

## The Prospects of Social Entrepreneurship in South Africa: Lessons for Social Development Practitioners

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**ABSTRACT** The desire for social developers such as social workers to achieve their social mission continues to spur research in many areas in South Africa. Social enterprises as tools to address social challenges are used to draw lessons for social development practitioners. The paper adopted a qualitative research approach where an explorative design was used to gain insights and understanding of the developmental terrain of social entrepreneurship in South Africa. The analysis revealed: the presence of emerging and growing social enterprises in the study area; where potential areas for social investing identified are ICT, early childhood development centres and recreational centres. The study further identified challenges such as misconception of the concept social enterprises and practices embedded in it. The paper concludes that there are valuable lessons that social development practitioners can learn from the actual and potential investments in social enterprises in transforming the interventions undertaken in the local communities.

### INTRODUCTION

The relentless pursuit of human development has led to the emergence and growing interest in social entrepreneurship globally (Busenitz et al. 2016; Hackett 2016; Gordon 2017; ILO 2017). South Africa as a country and a community has not been left behind in this endeavour and boasts of progressive development of the social economy sector (Littlewood and Holt 2015; Shrivastava 2015; Lisa et al. 2016). Observably, the development of social entrepreneurship in South Africa has maintained an upward growth trajectory since 1991 when the Ashoka foundation opened its offices in the country, to the year 2014 when the Impact Hub Johannesburg launched Social Impact Accelerator (Littlewood and Holt 2015). Perhaps, it was because of this progressive development that the International Labour Organisation (ILO) recognised the country (South Africa) as one of those promoting social entrepreneurship in the continent (ILO 2011; Shrivastava 2015). The emergence of social entrepreneurship in South Africa was in-

formed by factors that revolved within the political, social and economic issues to mention but a few (Urban 2008). At present, the country continues to be confronted by the pressure associated with poverty, unemployment, inequality (Rogan and Reynolds 2019) and many other human-related developmental deficits that call for transformative development approaches.

In an endeavour to ameliorate some of these deficits if not to annihilate them altogether, various policies, such as Reconstruction Development Programme (RDP), Growth, Economic and Redistribution (GEAR), Broad-Based Black Economic Empowerment (BBEE), among others have been ratified to address the mentioned development deficits.

Moreover, the South African visionary framework (Vision 2030) envisions the mobilisation of the people and the ownership of the country's programmes to develop self-reliance (National Planning Commission 2011), a proposition that is congruent with Africa's agenda 2063, 'The Africa We Want' (Africa Union 2015). However, it should be acknowledged that the achievement of these visions and national plans shall require conscious and deliberate efforts to nurture transformative development approaches and practitioners. This is of paramount significance because, for a 'shared prosperity and wellbeing, for unity and integration, for a continent of free

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citizens and expanded horizons, where the full potential of women and youth, boys and girls are realised, and with freedom from fear and disease (Africa Union 2015), deliberate and unconventional approaches to development are key. Based on this understanding, it is worthy for social development practitioners to ask pertinent questions such as how will the country achieve this vision? What are the practical development engagements at the grassroots that facilitate modern social development to achieve the vision? What are the viable developmental instruments and principles that correlate with modern development aspirations?

These questions are important because developmental social work is concerned with social, economic and environmental development activities (Lombard 2007; Midgley and Conley 2010; Lombard and Twikirize 2014). The social workers have to endeavour to address poverty, unemployment and social deprivation (Lombard and Wairire 2010) through approaches that are developmental, and empowering through consultation, networking, action research and policy analysis (Lombard and Strydom 2011; Patel 2005, 2012). This is significantly premised on the fact that contemporary social challenges require emphasis on peoples' strengths and capabilities (Saleebey 2006), as they are basic tenets of expanding individuals' socio-economic conditions viz-a-viz the remedial model of social service provisioning that focuses merely on psychosocial and physiological needs of the clients (Patel 2005; Department of Social Development 2013).

Previous studies have highlighted that social workers in South Africa and Africa in general, have not proactively and reactively designed and promoted programmes that promote the three intertwined components of sustainable development, that is, economic, social and environmental (Lombard and Wairire 2010).

Moreover, despite the United Nation's support on social development and more especially on the global agenda for social work and social development (2012) (Lombard 2015), there is lack of clear strategies to prevent people and communities from drifting further into poverty. Arguably, more focus has been on addressing the challenges experienced, rather than focusing on root causes and develop appropriate preven-

tive measures. In 2014, Chi challenged social work practitioners for holding narrow views of globally interconnected social problems, and recommended for change and transformation in paradigm, theory, strategies, social policy and social services to facilitate sustainable future for all mankind (Chi 2014). In this paper, the researchers are of the opinion that the failure to develop and design sustainable preventive and developmental measures by social work practitioners has exacerbated the suffering of communities, especially those with weak economic resource base.

Having alluded to the aspect of transformation in undertaking social development, the social entrepreneurship becomes a subject of discussion in this paper. Social entrepreneurship, which is implemented through social enterprises (Littlewood and Holt 2015; Aliouche and Fernandez 2017; Olinsson 2017) relates to three aspects, which are, *discursive* (this entails the inclusion of cultural, ecological and civic discourses investment rather than solely on economic issues), *social* (this delineates the process with multiple factors and stakeholders), and *geographical* (represents spatial categories in-between nations and regions, and neighbourhood (Bacq and Janssen 2011). Definably, social enterprises are organisations that adopt a funding mechanism that support the non-profit operations and social mission activities (Aliouche and Fernandez 2017; Gordon 2015, 2017; Olinsson 2017).

The operations of social enterprises are primarily driven by social mission and aims at improving competitiveness and productivity (Crawford-Spencer 2016), creating wealth and fostering enterprise development, providing employment and training (ILO 2011, 2017; Darko and Kweku 2015); providing better public services, reinvigorating civil society (Frank and Muranda 2016; Toivonen 2016), building capacity and social capital in communities (Giacomantonio 2017; ILO 2017), regenerating disadvantaged communities, tackling social and financial exclusion (Gordon 2017), and encouraging ethical markets (Gordon 2015; Hackett 2016). Owing to these attributes associated with the social enterprises, it is worth exploring the prospects of social enterprises in South Africa, and generate lessons for social development prac-

tioners such as social workers to inform their transformative interventions.

### Objectives

The aim of this paper is to contribute to the transformation agenda on social development in South Africa. The paper objectively seeks to explore the future of social enterprises and implications for social developers and practitioners in enhancing social development in the country.

### Problem Statement

The increasing social challenges manifest pernicious ramifications in the South African community. Despite the efforts made by the government, civil society and the business community in development, these efforts seem to bear meagre dividends. This leaves social development practitioners among other stakeholders with unanswered questions on various social ills that glaringly threaten the future of the country. In the South African context, social workers are mandated to work with groups of vulnerable people, whether economically, socially or political among others human development issues (Midgley and Conley 2010; Department of Social Development 2013). In realisation of these magnitude and dynamic social needs, what can social workers do differently? What can they learn from the emerging development models and approaches? This paper seeks to explore and initiate a scholarly debate on seeking alternatives within the social development paradigm for long-term social change and interventions in the South African communities.

## METHODOLOGY

### Research Approach and Design

Social entrepreneurship is an emerging concept and practice in South Africa (Gordon 2015; Shrivastava 2015; Littlewood and Holt 2015), with very little research within the social work discipline and practice (Lombard and Strydom 2011). Based on this reality, this paper adopted a qualitative explorative research approach to explore the prospects of social entrepreneurship in

South Africa, in order to draw lessons for social work and social developers. The qualitative research approach was adopted because it is the most appropriate approach to study few cases to generate insights from those who experience the phenomenon in natural settings (Babbie 2013; Creswell 2014; Patton 2015). The dearth of research on the social work-social enterprise nexus in South Africa, justifies the need to explore this area. This is because both social entrepreneurship and social work have common philosophical underpinnings (Gray et al. 2003; Nugundu and Lombard 2012; Plagerson et al. 2019). Therefore, exploring and identifying working practices within social enterprises, and applying them in social work socio-economic interventions is prudent.

Furthermore, the qualitative research approach allowed the researchers to interact with the environment of social entrepreneurs and enterprises by listening and recording the participants' narratives. The explorative design was useful in establishing the prospects of social enterprises in South Africa and their role in aiding the development of social work services. The paper did not seek to undertake quantitative forecasting in order to generalise the findings, but rather used the selected cases to illustrate the future of social enterprise in the country and draw lessons for social interventions.

### Sampling Methods and Technique

As alluded to earlier, social enterprises are emerging ventures in South Africa and therefore their population is not well defined. Due to the lack of specific policy regulatory framework for social enterprises as a sector or subsector (Urban 2008; ILO 2011; Shrivastava 2015), there is lack of a specific database of social entrepreneurs in South Africa to constitute a sampling frame. This being the case, the researchers undertook a web search of social ventures that identified themselves as social enterprises in the municipality. The web search resulted in twelve entities under 'brand' social enterprises. From these, the researchers further screened them against the established criteria such as, clear social mission, the business component and being people-centric. After the screening, four ventures satisfied the selection criteria.

Therefore, these ventures were purposively selected to constitute the sample. However, after contacts were made, the health-based venture was not ready to participate in the study, leaving the researchers with three social enterprises to use as case studies. The three cases were perceived to generate useful insights on the development and role of social enterprises and their potential for social intervention.

### Data Collection Methods and Instruments

The data was collected using two key methods. The first was the key informant method, which is very prominent in qualitative explorative research (Creswell 2015; Patton 2015), due to the fact that astutely experienced participants are deliberately chosen to discuss issues related to the subject under inquiry. In this case, three social entrepreneurs (the founders of the social enterprises) were interviewed to understand among other things the emergence, current state and the future of social enterprises as tools for intervention in the social development context. Indeed, as attested in this study, the participants were knowledgeable and experienced in the field of social investing.

Secondly, the researchers conducted face-to-face semi-structured interviews with three managers and four employees to gain further insights and understanding of the social entrepreneurship terrain in the country. This being an explorative case study design, and the availability of social enterprises constituting the population in the study domain, this sample was considered appropriate to generate data for insightful analysis.

### Data Analysis and Ethical Issues

The data was analysed through inductive reasoning (Patton 2015) to bring out meaningful information from the narratives of the participants as well as the observations recorded during the field visitation to the social enterprises. Inductive reasoning requires the researcher to engage in critical reading of interview extracts, thinking, looking back and forth on the subject matter, looking around, in and out to ensure almost, if not all the elements of the data are understood and reported (Patton 2015). This think-

ing framework facilitated the researchers to organise the content of the data through coding and finally identifying themes that best showcased the prospects of social enterprises in South Africa. The identified themes are presented, interpreted and supported with the participants' original verbatim statement. Other research methods authors such as Creswell (2014) and Babbie (2013) have indicated that content analysis is the most common technique in analysing qualitative data. Thus, using this method was instrumental in understanding the current environment of social enterprises and the future prospects.

Ethics wise, the participation was voluntary and every participant was guaranteed confidentiality and anonymity, more especially on protecting the reputation of the venture through ethical reporting and maintaining the privacy of operations undertaken from the potential competitors. In the next section, the findings are presented and interpreted.

## RESULTS

The following key themes are presented, interpreted and discussed.

1. Promising growth and grains of sustainability of social enterprise
2. Identification of potential sectors for social investing
3. Current and expected hurdles besetting social enterprise in the study area

### Promising Growth and Grains of Sustainability of Social Enterprises

The primary concern within the social enterprise is growth and sustainability. In this study, the findings indicated that all the three social enterprises were on track to noticeable growth and self-sustainability. To illustrate this, the following interview extracts are presented:

*Some of our projects are definitely sustainable while others are experiencing structural constraints. But with the right design, these enterprises are more than enough to be sustainable. Yes, look at what we have done in this short time in BCMM alone in terms of outlets and number of trained students.* (Social Entrepreneur 2017)

In agreement with the above, another participant confirmed that the scope and terrain of

social entrepreneurship was growing in the area and had a great potential to grow in the future. The participant expressed that:

*The enterprise is growing because the government is more than willing to support us by allocating a lot of money to our programmes with 90% of our budget funded by the government. This shows they have confidence in what we do.* (Social Entrepreneur 2017)

Despite the real and potential capacity for growth in the enterprises, one entrepreneur cautioned that there must be deliberate and continued innovation to restructure the market system to bring the intended change. This is important because, for meaningful development of social enterprises to take place, there must be tangible and intangible impacts among the communities. Thus, another social entrepreneur had the following to share:

*For one to grow and be sustainable, you must be innovative and understand the market structure worldwide. Our enterprise has the right people for marketing and before we finish our harvest, the orders will already be waiting.* (Social Entrepreneur 2017)

The excerpts above appreciate and illustrate the growth opportunities and the need for innovation in an endeavour to achieve both the economic and social value. Previous research from other parts of the world such as Egypt illustrates how social enterprises have grown and continue to create social impact (ILO 2017). Similarly, findings of the British Council (2015) on the social enterprise landscape in Ghana reported growth and public goodwill for the social entrepreneurship (Darko and Kweku 2015). Therefore, the findings of this study, though cannot be generalisable signal a promising future and growth of social enterprises in South Africa. Perhaps, if the social workers and other related social practitioners can seize the opportunities that come with the operations of social enterprises, the escalating poverty, underdevelopment and continued marginalisation (Rogan and Reynolds 2019), could sizeably be addressed.

### **Identification of Varied Potential Sectors for Social Investing**

This paper sought to establish viable and investment-worthy areas to inform social practi-

tioners and investors in the social economy for the purpose of social change.

The data revealed that Information Communication Technology (ICT) has a high potency for investment, as many rural communities are yet to have access to an Internet connection in South Africa. This is very important towards the digitalisation of government services. Making ICT services available to local people is important in facilitating access of information at convenient venues as well as participate in decision-making on matters that affect their lives most. A social enterprise manager enthusiastically reported that:

*Social enterprises have a great future especially in technological advancement as we expand every year. The social enterprises will grow as long as they are supported and monitored to keep their primary objectives to avoid misuse of funds in cases where they are funded through grants.* (Social Enterprise Manager 2017)

Our analysis also revealed that agriculture was a significant sector for social investing in the study area (Eastern Cape). There is availability of idle community land that can be utilised for valuable ventures, and the human capital (labour) that is readily available due to unemployment. One of the social entrepreneurs who was engaged in an agricultural enterprise had the following to share:

*I think and believe agriculture stands high for social investment because there is plenty of idle land in the Municipality and the country at large. We are planning in the near future to venture into pineapple farming and sheep farming for wool production. Our mission is to keep the rural people in their places while having similar good lives like those in the cities and towns by creating wealth with them.* (Social Entrepreneur 2017)

Moreover, early childhood development was identified as a 'fertile' sector for social enterprises. The early childhood development presents great opportunities to raise children and youth, and nurture responsible citizens. The early childhood development centres stand to also play a pivotal role in benefiting the working parents, who may need professional carers for their children so that they can concentrate on their work or pursue extra income-generating activities.

Thus, this may perhaps improve women's economic participation and social networking. This would further improve their output at the workplace since they do not have to worry much about childcare. The following verbatim from a social enterprise manager attests to this finding.

*If I were to start another enterprise, I will look into children care services. There are many children out there with great talents and potential that can be harnessed to develop our country. When I think of children who exit children's homes after the age of eighteen years, I wonder where they end up. There is a need to find out how to invest in such children to capture the potential in them. Education in rural communities is also poor and something needs to be done especially for young children to give them proper foundation academically.* (Social Enterprise Manager 2017)

The importance of early childhood development has been emphasised by many scholars and United Nations bodies. For instance, in 2017, the International Labour Organisation study on promoting social entrepreneurship and social capital asserted that, early childhood care and education play a preparatory role for children to succeed in their future academic engagements as well as healthy mental development (ILO 2017). Therefore, based on the reported South African School dropout rates (Weybright et al. 2017), at both secondary and university levels, strategic and deliberate early investment in childhood development could possibly address school dropout as one of the challenges for social work and social developers in South Africa. These findings also resonates with the findings of Mendoza-Abarca et al. (2016) who argued that investing in people can result in aligning economic ventures with social value creation.

Finally, sports and recreation centres were also identified as promising areas for social investment in Eastern Cape. The availability of such facilities will provide employment for youth, offer platform for healthy interactions for community members, and talents identification and development. The centres could also be avenues for building networks that increase social capital and integration of people. Health-wise, the recreation centres could serve also as avenues for physical fitness, and hence promoting healthy living of the people. Thus, this implies

that social investing could reap many dividends such as inclusivity, capacity development and healthy living in the communities.

The data revealed the mission of social enterprises in creating socio-economic value, especially to vulnerable citizens. As the findings suggest, on building social capital, ILO (2017) confirms that social enterprises generate social capital and introduces solidarity economy among communities. This is because social capital is derived from institutions, networks, norms, values and interrelationships between and among groups and individuals in the society (ILO, 2017). Based on this revelation, the researchers perceive social capital as potential ingredients for healthy communities, and also believe it to promote trust and shared values (Jenner and Oprescu 2016). Equally also, as noted by ILO (2017), lack of shared values and trust lead to a deficit in social capital, which may lead to protracted socio-economic challenges and little participation to development (Davids et al. 2009), hence undermining the interventions made by the government. In the recent past, South Africa has witnessed and continues to experience violence, crime and xenophobic activities (Steinberg 2018; Beetar 2019; Solomon 2019), which presents serious social deficits. Therefore, serious interventions to ensure healthy relationships in the community have to be developed.

### **Current and Expected Hurdles Besetting Social Enterprise**

Based on the data gathered in this study, the three social enterprises lacked some requisite support from the government and the communities they served. The social enterprises in the study area were emerging and many people had not grasped the concept wholly, and their legitimacy had not fully developed. The findings further indicated that some of the enterprises were struggling with innovation, which leads to instances of service duplication. Finally, the study revealed the challenge with physical infrastructure especially with the ICT and clothing based enterprises. The extracts from the interviews illustrate this contention.

*Our service delivery is affected by community members who feel that they should not pay for the services because they can get such ser-*

*vices in the public services for free. Some also think we are NPO and expect free services.* (Social Entrepreneur 2017)

In agreement with the above participant's lamentations, a manager added that:

*Sometimes it is not very clear what the founders want to do, and when they seek assistance from the municipality relevant offices, no assistance is provided.* (Social Enterprise Manager 2017)

The issue relating to poor perceptions of the communities and other stakeholders about the sector was emphasised by a social entrepreneur who had the following to say:

*It is difficult to change the mind-set of the rural people to embrace business ethics and this is a continuous challenge that needs a lot of time to change. There is a dire need to create awareness and training.* (Social Entrepreneur 2017)

These extracts lay bare the challenges that social enterprises face, such as poor conceptualisation of the social enterprises by the community and possible beneficiaries. This leads to poor support for the social enterprises by the local and national authorities. Previous studies, such as Pelucha et al. (2017) showed that social enterprises face steep market competition and financing, while Darko and Kwaku (2015) reported challenges related to legitimacy and full acceptance. Further, Shrivastava (2015) study of mapping social enterprises in Africa identified policy lacunae inhibiting the expected growth and development of social entrepreneurship in South Africa.

Having identified the hurdles, the paper also sought from the participants what they thought would be the solution to some of these challenges to enhance the growth of the sector in the country. In response, the following strategies were proposed as being instrumental, that is, government support on structural and operational services, creating awareness on social enterprises to improve their legitimacy among the public, collaborating with the communities and other stakeholders to duplicate the model in many areas of need, and to develop secure and friendly market systems. In relation to these findings, the participants had the following to say:

*...The municipality needs to work together with the social enterprises so that each party*

*knows the challenges the other one is facing. The government should also award tenders to such enterprises to enable them to grow and reach more people in the country.* (Social Enterprise Manager 2017)

In the same vein, a social entrepreneur appreciated the role of research institutions to aid in researching and publishing on social entrepreneurship to help them make appropriate and impactful decisions. The following participant verbatim attest to this need:

*... Working with research organisations and universities to conduct research to help in improving our operations and developing impact measuring tools so that we can understand our contributions to the community and what to do different, and identify more areas for investment.* (Social Entrepreneur 2017)

The findings emphasise on collaborating and synergising the functions of development stakeholders such as government and social enterprises. Moreover, there is need for more research to buttress and bolster the operations of social enterprises in the country through publications to ensure that the model is accepted as a tool or approach to social development, and addressing other socio-economic related matters.

## DISCUSSION

The proclamation of New Partnership for Africa Development (NEPAD) in 2012, envisioned a continent that must be driven by renewed efforts towards increasing ownership and maximising the locally available resources, potentials and talents to realise prosperity (NEPAD 2012). In line with this proclamation, this paper sought to explore the prospects for social entrepreneurship in South Africa to draw lessons for social work practitioners whom together with other developmental practitioners endeavour to realise human prosperity and well-being. The findings in this paper have indicated a promising future for social entrepreneurship, based on the sample size used. Similarly, other studies have pointed to growth and development of social entrepreneurship, with establishment and adoption of new tools such as Social Impact Bonds, Health Impact Bonds, and Green Bonds (Giacomantonio 2017), as investment models to solve societal challenges (Wulleman

and Hudon 2016). From this observation, therefore, investors can explore various sectors that are dominated by commercial actors using social enterprise models to bring about social change in societies. The social work practitioners can collaborate with social investors to ensure that they target and incorporate clients who are disadvantaged in the mainstream economy.

A study by Chandra (2017) on social entrepreneurship as institutional change agent, identified principles such as problematisation, empowerment, marketisation, resource mobilisation and publicness, as being inherently embedded in social enterprises, and have a great potential for integrating into social work practices (Kaean and Ross 2012). This is because the role of social workers is to empower, mobilise resources and change agency (Patel 2012; Albert et al. 2016). Despite the professional boundaries between the social workers and social entrepreneurs (Gray et al. 2003; Patel 2012), the social development arm of social work (DSD 2013; Lombard 2007), apparently shares similar principles within social entrepreneurship. Therefore, the government's support for social enterprises is pertinent, as it would influence the development of structural and operational services, and create awareness and promote the model at the public domains. This perhaps, will increase and improve the legitimacy of social enterprises among the public. Further, the government support would perhaps result in increased goodwill for social enterprises, hence improving the confidence to invest with the social enterprises in the country.

On the other hand, social entrepreneurs themselves should lead the pack in public promotion of the approach and make it attractive for people to engage in the sector. A study by Mandoza-Abarca and Mellema (2016) illustrated how social ventures can cultivate their legitimacy with the communities by designing and implementing pay-what-you-want pricing so as to create both social and economic value. This implies that every individual has a chance to access the services or the products of the ventures. Therefore, the principle of shared prosperity as a key role for social service practitioners would be meaningful.

Moreover, Mandoza-Abarca and Mallema (2016) argue that this approach helps in reduc-

ing the stigma of receiving help among the vulnerable groups, and prompts the affluent consumers to show support for the social venture, thus, ensuring that sufficient economic value is created to sustain the social mission. This undertaking is paramount in the sense that it shifts the power from the seller to the buyer, an aspect that could address the unfair pricing that inhibits the vulnerable from accessing basic services. Based on this observation, social work practitioners can advance their interventions by working collaboratively with social ventures to address market-related-stigma.

Research has also revealed that successful social enterprises create and leverage partnerships across sectors to achieve goals in addressing poverty in Africa (ILO 2011; Darko and Kweku 2015). It has also been observed that cross-sector partnerships are ideal approaches for social enterprises to use in overcoming institutional deficiencies (ILO 2011). In the researchers' view, with partnerships between social enterprises and social work, developmental interventions for respective communities can be more specific, hence avoiding wastage of resources. Partnerships are also important for they promote secure and friendly transactions systems in the market and reduce losses that would have been incurred when one role player is involved (Jenner and Oprescu 2016). Apparently, it is through partnerships and collaborations (Jenner and Oprescu 2016) that the role of social service providers such as social workers, social developers poignantly provide deliberations and directions on what areas of social development are to be prioritised and in, which areas of the country (Toivonen 2016). The social enterprises should, however, be careful not to lose their mission in partnerships because partners could be harbouring differing interests.

The working relationship between social workers and social investors is important in identifying skills, talents, and resources among the communities and bargain with the others investors to socially invest in social value creating ventures (Toivonen 2016). The development of social enterprises continues to grow in South Africa, and is recognised by ILO as one of the seven countries in Africa promoting the sector (Shrivastava 2015). A critical examination of the development of social enterprise in South Afri-



ca reveals that social enterprises have emerged and developed as a result of political emancipation, and search for sustainable and inclusive models of development interventions to address the country's socio-economic challenges (Littlewood and Holt 2015). With the findings illustrating a promising future for social entrepreneurship in the country, the social work practitioners especially those focusing on poverty reduction, unemployment and youth, could benefit from using the approach in partnership with social investors to create long-lasting change.

The second theme, in this analysis, relates to the identification of potential areas for social investing in South Africa. The findings categorically showed that training and education, information technology, agriculture, sport and recreation, health, and textile and clothing industry are high potent areas for social investment. This confirms previous studies in that social enterprise as a model can be applied in varied sectors (Urban 2008; Shrivastava 2015, 2017; Lisa et al. 2016; Wulleman and Hudon 2016). Arguably, the flexibility and adoptability (multi-sector characteristic of social enterprises) stand to benefit public institutions and other investors interested in funding social activities. This is because the approach is not only based on the purpose but the real outcomes and positive impact in the long run. Crawford-Spencer and Cantatore (2016) alluded to the fact that social enterprises enjoy the multi-sectoral stakeholder's relationships, which provide a conducive ground for franchising models (Bruneel et al. 2016; Aliouche and Fernandez 2017) to allow the spread and marketing of services and products.

In identifying areas of social investing, one of the social enterprises focusing on information technology was offering affordable franchise opportunity for the local youth who wished to start their own social businesses. This opportunity provided great heights in consuming and adopting technology in local communities. A study by Gordon (2016) unpacked the potentiality of social enterprise in technology, by viewing technology in a broad perspective as 'a purposed system' spanning from institutions, products and services to enhance the living standards of the people. An example of mobile money as a technological service to serve the majority of unbanked poor people in Kenya (now

spreading overall the world) (Gordon 2016, 2017) is an aspect of how technology-based social enterprises can revolutionise the transformation of socio-economic development in the developing communities. In a Ghanaian study, Darko and Kweku (2015) found that ICT, education, agriculture, health and water and sanitation, and skill development are some of the areas future social enterprises are focusing on. This paper argues that these are highly important areas of human development, and with deliberate attention such as in the South African communities, meaningful social impact can be realised.

According to Mahadea (2013), social entrepreneurship or any entrepreneurial activity is informed by either the pull or push factors. The pull factors includes the desire for independence, self-fulfilment, self-actualisation, innovation, prestige, recognition and need for wealth creation. On the other hand, the push factors include retrenchment, marginalisation, job security, personal hardship, and immigration issues. Based on the aforementioned factors, arguably, the social enterprises in the study area were a result of both pull and push factors. This underscores the distinctive nature of social enterprises in developmental interventions, as those who are self-actualising will play an instrumental role in assisting the marginalised through social investing. Darko and Kweku (2015) highlighted that there are multiple opportunities for social enterprises such as offering opportunities for graduates to train and upskill their competences as well as offering the first-hand experience to enhance their employability. Arguably, this makes the young people active and productive, thus avoiding unproductive activities such as crime and substance use, which is a serious social ill in South African communities.

However, a study by Albert et al. (2016) pointed to the fact that the attractiveness of social enterprise venture depends on its success in addressing the social problem or greater outcomes of its missions. This implies that, in cases where the outcomes are beneficial, it creates an appeal for the supporters in terms of funding and human capital. Thus, for social enterprises to be more attractive in South Africa, they must fulfil their mission in a very impactful manner. For instance, a study by Darko and Kweku (2015) showed active involvement of women in social

entrepreneurship in Ghana through women founding, co-founding or leading the enterprise. The active participation observed in this case illustrates the positive move towards women emancipation, thus, positioning the role of social enterprises as attractive and critical in future to continue facilitating this realisation. Notably, the role of social work is to empower vulnerable groups in the community such as women, children and the elderly among others (Patel 2012; DSD 2013). Similarly, the activities of social enterprises play a facilitative role in addressing the social challenges associated with these groups.

The integration of social work and social entrepreneurship premised on the principle of innovation, openness and adaptation has been called for (Frank and Muranda 2016). This debate is hinged on the fact that the contemporary global social challenges should be linked to the opportunities available based on the local demands and resource power. Arguably, based on the contextual needs, social entrepreneurship having similar value systems to that of social work (Gray et al. 2003; Frank and Muranda 2016) provides a synergistic platform for transformative social work within the South African context.

Despite the appealing prospects, the terrain of social enterprise is and will not be always a 'smooth sail'. The paper established a few challenges that social enterprises currently face and more likely to be faced in future. It is worth noting that institutions of whatever nature experience challenges in different levels, either internally or externally (Busenitz et al. 2016; Bruneel et al. 2016). The findings enumerated a lack of capital, skills, knowledge, and high competition in the markets as major hurdles to the development of social enterprises in Buffalo City Metropolitan Municipality. These findings reflect many other studies, especially with regards to lack of finance, for either start-ups or expansion (Urban 2008; Darko and Kweku 2015; Hackett 2016; ILO 2017).

In spite of social enterprises being income-generating entities, more income is needed to pursue the social mission. Therefore, if the social enterprises lack the appropriate financial support, especially those at nascent and emerging stages, the social mission is likely to be com-

promised or completely lost. A study by Pelucha et al. (2017) in the Czech Republic reported that there was low bank support in providing loans for social enterprises. Perhaps, this is because the banks have not fully trusted social enterprises in making profits that will guarantee the repayment of the loans without defaulting. In resolve, they (Pelucha et al. 2017) advised for the adaptation of community practice and inclusive entrepreneurship.

In addition to the financial stalemate, lack of professional support such as consulting services for start-ups, and emerging social enterprises has been reported to be lacking in developing countries (Hackett 2016; Pelucha et al. 2017). The absence of such support services arguably would be attributed to the slow development of social enterprises in South Africa and therefore, for the future prosperity of the sector, these services have to be provided. For instance, workshops and trainings for social entrepreneurs on interacting with labour policies, taxation, impact measuring, good leadership and governance would be instrumental in balancing the dominance optimistic idealism in social entrepreneurship (Bruneel et al. 2016; Olinsson 2017), thus, having a balanced investing in the society to achieve the intended change. South Africa in particular, the sector suffers a policy lacuna (Urban 2008; Gordon 2015; Littlewood and Holt 2015), which limits the independent operations and recognition of the social entrepreneurship. Nonetheless, the opportunities ahead outgrow the challenges within the social entrepreneurship sector in South Africa, and social development practitioners stand to benefit the communities in their interventions through this approach.

## CONCLUSION

The transformative agenda is gaining momentum in South Africa, and therefore continued search for developmental approaches that are transformative, empowering and inclusive is vital. To have an impactful outcome of such approaches, social constructionists who can identify opportunities and market failures in the society are called for. This is important for introducing reforms and innovations to the broader socio-economic systems of society. This paper,

through a field study, illustrates the prospects and the efforts made by the social enterprises, which can optimistically inform a paradigm shift within social development framework and implementation.

The positive prospects for social enterprise growth in the country could be perceived as an opportunity for strengthening the interventionist role of social workers in a more holistic, strategic, and impacting manner. Through this paper, the researchers believe that they have provided useful insights into the debate on a paradigm shift for social work practitioners. The social development as a key component of social work entails myriad efforts and practices in sectors such as housing, education, health, and justice to mention but a few, and therefore, investing socially in the areas identified in this paper can facilitate the realisation of objectives and mission of social work.

Lastly, the social development professionals in collaboration with social investors guided by social entrepreneurship principles can develop hybrid interventional practices. This would be possible through increased flow of relevant information for impactful intervention, and inter-sector exchange of resources, knowledge and identification of entrepreneurial opportunities for social change.

### RECOMMENDATIONS

Informed by the extant literature, the current field data, and the experiential knowledge of the researchers, the paper recommends for the promotion and support of social investment in all sectors of socio-economic development, since the future of social enterprise is promising. The social work practitioners strategically and continuously should identify the potential risks that undermine the sustainability of communities and collaboratively turn them into social ventures. Through this practice, social ills would be minimised and social entrepreneurship bolstered.

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