

# Chapter 16

## A Discussion on Social Entrepreneurship in South Africa:

### A Look at Why Social Entrepreneurship Offers Opportunity to Strengthen Civil Society and Fast Track Socio-Economic Development in South Africa

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#### **ABSTRACT**

*This chapter explores the literature on social entrepreneurship and civil society in South Africa, with a brief look on the country context and the need to fast track socio-economic change. It presents weaknesses in the current ability of civil society to function well and argues that social entrepreneurship offers opportunity to strengthen traditional methods of delivering social value, whilst introducing new approaches. The chapter provides brief insights on where social entrepreneurs require greater support to be effective and looks at where there are quick wins to enable them to thrive.*

#### **INTRODUCTION**

This chapter collates both practitioner and academic writing on social entrepreneurship to present a broad perspective on what social entrepreneurship looks like in the South African environment. The local environment for social entrepreneurship and more broadly, civil society is under researched and the aim is to present a spectrum of views to anchor a discussion on the value of social entrepreneurship and how the approach can be better supported. The chapter aims to:

- Present discussions on what social entrepreneurship is in South Africa

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## ***A Discussion on Social Entrepreneurship in South Africa***

- Highlights why it is considered a model to accelerate socio-economic change in South Africa by discussing both the country context and a self-declared crisis in civil society
- Discuss recent insights into the major learning areas identified by students of the GIBS Social Entrepreneurship Programme (SEP), and present views on where social entrepreneurs can be supported to strengthen and grow their work.
- Argue for social entrepreneurship as a framework to connect the disconnected sectors of business, government and civil society in the neo-liberal system.

## **A BACKGROUND TO SOCIAL ENTREPRENEURSHIP IN SOUTH AFRICA – A VIRTUOUS CIRCLE?**

Social entrepreneurs are people who develop innovative solutions to social problems and in doing so, challenge traditional models of delivering social services (“What is a social entrepreneur,” 2014). Santos (2012) describes social entrepreneurs as providing sustainable solutions to neglected problems, whilst Dees (2001) finds that social entrepreneurs are able to blend a passion for social change with a “business-like determination” (p.1) which enables them to play the role of social change-agents. Steinman (2010) quotes Drayton’s definition of social entrepreneurs as individuals who are able to provide unique solutions to social problems by creating replicable and sustainable business models that have high social impact. They are people who operate across business, government and civil society, and create new social value by harnessing innovation with an entrepreneurial mindset (Steinman, 2008, 2010).

Visser (2011) and Fury (2010) separately agree that it is in this combination of business efficiency, coupled with a dedication to social change that the potential lies to improve South Africa’s socio-economic context. Fury (2010) writes of a “virtuous circle” (p.1) between enterprise and socio-economic development that is created because of social entrepreneurship, which delivers both organisational sustainability and high impact social services. This seems to be an expansion of the ‘virtuous circle’ that Archer, quoted in Lewis (2002) argues exists in the neo-liberal system between business, government and civil society, a concept which is discussed later.

Visser (2011) suggests that the South African environment and its triple challenges of inequality, unemployment and slow economic growth is conducive to the model of social entrepreneurship, but finds much needs to be done to improve the eco-system if social entrepreneurs are to thrive.

## **A Brief Outline of the Socio-Economic Context in South Africa**

South Africa’s social and economic challenges are well documented and are only briefly outlined here. The country has one of the world’s highest unemployment rates at approximately 25% of the 50 million-plus population, as shown in Figure 1. Compounding the impact of this figure is a rising generation of young people where 52% of those aged between 15-24 are not in employment (Statistics South Africa, 2014; The World Bank, 2014c). According to Kumo, Omilala and Minsat (2015) this youth-bubble demographic and its access to employment poses the biggest opportunity and threat to South Africa’s social stability.

South Africa holds an unenviable position in the top ranks of the income-equality measuring Gini Index, holding a position of 65, where 100 is considered unequal (The World Bank, 2014b). Aggravating this figure is slow economic growth as the country continues to underperform on the Human Develop-

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