling down to Durban to seek sustainable markets for their craft. They indicated that they appreciated the opportunity to meet as they had been busy fulfilling orders and had not had a chance to have a constructive conversation among themselves.

4.4.4. Themes emerging from the data

4.4.4.1. Background: we leveraged our heritage

The formation of KwaXolo was a direct response to unemployment and poverty. The founder, Nomusa Mkhwanazi, engaged in discussions with five women who had craft-making skills. The founding group all contributed financially to launch the group. The founders believed that the community members had an asset in traditional beading which could be leveraged to the benefit of their families and the community. They saw the new democracy as ushering in more tourism and accordingly they felt they could produce products that would benefit the community and the tourist market. The skill of beading and the crafting of traditional artefacts has been passed on from generation to generation in this community as many families use the artefacts during traditional rituals and ceremonies. Not only is the product functional but it contributes towards the preservation of the Zulu cultural heritage.

The operational model of KwaXolo involves the fair and equitable division of orders and work for sale among all members. Members suggested that this approach encouraged both personal and joint accountability for product output. Members had the flexibility to work from home or at their building. If an individual member did not perform in accordance with required timeframes and quality standards then that individual was not rewarded adequately as their product would not sell. Each member kept completed stock at home for storage until there was transport to distribute the stock. Quality control on completed orders was done on a peer basis prior to the client confirming that it was satisfied with the quality. Members conducted bulk purchasing of materials and working implements, and always compared prices from different suppliers of, for example, beads in order to ensure that they purchased at the lowest price.

The KwaXolo Crafters have mobilised the resources they need to be productive. These included their workspace, raw materials, design and crafting partners, and their marketing and distribution agents. They also visited product displays in order to seek ideas for new products. One of the major difficulties they experienced was distribution and markets. They were supported by Khumbulani Craft, a non-governmental organisation that promoted the work of traditional crafters to major South African and international retailers. The crafters emphasised the importance of ensuring that the younger generation learns master crafting skills as this will guarantee that they are always able to earn a living for themselves.

4.4.4.2. Making a difference to the lives of women

The reason for the formation of KwaXolo was to address unemployment and hunger. The members believed they have achieved that objective as their families are able to benefit from their income. Each of the women interviewed understood her role both as an individual and as a member of a collective. At an individual level they recognised that each individual must perform a specific role that contributes towards the production and sales of their products. Most of the women were from female-headed families because the men had left to seek employment and economic opportunities in the cities. As a result of their crafting activities, the women's children were able to be educated and to pursue higher education, which was not the case in the past. The women of KwaXolo were very proud of their achievements and encouraged other women to follow their example. The women stated that the fact that they had won several awards meant that they were making a difference that was recognised by members of the community and credible institutions

4.4.4.3. Sustainability: surviving hunger and unemployment

The survivalist orientation seen in the case of Magema Gardens, was also present in the rationale for the formation of the KwaXolo Crafters, as stated by K2 (14/02/2012):

> *Siqale lenhlangano ngoba sifuna ukuxosha ikati eziko ngoba obaba babengasebenzi.*
>
> *(We started this organisation in order to deal with hunger, because the fathers were not working.)*

K4 (14/02/2012) – who joined KwaXolo later – echoed her colleague's sentiments, when she said:

> *Ngiye ngizwe kuthiwa kwahlala omama ngenhloso yokuxosha ikati eziko nokufundisa izingane.*
>
> *(I have heard that the ladies came together with the aim of addressing hunger and educating the children.)*

Sustainability was an early concern for the organisation. At the onset they had to retain the income made from the sale of the products so that it could be re-invested into the buying of material and working implements for new orders. The organisation has been able to sustain this business cycle for many years. It was interesting to note that the women of KwaXolo spoke quite openly about their financial status both as individuals and as a co-operative. The organisation has a banking account and prefers openness and transparency regarding all financial matters. The level of contribution of members to reserves is prescribed and under the guardianship of the treasurer the group must at all times have a strong reserve as they

never know when a substantial order may arise. When reserves are low members have to make contributions from their own personal funds.

The KwaXolo Crafters earn revenue from the sale of the craft objects they produce. Their cost structure was subsidised by the initial donation by the Department of Social Development of the building from which they operate. Members of the co-operative and their donors have set a joint objective of full financial sustainability. The main strategy in this regard is to increase sales volumes by expanding market access into craft retail chains in the area, such as Wetherlys and Tiger's Eye. This is a challenge because it requires on-going product innovation and reformulation of the craft product in accordance with market trends. The growth of the market is a concern among members, with this concern being expressed by focus group participant K7 (14/02/2012):

> *Sifisa ukuthi sithole ezinye izimakethe ukuze siqhubekele phambili.*
>
> *(We wish to develop new markets so that we can make progress.)*

They reported that, for example, in the past they had an international client in the form of LOSA (London-South Africa) but the client relationship ended after a few orders. Because the organisation does not have its own transport members are not able to travel to exhibitions in centres such as Durban and Pietermaritzburg to which they are invited. They are also not able to be proactive in the development of markets as they do not have the contacts. These two factors have compromised the ability of the organisation to grow on a sustainable basis.

KwaXolo Crafter K2 (14/2/2012) described limited market access as being the most significant barrier to financial sustainability:

> *... ikusasa liyantengantenga ngoba ama-order asemancane kanti futhi asinazo izimakethe.*

(… the future is volatile because we have limited orders and we also don't have access to markets.)

It appears as though the women have managed to sustain the enterprise even in the face of market volatility. This has been as a result of consistent resourcefulness in their local market.

4.4.4.4. Social impact: community cultural heritage

The co-operative has contributed to job creation and when there are larger orders, it employs other community members on contract as seasonal workers. This provides short-term employment and craft skills are transferred. They are able to provide the community with good quality traditional attire at good prices and, in the process, KwaXolo is contributing to the preservation of culture. In addition to this the Ulundi Municipality has several historic and cultural sites of tourist interest. KwaXolo is able to add value to the tourist experience by making available traditional objects for sale to tourists visiting the area. Member K6 described their impact as follows:

Ekutholakaleni kwemvunulo eduze kanye nokuthi indawo isiyaziwa kakhulu ngenxa yalomsebenzi owenziwa kulendawo. Indlu youkusebenzela yiyo esiza umphakathi ekubambeni umhlangano nasekwenzeleni imicimbi. (K6: 14/02/2012)

(People are able to access traditional artefacts close by. Our venue is now very well known. Our hall is very helpful to the community for meetings or events.)

KwaXolo allows the community to use its building for funerals, weddings and other community events. It was proud of the fact that it is able to give back to the community in this manner. Community benefit activities are rent-free but private events pay a nominal rental. The women also saw themselves as role models of what can be achieved when women get together with a shared objective.

The following KwaXolo quote illustrates a very different example of community impact at a time of extreme need:

> *Bayaye bahlanganise imali yokuthenga impuphu, inyama, nomangabe yini engase isize njalo uma kunesifo emphakathini. (K2: 14/02/2012)*
>
> *(The project members usually gather money to buy maize, meat, or anything that is helpful when the community experiences a loss.)*

What this quote demonstrates is that the members were usually cash positive and able to make financial contributions to the community when unforeseen and unfortunate events arose. As seen in the examples above, the impact is practical, tangible and life improving.

At the KwaXolo Crafters focus group of 15 February 2012 participants expressed the view that they were making an impact because all 22 members had jobs and were sustained by the co-operative. The members reported increased financial resources and an ability to educate their children up to a tertiary level because of their improved income. This has had an overall impact on education, skills levels and employability in this rural community. They also stressed the importance of transferring cultural-heritage skills to the younger generation, who can also pass on the skills, which will in turn ensure that the community is able to preserve this intangible community asset. Both domestic and international tourists come to view and buy their work, which improves sales and provides benefits for other local industries from which these tourists may require products and services. The members reported that being economically active gave them a sense of self worth as contributors to family and community.

4.4.4.5. Alignment, cohesion and vision

The members of KwaXolo explained their vision as seeking to be the premier provider of Zulu cultural objects for sustainable local and international markets. The vision is in accordance with the vision of the municipality as the gateway to Zulu cultural heritage. Some expressed a degree of tension about whether they should scale up to meet the requirements of larger suppliers. They pointed out that to do so they would have to procure their materials on a larger scale and work more efficiently. A lack of optimism expressed by a few of the women was over a decline in demand for their products over the years, which meant they continually needed to come up with more innovative designs that would be more attractive to the market. At this stage they saw the solution to this to be in the form of partnering with retailers and distributors that were attuned to market needs and already had a captive market.

An interesting collective ritual at KwaXolo was the frequent breaking into song by the women whilst working. The music created a working environment that was collegial and inspiring. Some of the songs related to traditional matters and this blended with the nature of the products being made.

> *Noma kukubi likhona ithemba*
> *(Even in stress there is a greater purpose.)*

These words – uttered by I5 (30/01/2012) – capture the mobilising impact of the greater-development purpose in times of difficulty. This greater purpose also helped respondents to frame their role. When asked what she saw as her role at KwaXolo, K9 (14/02/2012) responded as follows:

> *Ukulawula inhlangano ukuze ilandele umgomo.*
> *(Managing the organisation so that it achieves its purpose.)*

As a team member, K1(14/02/2012) saw her role as:

> *Ekuqapheleni ukungadluli emgomweni wenhlangano.*
>
> *(To ensure that my work is aligned to the purpose of the organisation.)*

Commenting on her role as a member of the executive committee, one of the members of the KwaXolo Crafters' focus group, K11 (14/02/2012), said:

> *Singamalunga ekomidi singumgogodla wenhlangano eqondisa amalungu ukuthi angaphumi emgomweni wenhlangano, kanye nasekwenzeni inhlangano ibe yinqubekela phambili.*
>
> *(As members of the committee we constitute the backbone of the organisation, and must ensure that all members are aligned to agreed objectives. We also have to ensure that the organisation is successful.)*

The commitment to the organisation evident in the quotes above was further driven by a sense of stewardship or service towards marginalised and poor sectors of society. Although they worked as individual crafters making cultural artefacts, their work was completely aligned to the production schedule and the overall objective set by the team.

4.4.4.6. Partnerships in distribution

KwaXolo had a few partners which include Shoprite Checkers, the Department of Social Development, Khumbulani and Fair Trade. The Department of Social Welfare provided them with a building and was also a client. Fair Trade also provided an online platform for the global marketing of KwaXolo products. Shoprite Checkers have made monetary awards to the group. Some members suggested that they were too reliant on some of their partners and needed to become more independent, especially in the area of marketing and

distribution. It was reported that some of the marketing partners they have had in the past were not honest because the products were taken on credit for sale and never paid for. This was a lesson for the group about being cautious over choice of partners. Some of the women suggested that KwaXolo needed to seek more trustworthy and productive partnerships and not limit themselves to the few partners they currently had.

4.4.4.7. Governance and leadership

KwaXolo is led by Norah Sibiya who is the chairperson of the co-operative. The organisation is a registered co-operative and has a management committee which has a chairperson, a deputy chair, a secretary and a treasurer. These individuals were nominated and voted into the committee by the membership on the basis of work ethic and skill and they have a fixed term of office. The leadership hierarchy was respected, as were the decisions of the committee. One concern about the culture at KwaXolo was the similarity of responses. There was limited variation and the narrative was almost "too" cohesive. Members appeared to agree with their leaders on all matters that related to the functioning of the organisation.

4.5. Conclusion

The individual case descriptions give an understanding of the evolution, work and experience of the social enterprises across four different contexts. They also provide insights into each of the research questions. The individual cases tell a story of the nature of the social enterprises, the factors driving their evolution, the resource mobilisation for sustainability, the nature of their impact, and the experience of the actors. Whilst each of the case contexts was different, each social enterprise was connected to the other by a desire to make a positive difference. The process of initiating the research engagement was positive but once on site various obstacles emerged. Whilst some were related to infrastructure and the environment, others indicated a hesitance to share information and a protectiveness regarding the social

enterprise. The interpretive qualitative case study methodology provided a flexible framework to make the field adjustments that were necessary.

The key learning point in this chapter was that case descriptions revealed both the distinctive features of each enterprise and some common themes that cut across all four cases. This shows that the manifestation of social enterprise is nuanced. Whilst each of the cases reflected unique journeys of specific social mission, personal and team commitment and sacrifice, and the challenges of resource mobilisation, they share features of social cohesion and alignment, concerns with sustainable social impact, developing partnerships, and appropriate governance. These thematic similarities and differences will be discussed and analysed in the chapter that follows.

CHAPTER 5

5. CROSS-CASE ANALYSIS

This chapter evaluates the findings from the previous chapter by highlighting the linkages, similarities, differences, dominant and less dominant themes that emerged from the case studies. These themes will be discussed referencing relevant literature discussed in the literature review (Hsieh & Shannon, 2005). In referencing the literature the discussion will consider whether the cross-case themes confirm, extend or contradict existing literature. The specific topics addressed are a higher level of aggregation of related code families in the individual case descriptions as shown in the diagram below. The cross-case analysis themes include historical evolution, sustainability, social impact and governance and leadership.

The table below illustrates thematic development from the research questions, how these were addressed in the case study themes, and the cross-case analysis themes. Whilst the case study themes were based on ideas that were dominant among most participants, the cross-case analysis themes were developed based on the linkages among case study themes and their integration with the literature. The case overview, case background and need identification themes from the individual case analysis were all linked by the rationale for the formation of the enterprise and its historical evolution. The two dimensions of sustainability (financial and social) directly addressed the resource mobilisation process undertaken by all participants. Having an impact at enterprise level and making a difference at an individual level were both driven by the need to serve others.

Table 9: Relationship between research questions, case study themes and cross-case analysis themes

Research questions	Case study themes	Cross-case Analysis
What is the nature of social entrepreneurship?	Case overview Background/Early days	Historical evolution of social enterprise
What factors drive the evolution of social entrepreneurship?	The social deficit/need Background/ Early days	
How do social enterprises mobilise resources (financial, material, human) required to function sustainably?	Sustainability Alignment, cohesion and vision Governance and leadership Sustainable Partnerships	Sustainability (social and financial)
What are the goals or intended impact of social enterprise?	Social impact	Social impact
How do the actors understand their experience?	Making a difference Balancing tensions	

5.1. The historical evolution of the social enterprises

The historical evolution of the social enterprises researched had similarities and differences. The first similarity was the existence of a social need that matched the capabilities of the founder(s).

The founders of the ICEE were both optometrists and academics concerned about eye healthcare. The founder of Life College was a teacher concerned about character education/life skills among the youth and his first member of staff was also a teacher. The founders of Magema Gardens were community members with farming skills and small plots of agricultural land. The founder of KwaXolo Crafters was a community member with master crafting skills. The common feature is that the founder(s) had the passion and a degree of insight regarding how an identified need could be met. As such, the skills sets, networks, and capabilities of the founders (founding teams) combined to create a distinctive advantage in accessing the opportunity to form each organisation. This confirms the concept of the

differential advantage (Reynolds, 1991) that gave the founder(s) access to the networks they needed to initiate the enterprise.

Although there were identifiable founders in each case, the role of the initial core team during the early days was seen as important. The early teams were credited for resilience, personal sacrifice and "holding" the organisations together. All the social enterprises were formed during the early post-apartheid era and the actors saw themselves as contributors to the needs of the target communities they identified. The founders of the ICEE and Life College reinforced theoretical observations that social entrepreneurs have prominent social values (Hemingway, 2005) and a social activist orientation (Jones et al, 2008). Both entities started as NGOs that relied on donor funding to survive and transitioned to become social enterprises that now rely on multiple income generation strategies in order to ensure financial survival. The transition in organisational form was intended to leverage a broader range of resources that would enhance survival capability. Whilst the literature reinforces the transition outlined above, Magema Gardens and KwaXolo had to ensure financial survival at the onset, and comparable experiences have not been adequately documented in the literature.

The early leadership teams of all the cases sought innovative resource combinations identified by Stryjan (2006) and Swedberg (2007) that would sustain the startup periods. These resources ranged from personal to tribal, government and institutional support. The leadership teams reported that during their evolution they realised the need to become more commercially oriented and balance their social with the commercial objectives. This balancing act was noted by Moss et al (2010) who found that social enterprises exhibit a dual identity that shifts between the social and the commercial. The significance of this convergence of theory and the research findings is that tension and balance are prominent features of the social enterprise experience. This concept is developed further in the chapter that follows.

Only one of the social enterprises experienced failure as a result of not focusing on the commercial aspect, while the other three were able to sustain their efforts as they evolved in spite of the difficulties they encountered. Seanor et al (2007) noted that much of the literature on social enterprises has been focused on the success of the phenomenon, with limited attention to failure and the lessons it provides from the point of view of the actors. In the case of Life College the failure provided critical learning points that were factored into its re-launch. Practice echoed theory because the persistence of the founder (Robert and Woods, 2005) resulted in the re-birth of the organisation.

In the literature review it was pointed out that there were two main traditions of social entrepreneurship: the American approach focused on the individual and the enterprise; and the European approach focused on the non-profit, community business and co-operative sectors which emphasise a more collective and communal process (Bacq & Janssen, 2011; Hoogendoornet al, 2010; Teasdale, 2012). Magema Gardens and KwaXolo Crafters resemble the European social enterprises, whilst the ICEE and Life College have elements of both American individualism and the European approach as they evolved from the NGO sector. These two case studies are therefore a hybrid of the American and European approaches discussed in the literature review.

Whilst each of the social enterprises shared their histories there is always a need to be cautious of historical accounts of events as these are open to various forms of bias which include selectivity, filtering and a storyline that supports the dominant narrative of the organisation (Froggett & Chamberlayne, 2004). This risk was particularly present at Magema Gardens and KwaXolo Crafters where there was limited documentation and secondary evidence that could verify the accounts of members.

The evolution of the social enterprises was essentially about the identification of a social need by a passionate and capable founding team, mission and vision formation, resource mobilisation, and a motivation to make a contribution to meeting social deficits. What is

interesting in all the cases is that their history and experience covers the early post-democracy period. They had to be resilient and resourceful since the new administration did not create and enabling environment that enables them to meet their identified needs.

5.2 Sustainability

The sustainability theme includes financial sustainability and social sustainability (Wallace, 2005). Boschee and McClurg (2003) and Rotheroe and Richards (2007) argue that sustainability is in fact the reason for the existence of all social enterprise. They suggest that meeting social needs on a sustainable basis is core to what defines the phenomenon (Santos, 2009). Sustainability emerged as a prominent theme during the research process. Both primary and secondary data sources confirmed a concern with sustainability. The discussion that follows will discuss the evidence from all four case studies and explore the different nuances and dimensions of sustainability. It will then be suggested that sustainability is an emerging theme likely to be prominent in countries undergoing transition, such as South Africa.

5.2.1. The nuanced expression of sustainability

The case study evidence yielded a nuanced understanding of sustainability; each enterprise had their own understanding that related to their circumstances. The ICEE emphasised the financial aspect of sustainability, the focus being to increase revenue streams from trading activity and decrease reliance on donor funding. Life College stated it understood complete self-reliance and sustainability as synonymous. For Magema Gardens sustainability related to sustained food security and sales, whilst KwaXolo emphasised sustained market demand and revenue. This nuanced expression was noted by Kuhlman and Farrington (2010) who pointed out that the sustainability concept has grown oven time to assume context-specific

applications in the development, business and environmental sectors. Both the literature and case studies relate sustainability to the pursuit of finite resource (Parish, 2008).

If one compares the urban and rural case studies, in the cases of the ICEE and Life College, sustainability was seen as an essential ingredient for financial and organisational survival. However, in the case of KwaXolo Crafters and Magema Gardens, the emphasis was on sustaining their efforts in order to survive at a more basic, physical level. For Magema Gardens and KwaXolo, sustainability related to the need to secure basic constitutional rights such as food and economic participation. Furthermore, when comparing the ICEE and Life College data, the sustainability theme emerged at different points in their evolution. For Life College it was during the formative stage of its evolution, but for the ICEE it was during its consolidation stage as an organisation. What was common across all cases, is the issue of resource constraints. Whilst the constraints for the ICEE and Life College were essentially financial, for Magema Gardens and KwaXolo they related to basic issues such as food security, unemployment, and poor infrastructure.

The concern with sustainability at the ICEE and Life College developed over time as they realised that their resources (e.g. donations) were finite and they needed to ensure that they were able to continue with their work on an ongoing basis. Fowler (2000) and Chand (2009) echo this perspective as they suggest that the evolution of social enterprise is necessary among non-profits and social mission organisations in order to ensure their survival. The social enterprise model is therefore an appropriate adaptation of socially beneficial organisations to safeguard their longevity and contribution to society, and the evolution of the ICEE and Life College appears to confirm this. It should be noted, however, that the Magema Gardens and KwaXolo Crafters experience was different and contradicts the literature because their sustainability concern began at inception.

5.2.2. Sustainability in the South African socio-political context

It is the point of view of the researcher that one of the possible reasons for the prominence of the sustainability theme is the broader socio-political context in South Africa, and its impact on donor funding. All four organisations were founded during the early post-apartheid period in South Africa with founding dates ranging from 1997 to 1999. This was a period during which the mass democratic political struggle led by the African National Congress had delivered political rights, but could not guarantee all South Africans constitutionally-enshrined socio-economic rights. Many communities realised that they could not rely solely on government to meet the social backlogs created by apartheid – the social deficit was simply too large, and the resource base inadequate. International donor organisations that had previously funded civil society organisations during the apartheid period thereafter redirected their funding either to the South African government or to other developing countries. This experience is different in the United States and Europe because in the United States social enterprise was supported by foundations, and in Europe social enterprise was backed by government and the European Union (Kerlin, 2006). South African social enterprises had to find ways to survive financially and not rely on donor funding or strong government support. This resulted in a survivalist and self -reliance orientation. It is evident that the case study organisations highlighted here emphasised the principles of self-reliance and self-help, and that these sentiments in fact drove the founder members of Magema Gardens, KwaXolo Crafters, Life College and the ICEE in setting up their respective organisations.

5.2.3. The different dimensions of sustainability

The discussion that follows will consider the research findings by applying two dimensions of sustainability identified by Wallace (2005): social and financial sustainability.

5.2.3.1. Social sustainability

Drawing on the concept of social capital, Wallace (2005) argued that social entrepreneurs must leverage social capital in the achievement of their social goals. This entails developing and sustaining cohesive partnerships, and building relationships, trust and teamwork. The evidence across the case studies confirms this as a cross cutting theme. All the participants commented on the centrality of networks and partnerships that support their social enterprises. Guclu et al (2002) expand on the concept of social sustainability by referring to social assets as the personal, interpersonal and group competencies that can be leveraged to enhance sustainability. The key elements of social sustainability are social cohesion, unity of purpose, and effective partnerships, which are discussed in each of the paragraphs that follow. Whilst the actors did not use the term social sustainability, their actions and organisations reflected this characteristic which is dealt with in the literature as social capital. It was simply part of their climate and culture.

An aspect of social cohesion is the common belief among the participants that they were making a positive difference by being part of a virtuous cycle generated by working together towards a common goal that improved the wellbeing of all (Hasan, 2005). This shared belief by the actors that they were collectively doing good for society fuelled the social cohesion. The case study evidence also referenced the role of trust (Curtis et al, 2010) in promoting cohesion especially during times of difficulty. Cohesion was especially evident at Magema and KwaXolo. In the case of Magema the founder emphsised to the members the importance of working as a collective to tackle food security.

Whilst the evidence showed that there were differences in manner, organisational strategies and tactics, a unity of purpose prevailed across all the case studies in relation to support for mission and vision. Waddock and Post (1991) saw this commitment to collective purpose being strengthened by the desirability of being associated with positive values. For example, respondents at Magema Gardens and KwaXolo Crafters stated that their mission had

remained reasonably constant and they were driven by a sense of stewardship or service towards marginalised and poor sectors of society. Similarly this was demonstrated by the stated goal of KwaXolo Crafters: creating sustainable income generation. In support of this goal they explained the effectiveness of their operational methodology. They worked as individual crafters making cultural artefacts, but their work was completely aligned to the production schedule and the overall objective set by the team. This commitment to work in concert is significant, because KwaXolo Crafters consists of 22 members who have been aligned in purpose since 1999 when the organisation was formed.

The case study evidence suggested that cohesion and collective purpose can also present challenges. Both the ICEE and Life College recognised the challenge of balancing the social and business/commercial objectives. This tension between the social and commercial imperatives was discussed by Bartlett (2004). It raises the question of whether the "unity of purpose" is not frequently overstated, confirming the fallacy of a "happy marriage" between the social and commercial raised by critical theory commentators on social entrepreneurship (Bull, 2008; Seanor et al, 2007). In relation to the challenge of balancing the social and business/commercial objectives discussed above, one of the real risks that threatens social enterprise is the ascendancy of the commercial objective at the expense of the social mission. This "mission drift" occurs when the social enterprise drifts too far into the commercial sector (Alter, 2007). Both the theory and empirical evidence confirm the inherent tension between the social and the commercial.

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The Magema Gargens and KwaXolo Crafters' evidence contradicts the theory discussed above as they did not report tension with their commercial and social objectives. This evidence extends the theory because the two objectives were seen as complementary and interdependent. Local community subsistence was dependent on the ability to be commercially viable. The founders explained the founding objective of Magema Gardens, for example, to be the development of a viable garden whilst dealing with the local community challenge of hunger.

A further element of social sustainability is partnerships and in this regard the case study organisations had a variety of partnerships ranging from individual through to institutional. The common thread was the enabling role that partnerships played in supporting the sustainability journey. The alliances formed by social enterprises were crucial, because the complex nature of social needs requires multiple actors and institutions engaged in sustained action over time (Waddock & Post, 1991). Life College and the ICEE had differing approaches to partnerships – with the ICEE having strong institutional partnerships and Life College having strong one-on-one partnerships. On the other hand, Magema Gardens and KwaXolo Crafters had very similar approaches to partnerships, which were confined to local community structures and specific donor and support organisations. The different approaches were a function of context and environment. The two urban case studies (Life College and ICEE) had a much broader span of partnerships and access to resources, whereas the rural case studies (Magema Gardens and KwaXolo Crafters) had limited and more focused partnerships that reflected a less developed institutional footprint.

In the literature review it was pointed out by Mawson (2008) that the partnership experience between social entrepreneurs and government was mixed: in some cases the relationship was empowering and in others it was a barrier. The impact of government partnerships on the sustainability of the social enterprises was also reported as mixed. The ICEE and KwaXolo Crafters reported effective relationships with government (i.e. the provincial departments of Health and Social Development respectively). In both cases these government partnerships contributed to financial sustainability by providing resources that reduced the cost base of both organisations. Life College also had good relationships at school level which have remained sustainable over time, but they described the national Education Department as not being very helpful. Magema Gardens also reported frustrations in their dealings with the Department of Agriculture and indicated that they had lost faith in any support from government. The ICEE partnership with the Department of Health was described as strong, but some respondents saw the public health focus as limiting the ability of the ICEE to pursue

commercial/entrepreneurial ventures that would make the organisation more sustainable. The case study evidence therefore suggests that whilst some government relationships supported their sustainability, others has the opposite effect. The nature of relationships with government therefore is similar to the experiences of mixed relationships with government described by Mawson (2008).

The role of some partnerships in supporting sustainability was a cause for concern, the specific concern being the potential for too much dependence. In the case of the ICEE, the incubation relationship with the KZN Eye Care Coalition was seen, at times, to be boundary-free, and in the case of KwaXolo the relationship with Khumbulani was seen as being too dependent. These concerns point to the unintended consequences of partnerships. The participants' critical lens yields two interesting aspects of partnerships. These are: a) the nature of the boundaries, and b) the dependencies of the partnerships. Whilst the partnerships were intended to foster independence and sustainability, some were described as permeable and a level of dependence was still prevalent. This potential dependence with partnerships is not addressed in the literature and therefore presents an opportunity for further exploration and theory extension.

There was a further concern that emerged at Magema Gardens and KwaXolo Crafters that on reflection they tended to be inwardly focused when developing partnerships. Magema Gardens' members indicated that they had been reluctant to partner with providers of financial services which could have been beneficial to, for example, their cash-flow management. They also conceded that they did not persist in pursuing various government partnerships because their initial contact with government had not been very fruitful.

In the literature review partnerships were considered important for social sustainability and for resource mobilisation (Miller et al, 2012). It is interesting to note the discrepancy between the literature and the evidence regarding the actual challenges presented by the partnerships

discussed above. The evidence regarding the nature of these partnerships presents an opportunity for further research and theory extension.

5.2.3.2. Financial sustainability

Dorado (2006) described social entrepreneurship as a strategy aimed at reducing financial dependency in order to become self-sufficient. However Boschee and McClurg (2003) suggested that there is a need to distinguish sustainability from self-sufficiency, with the self-sufficiency meaning a total reliance on earned revenue, and sustainability meaning a reliance on a combination of donations and other income-generating strategies. In response to the challenge of financial sustainability, social enterprises have adopted two broad strategies. The first is the increase of trading and non-trading revenue, and the second is the efficient use of resources – for example, the management of costs (Somers, 2005). These approaches reflect the sustainability objective (in terms of the Boschee and McClurg definition), more than the self-sufficiency objective. The extent to which these approaches are being applied in the case studies researched, will be evaluated in sections that follow.

According to two of the case studies, the Broad-based Black Economic Empowerment (B-BBEE) Act of 2003, and its Codes of Good Practice, have presented equity participation, preferential procurement and enterprise-development opportunities for social enterprises. The black economic empowerment (BEE) transaction opportunities have been leveraged by, for example, Life College, which participated in BEE transactions in order to secure an annuity investment income to support its programmes. In the case of enterprise development, South African corporations gain beneficial points by supporting emerging commercial activity in previously disadvantaged areas, and have used social enterprises as beneficiaries. The ICEE is also in the process of preparing for verification in order to make it a preferred provider for government spectacle procurement opportunities. Whilst the BEE framework potentially creates additional revenue streams for social enterprise in South Africa, this

opportunity has not yet been addressed in the South African literature which once again is evidence of theory lagging practice.

5.2.3.2.1. Financial sustainability models

Social enterprises have created models in order to facilitate their financial-sustainability strategies (Roper & Cheney, 2005; Hartigan, 2006; Alter, 2007). The development of these models is a result of the evolution of strategies that safeguard longevity. Based on the respective document reviews, Table 10 shows how the financial sustainability approaches of the respective enterprises have evolved models described in the literature review

Table 10: Financial sustainability models

Author(s)	ICEE	Magema Gardens	Life College	KwaXolo Crafters
Roper and Cheney (2005)	Public-sector social enterprise	n/a	Not-for-profit social enterprise	n/a
Hartigan (2006)	Leveraged/hybrid not-for-profit	Hybrid for-profit	Hybrid not-for-profit	Hybrid for-profit
Alter (2007)	Integrated social enterprise	Embedded social enterprise	Integrated and external social enterprise	Embedded social enterprise

The table shows that the Roper and Cheney (2005) typologies are deficient because they do not provide for co-operatively owned social enterprises – which are some of the oldest forms of social enterprise and are very popular in developing countries. However, both Hartigan (2006) and Alter (2007) do provide frameworks which are useful for understanding the financial sustainability strategies of the case studies under consideration. While Hartigan's typology is premised on the source of income, Alter's is based on the positioning of the income-generating activity. The models are being continuously improved to enhance financial sustainability. At the time of the research, the ICEE was considering and

deliberating the merits of the external social-enterprise model. The Magema Gardens members were also considering the integrated social-enterprise model. Because the various models are addressed in the literature, it can therefore be concluded that the data does confirm the literature.

5.2.3.2.2. Financial sustainability strategies

The strategies of each of the case studies will now be critically analysed using the frameworks provided by Hartigan (2006) and Alter (2007) discussed above. According to the classifications made by Hartigan (2006), the ICEE has features of a "hybrid not-for-profit" as the social enterprise recovers costs through the sale of goods and services, and elements of a "leveraged non-profit" because it has a diverse funding base. A feature that distinguishes Magema Gardens and KwaXolo Crafters from the ICEE and Life College, is the distribution of surpluses. The members of the two co-operatives benefit from distributions that may become available when all the expenses, retained income and social obligations determined by the management committee, have been paid. This is not the case with the ICEE and Life College – where any surpluses that may have been achieved over the years are ploughed back into the enterprise. The significance of this difference is that the co-operative model as an embedded social enterprise (Alter, 2007) is closer to entrepreneurial practices in terms of surplus distributions.

Based on research among social enterprises, Alter (2007) developed a self-sufficiency continuum that locates financial sustainability strategies – ranging from complete dependency through to complete self-sufficiency – depending on the objectives of the project. Based on this continuum, all four case studies fall into the "partial self-sufficiency" category. The features of this category are: earned income covers a portion of expenses; there is self-funding of a portion of activities; there is reliance on key philanthropic financial donations; and in-kind support is provided by individuals and institutions.

In relation to the spectrum of financial sustainability strategies listed by Alter (2007), the application of these across the four case studies is shown in Table 11):

Table 11: Financial sustainability strategies

Financial Sustainability Strategy	ICEE	Magema Gardens	KwaXolo Crafters	Life College
Donor-income diversification	✔			
Cost savings and efficiency measures				✔
Earned income generation	✔	✔	✔	✔
Investment income (dividends)				✔
Generating income from tangible and intangible assets	✔			
Venture philanthropy				
Endowment-based income				

The table above shows that the case studies rely on a relatively limited selection of financial-sustainability measures in relation to the options available, and that the primary focus is on earned income. A possible reason for this is that social enterprise is still emerging in South Africa, and the process of developing optimal financial sustainability practices in still in its infancy. The respondents responsible for financial matters (e.g. treasurer or financial manager) also pointed out that it is very difficult for staff to focus both on social-mission programmes and income-generating activities, and saw the solution being to separate these activities structurally. Commercial skills as competencies were also identified as an area that required improvement. This was particularly a challenge with regard to the two rural co-operatives, as many members are illiterate.

The analysis of financial records of Life College, KwaXolo Crafters and Magema Gardens showed that the founding parties at times used their own financial resources as loans to the social enterprise when cash-flow challenges arose. This is a significant point, because in the literature it is said that social entrepreneurs are generally not subject to personal financial exposure and risk in the same manner as commercial entrepreneurs, because social entrepreneurs use donor or institutional funding (Carter & Shaw, 2007). This evidence is contrary to the literature, and confirms a similarity between social and commercial entrepreneurs.

5.2.4. Barriers to financial sustainability

The retention of surpluses in order to establish a capital base that will enable the members to buy farming implements was being attended to by the Magema Gardens members. These improved farming implements are required to increase their production capability and grow revenue. Participants reported that surplus retention was a barrier as the community had so many needs. In the case of both KwaXolo and Magema further financial sustainability barriers were related to the fact that they were in rural areas with poor transport infrastructure. As such, transport costs to distribute their product were high which increased their cost base.

At Life College and the ICEE financial sustainability barriers existed at two levels: macro and micro. The macro-level barriers broadly related to the absence of a macro policy environment that is enabling for the development of social enterprises in South Africa. The South African regulatory environment uses the term NPO (not-for-profit) both in The Companies Act and the NPO Act. This creates the perception that social purpose organisations are those that do not make a profit. It was proposed that the focus should be on the non-distributive characteristic, as opposed to the non-profit aspect. The bulk of government services are procured through tender processes that are designed for private companies and not for social mission organisations. The administrative requirements for NGOs are onerous and are a deterrent to bidding for government work. An example is the

annual BEE verification process, which requires a level of expertise and an administrative evidence portfolio. It was proposed that there should be a preferential dispensation for non-distributive organisations, because their income is not distributed to shareholders.

Structural barriers were also reported by both Magema Gardens and KwaXolo Crafters. Both ventures are co-operatives which, in theory, should benefit from the enhanced financial and non-financial support to co-operatives by the provincal and national government – because of their collective ownership. Yet the members reported that the administrative hurdles, registration processes and documentation requirements for co-operatives were onerous and challenging for members who are not literate. As a result, they have not yet been able to access the benefits from government of being co-operatives. In addition, there are enabling policy instruments and structures for small to medium companies and BEE companies – but none for social enterprises.

These experiences mean that the macro-regulatory framework is not adequately enabling the implementation of financial sustainability strategies by social enterprises. Flockhart (2005) states that, in the United Kingdom, a number of barriers prevent social enterprises from becoming fully financially sustainable. These include a legal framework that prevents the accumulation of reserves and constraints in building an asset base that would provide a balance sheet for debt funding. Furthermore, donors and funders silently impose a "profit penalty" on social mission organisations that are generating too large a surplus by reducing their donations. Parallels can be drawn between the barriers identified by Flockhart (2005) and the barriers experienced by the social enterprises.

5.2.5 Reflections on sustainability in emerging social entrepreneurship literature

Sustainability was important to the social entrepreneurs interviewed. It was also a key theme in the work of Fowler (2000) who explained social entrepreneurship as the exploitation of resources in a manner that is sustainable. Sud et al (2009) adopt a similar position by

describing social entrepreneurship as yielding sustainable social benefits. These perspectives suggest that at the core of social entrepreneurship is the intention to fulfil social mission on a sustainable basis and this underpins the very rationale for social entrepreneurship. These emerging definitions are in accordance with how the South African social entrepreneurship community understands and experiences the phenomenon. This emerging focus on sustainability may point to the differentiated manifestation and articulation of the social entrepreneurship experience, and may point to the role of context in influencing the manifestation of social entrepreneurship. In the literature review it was pointed out that sustainability, as a concept, had its roots in the environmental domain. However, the term has evolved to have many nuances and applications – incorporating social, economic and environmental elements (Kuhlman & Farrington, 2010). In this chapter, the application of sustainability is specific to the context of building a social enterprise able to sustain its mission over time.

The evidence from each case study brought to the fore the individual expressions of sustainability within the specific context of each case. This means that whilst sustainability is a cross-cutting theme, its manifestation is context specific. As such, the phenomenon is both generic and differentiated in its expression. The findings on social sustainability yield similar characteristics, but differing financial sustainability strategies. For all four social enterprises, social cohesion, unity of purpose and partnerships that safeguard sustainability, were evident. The classical traits of social entrepreneurs and entrepreneurs – vision, passion, commitment and leadership – had a significant impact on social sustainability. In addition, the ambiguities and social versus commercial tensions of social enterprise were shared by respondents. The financial sustainability findings, however, yielded differing strategies across social enterprises – with the urban enterprises employing more robust strategies (i.e. diversified income streams) and the rural enterprises relying exclusively on earned income. The disparate access to opportunity and resources between rural and urban communities was evident in both the social enterprises, and their financial strategies.

The rationale for the selection of the interpretive approach to this research was to unearth the multiple voices of the social entrepreneurship community. It was argued that the multiple voices of the actors provide the most credible foundational base for theory development. From the point of view of those who create and experience social enterprise in the four case studies, sustainability anchors social enterprise. The different dimensions of sustainability relate to their past, their present, and represent their future aspirations. The significance of the findings discussed points to an approach and framework that has sustainability as one of its core elements.

5.3. Social impact

A further dominant theme that emerged from all data sources was social impact. During the research process, it became apparent that the concept of social impact had two basic aspects: the creation of impact, and the consequence of impact. It should also be noted that in the case of Magema Gardens and KwaXolo Crafters, the generators of social impact constitute a portion of the beneficiaries of the impact. The discussion of social impact includes the self-assessment, beneficiary-assessment, and external evaluation of social impact. The different types of social impact are also explored as they apply to the different case studies. The discussion concludes with commentary on the up-scaling of impact and the relationship between social impact and social change.

5.3.1. The meaning of social impact

According to Ormiston and Seymour (2011) when previously unmet needs are met by a social enterprise, there is social value creation. The quotes of the stakeholders suggest that social entrepreneurship activists believed they were making a difference by meeting the needs they identified. This reinforces the view that positive social impact value must be perceived by the beneficiaries and stakeholders (Hanna, 2010). The difficultly with the establishment of impact of a social initiative is to clearly establish causality (Rossi et al,

2004). This is why whilst social enterprises appear beneficial at face value, robust evidence regarding the value and impact they make is limited (Haugh, 2005).

Although sustainability and social impact are dealt with as distinct concepts for analytical purposes, in reality respondents saw them as operationally related. The intersection between sustainability and impact was described at the ICEE and Life College as sustainable impact. This intersection between sustainability and impact was identified by one of the thought leaders of social entrepreneurship, Dees (1998), who argued that the ultimate gauge for the effectiveness of the work of the social entrepreneur is the creation of social impact. Dees further argued that what social entrepreneurs constantly think about is "sustaining the impact" (Dees, 1998: 4). This means the relationship between sustainability and impact is the sustainable impact that social entrepreneurs seek to create.

5.3.2. Vision as an expression of desired impact

Alter (2007) postulated that the impact of the social enterprise is based on the mission and objectives the organisation intends to achieve and (Hanna, 2010) stated that impact must be understood in relation to the vision of the social enterprise. The case studies believed they were achieving their vision and making a difference, but they also all aspired to significantly increase their impact, their aspirations ranging from local to global. For example, the stated and/or formally documented objectives were as follows:

i. The ICEE seeks to completely eliminate avoidable blindness by the year 2020;
ii. Life College plans to provide character-development education to one million youth by the year 2020;
iii. Magema Gardens aspire to increase their hectares under production to 20;
iv. KwaXolo Crafters aim to significantly increase their production capacity, and accordingly their sustainable income generation.

The visions all tend to be expressed in incremental quantitative terms. These statements reflect the desire to grow or have an impact on more people. The impact of the work of the social enterprises was said by participants to be a fundamental source of fulfilment. This fulfilment was said to make up for the (less competitive) salaries they accepted when they joined the organisations. The ongoing pursuit of the vision resulted in the social enterprises being in a constant journey of "becoming" what was required by the vision. This means the enterprises and the actors experienced a constant state of liminality, being in-between their current reality and vision.

5.3.3. The assessment of impact

The two criteria stipulated by Rossi et al (2004) for the assessment of impact were clearly stated objectives and an implementation track record, both of which were present in the researched cases. The social impact findings emerged from two perspectives: from the point of view of those responsible for conceiving and implementing programmes, that is, the actors or protagonists; and from the point of view of the stakeholders and established organisations that recognise the impact of social entrepreneurship. The self-assessment of social impact is essentially a subjective view which may be biased because participants could overstate their contribution. However, when viewed in relation to an external assessment of impact a more balanced view is provided.

5.3.3.1. Self-assessment of social impact

The responses regarding impact reflected a bullish (almost too bullish) view regarding the impact participants believed they were having and attributed their sustained motivation to the impact they believed they had on others. Although impact assessment evaluations had not been undertaken by all to confirm the impacts described above, not all the participants saw this formal confirmation as being necessary or important. While both the ICEE and Life College recognised the importance of formal impact assessment, this was not the case at, for

example, Magema Gardens, where the ability to bear witness to the changes in their lives and those of their families was deemed adequate. The positive perceptions of impact were thus not necessarily based on a rigorous process of self-assessment of impact evaluation in all social enterprises. They relied on anecdotal evidence. Following further probing, it became evident there were different levels of impact, and different levels of systematic impact evaluation. Based on responses to the interview question on the evaluation of impact, a summary of impact evaluation and monitoring processes among the case studies is provided in Table 12).

Table 12: Participant view of impact evaluation and monitoring processes

ICEE	Life College	KwaXolo Crafters	Magema Gardens
Well documented impact-evaluation processes	Emerging impact-evaluation processes	Once-off external impact evaluation	No impact-evaluation processes
Gave descriptions of impact evaluation and monitoring system	Indicated concern because they had not kept a rigorous impact database since inception; in the process of developing data and now actively tracking numbers and qualitative impact	Participated in an impact-assessment study commissioned by one of their partners.	Provided anecdotal examples of impact

As seen in Table 9 (above), the ICEE is an example of an organisation with documented impact-evaluation processes that were implemented by its research division. The organisation's phased approach begins with: a) a situational analysis; b) rapid assessment of refractive error; c) publication; d) the use of data from (a)+(b)+(c) to set up a vision centre; and e) ongoing evaluation. An example of an organisation without impact assessment is Magema Gardens, which was unable to provide any formal evidence of impact, other than anecdotal evidence. The self-assessment at Life College was at this stage both anecdotal and based on the numbers they track. The college had not yet been able to provide evidence of a

direct link between their programmes and the specific impact they have on youth. Lastly, KwaXolo had participated in an independent impact assessment process which confirmed their local community impact.

5.3.3.2. Stakeholder views and external recognition of social impact

KwaXolo and Magema Gardens are interesting because the social entrepreneurs and primary beneficiaries are the same people. Although the impact of both projects is broader than the project members, we are introduced to the notion of self-help. This is likely to be an empowering form of impact, as the individual and their dependants benefit from the fruits of their own efforts. Other beneficiaries are orphanages, which benefit from donations, and schools and hospitals that are able to procure cheaper vegetables. These projects constitute role models of job creation and the generation of economic activity that can be duplicated in other rural areas. The impact described above includes social capital-related impact. This angle is supported by Bartlett (2004), who described the impact of social entrepreneurship as including community benefits such as mutuality and self-help and social inclusion.

Bloom and Smith (2010) pointed out that limited theoretical and empirical literature exist on the impact of social entrepreneurship and what exists in the field are practitioner frameworks. An example of a practitioner framework is the criterion for the external recognition of the efforts of the social entrepreneur. The Skoll and Schwab Foundations are globally-recognised organisations that have committed substantial resources to the cause of social entrepreneurship. They are thought leaders and practitioner support champions in the area of social entrepreneurship. Both organisations have awards that recognise the work of social entrepreneurs. The Schwab Foundation identified direct social impact as one of four criteria in the determination of preferred award recipients. They understand direct social impact in terms of formally documented quantifiable or qualitative results. The Skoll Foundation introduces a different nuance and identifies impact potential, which is the capacity of the social enterprise to impact policy; and inflection, which is the track record of delivery of the

social enterprise. The approaches of the Skoll and Schwab foundations demonstrate an emerging emphasis on the importance of social impact. The fact that the ICEE and Life College have been recognised by the Schwab and Skoll foundations gives some credence to the impact of the work that they do. Similarly, with reference to KwaXolo Crafters, the Shoprite Community Builder Awards is a community-upliftment campaign aimed at recognising people who make a significant difference in their communities. Table 13 provides a summary of the social enterprise and community-development recognition awards received by the research participants.

Table 13: Social entrepreneurship recognition

Date of award	Social enterprise	Organisation	Recognition award
• 2006	ICEE – Kovin Naidoo	Ashoka Innovators for the Public	Ashoka Fellowship Award
• 2010		Schwab Foundation	Social Entrepreneur Awards to Kovin Naidoo and Brien Holden
• 2003 • 2006 • 2007	KwaXolo Crafters	Shoprite Community Network	Making a Difference in the Community Award
• 2008	Life College – Pat Pillai	Ashoka Innovators for the Public	Ashoka Fellowship Award
• 2011	Life College	Trust Barometer	Sixth Most Admired NGO in South Africa

Although some of these awards are focused on the individual, they are awarded in recognition of the work done by the social entrepreneur in the respective social enterprise. The awards are an external endorsement of the impact that these programmes are having on targeted communities. Such endorsement lends credibility because they are independent, and forms a basis for continued donor and partner confidence, or increased support.

5.3.4. Qualitative and quantitative impacts

All the case studies sought to increase the number of people who were positively impacted by their activities (quantitative impact), and they also wanted to make a meaningful change (qualitative impact) in the lives of their beneficiaries by addressing the identified needs. For example, Magema Gardens' participants not only wanted the community to have food security but also healthy food, to enhance the community's health. KwaXolo participants said they not only wanted income generation but they wanted to preserve Zulu cultural heritage. Both enterprises sought expanding circles of impact that included the members of the co-operatives, the extended families of the members, specific institutions such as schools/hospitals and the local community.

The impact of the ICEE entailed giving sight to an individual – thereby enabling them to potentially access education and economic activity. The evidence of the quantitative impact is documented in the ICEE Annual Review (2011) that states that the organisation had conducted 687,312 eye examinations and dispensed 202,412 spectacles and 514 low-vision devices. The evidence of the qualitative impact was expressed by stakeholders and beneficiaries who stated that the difference that sight makes to the individual can only be understood by those who are able to witness the positive responses of the beneficiaries. A further qualitative impact of the ICEE could be measured in the human resources and the developmental and institutional capacity the organisation leaves in the country or community.

5.3.5. A critical evaluation of social impact assessment

Impact assessment practices in the case studies were either in a stage of infancy or non-existent. All participants agreed that the four enterprises had some impact but its assessment could be further improved. The literature also noted that management of impact of social enterprises remains underdeveloped (Zeyen et al, 2012). Measurement is important in order

to evaluate effectiveness and to compare impact (Florin & Schmidt, 2011). It remains questionable whether the prevailing practices among the case studies were sufficiently rigorous and had excluded the extraneous confounding factors that affect outcomes (Rossi et al, 2004), especially in the case of Life College where the impact is psychosocial rather than physical. This latter type of impact is more difficult to assess as there are many variables that influence the life choices of individuals. Life College assesses its impact predominantly in the self-reported life changes that occur among beneficiaries. They collect beneficiary testimonials provided both by individuals and institutions. However, they are not able to conclusively state that their programmes are directly responsible for the positive life choices made by beneficiaries. Social enterprises would benefit from rigorous evaluation that could provide a basis for generalisation, the establishment of principles, policy development and the building of new theories (Babbie, 2010). One of these was recommended by Bloom and Smith (2010) who list staffing, communication, alliance building, lobbying, earnings generation, replicating and stimulating market forces as the factors required for social enterprises to have impact.

5.3.6. The scaling-up of impact

Whilst there was a degree of similarity between the social enterprises in their efforts to scale up, and in the themes discussed in the literature, the literature provided an incomplete description of the scaling-up constraints of social enterprises. Dees et al (2004) and Alvord et al (2004) discussed different forms and criteria for the scaling up which were evident at Life College and the ICEE. However, the challenges of scaling up evident at KwaXolo Crafters and Magema Gardens put forward an opportunity to present new information that builds on challenges identified by VanSandt et al (2009).

The expansion of services and coverage was manifest in the growing institutional footprint of Life College. For example, Life College was in the process of finalising negotiations to have its programmes implemented in two South African universities as a component of the

undergraduate curriculum. This strategy would bring Life College closer to reaching its target. Similarly, the increasing expansion of the ICEE in various African countries through the establishment of Vision Centres was being implemented as a growth strategy. It was interesting to read in the documentation that Life College described itself as a "replicable social enterprise". When the meaning of this phrase was probed, it became clear that the intention behind it was to replicate the programmes, as opposed to the social enterprise. The examples described above are examples of programme and organisational model upscaling (Dees et al, 2004).

Magema Gardens and KwaXolo Crafters have constrained scalability potential and have both kept the number of co-operative members (i.e. primary beneficiaries) relatively stable over time. Magema Gardens had, however, increased the number of hectares under production, and plans were underway for further increases. This means that although the primary beneficiaries remain the same, the community beneficiaries increase in proportion with increases in agricultural production. Their production expansion is limited to the amount of tribal land available for allocation. The production capacity of KwaXolo Crafters has only increased marginally over time. Both these enterprises can be described as having limited scalability potential which could be attributed to the local nature of the enterprises (VanSandt et al, 2009), and the socio-economic and infrastructural constraints described in the case study descriptions. The socio-economic and infrastructure constraints on the scalability of social enterprise present new evidence not addressed in the literature. It should be pointed out that none of the four social enterprises provided evidence of systemic impact or large-scale change capability. This brings into question the potential of social enterprise to create large-scale change.

5.3.7. Social impact reporting

Nicholls (2009) researched the social impact reporting practices of social enterprises, and developed the Blended Value Accounting model that incorporates both qualitative and

quantitative data as poles of a continuum of practices. Social impact reporting among the four case studies was either non-existent or very limited (Magema Gardens and KwaXolo Crafters), or emerging (ICEE and Life College). The members of Magema Gardens and KwaXolo Crafters have no internal social impact reporting drive. The reason for this was the limited access to education and the resultant illiteracy of many of the members. KwaXolo Crafters have participated in an externally facilitated impact-assessment study. The only option for rural co-operatives is to partner with organisations involved in social impact reporting in order to have their impact reported. During the research engagement oral accounts of impact were recorded, the reliability of which is not high. The organisations did, however, recognise the importance of reporting, as this may result in greater future support.

Life College applies both qualitative and quantitative impact reporting. The quantitative reporting tracks the total number of people impacted by Life College since 1997. In 1997, 16 people were impacted by Life College, and by 2011 the number was 2,740. The qualitative reporting was in the form of testimonials from individuals and institutions such as schools. The principals of Letsibogo Girls High School and Lelokitso High School conducted a breakdown of Life College students and showed the correlation between academic results in Grade 12 and participation in Life College programmes. The ICEE reporting approach is similar to that of Life College, as it is inclusive of both qualitative and quantitative reporting. The ICEE also keeps track of the numbers of people they have provided with eye care healthcare. Since establishment, the organisation has conducted 687,312 eye examinations, dispensed 202,421 spectacles, and 514 low-vision devices. From a qualitative point of view, human resources development (i.e. personnel development) is one of the stated objectives of the organisation, and this impact is monitored and reported.

5.3.8. Social impact and social change

Hackett (2010) suggested that the systemic impact of social entrepreneurship requires rebate and scrutiny. She pointed out that there is not adequate critical debate on the impact of the

phenomenon. The social enterprises researched also state that they have not critically evaluated their impact. For both the Life College and ICEE founders, social entrepreneurship is about social activism and a driving motivation to serve and change society to ensure that social inequities are reduced. Their work had its roots in the South African struggle for justice and racial equality. According to Parkinson and Howorth (2007:24):

> The analysis built up a complex picture of the social entrepreneurs as agents in a collective community process. Identity seems to be legitimised through a stewardship function…

They see their work as finding alternative social-delivery solutions to meet social needs – given the resource constraints that prevail. Based on beneficiary numbers and coverage, both are working towards large-scale change and impact at a national and international level respectively. The Life College vision for change is national; the ICEE vision for change is global.

In order for social entrepreneurs to mobilise large-scale change, they must be able to handle complexity, and be credible and committed (Waddock & Post, 1991). The question that arises is whether their work is having large-scale systemic impact. Based on the discussion regarding the type of impact and coverage, the field evidence from Magema Gardens and KwaXolo Gardens shows that they are having a local impact in their communities. The extent of the change, however, is also local and not systemic and this appears to be a limitation of rural social enterprise.

A final point worth considering is the capacity of the social enterprises researched to effect large-scale change in relation to the theory on the relationship between social entrepreneurship and social change. Alvord et al (2004) and Perrini and Vurro (2006) are in agreement regarding the existence of a correlation between social entrepreneurship and social change. However, they have not demonstrated a track record in system wide change.

They suggest that there are certain features that, when present, increase the correlation between social enterprise activity and social change. According to empirical research undertaken by Alvord et al (2004), the factors are innovation, leadership, growth strategy and sustainable impact, while Perrini and Vurro (2006) describe these factors as vision, scalability orientation and economic robustness. However, there has been no documentation of social enterprises that have created large-scale change. As discussed earlier, the field data findings from all four social enterprises confirm the characteristics of vision, leadership, growth strategy, sustainable impact, and scalability orientation. What remains questionable is whether these social enterprises can scale up in order to effect social change. The case study evidence seems to support the fact that social enterprises may not be able to cause system-wide change on their own without the collaboration of government or large institutions (Seanor & Meaton, 2007). The question therefore arises whether social entrepreneurship is not merely a modern form of capitalist philanthropy (Hackett, 2010) that presents a superficial façade of change in order to avoid systemic change.

5.4. Governance and leadership

Two distinct models of governance and leadership existed in the case studies, the first being the co-operative social enterprise model and the other the board of directors and or trustees. Magema and KwaXolo, both registered co-operatives, had constitutions that provided for management committees to be elected and hold office for an agreed period of time. The committees had specific portfolios that determined the roles and responsibilities of committee members. These structures were independent of the founders and leadership was based on the team considered competent to execute the leadership mandate. The members made it clear that the basis for appointment was work ethic. Both co-operatives had a hierarchical style that respected the authority of appointed leaders.

Life College and the ICEE were trusts governed by trust deeds which provided for the appointment of executive and non-executive trustees who serve for a period stipulated in the

trust deed. The trustees, who were appointed on the basis of expertise and contribution, operated a board that was responsible for governance and strategic direction. Low (2006) states that boards make a positive contribution to social enterprises as they are responsible for their integrity. Executive management members were part of both boards and the interface between executive and non-executive served to dilute the potential largesse of the founders and provided a space for critique and reflection.

There was a subtle difference between the leadership (founder) and employee narratives at the ICEE and Life College. The founder's narrative had an optimistic tenor and did not reflect much tension regarding the current functioning of the organisation. Whilst the employee narratives were optimistic they did reflect the existence of areas of tension. Froggett and Chamberlayne (2004) analysed the narratives of social enterprise stakeholders against the dominant organisational narrative and revealed tensions between the told story and the lived experience of social enterprise. Diochon and Anderson (2011) also contended that there is tension in the social enterprise experience. The leaders saw themselves as having to project a positive storyline that promoted the mission and vision of the organisation.

5.5. Conclusion

The cross-case analysis identifies both common and differentiated themes that point to social entrepreneurship as a complex phenomenon that is characterised by the desire to meet identified social needs in a manner that in both impactful and sustainable. The historical evolution of the enterprises researched shares a common historical period – early post-apartheid South Africa, which was a time of hope and aspiration. However, the difficulties of resource mobilisation necessitated strategies of sustainability and self-sufficiency in order to ensure ongoing impact. Whilst the voices of the social entrepreneurship actors are differentiated they converge on the centrality of sustainability and social impact. The themes of sustainability and impact are analysed separately because each theme has its own dimensions but they intersect and give the phenomenon its distinctiveness.

The key learning point from this chapter is that most themes and sub themes discussed confirm existing and emerging literature, and there are limited themes that contradict the theory. This supports the view that there is an emerging consensus in understanding the nature of social enterprise. The areas that extend existing theory relate to a large extent to rural social enterprise. This strengthens the argument presented in the methodology chapter that a complete understanding of social enterprise in South Africa can never be achieved without research into rural social enterprise. The linkages between existing theory and empirical evidence that were achieved in this chapter establish the basis for theory development which is addressed in the chapter that follows.

CHAPTER 6

6. A THEORETICAL FRAMEWORK FOR SOCIAL ENTERPRISE IN SOUTH AFRICA

> It is commonly found in SE research that social entrepreneurs are striving to create social value, as well as a sustainable financial income. (Lehner & Kaniskas, 2012: 21)

The research findings discussed in the two preceding chapters point to sustainability and social impact as two prominent thrusts of the social enterprise. The strength of the findings derive from the fact that they capture the subjective experience and shared reality of the social entrepreneurship community. The interpretive constructivist assumptions of the research created an opportunity to develop an understanding that is co-constructed by the participants. This point of departure for theoretical development enhances the body of knowledge and understanding of social enterprise.

This chapter will use the findings as a basis for proposing a theoretical framework that answers the research questions and provides greater insight into social enterprise. The framework is a thematic progression from a) The data; to b) The case study themes; c) The cross-case analysis themes; d) The literature review theory integration (Hsieh & Shannon, 2005); to e) A proposed theoretical framework that is both useful and triggers further research (Haug, 2012). It is intended that this framework will provide a link between the subjective experience of the social enterprise actors, and the existing and emerging literature on social entrepreneurship.

The understanding of what a theoretical framework is drew from Whetten's (1989) definition of a theoretical framework as being: a) the identification of the concepts that underpin the framework; b) the explanation of the relationship among the concepts; and c) a rationale for the relationships. He saw the benefits of a framework as enabling the interpretation of

patterns and discrepancies in data, and providing the basis for further research and theory development. Haugh (2012) also defined theory as relationships between concepts. The framework that follows will therefore identify the key concepts of social enterprise and explain their relationships.

The section that follows will establish the case for theory development – both locally and internationally. The theory-building approaches applied will then be justified on the basis of both theory and the state of the global social entrepreneurship movement. It will be argued that theory development across different country contexts is important at this juncture in the evolution of the concept. This will be followed by an exposition of the six theoretical propositions and the generic sub themes that cut across the framework. The chapter will conclude with a discussion on the implications of the theoretical framework.

The findings suggest that whilst the case studies researched confirm some common elements in social entrepreneurship literature, the South African social, economic and historical context has resulted in a differentiated or nuanced expression of social entrepreneurship. The experience of the participants reflects a society in transition, a society that has not yet been able to meet many of the basic needs of its citizens. South Africa's apartheid legacy remains prominent in the minds of the social entrepreneurship community, who see themselves as activists in the second phase of the country's struggle.

6.1. The rationale for theory development

6.1.1. Advancing scholarship

The rationale for theoretical development in social entrepreneurship has its roots in the theoretical and methodological gaps discussed in the first three chapters of this thesis. In summary, these include a lack of solid foundational theory, limited context-based literature, too much focus on the individual as opposed to the integrated phenomenon, and the need for

qualitative case studies that inform theory development. According to Haug (2012) the credibility of social entrepreneurship is directly linked to the quality of its theories. Furthermore, the case for theory is advanced by Santos (2009) who promotes the case for academically-grounded contributions to social entrepreneurship that must be validated in different contexts. As he states:

> In essence what is needed to move the field forward are well defined theories that clarify what is social entrepreneurship, explain its distinctive role in the economic system and inform research and practice. (Santos, 2009: 4)

Santos (2009: 4) further states:

> The development of a theory of social entrepreneurship is important because this phenomenon is fundamentally distinct from other forms of economic organisation.

Santos (2009) encouraged researchers to focus on theory development as a means of advancing scholarship and making the field theoretically robust. Such theory will benefit both the global social entrepreneurship movement and the emerging South African community of social entrepreneurs.

Dacin et al (2010) are, however, opposed to the development of theory as they contend that this may have a negative impact on efforts to strengthen general entrepreneurship theory. They are of the view that new theory will cause even greater confusion and divergence in a field where there is not even consensus on a basic definition. They do, however, concede that further research on the social entrepreneurship context should be undertaken in order to enhance the broader field of social entrepreneurship. This research study provides evidence that is contrary to the view of Dacin et al (2010) because it does not create confusion; it actually improves, strengthens and extends existing theory on social enterprise.

6.1.2. Improving understanding in the South African context

The relevance of a South African theoretical framework is both academic and practical. From an academic perspective, the framework will add to academic research available on social entrepreneurship in South Africa and hopefully stimulate further exploration and validation. Developing countries such as South Africa, which are characterised by social and economic backlogs, need complementary solutions (that complement government delivery programmes) for meeting social needs. A framework that explains a complementary solution such as social entrepreneurship has the potential to make a positive contribution to South Africa's developmental options. Theory that is based on research could also provide a solid basis for policy generation and advocacy work. In the policy environment, social entrepreneurship policy could be one of the instruments that mitigate the social exclusion of communities, including rural and other marginalised groupings. If the definitions and benefits of social entrepreneurship were articulated coherently, policymakers would be better able to develop an enabling environment and/or institutional support for such social enterprises. In this way, what Parkinson and Howorth (2007) described as "discursive tension" between policymakers and those on the ground, will be eliminated by a generally consensual framing of social entrepreneurship.

6.1.3. Improving practice

It was pointed out by the respondents that a framework would be beneficial to the social enterprses because they would be able to share their experiences, insights, successes and challenges, from which others could learn. They would also be able to benchmark practices with peers in order to improve their strategies, operational efficiencies and impact. The research participants believed that one of the benefits would be that others could use the framework as a guide to achieve sustainable impact. This would speed up the learning curve and enhance the capacity to deliver social solutions to relevant communities. The practice of social entrepreneurship would therefore be improved and refined.

6.2. Theory-building approaches applied

6.2.1. Generic theory-building approaches

The foundations for theory development were established in three key methodological decisions, which were made during the research design process. The first of these was the multiple case study research design that provided the potential for replication logic (Eisenhardt & Graebner, 2007). The four cases allowed the researcher to explore cross-case common themes and relationships that emerged. A second decision was the data-triangulation approach that allowed the researcher to corroborate data from various sources – thereby strengthening the findings that emerged. The third decision was the case-selection strategy that facilitated the optimisation of case variety, thereby ensuring cases that cut across sectors, socio-economic conditions, case study sizes and organisational formations. This variety enriched the research with different environments and multiple stakeholders. These research design characteristics jointly laid the basis for cross-case data appropriate for theory development.

The discussion in the cross-case analysis was characterised by the interweaving of the narrative of the respondents with relevant theory, in order to establish the connection between practice and the theory (Hsieh & Shannon, 2005; Eisenhardt & Graebner, 2007). The principal themes of sustainability and social impact that emerged from the empirical data, resonated more closely with emergent theory that factored in the voice of the social entrepreneur. The theoretical framework therefore links established theory with the perspectives and experience of the social enterprises researched.

The theory building approaches referenced were Whetten (1989), who outlined what constitutes a theoretical contribution, and Eisenhardt and Graebner (2007) who advised on the process of building theory from case studies. Whetten (1989) outlined the four elements

essential for a complete theory, as being: a) the factors to be considered in explaining the phenomenon under investigation; b) how these are related; c) the underlying reasons why these factors are related; and d) the limitations and boundaries of the theory. He further recommended the criteria for good models and propositions, and provided insights into what constitutes a good theoretical contribution (Whetten, 1989). Eisenhardt and Graebner (2007) suggested a theory writing format that, firstly, sketches the theory, then advances the theoretical propositions and, lastly, links supporting evidence to the theoretical propositions.

6.2.2 Social entrepreneurship approaches to theory

Bassi (2009) suggested that the three levels of conceptualising the social entrepreneurship phenomenon are the macro, meso and micro levels. The macro level refers to the function of social entrepreneurship in society, from either a political, cultural, economic and social perspective. The meso level refers to the organisational entity, and the micro level refers to the individual or group that drives the venture. The theoretical framework proposed is at the meso level of social entrepreneurship and the reasons are discussed in the paragraph below.

Firstly, it was pointed out in the literature review that a significant proportion of commentary on social entrepreneurship magnified the role of the individual (micro) social entrepreneur as a driving force in social entrepreneurship (Bartlett, 2004; Dees, 1998; Roberts & Woods, 2005; Thompson et al, 2000). Secondly, Massetti (2008) observed that the complex nature of social entrepreneurship can be unpacked by explaining how its relevant factors may interact. She developed a macro social entrepreneurship matrix that identifies four quadrants in which social entrepreneurship may exist. Santos (2009), on the other hand, presented a conceptual framework that places social entrepreneurship within a discourse regarding the functioning of modern economies. Both Massetti (2008) and Santos (2009) developed macro level theories. Lastly, because the literature has focused on the micro and macro levels as discussed in the two preceding points, opportunity exists to focus on the meso level, which is the scope of the proposed theoretical framework.

The framework proposed below provides an opportunity to expand the emerging trend of research that focusses on the social enterprise in different countries (Hackett, 2010; Lehner, 2011). The proposed framework operates at a meso level but it does draw from macro and micro factors because the social enterprise is driven by individuals and groups who create an entity that seeks to overcome social needs.

6.3. Theoretical framework

The theoretical framework that follows consists of six theoretical propositions that relate to the research questions posed in the first chapter as shown in the Table 14:

Table 14: Relationship between research questions, case study themes, cross-case themes and the theoretical framework propositions

Research questions	Case study themes	Cross-case themes	Theoretical framework propositions
What is the nature of social entrepreneurship?	Case overview Background/early days	Historical evolution of social enterprise	Proposition two Proposition four
What factors drive the evolution of social entrepreneurship?	The social deficit/need Background/early days		Proposition one Proposition two
How social enterprises mobilise resources (financial, material, human) to function sustainably?	Sustainability Alignment, cohesion, vision Governance and leadership Sustainable partnerships	Financial and social sustainability	Proposition three Proposition five
What are the goals or intended impact of social enterprise?	Social Impact	Social impact	Proposition six
How do the actors understand their experience?	Making a difference, Contribution Balancing tensions	Making a difference, Contribution Balancing tensions	The shared experiences of the actors

The theoretical framework is a meso-level exposition that provides an account of the nature, driving forces, resources mobilisation strategies, impact and experience of the actors of social entrepreneurship. It is a multidimensional framework that defines the distinctive features and processes that shape the social enterprise. The building blocks of the framework are a set of propositions, three of which are supported by a set of matrices. The propositions combined provide an explanation of social enterprise as it manifests in the four case studies researched. The sequencing of the propositions is relevant because each proposition lays the foundation for subsequent propositions. This means that social enterprise is comprehensively explained by all six propositions.

The first three propositions address the "what", "why", "who", "where" and "when" questions regarding social enterprise, and the last three propositions build on the first three propositions and provide answers regarding the "how" of the process of social enterprise. It will become evident that whilst the first three propositions strengthen existing and emerging theories, the last three propositions offer new insights into the social enterprise. The proposition-generating approach was considered appropriate to the field of social entrepreneurship because the field of social entrepreneurship is complex and not fully understood (Alvord et al, 2004). A further characteristic of the theory is a set of three matrices in the last three propositions. These matrices provide useful representations of the tensions and balance that characterise foundational constructs. Foundational constructs are important because they further clarify the nature of social enterprise, entrench the vocabulary, trigger critical discourse, and stimulate further analysis (Whetten, 1989).

Five of the propositions are based on evidence that emerged from the research, while proposition three is based on what did not emerge from the research. Whilst five of the propositions are derived from the voices of the participants, an emphasis on innovation (considered to be an essential ingredient in international literature on entrepreneurship and social entrepreneurship) is not prominent. In the literature review – following an in-depth discussion of a number of definitions – it was concluded that the critical dimensions of social

entrepreneurship are the intersection of social innovation, sustainability strategies, and social impact. Although innovation was a case selection criterion because the criteria were derived from the literature, the respondents in the case studies did not place emphasis on its importance. While the researcher saw evidence of innovative products and processes, the feedback from the document reviews, interviews, and focus groups, did not yield any strong innovation theme. This silence on innovation may be as a result of the "survivalist mentality" evident in all respondents. For most of them, simply being able to sustainably have an impact on the lives of beneficiaries was of prime importance. In the absence of resources and institutional support, the social entrepreneurs have in fact had to be innovative in order to survive. The fact that they have been able to offer impactful alternative and complementary social solutions is in itself evidence of innovation – but the protagonists probably see their solutions as a function of necessity and the need to survive. It can therefore be concluded that although the respondents did not see either themselves or their initiatives as being innovative, innovation was indeed present.

6.4. The six propositions

- **Proposition 1**

Social enterprises emerge in local, regional, national and international communities that are powerless, marginalised, and underserviced by government/institutions, and experience restricted access to resources, basic constitutional rights and socio-economic development opportunities.

The four social enterprises evolved in local, regional, national and international communities that experienced constrained access to food security, education, healthcare and socio-economic rights. In all the cases, the beneficiaries belong to communities characterised by poverty, limited social and economic infrastructure, limited education, and ineffective institutional capacity. These barriers presented as significant obstacles to any form of self-

mobilisation, but also motivated the founding teams to overcome these barriers. The features of marginalisation applicable to the enterprises are described in the paragraphs that follow.

> Magema Gardens and KwaXolo Crafters have common marginalisation features. They are both located in rural and neglected communities that have not benefited from the development that has occurred in post-apartheid South Africa. These projects are located in the uMkhanyakude and Mahlabathini districts in Northern KwaZulu-Natal – areas which are characterised by high unemployment, limited economic activity, migrant workers who leave families to seek employment, and chronic poverty. Not only are these social enterprises geographically distant from urban areas, but they are socially isolated from communication infrastructure, and even local government. Among the most prominent challenges is access to water and electricity, which has a direct impact on the operation of their social enterprises.

> The ICEE services urban and peri-urban communities that are unable to access eye healthcare services because of limited eye care health education, poor government provision, and an inability to afford private healthcare. This lack of access is the result of factors such as poverty, limited provision by government, and a lack of education regarding the fact that the effects of avoidable blindness can be mitigated. The result is that the potential opportunities for beneficiaries to be economically active and productive have been constrained.

> Life College services young South Africans who have been deprived of quality educational opportunities, because of deficient primary and secondary education, political oppression, and the internalisation of beliefs about inferiority entrenched by the apartheid system. Life skills education is normally the product of strong families, quality schooling, and a stable society. Many young South Africans have not had the benefit of these three influences.

A complex combination of political, social and economic factors that may manifest at a local or global level set the stage for the development of social enterprises (Razavi et al, 2014). These factors intersect to create specific social needs. Santos (2009) and Mair (2010) point out that although social enterprises have emerged in developing countries, social entrepreneurship exists both in developing and developed countries. In such environments,

the needs may express themselves in the form of institutional voids (Nicholls, 2009) that societal structures do not fill. Social entrepreneurship is vibrant in both the United Kingdom and the United States of America – addressing social problems such as pollution, inner-city degeneration, job creation and healthcare provision. This suggests that social entrepreneurship is an emerging organisational form that seeks to meet unfulfilled human needs (Mair, 2010).

- **Proposition 2**

Social enterprises are formed to meet an identified social deficit/failure and the creation of a corresponding social change or impact. The perception of the need or failure must be shared by stakeholders, and the competencies of the social enterprise must match the capability to address the identified need.

According to the participants, a social need that in some way speaks to the human condition must exist before a social entrepreneur exists. The founders were driven to find solutions to the needs they identified. The notion of collective agency is captured in this proposition as the actor must share the perception of the need and then mobilise resources and engage in collective action to create social change. The resources mobilised included personal resources, internal community resources such as social assets and social capital, and external resources such as partnerships and financial resources. This thesis proposes that social entrepreneurship exists to overcome social failures or gaps which may be related to basic needs such as food, clothing and shelter, but they could also be constitutionally-enshrined rights or even higher order psychosocial needs. The proposition is supported by research evidence from the case studies, as summarised in Table 15.

Table 15: The social-deficit and social-change table

Case study	Social deficit/void	Competencies	Social change/ impact/social value
ICEE	Avoidable blindness	Optometrists Academics	Low-cost eye-care products and services
Magema Gardens	Hunger/poverty	Subsistence Farmers	Co-operative community garden
Life College	Character education	Teacher(s)	Character-development curriculum and programmes
KwaXolo Crafters	Unemployment	Master crafters	Traditional artefact trading

In each of the cases above, the social deficit created demand and supply imbalances that resulted in a state of disequilibrium. It is this state of disequilibrium that motivated appropriately skilled individuals and teams to mobilise resources in order to fill the service and product gaps.

> For example, in the case of the ICEE, there was a need for the supply/provision of eye healthcare products and services, that was not being met by government and other healthcare-provision systems globally – and this resulted in a high incidence of avoidable blindness. The ICEE responded to this disequilibrium by developing and mobilising innovative and complementary eye healthcare products and services. Similarly, in the case of the KwaXolo Crafters, there was a need for job creation and economic participation, and the co-operative members harnessed their social assets – which were their traditional crafting skills – to create products that they could sell to generate income for their families. Accordingly, the role of the social enterprises was to restore equilibrium and social balance by providing for identified needs. The concepts of supply and demand and equilibrium were applied to entrepreneurship by Schumpeter (1934), and remain relevant to the social enterprises studied in this research.

The social-need element is what generates the core social purpose of enterprise. The social entrepreneurship actors see themselves as stewards who are motivated to serve society and

improve the human condition. It must be noted that although the social deficit and social purpose of the enterprise explain the social aspect of the phenomenon, on its own they account for a variety of social-purpose organisations such as charities and civic organisations. The distinctiveness of social enterprise is found in the combination of the social and the entrepreneurial.

- **Proposition 3**

The innovative dimension of social enterprises occurs in new resource combinations, services, products, processes or models of organisation, as a consequence of the drive to find alternative solutions, overcome resource constraints, and achieve sustainable social impact.

The participant voices were silent on the dimension of innovation. It was neither a past or present preoccupation. It was, however, a criterion for selection of the cases. It is interesting to note that Parkinson and Howorth (2007) – who conducted an interpretive research study among social entrepreneurs – also found interviewees to be silent on the issue of innovation. Innovation was said to be a key ingredient of social entrepreneurship (Dees, 1998). However, in terms of the findings, emphasis was placed on the pursuit of innovative combinations (Schumpeter, 1934), products and services that made an impact on the identified need, and it is likely that the innovation was a consequence or outcome of the exploration of sustainable solutions.

> For example, Magema Gardens evolved a model of entrepreneurial co-operatives that combined the skills and entrepreneurial orientation of members with the co-operation required to maximise efficiencies in the supply/distribution chains and the production scheduling of the gardens. They also leveraged the tribal land, communal and private land-ownership systems for the benefit of the co-operative. The innovation at Life College was a result of innovative community resource mobilisation, and continuous curriculum development undertaken by appropriately

qualified people, and refinement over time. In the case of the ICEE the founders "broke ranks" with established norms in professional eye care by training nurses to provide the primary aspects of eye healthcare services. This need arose because of the severe shortage in trained eye healthcare professionals. The organisation also developed innovative research strategies and service-delivery methods in an attempt to grow and expand the impact of their work. KwaXolo Crafters have developed innovative products and artefacts by integrating traditional Zulu artefact-making skills with contemporary design to ensure a broad customer appeal. This arose because they needed to increase sales and appeal to both a local and international customer base.

In each case, innovation evolved out of a necessity to find alternative solutions to identified needs, to overcome constraints, and to sustain projects over time. There was never an overt intention to be innovative at inception. Rather, the innovative dimension evolved and was refined over time. As such, in the minds of the social entrepreneurs what was important was the need to find a solution to a social need, as opposed to the need to be innovative.

Whilst the first two propositions reference the actual constructions of social enterprise reality, the third proposition regarding innovation references a "void" – that which is absent from the mental constructs of the social entrepreneurship community, yet is present in terms of social solutions. In this regard, the question that arises is whether an approach that highlights what is absent and not verbally articulated by the respondents has credibility in a constructivist-oriented research engagement. It is argued that such an approach has validity as it reflects the bias of the respondents towards emphasising the social aspect of their work, rather than the entrepreneurial or innovative aspect. This tendency was witnessed by Parkinson and Howorth (2007), who confirmed that their research participants were "uncomfortable" with the entrepreneurial rhetoric. The ICEE focus group participants also echoed this discomfort. This finding is significant and its exploration provides an opportunity for a more refined understanding of social entrepreneurship. It could be argued that because the innovative dimension is fundamental to entrepreneurship in general, it should also possibly constitute a definitive aspect of social entrepreneurship, because social

entrepreneurship is a sub-category of entrepreneurship. However it is interesting to note that Doherty, Haugh and Lyon (2014) make the observation that the innovation imperative is not mandatory across all social enterprises because many enterprises deliver sustainable social mission by providing established goods and services.

An emphasis on innovation in an understanding of social enterprise could contribute to definitional clarity, as a social entrepreneur could be described as a social innovator who seeks innovative solutions to social problems. It is arguably this silent aspect of social entrepreneurship that has contributed to the definitional dilemmas described in the literature review, and the tensions described by research participants.

- **Proposition 4**

The purpose of a social enterprise is to meet a social need in a manner that balances *sustainability* and *social impact*. These elements must operate in relative balance in order to create a sustainable social impact, the result of which is the creation of both economic and social value.

This proposition reflects two dominant themes in the findings, and addresses the question regarding the nature of social entrepreneurship. The proposition can be broken down into two aspects, the first being that the foundational constructs are sustainability and social impact, and the second being the interdependence of the two constructs. Sustainability and social impact were not seen by participants as existing in isolation to each other, but were complementary: the one could not exist without the other if the desired social value and/or change was to be achieved.

In the case of the ICEE, the need to balance sustainability and social impact led the organisation to establish sections dedicated to developing innovative, entrepreneurial, revenue-generating solutions in their supply and distribution chains. Life College on the other hand learnt from an over emphasis on the social dimension that they had to balance the social and the commercial. KwaXolo Crafters and Magema Gardens were faced with the twin challenges of sustainability and impact from the start, as they had to find solutions that would enable them and their families to subsist and survive.

Sustainable social impact is therefore a blended concept that incorporates both social impact and sustainability, as is shown in the matrix below.

Figure 2: The Sustainable Social Impact Matrix

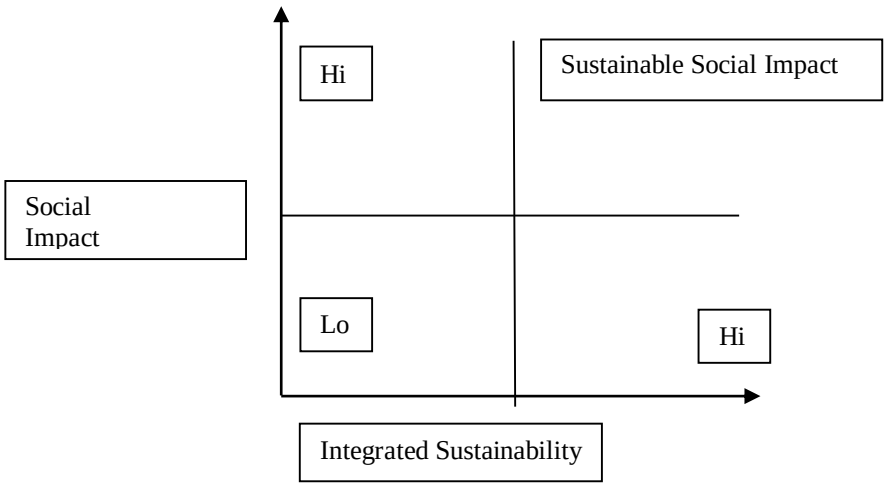


Figure 1 above presents the ideal scenario where both sustainability and impact are is a state of balance although in reality the social enterprises indicated that they struggle to achieve this balance. The research showed that the balance is an ongoing aspiration but at times participants have fallen short of their aspirations. When social impact is emphasised over sustainability the potential for failure arises. When sustainability is emphasised over social impact, mission drift (Alter, 2007) occurs. Integrated sustainability and social impact are each further deconstructed, and they consist of two sub-dimensions each. There are explained in the fifth and sixth propositions.

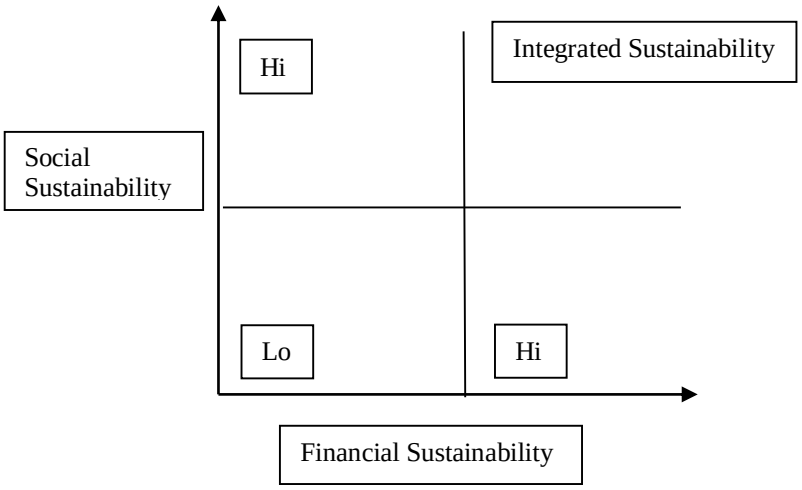
- **Proposition 5**

Social enterprises operate effectively when there is a balance between financial sustainability and social sustainability. The result achieved is integrated sustainability.

The relationship between financial and social sustainability provides an answer to the research question regarding how social enterprises are able to function sustainably. Social sustainability included social cohesion among stakeholders, effective partnerships, and the unity of purpose. Financial sustainability related to ensuring that the projects had sustainable income streams, so that they could operate in the medium- to long-term. The respondents attributed their sustainability to both financial and social factors – with both factors being of equal importance. Whilst the aspiration was to have high levels of financial and social sustainability, as articulated in their stated visions, they saw themselves as still being in pursuit of their aspirations.

This proposition addresses the concerns raised by participants and in the theory (Alter, 2007) that the social and the financial must be balanced. In this regard Pirson (2012) was critical of the ability of social enterprises to achieve consistent balance. His research among social enterprises suggested that at a given point in time either the social impact or the financial sustainability imperatives become dominant. The emphasis on balance is the reason for the conceptual presentation of integrated sustainability as a relational matrix. Integrated sustainability is therefore a single concept that blends both financial and social outcomes, as is seen in the matrix below.

Figure 3: The Integrated Sustainability Matrix



Case study evidence showed that social sustainability includes the individual, interpersonal, team and organisational factors that create a cohesive organisation characterised by commitment and the pursuit of high performance. This cohesion remained an ongoing challenge as new people joined and others left. In this context, the role of the individual social entrepreneur or the founder(s) was said to be critical in the evolution of the organisation. The entrepreneurial traits and visionary leadership exercised by the founder drove motivation, performance and resilience. In addition, respondents stated that the value proposition articulated in the vision and mission provided a basis for social and moral legitimacy.

The financial-sustainability strategies were seen as essential to the continued survival of all the social enterprises. The combination and range of strategies applied were in a state of continuous improvement and enhancement. It was evident that optimal financial sustainability was a constantly moving target, as the enterprises grew and expanded their footprint. Doherty, Haugh and Lyon (2014) suggest that the pursuit of financial sustainability and social purpose results in hybridity which is the defining characteristic of social enterprise. Social enterprises that are able to migrate towards integrated sustainability (through continuous improvement along both the social-sustainability and financial-

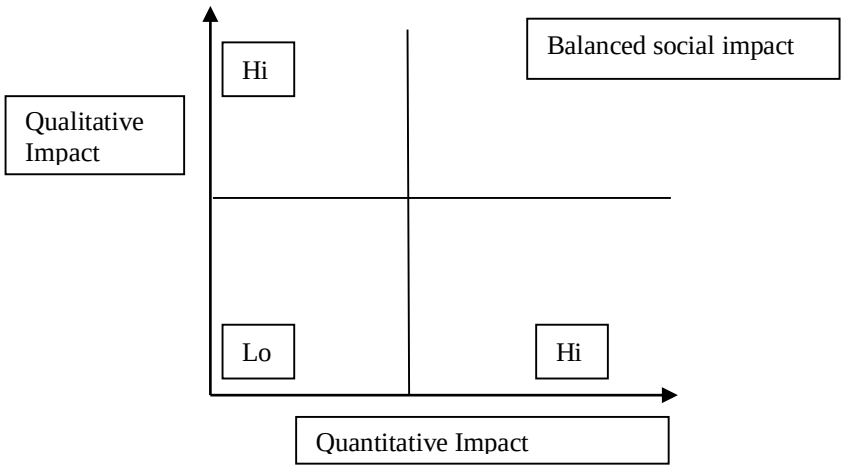
sustainability axis) offer society sustainable solutions that can be replicated to the benefit of local, national and global communities.

- **Proposition 6**

Social enterprises meet identified needs when they are able to balance qualitative and quantitative impacts. The result achieved is balanced social impact.

In response to the research question regarding the impact of the social enterprise all four cases indicated that the qualitative and quantitative impacts were important to their work. Participants stated that although they were not always able to balance their growth in numbers with quality work, they sought balance on an ongoing basis. Stakeholders expressed a desire for more people to benefit from the work of the social enterprise, and hence the need for the work to be expanded. The tension between the reality and the vision laid the basis for the qualitative and quantitative impact to be presented along a continuum, from low to high. The combined tension and emphasis on balance are the reasons for the conceptual presentation of social impact as a matrix (see below).

Figure 4: The Social Impact Matrix



Beneficiary and stakeholder confirmation that the social enterprise was having the intended impact, was described as an area that needed improvement. This is because the donor

community in particular had an interest in impact as it justifies its financial support. In addition, demonstrable impact is both motivating and fulfilling for all stakeholders. A sustainable social impact is about a win-win scenario for stakeholders – once again, because the impact is an aspiration that continuously improves the ongoing journey.

6.5. Shared experiences underpinning the six propositions

The shared experiences of the social enterprise actors which cut across all propositions are discussed below.

6.5.1. Social enterprises are complex, multidisciplinary and nuanced

The actors experience social enterprise as a complex, multidisciplinary and nuanced entity. It is a product of individual, team, organisational, and societal factors, that are all interrelated. The functioning of the social enterprise is multidisciplinary and draws on psychological, sociological, political, economic, business and managerial principles. The specific contexts that give rise to the need for social enterprise are both varied and distinct. Social enterprises are constantly balancing the tensions between their social and commercial objectives and this contributes to their complexity. Any attempt to explain or define social enterprise must factor in both the generic and specific aspects.

6.5.2. The liminality of the social enterprise

The actors confirmed an observation made by Parkinson and Howorth (2007) regarding the liminality of the social entrepreneurship experience, which entails being in a constant state of "becoming something". The findings and the theoretical framework reflect a group of actors that are at all times in a state of being "in-between their current state and their desired state". This liminality is between their current organisational state and their stated missions and visions. The liminality is, firstly, influenced by the ongoing transformational, macro

South African environment: a society that is striving for social delivery in a changing context. Secondly, the participants see themselves as champions of this transformation. Thirdly, liminality is fuelled by personal striving to make a difference and have an impact, which relates to their sense of being in between the social and the entrepreneurial. The participants managed a constantly-shifting tension and perceived paradox between the social and entrepreneurial. They also were not able to do their work as effectively as they would like because of resource constraints.

6.5.3 Balance and equilibrium

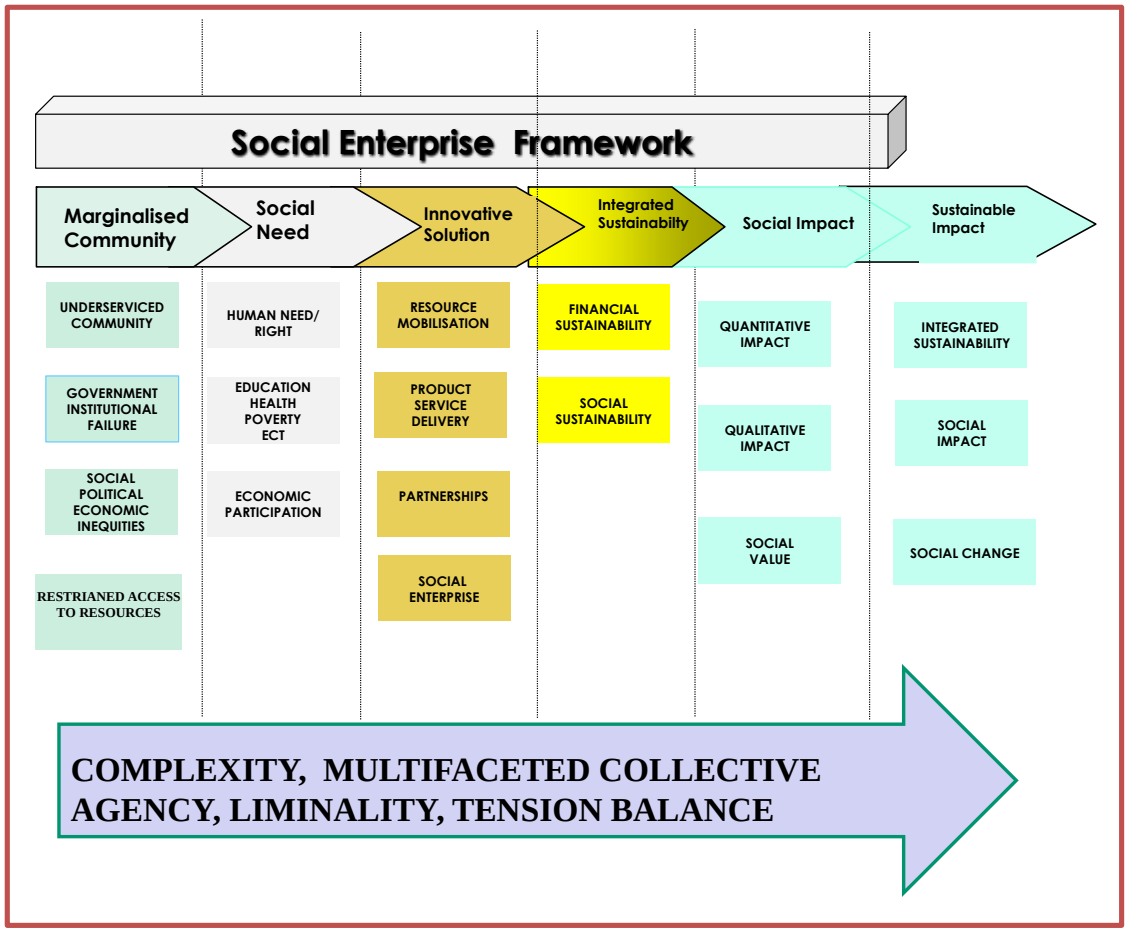
The actors see themselves as a contributors to economic equilibrium in society (Schumpeter, 1934). The social enterprise seeks to balance social voids and deficits created by social needs. This means that at a societal level, social entrepreneurship contributes towards social equilibrium by seeking to create more balance between identified needs, and providing for such needs.

There is also an ongoing need to balance the entrepreneurial and the social, and this pursuit can at times be challenging, according to the research participants. Optimal balance must also be achieved between: a) Sustainability and social impact; b) Financial and social sustainability; and c) The quantitative and qualitative impacts. The challenge reported was that of needing to balance a number of important variables, all of which are important to the functioning of the social enterprise. The notion of balancing tensions being key to social entrepreneurship is reflected in two more recent articles by Dees (2008 and 2012). He suggests that social entrepreneurship must, firstly, harness both philanthropy and enterprise (Dees, 2008) and, secondly, balance charity and problem-solving to ensure effectiveness. This direction in his work confirms the experience of the participants who were continuously challenged to balance seemingly competing tensions.

6.5.4. Collective agency

The momentum generated by collective agency was evident in all the case studies and in the theoretical framework. It is an agency that recognises the role of the individual, and the role of the collective. Social enterprise stakeholders are bound by an idealism that drives their activities. As discussed in the fourth proposition, the social enterprise founders played a critical role in creating social cohesion and social sustainability. Furthermore, the main thrusts of sustainability and social impact are a product of multiple stakeholders acting with unity of purpose. These include the founders, staff, donors, strategic partners, beneficiaries, and institutional supporters such as government. This collective agency is about leaders, followers, partners and supporters, self mobilising and engaging in social purpose-driven action.

Table 16: A summary process model of the social enterprise framework



The flowchart above is a synthesis of the social enterprise from a process perspective based on the literature review and the research findings. It illustrates how the social enterprise process evolves from the context within which the need arises through to the sustainable impact that the enterprise seeks to achieve.

6.6. Implications of the theoretical framework for social enterprise in South Africa

The framework above demonstrates the interdependencies that characterise the foundational concepts of social enterprise. This interdependence is a defining feature of social entrepreneurship and means that the foundational elements of sustainability and social impact must exist in balance. Similarly, the sub-elements of social impact (quantitative impact and qualitative impact) and sustainability (social and financial) must also exist in a state of balance. The six propositions enhance the conceptualisation and understanding of the distinctive domain of social enterprise.

South Africa has both significant social deficits and resource constraints. As such, any social solution such as a social enterprise that can sustainably harness resources and have an impact, is significant from a conceptual and a practical perspective. Having explained the concept and its application and benefit, the potential for replication and sharpened implementation is increased. Even among the case studies researched here, there is the potential to learn from the documented experiences and best practices of others.

6.7 Conclusion

This chapter used the cross-case findings as a basis for developing a theoretical framework aimed at providing greater insight into social enterprise, and advancing scholarly research in South African social entrepreneurship. The chapter presented a meso theoretical framework, which addressed all the research questions and explained social entrepreneurship as the process of implementing innovative social solutions that have a sustainable impact on

society. The need for such a framework was justified on the premises of advancing scholarship, improving understanding and practice, and the need to find complementary solutions to local, national and global social challenges. The six propositions that constitute the framework were then elaborated, with reference to case study evidence and relevant theory. Building on the six propositions, the higher-order analysis and comment on the cross-cutting themes provided more depth and insight into the complex nature of social enterprise. The framework introduced key interrelationships amongst concepts, and provided causal accounts of social enterprise. It is intended that the theory provides a basis for further investigation and exploration.

CHAPTER 7

7. CONTRIBUTIONS AND LIMITATIONS

7.1. Contributions

The discussion on contributions and limitations is framed by the work of Boyer (1990), who outlined four views of scholarship. These were the scholarship of discovery (what is new), integration (articulation with existing theory), application, and teaching. Boyer's (1990) work was considered relevant as a guideline because it provides a comprehensive, theoretical and applied approach to knowledge contribution. For the purposes of this chapter, Boyer's (1990) categories have been adapted to three areas that define the contribution of this thesis – with the scholarship of discovery and integration being combined. Accordingly, the contribution of this thesis has been categorised into three areas: the contribution to scholarship, the contribution to application and practice, and the potential application to teaching and learning.

7.1.1. Contribution to social entrepreneurship scholarship

Social entrepreneurship is a phenomenon that was led by practitioners who documented and published its virtues. The impact of this practitioner leadership on the field was a lag in the development of academic literature (Bacq & Janssen, 2008; Murphy & Coombs, 2009) because the practitioners only documented proof of concept based on their anecdotal experiences. Because of this lag, the theoretical case and rationale for social entrepreneurship remained in need of research contributions that strengthened its foundations. The significance of this research is that it responds to this need by providing a theoretical framework rooted in empirically-based findings. Its scholarly contribution includes the confirmation and elaboration of existing theory, the re-contextualisation of social entrepreneurship in a different setting and the enhancement of definitional clarity. It also

provides empirically-based evidence and understandings of social entrepreneurship, and the introduction of new insights and patterns that characterise social entrepreneurship.

The findings of this thesis confirm and extend existing theory. This was evident in the way in which the South African apartheid system and the anti-apartheid struggle fuelled the purpose and drive of the social enterprises researched. This confirms the work of Granovetter (1985), Zahra (2007) and Mair (2010), who placed emphasis on the socially-embedded nature of social enterprise. In the findings of this thesis, the agency of the social entrepreneur was triggered by the perception of local, regional and national social deficits created by apartheid, and the need to overcome these.

The extension of social entrepreneurship theory is seen in the theoretical framework developed in the preceding chapter. This framework explains social entrepreneurship using concepts that integrate existing and emerging theory with new insights that apply to the social-enterprise level. The framework introduces key interrelationships amongst concepts, and provides causal accounts of social entrepreneurship. It also provides a basis for predictions regarding what constitutes the key success factors of social entrepreneurship. In the South African context, it provides a degree of conceptual coherence in a field that is not well researched and understood.

The further extension of existing theory is also evident in the systemic view of the phenomena that emerged from the findings and subsequent theoretical framework. Viewed with this systemic lens, social entrepreneurship emerged as a complex and multifaceted phenomenon that must be understood in terms of the interrelatedness of its foundational constructs: sustainability and social impact. Sustainability was found to relate to social impact – resulting in the creation of sustainable social impact. Social sustainability was found to relate to financial sustainability – resulting in an integrated understanding of sustainability. Quantitative impact was related to qualitative impact – resulting in systemic impact. Patterns and themes of systemic social impact and integrated sustainability define the architecture of

social entrepreneurship. The systemic view unlocks new opportunities for research and exploration that focus on interrelated parts required for the social entrepreneurship system to function with impact. It should be noted that none of the cases provided evidence of system-wide impact. Whilst this was an intention among the cases, there was no supporting evidence.

In the face of the "definitional dilemmas" discussed extensively in the literature review of this thesis, the theoretical framework makes a contribution towards the enhancement of definitional clarity by defining its core constructs. It clarifies the rationale, nature and functioning of social enterprise. The theoretical framework in this thesis makes a positive contribution in this regard, as it proposes a meso-level exposition, which at the same time illuminates both micro- and macro-level understandings of social entrepreneurship. Based on the findings of this research which focused on the meso level of the phenomenon, the social enterprise is defined as:

> an organisation that applies entrepreneurial and/or business processes and practices in order to meet a defined social need in a manner that ensures sustainable impact.

The elements of this definition were primarily framed by an integration of the theory and the research findings. Whilst the theory emphasises the social and the entrepreneurial, the findings emphasise the element of sustainable impact.

The re-contextualisation of social enterprise in a new setting – South Africa – is of value to the field because it tests the assumptions and core concepts of social enterprise in a different setting. This re-contextualisation responds to the call made by Littlewood and Holt (2013) regarding the need for South African and African conceptualisations of social entrepreneurship. They see the need to explore whether an African conceptualisation might differ from the traditional western theory and practice of social entrepreneurship.

The re-contextualisation in this thesis occurred at the country level, and the case-selection strategy enabled further re-contextualisation at the industry and urban/rural levels. These different layers of settings added nuances that enriched the findings of the research. The views of the social enterprise actors echoed the definition of Dees (1998) that social entrepreneurship was at its core about using resources innovatively to find solutions to identified social deficits. The consequence of the corroboration, elaboration and re-contextualisation is that – in spite of the new settings – the findings integrate well with existing theory on social entrepreneurship.

The findings of this thesis also yielded new insights that relate to the relationships and patterns of interaction among the core constructs of social entrepreneurship. This includes the interaction of sustainability and impact, social and financial sustainability, and the qualitative and quantitative impacts that all interact in the functioning of the social enterprise. These new insights introduce into social entrepreneurship theory the balancing acts that social enterprises must perform, and manage, at all times. When, for example, there is an emphasis on social impact at the expense of sustainability, the social enterprise runs the risk of closing down because of a lack of financial resources. In balancing these factors, the social enterprise is simultaneously managing the risks that could compromise its sustainability. Similarly, in balancing the qualitative and quantitative impacts, the social enterprise must balance the number of beneficiaries impacted with the need to alter the life trajectory of those beneficiaries. This research suggests that having management processes that balance these factors and manage risks, must be core competencies of the social enterprise.

This research contributed methodologically to empirical case study in South Africa where there has been very limited academic research on social entrepreneurship that can strengthen the theoretical foundations of social entrepreneurship. The rural settings of two of the case studies introduced significant challenges: language, lack of documentation, literacy levels, access to respondents, developing trust, time frames and matters such as confidentiality and consent. Methodological adaptations were necessary, such as the use of local community

workers to build trust, the frequent verification of language dialects, ongoing verification of secondary data, group consent forms and the accommodation of protracted time frames. In this regard the key challenge was the need to make field adjustments whilst at the same time ensuring quality data that could enable reasonable cross-case analysis.

A further methodological contribution was the development of case study themes from the research questions to the case study themes, the cross-case analysis and theoretical framework was diagrammatically represented in the thematic development tables at the beginning of chapters four, five and six. The case study research design also meant that the focus was on the organisation as opposed to the individual.

7.1.2. Contribution to social entrepreneurship practice

The relevance of this research to existing and future practitioners is that it documents practice that reflects the trials and tribulations of practitioners and stakeholders. This is because the study researched social enterprises that have been able to withstand the vicissitudes of time. It is a story about the sustainability and social-impact strategies of the four social enterprises researched. This account will assist other social entrepreneurs to circumvent a challenging learning curve in order to focus on achieving sustainable social impact in their ventures. They can, for example, evaluate the various social entrepreneurship structures and financial-sustainability strategies, in order to determine the optimal model that will ensure that identified social needs are met. The social enterprises researched learnt through trial and error to be effective in their endeavours. A shorter route to best practice for the social entrepreneurship community could have the effect of improving social performance and increasing the scale of contribution to society.

This research showcased tried-and-tested role models in social entrepreneurship, which is important because the social entrepreneurship community has few social entrepreneurship role models and/or mentors. The featured entrepreneurs relied on trial and error, resilience,

and an unrelenting commitment to achieving their set objectives. In addition, some research participants reported having received mentorship and support from the private and non-governmental organisation sectors. The four case studies reflect the existence of positive role models that could provide capacity-building support and mentoring to emerging social entrepreneurs. The distribution of this research to the participants could stimulate more networking and the sharing of ideas among the participating parties.

One area of potential contribution that was highlighted by the research participants, was the contribution to the South African policy environment. At Life College, emphasis was placed on the need for more systemic influence on education policy; at Magema and KwaXolo research participants emphasised the need for more government support; and the ICEE saw the relationship with government as being a fundamental pillar to its provision model. South Africa does have a policy and legislative framework for small- to medium-sized businesses for Broad-based Black Economic Empowerment, while the non-governmental organisational legislation is under review. However, there is no policy framework for social entrepreneurship. The findings of this thesis could provide much needed theoretical validation that anchors policy development. This thesis provides clarity on the core characteristics and parameters of social entrepreneurship. This means that policy developers will be able to delineate the beneficiaries of possible government interventions. For example, government policy could use the evidence of social impact and integrated sustainability as possible criteria for government support and facilitation. The benefit of policy interventions is that social entrepreneurship could be leveraged as a complementary method of meeting government objectives.

Social entrepreneurship stakeholders such as donors, business and civil society, are likely to find the theoretical framework beneficial to their engagement with social enterprises. Inherent in the framework is a win-win proposition that allows the social enterprise to become sustainable, and allows donors to effectively deploy their resources in ventures that can self-sustain over time. Donors and business organisations can use the financial-

sustainability continuum as a basis for providing financial support that diminishes over time as the social enterprise becomes more sustainable. Such organisations can also monitor both the qualitative and quantitative impacts of the support for the social enterprise. The more the beneficiaries of the project increase in number, the lower the cost per beneficiary. This is an important measure of efficient and effective deployment of financial resources. The examples provided above demonstrate that the theoretical framework proposed in the previous chapter offers practical benefits to stakeholders who seek to advance the practice and impact of social entrepreneurship.

7.1.3. Contribution to teaching and learning

During the focus groups conducted in the course of this research, participants pointed out that they learnt a great deal from deliberations and discussions with their colleagues and stakeholders. They indicated that they had been so focused on their work, that they had not taken time to debate the concept of social enterprise. They reported that the focus groups provided a space for them to reflect on and have productive dialogue about their programmes. This resulted in greater clarity and understanding of the task of expanding their impact. This means that the research engagement in itself was a learning opportunity for some.

Blogger Erin Worsham (2012) reflected on an interview that Gregory Dees (the father of social entrepreneurship) had with the *New York Times*, where Dees shared his experience in teaching social entrepreneurship. Dees said that teaching social entrepreneurship is really about teaching learners about change. He said social entrepreneurship requires eco-systems and multidisciplinary thinking. An expansion of this view is that social entrepreneurship presents an additional theory of social change (Mair, 2010). Social entrepreneurship teaching should draw from various relevant disciplines – to create a body of knowledge that explains the individual, team, organisational and societal processes of social entrepreneurship.

Programmes on social entrepreneurship – mostly located in business schools – are still emerging internationally. At this stage only a handful of South African universities offer programmes on social entrepreneurship. Examples include the University of Pretoria, the University of Johannesburg, and more recently the University of Cape Town. These programmes point to the growing relevance of social entrepreneurship teaching and learning. The focus of the programmes at this stage is practitioner-orientated, and the result of this is that limited academic research will arise. It is hoped that this thesis promotes case-based learning programmes that have both a practical and a theoretical benefit to South African society. Such teaching should encompass the state of theoretical evolution, international trends, and local/international case analysis.

7.2. Limitations and suggestions for further research

Whilst the scholarship, application and practice, and teaching and learning contributions of this thesis have merit, its limitation must be highlighted in order to highlight possible gaps and critical insights in the field. The limitations have been categorised into conceptual and methodological limitations.

7.2.1. Conceptual limitations

The definitional discourse that characterises social entrepreneurship literature essentially points to a concept with contested fundamentals. The main reason for the disputes and the lack of clarity surrounding social entrepreneurship are the seemingly paradoxical elements of the terms "social" and "entrepreneurship". This marriage of the two concepts was critically discussed in the literature review, and reported by participants to be a cause of tension when choices had to be made between the social and entrepreneurial mandates. The debate around the concept centres on the entrepreneurial aspect of the term, because entrepreneurship – as a concept – has been characterised by disparate definitions over time. The impact of this is that the very concept under investigation is the subject of dispute and

contestation. Ironically, this apparent incongruence and lack of theoretical depth can only be resolved by more research and findings that strengthen the case for social entrepreneurship.

From a critical perspective social entrepreneurship has connotations of the pervasive influence and hegemony of business and market rhetoric across all sectors of society (Eikenberry, 2009). This connotation arises from the entrepreneurial aspect of the term, which could be interpreted as absolving government of its social responsibilities to meet the needs of citizens, and as promoting an entrepreneurial and business-oriented approach to meeting basic social needs. In this way, the provision of social services and needs is commercialised and governed by market forces. Related to this is the view that social enterprises are simply non-governmental organisations that are no longer able to rely on international donor funding, which in South Africa's case has been re-routed to government in the post-apartheid era. Such organisations have been forced to pursue business-driven solutions and in some cases develop business partners in order to survive. This development is consistent with the worldwide co-option of the philanthropic sector into market-based social solutions (Eikenberry, 2009). The implication is that, once again, the primary responsibility to meet the needs of citizens falls on government, and social enterprises should not be used as a means to distract government from its responsibilities.

7.2.2. Methodological limitations

The four cases researched do not represent the totality of the South African social entrepreneurship experience. The use of the in-depth qualitative case study method of research meant that a limited number of cases of social entrepreneurship were investigated because of the in-depth nature of the research design. Whilst the approach provided depth in terms of individual cases, it cannot be said that the study reflects the experience of the entire South African social entrepreneurship community. Therefore, generalisability is limited.

In addition, the case studies were mainly based in two provinces in South Africa. These findings would be enhanced in credibility if they were confirmed by further research into social entrepreneurship projects in other provinces. The findings and theorising, however, do remain valid and authentic for the cases investigated, and provide a theoretical direction that can be tested and/or enhanced.

A further limitation was that the study focused on cases that could be described as "successful" and which achieved success because, firstly, they had been externally recognised by other institutions as such and, secondly, they boasted a degree of longevity (although this was part of the research design). Furthermore, their beneficiary profile continued to expand to benefit more people. While the four cases studied continued to experience difficulty and challenges, over the years they had developed a repertoire of processes that enabled them to overcome hurdles. Although one of the cases did experience failure they overcame that failure. It may be interesting to gain greater insight into totally failed cases of social entrepreneurship and the barriers experienced in developing ways of overcoming threats to continued survival. Dacin et al (2010: 51) emphasised this point, as follows:

> The literature of social entrepreneurship is rife with examples of successful social enterprises … Scholars and practitioners of social entrepreneurship could learn a great deal from work examining the process of loss and grief.

Observing failure presents an opportunity for vicarious learning. This avoids resources being wasted and can promote more efficient execution of social mission.

A final and more specific limitation was the reliance on documentary evidence at Life College. Because of the core and periphery resourcing model of Life College, a very small permanent staff exists and facilitators are used on a needs-only basis. In addition to this, the dispersed nature of stakeholders at Life College resulted in no focus groups being conducted,

because of cost and practical difficulty. The stakeholder dynamic and interaction observed in the other three case studies, therefore, could not add value to the research. Life College kept extensive documentary evidence (especially self-written beneficiary evidence), which, to a certain extent, compensated for the absence of a focus group.

Whilst the conceptual and methodological factors described above are real limitations, they also present as opportunities and avenues for further research. Follow-up research that involves more case studies and possibly includes failed social enterprises would provide valuable insight into the field.

7.2.3. Suggestions for further research

The objective of this research was to conduct an exploratory study into a complex phenomenon that has not been adequately investigated in a scholarly manner in South Africa before. The research yielded an understanding of the experience of social entrepreneurship, and provided concepts and themes that could initiate further research. As a result of the findings in the research, the social entrepreneurship theoretical lens is further sharpened, and additional avenues of investigation have been unearthed. Of particular interest is the contribution regarding the role of different socio-political contexts in framing the social entrepreneurship experience. The expansion of different South African context-based research projects would give the field much needed theoretical validation.

Arising from this thesis, specific areas of possible further research have been identified in relation to the six propositions of the theoretical framework. Each proposition presents an area of further interest and research in the South African context. These include social enterprises formed in the past ten years of the post-democracy period in South Africa. It would be of interest to understand how, in the absence of the apartheid struggle experience as a backdrop, social enterprises frame their purpose. This research thrust could also include both successful and failed social enterprises. It would also be of interest to research the extent

of the impact that social entrepreneurship has in relation to identified social needs and the different strategies for measuring impact. Lastly, given the centrality of sustainability the different sustainability strategies applied by social enterprises could be explored.

An important area worth exploration is the lack of prominence of the innovation theme in the narrative of the participants. It was previously stated that whilst innovation was evident in the resource mobilisation strategies and the pursuit of new and complementary models of organisation, there did not appear to be a conscious effort to be innovative. The focus was on meeting identified needs sustainably as opposed to meeting the needs in an innovative manner. A more in-depth understanding of this aspect requires more research. Of particular interest is the process by which innovative resource combinations and organisational models evolve among social enterprises and the role of the social entrepreneur(s) in this process. The role of context would also be worth further investigation. The outcome of such research is of particular relevance given the centrality of innovation in the understanding of entrepreneurship.

South African researchers are encouraged to avoid the temptation presented by non-empirical conceptual papers that debate the meaning of social entrepreneurship and propose alternative definitions in isolation from context and practice. In the literature review it was pointed out that there were too many conceptual papers, as opposed to research-based work. This trend seen in the international literature only serves to confound contestation and debate. Focus must be placed on both quantitative and qualitative applied research that reflects on actual practice. The areas of research proposed above are deliberately specific, as they are aimed at building the case for social entrepreneurship.

CHAPTER 8

8. REFLECTIONS ON SOCIAL ENTERPRISE

8.1. Reflections

I will begin this chapter by reflecting on what motivated me to research social enterprise. My parents dedicated their lives to assisting vulnerable South Africans. However, they constantly faced the challenge of mobilising the resources required to do their work effectively. Given my business and social development background I was interested in exploring an organisational model that would allow people such as my parents to do social mission work on a sustainable basis. This thesis was also motivated by the need to research an organisational form that appeared to offer a workable solution to some of the challenges of South African society.

During the literature review process it became evident that the theory was characterised both by divergence and an emerging consensus. It was in this interplay between convergence and divergence that I saw the potential scaffolding of a theoretical framework. This scaffolding is presented in the proposed theoretical framework for social enterprise. During my interaction with the social enterprise actors I heard their call for best practice and a model for those involved in social enterprise. My initial intuition during the literature review process regarding the need for a theoretical framework was reinforced during the field research.

From this research I learnt that social entrepreneurship is forged at the edges of society, among the marginalised and vulnerable. I gained an additional understanding of my country, and the role that social enterprise can play. This new perspective is essentially about the existence of multiple layers of solutions to social needs, one of which is enterprise. I learnt

that whilst social entrepreneurship is a theoretically-contested space it is out of contestation that we forge direction and contribute to clarity and coherence.

The results of the research study I undertook provided rich insights into social entrepreneurship in South Africa and addressed the five research questions outlined in the first chapters of the thesis as summarised below:

What is the nature and role of social enterprise in South Africa?

Social enterprise is a hybrid organisational form that combines social and economic processes in meeting social needs. Both the business and social objectives co-exist and offer a promise to address social problems. Tension often exists between social and business objectives, and that this tension may manifest both strategically and operationally. What is relevant is that social enterprises are able to manage this tension, while at the same time ensuring the sustainability of their efforts.

Innovative social solutions, and sustainable social impact are key elements that characterise and distinguish social enterprises from other social purpose organisations such as charities and civic or community-based organisations. This entails the innovative application of both commercial and social development strategies in order to ensure identified needs are met on a sustainable basis.

Social enterprises express themselves in a nuanced manner. There are various types of social entrepreneurs, different types of social enterprises, and a range of geographical and historical legacies behind the phenomenon. Social enterprises can be led by both individuals and/or groups, and they may also have different legal and organisational models. Despite this manifest diversity, the essential dominant feature of social mission has primacy.

What are the factors that influence the evolution of social enterprise?

A combination of social, economic, political, historical, geographical, institutional and local community factors influence the evolution of social enterprise. These factors propel individuals and groups to form social enterprises that address a specific social need. The needs may be local, regional or national and there is a shared perception of a gap in relation to the provision for the need. In some cases the motivation for the social entrepreneur is personal and related to factors such as the ego needs of the social entrepreneur(s), compassion for others, and the need to give back to society.

How do social enterprises harness the resources required to function sustainably?

The social enterprise actors innovatively mobilise social, material, human, community assets in order to ensure sustainable social impact. Whilst innovation is not prominent in their narrative, the social enterprise actors employ innovative resource mobilisation strategies, in particular, the mobilisation of social, economic and ethical capital in order to enhance social mission. The social enterprise solves existing and emerging problems in a manner that is new and different – thereby introducing additional, innovative and complementary solutions. The sustainability of resources, including financial, material, environmental and human is essential to ensure that the social enterprises are able to function with longevity and growth.

What are the goals and impact of social enterprises?

The goals and impact of a social enterprise may be local, regional or national. This impact constitutes social value creation or an outcome that would not exist if the social enterprise did not exist. The impact may be tangible and quantifiable or

intangible and difficult to quantify as such impact is both quantitative and qualitative. Some social enterprises have developed social impact evaluation measures which are both qualitative and quantitative in order to provide an evidence portfolio of the impact of their activities over time. Whilst some social enterprises are able to achieve their goals the relationship between social entrepreneurship and broader systemic transformation remains contested terrain.

How does the social entrepreneurship community understand and experience social entrepreneurship?

The lived experience and reflections of the social enterprise actors is framed by a collective social activism and a sense of moral legitimacy. The social motive is primary and the entrepreneurial motive is a means to achieve the social objective. The actors experience an ongoing sense of liminality and in-betweeness, with social reality on the one side and social mission on the other. They also experience both tension and fulfilment as they seek to balance the social and the entrepreneurial. Whilst some theories that have attempted to present social enterprise in a simplistic and uni-dimensional manner, the results of this study suggest that such theories have failed to comprehensively explain the phenomenon. Social entrepreneurship presents a multidisciplinary, alternative and complementary organisational model that can contribute to social challenges. It is a model based on self-mobilisation for local, national or international change. However, the research has not yet explored social enterprise as a model of change. The social enterprise model needs to withstand the scrutiny of a critical lens if it is to be credible. This lens needs to test both its impact and its relationship to large-scale social change.

8.2. Conclusion

The social entrepreneurship literature is characterised by differing interpretations of the phenomenon. These interpretations are exacerbated by the different contexts in which social enterprises arise, and the levels of social entrepreneurship under discussion. Whilst earlier work reflected very different views of what social entrepreneurship was, the work from the 2000s onwards showed signs of emerging convergence on social entrepreneurship and its function in society. It was therefore concluded that social entrepreneurship, as a field, is in a state of transition to becoming a dominant field with solid theoretical foundations. As a result of this positioning of social entrepreneurship, the role of this thesis would then be to build on the emerging consensus, so that the field might move forward theoretically and functionally.

The research paradigm adopted was interpretive constructivist and the methodology was the qualitative case study. The interpretive paradigm was considered appropriate as it would give the social entrepreneurship community an opportunity to reflect their experience from their own points of view, thereby bringing their voices into the discourse. The in-depth qualitative case study method was considered appropriate as it allowed access into the context of the social enterprises concerned, and an understanding of their role in framing the experience of the actors. The immersion of the researcher into the four worlds of the social enterprises, created opportunities for both formal data collection (interviews, focus groups, document reviews) and informal field observation and interaction with stakeholders. The varied forms of data made data triangulation possible, thereby laying a basis for meaningful findings.

The field engagement was challenging, especially in the case of rural social enterprise. Patience and flexibility were required to ensure that reasonably equivalent data sets were gathered for each case study. The data analysis process entailed both within-case and cross-case analysis. The two prominent, cross-cutting themes that emerged from the data were sustainability and social impact. Each of these themes was complex as they consisted of

various dimensions and sub themes that were related to each other. From the data it was evident that both the high-level themes and sub themes did not operate in isolation, but were related and functioned interactively to make the social entrepreneurship system effective. These patterns and relationships formed the basis of the theoretical framework proposed.

The theoretical framework confirms and strengthens emerging theory, and introduces elements that are distinctively South African. The South African context adds a further setting that validates social entrepreneurship, and this is essential at this juncture in the evolution of the concept. The theoretical framework consists of six theoretical propositions informed by the generic themes and sub themes that cut across the findings. The framework presents a predominantly meso-level explanation of social entrepreneurship, as the process of implementing innovative and social solutions that have a sustainable impact on society. The need for such a framework was justified on the premise of advancing scholarship, improving understanding and practice, and the need to find complementary solutions to local, national and global social needs.

In conclusion, the perspective of social enterprise that emerges in this thesis echoes the words of Mair (2010: 9):

> We should see enormous potential in theoretical and empirical efforts that aim at building mid-range theories and unravelling the social mechanisms constituting the phenomenon.

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ANNEXURE A

CASE STUDY PROTOCOL

This case study protocol is a general guideline outlining the key aspects of the research protocol. This document may require adaptation as a result of the field-engagement process. Because it is intended that the case studies will cover both rural and urban areas, there may be a level of variation in the application of the protocols.

1. Introduction to the case study research and the objectives of the protocol

- Letter of introduction
- The reasons for undertaking the research
- Research questions, hypothesis and protocols
- Theoretical framework (if necessary)
- Confidentiality

2. Data-collection procedures

- Brief introductory resumés of researcher and assistant
- Recommended procedures for selecting interview and focus group participants
- Confidentiality
- Finalisation of sites to be visited, and contact persons
- Project plan including specific times, dates and venues
- Data-collection plan
- Research-participant briefing sessions

3. Ethical guidelines

- Informed consent forms
- Respondent rights and protections
- Ethical obligations of the researcher

4. Post-study issues

- Sharing of results
- Use of research results

ANNEXURE B

DOCUMENT CHECKLIST

CASE STUDY NAME:

Category 1: Externally-available examples of documents

1. Public records/reports
2. Press coverage
3. Annual Reports
4. Signed Annual Financial Statements
5. Organisational profile
6. Opinions, professional or academic documents
7. Website information

Category 2: Internal examples of documents

1. Impact assessments
2. Research studies
3. Strategic plans
4. Organograms
5. Policy and procedure documents
6. Agendas and minutes of key meetings
7. Memoranda

ANNEXURE C

TEN PRINCIPLES GUIDING THE SEMI-STRUCTURED QUESTIONNAIRE DESIGN

(Adapted from Cooper & Schindler, 2003)

- The questionnaire is designed to be an in-depth questionnaire that seeks to gain as much information as possible, in a relaxed environment.
- The sequence of questioning is designed to move from the general to the specific.
- There are limited administrative and classification questions; most questions are targeted and open-ended.
- The open-ended questions are intended to allow the respondents to tell their story.
- Depending on the respondents, attempts will be made to ensure a shared vocabulary.
- Misleading, biased or preconceived assumptions are avoided.
- Double-barrelled questions have been limited.
- There is a level of presumed knowledge in the questions around background and history.
- Most questions are aimed at willingly-shared, conscious-level information.
- The questions have been designed to allow for probing and clarification.

Number of questions: 22

ANNEXURE D

FOCUS-GROUP DISCUSSION GUIDELINE THEMES

Theme (s)	**Question (s)**
Context *(social needs, infrastructure, resources, government and community mobilisation)*	• What are some of the dominant social needs in the community? • Describe the key community socio economic infrastructure advances/backlogs. • How are community members able to gain access to the resources they require? • To what extent is government involved in meeting pressing areas of need? • Do community members mobilise to address areas of need? If yes, how do they do this?
Enterprise/project background *(brief history and evolution over time)*	• Why was the social enterprise/project formed? • Early challenges faced and how these were overcome. • Initial relationships and partnerships. • Early mission/vision – how has it changed over time? • Balance between short/medium-term and long-term objectives over time.
Enterprise/project *(governance, operations, stakeholders, impact, sustainability)*	• What is the vision/mission? • Who are the direct and indirect beneficiaries of the enterprise? • Comment on the social-enterprise journey. • What is the governance and operational model of the enterprise? • What is the impact of the enterprise, and how is the impact assessed? • Comment on the sustainability and growth of the enterprise. • Enterprise strengths and areas for improvement.
Social entrepreneurs *(founders, leadership, relationships, access to resources*)	• Who were the founder(s), what is their background, and are they still involved? • Motives of founder(s) to form enterprise? • Comment on the social entrepreneurship experience. • How were they able to access and leverage resources? • Key personal and institutional relationships.
General	General comments

ANNEXURE E

SEMI-STRUCTURED INTERVIEW QUESTIONNAIRE

Date……

Interviewee……

Interviewer……

Case study

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Position/role in social enterprise

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Length of service with organisation

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QUESTIONS

1. What are some of the dominant social needs in the community?

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2. Describe the key infrastructure advances and or backlogs?

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3. How are community members able to gain access to the resources they require?

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4. To what extent is government involved in meeting social needs?

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5. Do community members become involved in addressing areas of need? How?

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6. How and why was the enterprise formed?

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7. What were the early challenges, and how were these overcome?

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8. What were the key initial partnerships and relationships?

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9. What was the early vision/mission, and how has it changed over time?

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10. How have you been able to balance short, medium and long-term objectives?

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11. What is the current mission/vision of the enterprise?

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12. Who are the direct and indirect beneficiaries?

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13. Describe the social entrepreneurship journey and experience?

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14. What is the governance and operational model of the enterprise?

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15. What is the impact of the enterprise, and how is this assessed?

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16. Is the enterprise sustainable? Is it able to grow?

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17. Who are the key stakeholders of the enterprise?

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18. What are the strengths and areas of improvement for the enterprise?

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19. Who were the founders of the enterprise, and what was their background?

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20. What motivated the founder(s) to start this enterprise?

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21. Comment on the social entrepreneurship experience?

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22. How were the founders able to leverage resources?

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23. General comments

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ANNEXURE E2

ZULU INTERVIEW QUESTIONNAIRE

Usuku……

Igama nesibongo (interviewee)……..

Igama nesibongo (interviewer) ……

Inhlangano……

Isikhundla……

Usuku lokusungilwa kwenhlangano…….

IMIBUZO

1. Sicela usichazele ukuthi waqala nini ukuba ilungu lalenhlangano? Futhi wangena kanjani?

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2. Likhona na iqhaza olibambile ukulekelela lenhlangano?

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3. Chaza indlela enisebenza ngayo?

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4. Chaza umlando walenhlangano?

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5. Iziphi izinkinga enihlangabezana nazo emsebenzini wenu?

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6. Obani abanisizayo noma ezinye izinhlangano ezinisizayo?

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7. Ninazona isifiso zalenhlangano?

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8. Chaza zonke izikhundla zabaphete lenhlangano?

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9. Lenhlangano iwusiza kanjani umphakathi?

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10. Nanelisekile ngesimo sezimali zenhlangano?

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11. Zikhona na izindlela zokusebenza kangcono?

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12. Ulibona kanjani ikusaka lenhlangano?

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13. Iziphi izidingo eziphambili zomphakathi?

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14. General Comments

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ANNEXURE F

PARTICIPANT BRIEFING PROCEDURE

1. I will introduce myself as the researcher and share a little about my personal, professional and academic background, and my passion for social entrepreneurship.
2. Since I will be with a community worker in the case of Magema Gardens (rural case study), I will introduce his facilitation role since he is already known to the participants.
3. I will briefly describe the research topic.
4. I will briefly describe the other two case studies, and explain how each was selected.
5. I will explain the academic purpose of the research and its potential benefits.
6. I will provide an estimate of time frames for each step of the process, and the time requirements from the participants.
7. I will promise confidentiality and anonymity; the concept of within focus-group confidentiality will also be explained.
8. I will explain that participation is voluntary.
9. Confirmation will then be sought to proceed with the process.
10. Time for questions and clarifications will be provided.

ANNEXURE G

INFORMED CONSENT FORM

I ..... (full name and surname) am fully informed about the social entrepreneurship PhD research undertaken by P. Mnganga and agree to participate as a respondent. I specifically confirm the following:

- my participation is voluntary and I may withdraw my participation at any time during the process, with no consequence;
- there is no remuneration to be gained from participation;
- the aims, objectives and research procedures have been explained fully;
- parties involved in the research must maintain confidentiality and behave ethically and honestly throughout the research process;
- the results of the research will be made available to all participants and stakeholders.

Signed.....

Date.....

Place.....

ANNEXURE H

PARTICIPANT INFORMATION SHEET

Thank you for your interest in participating in the social entrepreneurship PhD research being undertaken by P. Mnganga – who is registered with the Wits Business School. Your organisation was selected as a case study site for social entrepreneurship in South Africa. Social entrepreneurship is an emerging worldwide phenomenon that focuses on applying innovative, market-oriented and sustainable approaches to social challenges. Such approaches seek to improve the quality of life of the world's poor and marginalised. Social mission, sustainability and impact are at the core of social entrepreneurship. Although many examples of social entrepreneurship exist in South Africa, very little research has been done. Because social entrepreneurship offers complementary socio-economic development solutions, is hoped that this research will contribute to theory development, and as a basis for advocacy and policy development at a national level.

The objective of the research is to gain an in-depth understanding of various aspects of your organisation – with a specific focus on leadership, the operation and the environment. Selected employees and stakeholders have been identified as participants. The research has three thrusts, which are: a) a review of all relevant documentation; b) a semi-structured interview; and c) focus-group sessions. It is anticipated that the entire research engagement will be completed within one month. The interviews (approx. 10 respondents) will take a maximum of two hours, and the focus groups (6-8 participants) will take up to three hours.

Your participation will be based on the following principles:

- Participation is voluntary;
- You may withdraw from the process at any time with no consequences;
- Confidentiality and anonymity will be upheld; and
- There is no direct benefit for participation.

You are invited to approach the researcher or your leadership/management should you wish to clarify any aspect of the research.

Thank you.

APPENDIX 1

LIST OF FINAL CODES

1. Interview Key Point Codes

IKP1	Joined for personal fulfilment, challenge, making a difference
IKP1 (a)	Responded to social need for employment
IKP1 (b)	Joined to fill vacancy
IKP1 (c)	Requested to join because the garden benefited the community
KP1 (d)	Requested to join because of my work ethic project was beneficial to women
IKP1 (e)	Joined because wanted to give back to society
IKP2	See role purpose and meaning in job
IKP2 (a)	Experience professional purpose in role
IKP2 (B)	Work extension of political activism second phase of struggle
IKP3	Enabling mission driven work environment
IKP3 (a)	Individuals work in productive team-oriented project environment
IKP3 (b)	Work environment too idealistic
IKP4	Challenging early days, but grew stronger and bigger
IKP4(a)	Project failed and was re-launched ten years later
IKP5	Centrality of partnerships that enhance impact
IKP 5 (a)	Centrality of partnerships, need for new ones
IKP 5 (b)	Government partnership good
IKP 5 ©	Government partnership not good
IKP6	Clear and evolving mission and vision

IKP6 (a)	Have clear and evolving mission and vision (Current vision undersells ICEE)
IKP6 (b)	Clear and evolving mission and vision across boarders
IKP7	Need for governance is not high
IKP7 (a)	Need governance but too top heavy
IKP8	Have a strong impact on beneficiaries and community
IKP8 (a)	Organisation has impact, but at job level there is no impact
IKP8 (b)	Legacy and Impact
IKP9	Sustainability essential to ongoing impact
IKP9 9 (a)	Individual and team accountability for sustainability
IKP9 (b)	Sustainability is good, but we need a long term plan
IKP10	Stakeholder appreciation in organisation is good
IKP11	Our organisational has self-insight – aware of strengths and weaknesses
IKP12	Link between organisation and social need
IKP13	Vision must have economic component vision
IKP 13 (a)	Have positive vision for growth and more markets
IKP 13 (B)	Mixed outlook on growth
IKP 14	Centrality of community engagement
IKP 15	Challenges of evolving and emerging SE
IKP16	The need to evolve a sustainable social enterprise model
IKP17	Activism/community involvement background evolving SE
IKP18	Poorly developed regional and national infrastructure
IKP 19	Beneficiary access to service
IKP 20	Need SA model of SE
IKP 21	Tensions between social and entrepreneurial
IKP 22	No understanding of SE

IKP23	Find having impact rewarding
IKP24	Must find way to be sustainable
IKP24 (a)	Sustainability compromised by inability to sustain strategic thrust
IKP24 (b)	Challenging to have sustainable development work
IKP 24 ©	Need to sustain ourselves to survive
IKP 24 (d)	Need sustainable markets
IKP 25	Experience severe resource constraints
IKP26	Caught in tensions between SE and commercialisation to achieve vision
IKP 27	The importance of human elevation
IKP 28	SE is equal to self- sufficiency
IKP 28 (a)	SE is about self reliance
IKP 29	Need for improved measurement of impact
IKP 29 (a)	Have done limited measurement of impact

2. Field Notes Key Point Codes

FNKP21	Social/commercial tension
FNKP22	Government support difficult
FNKP23	Partnerships are critical
FNKP24	SE migration required to survive
FNKP25	From political activist to SE
FNKP26	Purpose driven vocation
FNKP28	Financial independence
FNKP29	Financial sustainability
FNKP29a	On a path of financial sustainability
FNKP30	Social impact concern
FNKP31	Founder impact on culture
FNKP32 (a)	Aspire to greater scale and impact
FNKP 32(b)	In a state of constant aspiration
FNKP23	Partnerships critical
FNKP33	Infusion of business practices
FNKP33 (a)	Subsistence was an imperative
FNKP34	Resources mobilisation essential to survival
FNKP35	Strong social responsibility
FNKP35	Strong social responsibility
FNKP36	Teamwork, collective action
FNKP37	Government support
FNKP38	Limited partnerships
FNKP39	Education needs
FNKP40	Survivalist and resilient mentality

3. Focus Group Key Point Codes

FGKP 22b	SE and impact relationship is critical
FGKP 22 (a)	Superficial execution of S.E.
FGKP 22 (b)	Tension and grey areas
FGKP41 (a)	Problem definition of NGOS in companies Act
FGKP 44 (a)	Need sustainability focus
FGKP 44(b)	Survival need drives sustainability imperative
FGPK 45	Regulatory framework not enabling BBBEE onerous
FGKP46	Need for SE case based guidelines
FKKP47	Need South African model
FGKP 48	Need to secure basic needs
FGKP 49	Lack of government support
FGKP 49(a)	Good government support
FGKP 50	Good group cohesion
FGKP 51	Aspirations to increase scale and impact
FGKP 52	Committed to give back to society
FGKP 53	Financial viability/sustainability
FGKP54	Social vs business ethics
FGKP 54	Resource constraints
FGKP 54 (a)	Expertise constraints
FGKP 54 (b)	Infrastructure constraints

4. Document Review Key Point Codes

DRKP61	Transitioning NGO to SE for secure trading income
DRKP62	Strategic planning thrust
DRKP63	Service delivery through partnerships
DRKP64	Start-up S E programmes need monitoring
DRKP65 (a)	Qualitative impact
DRKP65 (b)	Qualitative and beneficiary impact
DRKP65 (c)	Multiplier and residual impact
DRKP66	ICEE activities and their impact
DRKP67	Infusion of business practices
DRKP68	Case by case impact consideration
DRKP69	Not for profit organisation
DRKP70	Systems and policies well established
DRKP71	Traditional functional and geographic structure
DRKP72	Company vehicle for medium to long term income
DRKP72	Publicity on project innovation benefits and impact
DRKP73	Project credibility and endorsements from stakeholders
DRKP74	Investment holding company for investment income
DRKP75	Cost effective core and periphery structure
DRKP76	Co-operative application pending
DRKP77	No AFS