

SOCIAL ENTREPRENEURSHIP IN SOUTH AFRICA

Between a rock and a hard place. You know the idiom, right? It's not a space that anyone would want to be in; it's not a space where anything can easily grow. Yet it's a space (and a dilemma) that many a social entrepreneur has had to experience. Here's how to get out of the tight spot and start to see the fruits of your labour.

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It's an all-too-common story: social entrepreneurs (SEs) are turned away from philanthropic funds because their ideas are "too business-like". Then, when SEs approach traditional investors, they're told their enterprises are too focused on social purpose. Furthermore, traditional business incubators don't always understand the importance of a social mission and therefore can't help them with the vital intelligence. So, who do they turn to?

One approach is to stay plugged into global thinking. Follow the successes of social entrepreneurs in developing countries such as Africa and India, and study how they create sustainable solutions to issues in their communities. In fact, governments in the USA, UK, Australia, Senegal, Colombia and India have all done a great deal to help SEs in their countries succeed. The South African government has noted this trend but has not yet harnessed it. One encouraging exception is the Western Cape Government, currently in the final stages of developing a Social Entrepreneurship Strategy for the province.

In South Africa, there is a big push from the grassroots up. Dr François Bonnici, director of the Bertha Centre for Social Innovation and Entrepreneurship, believes that, "social entrepreneurship resonates with the rich history of social activism in South Africa." Other than their grassroots orientation, SEs tend to also share personal traits of being creative, bold, persistent, ambitious,

passionate and are found in every possible innovative sphere – in the non-profit sector, private sector and public sector alike.

So, how many of us are there? The Global Entrepreneurship Monitor, which surveyed 150 000 adults across 49 countries in 2009, suggests that 2.3% of the working population in South Africa is made up of social entrepreneurs. Not much, right? Yet this is almost on par with the global average of 2.8%. Although the survey used a broad definition of social entrepreneurship, including staff from non-profit organisations, it nevertheless shows the relative growth of social entrepreneurship in South Africa.

Pat Pillai, former TV news reader and head of LifeCo UnLtd, confirms that South Africa is seeing a massive growth in what he calls "impact entrepreneurship" (social entrepreneurship based on solid business principles). He says that, "strong South African social entrepreneurs are born of loss, lack, opportunity and abundance – all at once. It's the contradictions of an unequal society and first-third world anomaly that makes them see challenges and markets differently."

So, stake your claim: the growth of social entrepreneurship is justified by the range of social problems confronting South Africa – including poverty, an unemployment rate of 25.5% and the presence of various vulnerable groups



of people. It needs to be approached like the Occupy movement. You need to Occupy the social ills. Bold and positive actions have positive ricochet effects.

The formal recognition of our sector is also being reflected by universities. The Gordon Institute for Business Science runs a year-long certificate in social entrepreneurship. It also runs the Network for Social Entrepreneurs (NSE). Other academic institutions such as Stellenbosch University and the University of Cape Town have also designed programmes and networks to support SEs.

When it comes to funding, SEs are now tapping into the crowdfunding movement and have realised the value of local platforms such as Thundafund and BackaBuddy as an alternative to donor or impact investment funding.

The measurement of impact is also high on the SE agenda. Whereas a normal business might measure activities and outputs, the social entrepreneurship sector is starting to measure outcomes and impact. For example, Biblionef, a social enterprise that provides children with fiction books in 11 languages, has recently convened a series of workshops with other literacy organisations (pooling resources is always a good idea) in order to identify shared impact indicators to report on. The Global Impact Investment Network has developed catalogues of impact indicators (e.g. IRIS). There are also attempts

to quantify social outcomes in monetary terms (e.g. SROI). Fortunately, organisations such as Greater Capital are there to help SEs report on their social impact. Building networks, however, is still best done by the SE directly. Siswe Nzima is an example of a social entrepreneur with great networking skills. His success with Iyeza Express, a bicycle service that collects and delivers chronic medication from public health facilities to patients, can be partially attributed to the networks he's been able to create via the Bertha Centre, Raymond Ackerman Academy, LifeCo UnLtd and the SAB Foundation.

In conclusion, Pat Pillai of LifeCo UnLtd puts it well: "The future of social entrepreneurship in South Africa is encouraging. That middle space between classic capitalism and grant-based NGOs is the realm of social entrepreneurs – and the demand for social entrepreneurs exceeds the supply right now. Our challenge lies in finding many more great social entrepreneurs." In other words, your country needs you, and one day it will thank you for the boost in growth.

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