

Exploring the role of social entrepreneurship in the economic development of the North West province, South Africa

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Mini-dissertation accepted in partial fulfilment of the requirements for the degree [Master of Business Administration](#) at the North-West University

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Graduation: June 2023

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ABSTRACT

Social entrepreneurship has become a popular topic of interest across the world. Social enterprises are different from traditional enterprises because they can create products and services to benefit society and create opportunities for the less fortunate. However, social entrepreneurship in South Africa is still in its infancy by scope, support, and size. Research on social entrepreneurship is relatively sparse in a country facing chronic unemployment, short of skills and education, and a mixed economy.

The primary objective of this study is to explore and describe social entrepreneurship in the North West province of South Africa. The study has five secondary objectives to achieve the primary objective. The literature review in Chapter 2 assisted the researcher in collecting information on the study of social entrepreneurship. The information gathered from the literature review was used to structure the interview questions of the empirical study.

The study pursued a qualitative research method with a descriptive research strategy. Semi-structured interviews were used to gather information from eight social entrepreneurs in the North West province; Klerksdorp, Mafikeng, Lichtenburg, and Rustenburg.

Thematic data analysis in ethnography was used to assist the researcher in identifying trends and themes in the cultural setting. Twelve themes were identified: three themes and nine sub-themes. At the end of the study, the researcher also made recommendations for future contributions to literature from an African perspective and to social entrepreneurship practice that can help to build-up on this study.

Keywords: *Social Entrepreneurship, Economy Growth, Community Development, South Africa.*

ACKNOWLEDGEMENTS

This academic work is dedicated to my late parents, Diale and Seihloiso Manoto.

To God be the Glory. Thank you, Almighty, for the opportunity and resources bestowed upon me to pursue my MBA studies.

My beautiful mother, Seihloiso, you supported me at the beginning of this MBA journey. Your true exemplary of sacrificial love has provided me with strength and resilience thus far. Thank you for everything.

My dad Diale, you would have been proud of all my achievements, especially pursuing a master's degree, because this is how you envisioned me. I will forever be grateful for every effort made by you and mom to ensure that I succeed in life.

My beautiful children, Masechaba and Anele. You are both my favourite all-time cheerleaders and inspiration to achieve greater heights. Thank you for your understanding and patience. Your existence is another reason to embark on this journey. I love you both deeply.

Professor Stephan van der Merwe, thank you for the support and guidance you have provided me. You have pushed me beyond my limits to achieve this work and allowed me to drink from your well of wisdom during the duration of my studies.

Finally, special thanks to all the remarkable social entrepreneurs who participated in this study. This study was made possible by your significant contributions. After every interview, I was inspired by your passion, energy, and determination to change socio-economic issues in communities.

Tshegofatso Manoto

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LIST OF ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
DTI	Department of Trade and Industry
GDP	Gross Domestic Product
IDC	Industrial Development Cooperation
NGO	Non-government organisation
NW	North West
NWDC	North West Development Corporation
NWPG	North West Provincial Government
POPI	Protection of Personal Information Act
SA	South Africa
SE	Social Entrepreneur
SEDA	Small Enterprise Development Agency
SMME	Small and Medium Enterprises
UK	United Kingdom
USA	United States of America

CHAPTER 1: NATURE AND SCOPE OF THE STUDY

“The greatest good you can do for another is not just share your riches, but to reveal to him his own.” Benjamin Disraeli

1.1 INTRODUCTION

Social entrepreneurship has been viewed for over four decades as a managerial practice to enhance social wealth through innovation and pattern-breaking solutions to social problems (Bacq *et al.*, 2017). Since the emergence of social entrepreneurship in 1970, the business practice has gained recognition in multi-dimensional academic research (Bacq *et al.*, 2017). The evolution of social entrepreneurship from 2000 to 2010 saw an influx of non-profit enterprises, the emergence of for-profit social enterprises, and advanced academic research in the field (Bacq *et al.*, 2017).

The Global Entrepreneurship Monitor (GEM, 2019) describes social entrepreneurship as process or approach as individuals who start a business or activity with a social or community objective mindset. Social enterprises create opportunities for individuals in society to be self-empowered by engaging in social activities that generate income (Moses & Olokundun, 2015:158). There are four types of social entrepreneurship: For-profit, Non-profit, Sustainable, Community based, and Cooperative (Portales, 2019:85).

This study explores social entrepreneurship's role in the economic development of the North-West province, South Africa. The research seeks to identify whether social entrepreneurship contributes significantly to the provincial economic growth strategies to reduce unemployment and eradicate poverty. Social entrepreneurship is a solution to economic revolution and a vehicle to drive change in communities' lives by creating job opportunities (Gandi & Raina, 2018:23). This social enterprise is noted for its impact in adding value by addressing social issues and challenges. According to Gandi (2018:28), the substantial rise of social entrepreneurs is the societal pressure enforced on individuals to contribute positively to society but also become directed to generating revenues and profits for long-term sustainability and business growth.

This chapter begins with the background of the study to be investigated, an explanation of why this study was conducted, and definitions of the key concepts. This chapter includes research objectives, scope of the study, problems to be investigated, and the research methodology. The final part of this chapter provides a framework from the study layout and its limitations.

1.2 BACKGROUND TO THE STUDY

There is inadequate research on social entrepreneurship in South Africa (Myres, 2018). Not much is known about social entrepreneurship, consequently resulting in weakened efforts to help social enterprises become profitable, business-oriented, and succeed long-term. Manyaka (2015:5) suggests that entrepreneurship should be an economic engine in our African continent, especially in South Africa, because social entrepreneurship can create wealth and employment opportunities for economically subjugated individuals. The author added that current problems experienced in the social entrepreneurship sector are due to a need for more comprehension of the subject.

Urban and Teise (2015:350) define social entrepreneurship as a process that creates value chains through a blend of resources to take advantage of opportunities that create social value. Rametse and Shar (2013) acknowledge that the subject is often misconstrued and viewed only as NGOs funded by donations and are not profit-orientated. As a result, they have remained unsuccessful in eradicating poverty. Social entrepreneurs are business-oriented people who also work to address local issues in community spaces (Urban & Teise, 2015:350). Social entrepreneurs strive to improve living conditions and environmental issues for vulnerable communities by using innovative and experimental ways of doing business to address social inequality and poverty by striking a balance for unfulfilled social needs (Milanovic, 2011:52). Social entrepreneurship forms an integral fragment of a social economy. A social economy in South Africa needs to demonstrate a real-driven economy that improves the quality of life (Hashim, 2016:85).

Social enterprises have the potential to unlock economic transformation and growth inclusion in South Africa to advance economic and social cohesion and equality for all (Lekhanya, 2015:67). South Africa is a developing country and a proficient emerging market economy. More work must be done to get to the standards of economically strong countries such as the USA, the UK, Russia, and Korea. Since 1994, SA has seen a substantial transformation, a decline in poverty levels, and a sharp upsurge in income disproportions (Lekhanya, 2015:67). The economic growth grew with an average growth of 3.3% from 1994 to 2013. South Africa, in June 2022, had an estimated population of 60.6 million, GDP grew by 1,9% in the first quarter of 2022, following an increase of 1,4% in the fourth quarter of 2021. The unemployment rate was still high in the second quarter of 2022 by 33,9% (Statistics South Africa, 2022b). Unemployment disturbs the country's efforts to reduce poverty levels, economic emancipation, and inequality.

Statistics South Africa (2019a) recorded that the youth occupy a third of the population, estimated at 17.8 million. Many struggles to find employment or start social entrepreneurial ventures because of a lack of education, skills shortage, motivation, and access to funding. As claimed by Urban (2018:336), a survey of university students established that motivation, passion, and drive are essential first steps in encouraging social entrepreneurship. The drivers of social entrepreneurship are people with the intention and passion for setting up social business ventures.

Social entrepreneurs are business-oriented people seeking to address local issues or needs in community spaces. They strive to improve living conditions and environmental issues in vulnerable communities by using innovative and experimental ways of doing business and addressing social challenges faced by society. Social entrepreneurship addresses social inequality and poverty by balancing unmet needs (Herrington & Kew, 2015:236).

Hashim *et al.* (2016:161) refer to social entrepreneurship as a business enterprise aimed to boost a country's economy by creating jobs, innovative market, trade systems, poverty eradication, and social trade and investments. Hashim *et al.* (2016:163) also view social entrepreneurship as an integral part of the social economy that portrays an economic reality. Social entrepreneurship has created a significant

potential to unlock economic transformation and growth inclusion in South Africa and pushes for economic and social cohesion and equality.

1.3 DEFINITIONS OF CORE CONCEPTS

An **entrepreneur** is a person who identifies and evaluates an opportunity, gathers resources, and takes the risk to exploit the opportunity to address socio-economic issues with a reward of profit or self-fulfilment and meet customers' needs (Bula, 2012:2).

A **business enterprise** is a commercial term used to describe a venture for gain. The financial results measure a business enterprise as the owners' economic gain or profit (Urban & Kujinga, 2017:243). The concept means a firm, corporation, company, or other business entity. The business enterprise is formed to maximise the wealth of its owners.

Bacq and Janssen (2017:376) define **social entrepreneurship** as identifying, evaluating, and exploiting opportunities for social value creation through commercial market-based activities and using a wide range of resources.

A **social entrepreneur** is a visionary individual who makes social entrepreneurial efforts to promote community improvement and transformation (Swedberg, 2019:99).

Entrepreneurship is a process that creates new business ideas from the emergence and growth of new businesses. In the process, entrepreneurs create value for themselves and society (Nieman, 2019:9).

Community development is a practice where, in a living area, members decide to collaborate to generate solutions to common problems (Dhesi, 2015:703).

1.4 PROBLEM STATEMENT

According to Lekhanya (2015:67), social entrepreneurship can be used as a strategic instrument to build social cohesion. Despite the motivation and intention of social entrepreneurship to enable growth and change in the economic index, the impact of social entrepreneurship on community development remains unknown, confusing, and negatively perceived by society. Limited awareness of the effects of social entrepreneurship makes it difficult for social innovators to contribute to developing projects, improve community cohesion, gain community support, and create business organisations (Ipangui, 2017:235).

Social enterprises create a platform for new business opportunities like any other business enterprise (Lazear, 2015:649). Urban (2018:347) indicated that South Africa is facing problems in addressing the needs of communities by reducing unemployment, inequality, and poverty. The author suggests that many social enterprises are ineffective, unresponsive, and inefficient in creating employment opportunities and alleviating poverty (Urban, 2018:347). Social entrepreneurs constantly need support from government agencies and corporate sectors to help them grow and remain sustainable. The government needs to partner with social entrepreneurs in fixing social issues faced by communities. Social entrepreneurs cannot solve large-scale problems without collaborating with key institutions to address social-economic issues (Hoogendoorn, 2020:38).

Innovation is the fundamental characteristic of entrepreneurship. Although entrepreneurship is not only a solution that eradicates the social challenges, non-profit organisations also have the capacity and potential to move the community into innovative ways of thinking and doing things (Block *et al.*, 2017:61).

Diversification and complexities of social values provide lessons for great business opportunities that bring change to communities (Phillips *et al.*, 2015:11). Innovative individuals are on a mission to solve community problems and challenges. Yet, they want to be compensated for the innovative solutions they provide and subsequently generate profits that unlocks financial viability at financial institutions for further funding and reinvestment in the business (Block *et al.*, 2017:62). Furthermore, encouraging

and supporting social entrepreneurs with the same determination and creativity as commercial entrepreneurs, is the most promising strategy for improving and achieving social problems.

1.5 RESEARCH OBJECTIVES

1.5.1 Primary objective

The primary objective of this study is to explore and describe social entrepreneurship in the North West province to identify the challenges and opportunities faced by social entrepreneurs managing their businesses and challenges to improve community members' living and economic conditions. The study has five secondary objectives to achieve the primary objective.

1.5.2 Secondary objectives

To achieve the primary objectives, the following secondary purposes of this research need to be addressed:

- To establish the driving forces or motivation factors to become a social entrepreneur and the importance of social entrepreneurship in communities.
- To obtain insight into sectoral challenges and identify significant challenges experienced by social entrepreneurs.
- To explore how social entrepreneurs accelerate inclusive economic growth in the community and NW province.
- To explore and identify the impact of social entrepreneurship in the community.
- To conclude, suggest practical recommendations on overcoming social entrepreneurs' challenges and exploiting more opportunities in the community.

1.6 THE SCOPE OF THE STUDY/DELIMITATIONS

1.6.1 Field of the study

The field of study falls under the discipline of entrepreneurship, with a particular focus on social entrepreneurship.

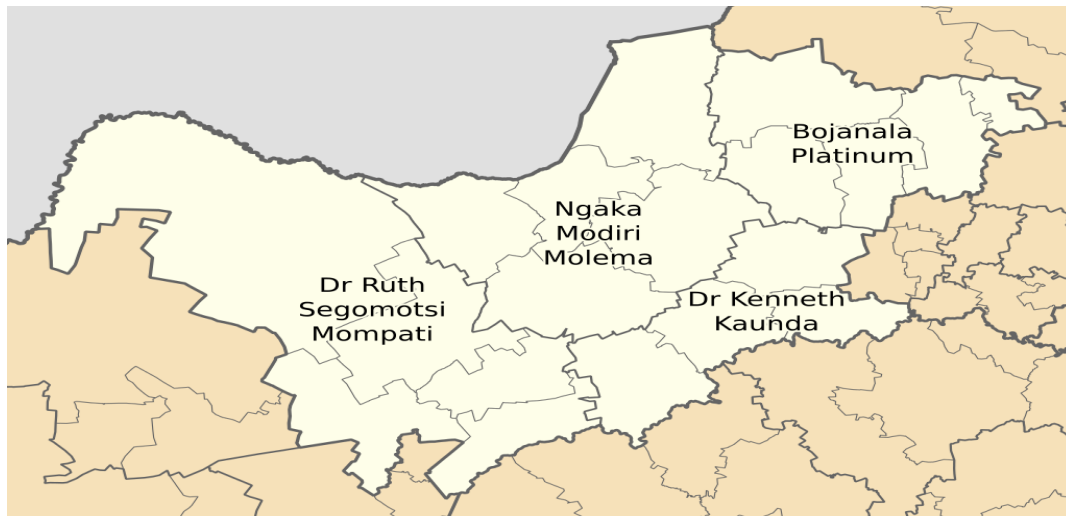
1.6.2 Business and sector under investigation

This study explores social entrepreneurship, focusing on its role in addressing social challenges faced by communities and improving economic conditions around North West province. Social entrepreneurship refers to business and organisational initiatives that seek to create new economic value while solving social challenges such as job creation, poverty, economic inequality, and education (Temple, 2018:19).

1.6.3 Geographical demarcation

The study is limited to social entrepreneurs in the North West, South Africa. The pillar of the economy in NW Province is mining, agriculture, and tourism, generating more than half of the province's Gross Domestic Product. The region's economic heart is Klerksdorp, Potchefstroom, and Rustenburg, which contribute to the provincial economy, where 85% of all the money-making activities occur. The province is divided into four district municipalities, as shown in figure 1.1 below. The capital of the NW province is Mahikeng. The province is located to the west of the major population center of Gauteng. It is also located next to Botswana.

Figure1.1: NW Province districts and local municipalities

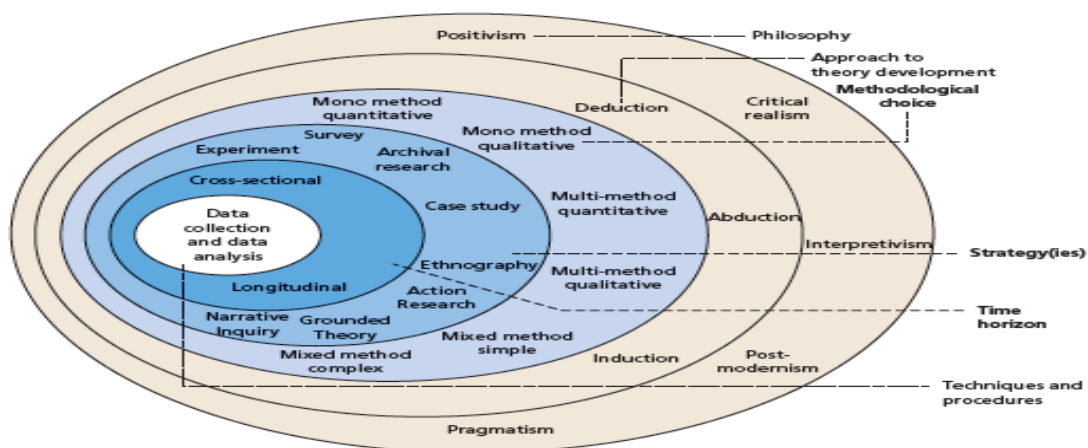


Source: Wikipedia

1.7 RESEARCH DESIGN AND METHODOLOGY

The research is conducted in two phases. The first phase comprise of the literature review on social entrepreneurship and associated disciplines, and the second phase consist of empirical research. The research structure aims to achieve answers to the research objective. Saunders *et al.* (2019:130) further refer to the exploration onion as the focal point for researchers to apply when gathering information. Figure 1.2 represents a research onion developed by Saunders *et al.* (2019:130), which describes research methods, techniques, and approaches the researcher followed as a guiding principle for research methodology.

Figure 1.2 Research Onion



Source: Saunders *et al.* (2016:164)

1.7.1 Literature review

Literature review involves a detailed review of research on a topic by gathering data, analysing, and measuring secondary data (Ahmadzai, 2020:17). The researcher aims to explore addition to what is already known about the study. This section identifies gaps in the study and pursues any significant controversies (Bryman *et al.*, 2015:92).

The study exploits information from website articles, reviewed journals and publications, published dissertations, academic textbooks, and internet articles to get broadly exposed to the research field of study. The literature review in this study is used to assist the researcher understand the origin of social entrepreneurship and previous research findings regarding the concept of social entrepreneurship as a tool to create jobs and contribute to the country's economy.

1.7.2 Empirical study

The empirical study is the second phase of the research, where a comparison between variables is presented. The researcher seeks to explain a research paradigm, an interpretive framework that applies to the study. The research design and approach and the motivation for using exploratory and qualitative research approaches will be described. This study attempts to build theory and exploratory as a deeper understating of social entrepreneurship and this follows an exploratory research design and a qualitative research approach. The research population and participants will be specified in detail. Data gathering tools employed is tested for a comprehensive investigation, and lastly, discuss the trustworthiness and ethical consideration of the study.

1.7.2.1 Research paradigm

Saunders *et al.* (2019:40) stated that a research paradigm is a framework of a researcher's thoughts and understanding within which concepts and practices function. The researcher based the assumptions on rational explanations and social

experiences. The research philosophy and paradigm of this study assumed an interpretivism paradigm. The researcher relied on people's understanding of the study or subject from their perceptions and experiences. The research describes objects, occurrences, and participants as individuals and understand the object in a social and human experience. The researcher interacts with participants to comprehend thoughts, meanings, purposes, philosophies, beliefs, and the self-understanding that individuals maintain (Bryman *et al.*, 2014:14).

1.7.2.2 Research approach

According to Saunders *et al.* (2019:152), a research approach enables the researcher to study existing or new research methodologies and use data to make informed data collection and analysis decisions. The degree to which a research study tests the existing theory or constructs new ideas is essential in any research study. The study is a generic inductive approach for qualitative research data analysis as it attempts to build theory. Conforming to Tustin *et al.* (2015:125), qualitative research provides non-numerical information and in-depth analysis. This study employs a general inductive research approach by collecting essential data and drawing generalisable inferences or theories from observations. The researcher collect data to explore the role social entrepreneurs portray in addressing social challenges faced by communities and improving economic conditions around the NW province.

1.7.2.3 Methodological choice

The methodological choice that will be applied in the study is the qualitative method, a form of data collection and data analysis focusing on understanding and emphasis on meaning. Qualitative research involves collecting, analysing, and interpreting data by observing what individuals do and speak (Saunders *et al.*, 2016:53). The author further stated that qualitative research leans on data gained by the research from interviews, questionnaires, observation, focus groups, participant observation, recordings made in natural settings, documents, and objects where the evaluation directs analysis (Saunders *et al.*, 2007:472).

The qualitative research approach is necessary for this study, it allows the researcher to ask probing questions using one-on-one, semi-structured interviews. The study allows the researcher to identify how NW province social entrepreneurs contribute to the economy and describe their social projects and challenges impacting their sustainability.

1.7.2.4 Research strategy

Qualitative research strategy is an unstructured exploratory research approach based on a small sampling scale used to summarise the perceptions and feelings of participating respondents (Ghauri & Gronhaug , 2010:104). The exploratory strategy adopted seeks to gather data already existing in the study by not manipulating the variables involved. A research strategy is a researcher's roadmap, guiding them to answering research questions (Saunders *et al.*, 2019:179). Various factors usually guide a researcher in choosing an appropriate strategy, such as research questions and objectives, the selected research philosophy, the research approach, existing knowledge, time limitations, and access to participants (Saunders *et al.*, 2019:190). This study adopts the qualitative descriptive research strategy.

1.7.2.5 Time horizon

The study is a cross-sectional analysis, that is, an analysis of the causal effects of one independent variable upon a dependent variable at a given point in time (Bryman, 2012:10).

This study adopts a cross-sectional time horizon because the primary data required is quick to collect and conduct due to the limited time and resources available to conclude the research. The study occurs over a short-term period and examine the data received from the study participants at a single moment in time (Bryman *et al.*, 2014:108). The intention is not to repeat the study over time by measuring a specific aspect but to understand the current concept of social entrepreneurship and evaluate its significance. The study provides insights into correlations between variables (Salkind, 2015:314).

1.7.2.6 Study population and sampling

A study population is the entire group of elements the researcher wants to conclude on (Cooper & Schindler 2014:338). In relation to Quinlan (2011:270-213), the study population includes participants chosen for the study who must have knowledge or experience in the researcher's field of interest to give appropriate and relevant data to the study. It is unlikely for a researcher to collect all data on the intended size of the population under investigation due to time constraints (Saunders *et al.*, 2019:292). Researchers typically select a subset of a population that seeks to accurately reflect the characteristics of the larger group of the total population under study. This study is limited to social entrepreneurs operating in NW province whose businesses or initiatives solve social challenges communities face, thus contributing to the province's economic growth and those aged between 18 and 65 years.

Flint and Atkinson (2001:1) use a snowball sampling technique to find research participants. One participant refers and introduces the researcher to the second participant within their networks, and the process continues. A snowball sampling strategy was selected by the researcher as a useful way to reach the desired sample of respondents who possess comparable characteristics and, in turn, identify others (Cooper & Schindler, 2014:360). Most management and organisational researchers advocate using existing contacts to access the desired research sample (Saunders *et al.*, 2019:245)

Inclusion criteria specify the attributes of subjects included in the research study (Connelly, 2020). The inclusion criteria for this study is the following:

- Social entrepreneurs from designated organisations or companies in the NW province
- The organisation or sole entrepreneur must be active, render social services or produce products that benefit the community.
- The organisation or individual must have employed, trained, or rendered a service

- A business with a legal structure (NGO, Non-profit organisation, Profit orientated)
- The organisation or sole entrepreneur must have identified opportunities and brought changes to a community.

Exclusion criteria are not the opposite of inclusion criteria; instead, they specify attributes that exclude an individual from participating in the study (Connelly, 2022:125). The exclusion criteria for this study are as follows:

- Large firms (over 200 employees) with Corporate Social Responsibility programs.
- Social entrepreneurs located outside of NW province.
- Social enterprises/entrepreneurs operating for less than five years.
- Social entrepreneurs and enterprises with no employees.

1.7.2.7 Sample size

Sample size states the number of participants included in a research study, and the sample needs to be large enough to explain and understand the phenomenon to be investigated. The goal of this study, regarding participant sample size, is thus to attain data saturation. Saturation in qualitative research is the criterion to inform the researcher to discontinue further data collection (Saunders *et al.*, 2018:1893). Saunders *et al.* (2018:1894) recommend that data can be collected until it reaches saturation to avoid data redundancy. Therefore, data collection until saturation was reached. The selected research sample consisted of approximately 8 (until saturation) or when gathering new data no longer sparks new insights or reveals new properties. When the categories (or themes) are saturated, the researcher should stop collecting data. Saturation means a sufficient sample size for the researcher (Creswell & Creswell, 2018:301).

1.7.2.8 Sampling technique

Showkat (2017:33) describes that a researcher can choose a delegate group from the population under a study by assigning selection probabilities with each draw.

According to Showkat (2017:34), the two sampling techniques researchers can use are a probability or non-probability sample. Accuracy on the results depend on how the sample was chosen (Kapur ,2018). Factors to consider when determining a sample are a sampling unit, sample size, budgetary constraint, and sampling procedure.

Therefore, a researcher used a non-probability sampling strategy as an all-inclusive sample. Bryman *et al.* (2014:180) suggested that non-probability sampling is used when all-inclusive sample frames are not readily available. A non-probability sampling strategy is random and subjective, meaning that the researcher selected a sample based on access and convenience.

The researcher complied with the new Protection of Personal Information Act (POPI Act) to access and manage participants' personal information. The act is strictly adhering to accountability from the person collecting an individual's personal information (section 8), processing limitations (section 9-12) which require lawfulness of processing, minimality, consent, justification and objection, and finally, direct collection from data subjects (POPIA, 2019). Furthermore, section 13 and 14 of the POPI act requires purpose specification, which involves collecting personal information for a specific purpose and retaining restricting records (POPIA, 2019). The act imposes further processing limitations, information quality, openness, security safeguards, and data subject participation (POPIA, 2019). This means that the person identifying the potential participants should get their consent before forwarding their contact details to the researcher. The originator should give the researcher's contact details to the prospective participants to initiate the contact. This ensured that the POPI Act is not violated.

1.7.2.9 Research measuring instrument

Researchers commonly use data collection instruments in qualitative studies, including interviews, focus groups, and observations (Bryman *et al.*, 2014:223). The study was conducted on raw data collected through accounts gathered directly from the participants. The researcher depends entirely on the participants' willingness to share their knowledge about the research subject. Semi-structured interviews were used as the measuring tool in this study. Semi-structured interviews have the potential

to get much helpful information, and they may be tailored to the researcher's needs. This approach allows the researcher to gain valuable data on the participant's thoughts, interactions, and feelings toward the subject while still focusing on the research.

1.7.2.10 Data collection

Data collection is referred to by Bryman and Bell (2015:14) as a process of a collaborative approach for gathering primary data to answer research questions to produce original research results. Data collection for this study was collected through interviews. The primary sorts of interviews, according to Shaffer (2013:9):

- Group interviews
- Telephone interviews
- Online interviews
- One-on-one interviews

One-on-one interviews allowed the researcher sits down with each participant and conducts an in-depth face-to-face interview (Quinlan, 2011:289). The researcher used one-on-one interviews with chosen social entrepreneurs to obtain data. The interview questions are included in Appendix A.

The participants were contacted via personal emails, WhatsApp, and Telephone calls to arrange a convenient interview time that may take place via online platforms such as Zoom or Teams. The interviews were carefully administered and were held on online platforms or face-to-face, participants were interviewed from the comfort of their homes or offices. According to Bryman *et al.* (2015:227), the advantage of this environment is that the interviewee feels at ease in their familiar surroundings, which helps them be more involved in the interviews.

During the interview, the researcher firstly introduced herself, express her gratitude to the participants for participating in the discussion, explain the study's purpose, and ask permission to record and take notes. The interviews were recorded using high-quality digital recording equipment. The researcher reminded the participants that participation in the study is optional, and they can opt-out anytime. Participants were

notified that the information obtained during the interview was private and used solely for this study and that their identities were safeguarded (Bryman *et al.*, 2015:127).

1.7.2.11 Data analysis

Data analysis is the method of transforming data into meaningful information that, in turn, allows for making interpretations of a phenomenon (Ghauri & Gronhaug, 2010:152). Zikmund and Babin (2012:502) further state that when a researcher reports on the demographic profile of a sample, a descriptive analysis must be used to enable the researcher to summarise raw data collected in a manner that defines the basic features of that data.

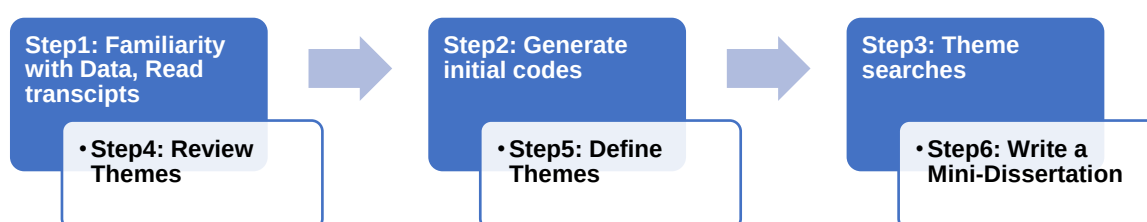
In the case of a qualitative approach, the researcher uses coding, which refers to labelling every unit of data within a transcript (Saunders *et al.*, 2019:653). Interviews were recorded with a digital voice recorder and converted into a printed format only after the participant has signed a written consent document (Bryman *et al.*, 2014:336). Because of the study's qualitative character, the researcher paid no attention to the speaking or expressive behaviour method. The researcher also removed extra grammatical performance from transcriptions (Bryman *et al.*, 2014:341).

The thematic analysis approach allowed the researcher to make sense of the information by moving data from place to place to recognise developing topics from the data. Thematic data analysis in ethnography distilled how things work and named the essential features in themes in the cultural setting. Furthermore, consistent with the process of describing and developing themes from data, the ethnographer segments the text, codes them, and formulates a small set of non-overlapping pieces. However, in an ethnography study, these themes mapped the shared patterns of behaviour, thinking, or talking. After description and analysis, it followed interpretation. The ethnographer further drew inferences and formed conclusions about the learnings in interpretation.

Identifying themes entails searching and noticing relationships in the codes created in the coding process to minimise and focus only on those relevant themes to answer the research question (Saunders *et al.*, 2019:657). The researcher related both the narrative and the themes to a large portrait of knowledge, which often reflect some

combination of the researcher making a personal assessment, returning to the literature on the cultural subject, and raising further questions based on the data. The researcher carefully chose interview questions to obtain information on the research and achieve the study's objectives. The researcher used a six-phase lead for analysis by Bryman *et al.* (2014:351) to amend the themes as necessary and test apparent propositions to eliminate personal bias.

Figure 1.3: Six-phase lead



Source: Bryman *et al.* (2014:351)

This study used software tools to help the researcher in coding. Qualitative data analysis software can review transcripts in bulk, saving the valuable researcher time during the data analysis process.

1.7.2.12 Trustworthiness

In qualitative research, trustworthiness enriches the understanding and interpretation of research findings and allows others to have confidence in the quality of an investigation (Daniel, 2018:265). Trustworthiness comprises four criteria: credibility, transferability, dependability, and confirmability (Bryman *et al.*, 2014:44). Qualitative validity implies that the researcher investigates the accuracy of the results by applying specific processes (Creswell, 2014:201). In qualitative studies, research validity is how the research parts assess the study subject, and research validity can increase the study's confirmability, transferability, and credibility (Leung, 2015:326).

Rose and Johnson (2020:2) indicated that qualitative researchers have endeavoured to improve trustworthiness via validity and reliability in several ways, concentrating on concerns such as credibility, transferability, dependability, and confirmability backed

by evidence. Credibility ensures that research is done in good practice standards and that participants verify findings (Bryman *et al.*, 2014:44). The researcher must follow prescribed academic guidelines for conducting a qualitative study and share findings with respondents to verify accuracy before finalisation. In qualitative research, transferability refers to the application of study findings by others in comparative contexts. Therefore, the reader should assess the transferability of qualitative research to evaluate whether the results can be applied to the reader's context (Tai & Ajjawi, 2016:180).

According to Bryman *et al.* (2015:44-45), trustworthiness consists of four criterias:

Credibility: The researcher submitted the findings to the participants to validate whether the researcher has interpreted the results correctly. If there were additions that the participants wanted to add, they were counted. Credibility is also known as respondent validation (Bryman *et al.*, 2015:44).

Transferability: Transferability ensured a transfer of the results of a study to another context; by doing so effectively, the readers needed to read in more depth the original research to compare the similarities to their cases (Bryman *et al.*, 2015:44). Transferability was achieved by reaching saturation of the main themes by the sixth interview.

Dependability: To achieve reliability, researchers ensured that the research process is logical, traceable, and documented. A research study may demonstrate trustworthiness for its approach to be audited (Bryman *et al.*, 2014:45).

Confirmability is proven when the researcher achieves credibility, transferability, and dependability. It is a measure that the researcher's interpretations and findings were derived strictly from the data collected and allowed no personal values to influence the research (Bryman *et al.*, 2014:45). Confirmability was ensured by consulting the supervisor of the study and an expert on qualitative research.

1.8 ETHICAL CONSIDERATIONS

Ethics are considerations the researcher must apply and adopt as part of how permission was gained to collect data from the participants. The study should not cause harm or compromise the situations of the participants. The researcher should protect the privacy and confidentiality of specific reports. Participants could withdraw at any time. The researcher must respect the decision and not force them to participate. A forceful act was considered intimidation and coercion. Before data collection can be undertaken, the purpose of the study and intention must be communicated. Data collected were validated and confirmed to avoid misleading representations and distortions. Participants must be respected if they wish to remain anonymous or do not want to answer specific questions. The questions were fair, simple, and easy to understand.

The research followed the ethical standards the research academy and management set. The study ensured protection of identities and interests of all participants. North-West University granted permission to conduct the study once the ethics committee approves the ethical clearance. Approval from the various institutions in the study were obtained before conducting the interviews and administering questionnaires and surveys. Participation is voluntary in all rounds.

As illustrated in Appendix C, respective ethical issues concerning this study were considered and observed:

- Right to privacy and confidentiality. Research using secondary data were used when necessary, protecting an individual's confidentiality.
- Use of the findings: The results of this research were used for academic and research purposes only.
- Consent from the respondents were obtained, and privacy was guaranteed, confidentiality and well-being of participants.
- All relevant stakeholders were included and could participate in evaluating the results.

- Undertakings to the Director are that no information was to be made public without all parties consent. Institutions were awarded a prospect to review the research findings before submitting them to the NWU Business School.

The researcher applied for ethical clearance from the North-West University in this study. Each participant were to complete a voluntary informed consent form attached as Annexure B. Main goals aimed to be achieved in ethical research:

- Ensuring that people take part voluntarily in the study
- Making people's comments confidential
- Protection of people from any harm
- And ensuring mutual trust between researchers and the people studied (Silverman, 2014).

In addition to Silverman's ethical goals, the study also aimed to follow the ethical research policy of the NWU.

Beneficence and non-maleficence signify the maximising of benefit and the minimising of harm. The risks of harm posed by the research must be reasonable, considering the predicted benefits.

Distributive justice (equality) is a fair balance of risks and benefits among all role-players involved in the research. It should reflect the principle of equality by no segment of the population being unduly burdened by research harms or denied the benefits of knowledge derived from it.

Respect (dignity and autonomy) for research participants, signifying the opportunity for self-determination about their choices. It recognises the importance of participants' satisfaction, well-being, safety interests, and autonomy.

1.9 CONTRIBUTIONS OF THE STUDY

- **Theoretical contribution:** This study add to the existing literature on social entrepreneurship. The study guides how social entrepreneurs' business

initiatives solve social challenges in the community and contribute to inclusive economic growth in the NW province.

- **Practical contribution:** Social entrepreneurs can use this study to motivate other business enterprises to divert their strategies and be visionaries who try to bring about positive change in society by practically applying their social entrepreneurship ideas and strategies to resolve social problems in society.
- **Industry contribution:** Depending on the outcomes, this study may inspire businesses or individuals to become more innovative and impactful. Furthermore, they can challenge established social systems to address societal challenges better. Innovations always help to boost the economy.

1.10 LIMITATIONS OF THE STUDY

The researcher anticipates that the following limitations can be projected for this research study:

- Geographically, this study is restricted to the NW province. Care should be taken in generalising the findings of this study to all social entrepreneurs. These limitations provided opportunities for future research.
- Some respondents might not truthfully answer the questions.
- The limited time might exclude other social entrepreneurs from the study.
- Limited information is available on social entrepreneurship.

1.11 THE LAYOUT OF THE STUDY

The research study is organised into chapters as follows in Table 1.1

Table 1.1: Proposed Chapter Layout

INTRODUCTION	
Chapter 1	Chapter 1 outlines the introduction to the research study, the problem statement, the primary and secondary objectives of the study, the research design, and the methodology.
LITERATURE REVIEW	
Chapter 2	Chapter 2 presents literature examining critical concepts of social entrepreneurship variables and the background or historical context of the study on social entrepreneurship, define the theoretical framework regarding the title, and assess the role of social entrepreneurship.
RESULTS, DATA ANALYSIS, AND INTERPRETATIONS	
Chapter 3	Chapter 3 illustrates the empirical findings of the study. Results are compared to previous literature. The presentation of data and the results of the survey also be presented and discussed in this chapter.
CONCLUSION, LIMITATIONS, RECOMMENDATIONS, AND FUTURE RESEARCH SUGGESTIONS	
Chapter 4	The final chapter of this study concludes the findings based on the data analyses and practical recommendations based on the empirical research and the literature review. Practical recommendations provided are based on the achievement of the objectives. This section also offer suggestions for further studies in this field.

CHAPTER 2: LITERATURE REVIEW

“We’re not in the business of going to communities and saying, ‘we believe that half the people here are depressed, so we’re here to offer you a solution for depression.’”

Daisy Rosales, CEO, Brio

2.1 INTRODUCTION

The former chapter overviewed the study and identified the research problem. The importance of the study was reviewed, and findings identified from other studies established that further research on social entrepreneurship must be undertaken, both in South Africa and globally. To address this chapter’s primary objective, available in-depth literature on social entrepreneurship is presented and concluded with a summary. This chapter explores the importance of the study research and describe the types, traits, and characteristics of social entrepreneurs.

The literature does not include financial analysis and capital as a measure of social entrepreneurship’s sustainability since it is an obvious requirement and condition of any business. The balance sheet does not measure the success of a social entrepreneur.

2.2 OVERVIEW OF ENTREPRENEURSHIP

The word entrepreneur originates from the French *entreprendre*, which means “to undertake.” In a business context, entrepreneur means starting a business, and anyone who wants to work for themselves is an entrepreneur (Spinelli & Adams, 2021:37).

Entrepreneurship is the process of creating a service or product with value by developing the necessary time and effort, assuming the accompanying financial and social risks, and receiving monetary and personal satisfaction rewards (Frese *et al.*, 2014:15).

Charles *et al.* (2018:451) identify entrepreneurship as a human behaviour with a driving force that requires conclusive competencies such as skills, knowledge, and abilities. The author states that decisions drive the behaviours after identifying, assessing, and exploiting an opportunity. The perspective of entrepreneurship is to create a socio-economic value in uncertain conditions by manifesting value in new products and markets (Doern, 2018:400).

Selden and Fletcher (2015:236) describes entrepreneurs as opportunists who make quick strategies to solve problems, and make efficient judgments. Frese *et al.* (2014:15) associates entrepreneurs as individuals starting a business by promoting innovation and creating employment opportunities to contribute to economic wealth. Therefore, in the context of the study, entrepreneurs explore options, use the resources to exploit the possibilities, and create products and services in exchange for profit (Doern *et al.*, 2019:400). Entrepreneurship involves a process where people, objects, information, capital, and ideas are gathered to create value at a competitive cost. Entrepreneurs need risk-taking behaviour and pro-activeness if they want to impact their communities and economy.

Entrepreneurs are innovators and risk-takers (Spinelli & Adams, 2021:37). They are driven by motivation, strategy, and personal goals. Selden and Fletcher (2015:236) view entrepreneurship as finding opportunities and using them to generate profit. Entrepreneurs must be creative and innovative in solving social challenges. According to Doern *et al.* (2019:400), entrepreneurship contributes to the economy by creating employment and promoting social change.

Starting a business is a critical influence in promoting innovation and creating employment opportunities for people, thus contributing to their geographic region's economic wealth (Frese *et al.*, 2014). Therefore, Selden and Fletcher (2015:236) assume that entrepreneurs explore options, use resources to exploit possibilities, and create products and services in exchange for profit. Entrepreneurship involves a process where people, objects, information, capital, and ideas are gathered to make value at a competitive cost (Frese *et al.*, 2014).

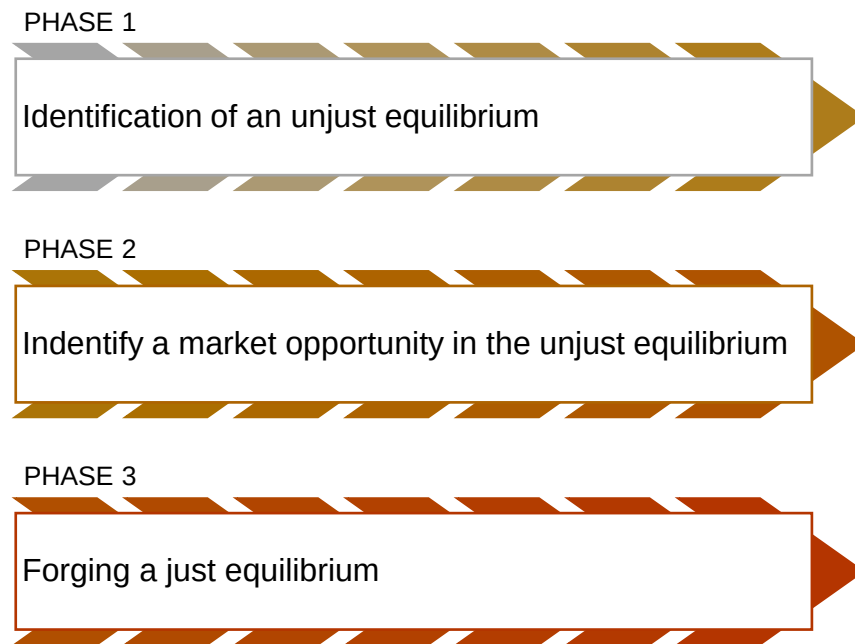
2.3 SOCIAL ENTREPRENEURSHIP

Perrini *et al.* (2010:515) define social entrepreneurship as a business phenomenon with a social purpose to address communities' socioeconomic problems. Perrini *et al.* (2010:515) also states that many scholars and researchers have shown interest by paying attention to the study. Many authors have tried to define and explain what social entrepreneurship is. However, every author puts their own experience and views on how they perceive social entrepreneurship as the subject of study. Choi and Majumdar (2014:5) established that academics and researchers have varied meanings of social entrepreneurship. Social entrepreneurship is viewed differently among individuals, environment, culture, market, and labour (Choi & Majumdar, 2014:5). As a result of different opinions surrounding the definition, Aliaga-Isla and Huybrechts (2018) confirm a deficit of agreement on what defines social entrepreneurship.

Phillips *et al.* (2015:4) describe social entrepreneurship as a field that combines innovative solutions to socioeconomic problems, leading to remedies that bring sustainable social transformation to all affected communities. Haugh and Talwar (2016:644) define social entrepreneurship as a "procedural perspective that extends entrepreneurship beyond the creation of wealth to include the action that brings about the new economic, social, institutional, and cultural environment." Although different meanings and definitions surround the social entrepreneurship topic, social entrepreneurship is a form of enterprise rooted in ensuring equality of resources and services to the people (Haugh & Talwar, 2016:644).

Social entrepreneurs are often viewed as non-profit-orientated businesses because they focus on bringing societal changes to communities. Haugh and Talwar (2016:644) argue that social enterprises can create wealth and yield profits while they aim for social transformation. Manyaka (2015) defines social entrepreneurship as an initiative to identify unfair equilibrium that causes a separation of people from benefiting financially, socially, and politically. Figure 2.1. below illustrates three phases of how the business initiative balances the social equilibrium Manyaka (2015).

Figure 2.1: Phases of business initiatives



Source: Manyaka (2015:7)

From figure 2.1, it is clear that social entrepreneurship is about the identification, exposing marginalisation, exclusion, and disproportions of services that lack the financial means to make impactful community changes. A market opportunity is identified by thinking of creative and inspirational ways to stabilise social challenges by ensuring the community is in a stable environment created by social entrepreneurs.

Social entrepreneurship is active in education, healthcare, human rights, culture, and the environment. Where there is a potential to change lives and bring transformation (Temple 2018:19). According to Kim and Lim (2017:10), social entrepreneurship promotes sustainable local and regional development that contributes to economic value by developing and improving the lives of marginalised people. The socially oriented business can function within or outside the boundaries of non-profit, profit, business, and government sectors (Manyaka, 2015:2).

2.3.1 IMPORTANCE OF SOCIAL ENTREPRENEURSHIP

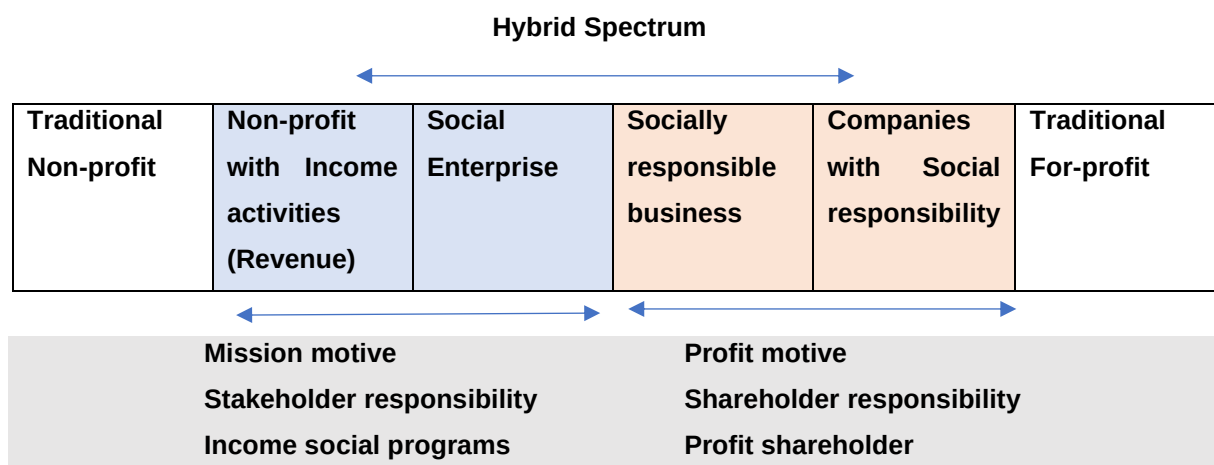
The emergence of social entrepreneurship has brought economic growth, sustainable development, and social cohesion (Bansal *et al.*, 2019:23). Social entrepreneurship

should not be perceived as organisations that only extend a helping hand to beneficiaries; the product and service of a social enterprise should be the social value derived from the perspective of any beneficiary involved in the end process (Bansal *et al.*, 2019:23).

The creation of social value should be the end goal of social entrepreneurs. According to Alter (2006:5), social entrepreneurship as a business venture lies between the public, private and voluntary sectors and is at the borderline between non-profit organisations and for-profit businesses.

Figure 2.2 describes the relationship between traditional business enterprises and social enterprises in a hybrid spectrum that features a typology of social enterprises.

Figure 2.2: Typology of Social Entrepreneurs



Source: Alter (2006:7)

As illustrated in figure 2.2, social entrepreneurs are change agents that combat social problems and create social value. The social enterprise can also operate within a financial discipline of a public or private sector. Thus, social enterprises are essential for the benefit of the following:

- Create employment to alleviate poverty
- Innovation of goods and services that solve challenges faced by the community
- Social capital to reinvest in more social programs

- Promote social equity, regulating the labour market to provide affordable goods and services to the poor

2.3.2 CHARACTERISTICS OF SOCIAL ENTREPRENEURS

Social entrepreneurs start businesses to achieve social goals. Thus, a social goal can be achieved by addressing issues about education, environment, health, and human rights hindering the geographic region's sustainable development progress (Orlando & Ferri, 2018). The social enterprise venture is driven by compassion and having the attitude to pursue a social benefit (Miller *et al.*, 2022:616). Social entrepreneurs are not different from profit-orientated businesses; they all should possess innovative minds, talent, risk-taking, and passion for the end goal.

Brouard and Larivet (2010:352) grouped the characteristics of social entrepreneurship into primary and secondary elements in the table below.

Table 2.1: Characteristics of social entrepreneurship

Primary characteristics of Social Entrepreneurship	Secondary characteristics of Social Entrepreneurship
Represents a variety of activities and processes	Have various degrees of positive social transformation
Wants to create and sustain social value	Take advantage of new opportunities
Encourage more entrepreneurial approaches to social use	Use business concepts, principles, models, and tools
Displays various degrees of innovation and change	Want to resolve social market failures
Constrained by the external environment	Invested the profit in the activity of the venture itself rather than returning to investors
Creating a new business	Creating a new business

Source: Brouard and Larivet (2010:352)

As stated in Table 2.1, social entrepreneurs use creative commercial strategic and innovative approaches to solving challenges constrained by external ecosystems.

2.3.3 SOCIAL ENTREPRENEURSHIP TYPOLOGY

According to Smith *et al.* (2012:142), a significant difference in the type of social entrepreneurship is embedded in the geographic location. The environment where the business operates determine the behaviour of social entrepreneurship. The dynamics identified in geographic areas influence the type of business or social networks on which social entrepreneurship will be rooted (Smith *et al.*, 2012:179).

Smit *et al.* (2012:143) identified three types of social entrepreneurship:

- Social entrepreneurship is driven by first-hand exposure to problems in the community (Hayek, 1945:520). The challenges are usually identified and experienced locally where the entrepreneur lives. The entrepreneur is aware of the problems such as violence, crime, unemployed youth, dilapidated infrastructure, and lack of service delivery. In this local social phenomenon, the motivation for a social entrepreneur is to explore business opportunities and solve problems. The success measure in this type of social entrepreneurship is the value added to the community.
- Social entrepreneurship finds an unbalanced social market and bridges gaps (Kirzner, 1973:62). This entrepreneurial concept is resources driven. The social entrepreneur solves problems such as addressing poverty and scarcity of water and food. They require the capability to address challenges by employing viable problem-solving strategies that will benefit the local community and expand to other geographical regions. Social entrepreneurs need to ensure that their businesses are legitimate and get support from other organisations (Kirzner, 1973:62).
- Social entrepreneurs pursue to put into effect social projects that replace existing organisations' current solutions (Schumpeter, 1942:102). Social entrepreneurs of this type need to ensure their businesses are legitimate to get support from other organisations. This entrepreneurial concept focuses on large-scale problems that are universal. Social entrepreneurs often affiliate with politics and world-recognisable organisations to access capital resources to aid the masses.

Problems are not only solved at a community level; they focus on a system that eradicates barriers on a larger scale. The social venture concept aims to combat diverse problems such as corruption in a system, women empowerment in business, unjust policies, and many others. The solutions are sought to transform the entire system and significantly change the social system.

2.3.4 THE ROLE AND INTENTIONS OF SOCIAL ENTREPRENEURSHIP

The intentions of social entrepreneurship are the persuasion and desire to act on a business that aims to solve social and economic issues (Barki *et al.*, 2015:387). Social entrepreneurship relies on creating social value and significance for the community (Barki *et al.*, 2015:387). The intention is derived from being directed to develop a social value by closing social and economic gaps the government, corporates, and other institutions failed at (Aaltio & Wang, 2017:14).

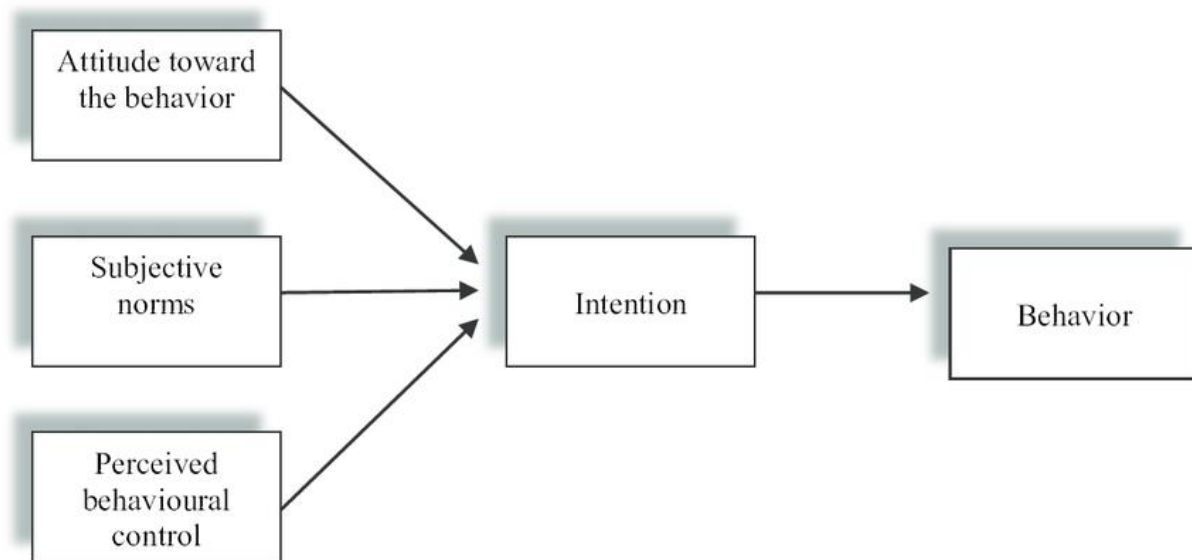
A concern for resolving social conflicts, improper allocation of resources, damage, lack of infrastructure, and environmental maintenance contributes to adopting the business model that provides innovative solutions to complex social problems (Barki *et al.*, 2015:381). Social entrepreneurship is a link between businesses and the government that wants to overcome community problems and develop effective sustainable innovative solutions. Therefore, it can be clarified that a social entrepreneurship intention is an act of practice that drives a person's intention to start a business with a social core, but social entrepreneurial intentions are the possibility of forming the company to spread social change through innovation and open market systems (Prieto, 2010)

An old theory formulated by Ajzen (1988:117) is associated with recent literature and authors referenced above. The approach represents a theory of planned behaviour as a psychological measure of control where intentions and successive behaviours are a function of three primary factors.

- a. **Attitude towards behaviour** refers to one's favourable assessment of a specific action.

- b. **Subjective norm** entails the tension one gets from partners to participate in a specific behaviour.
- c. **Perceived behavioural control** is described as being influenced by either experience or future moments.

Figure 2.3: Ajzen's Theory of Planned Behaviour



Source: Ajzen (1988:182)

Figure 2.3 above illustrates a graphical presentation of Ajzen's model. The theory helps to understand how more people can use social entrepreneurship to improve living conditions, close the unemployment gap, and develop their geographic economies. Santos *et al.* (2016:161) agree that in most cases, human behaviour is pre-planned to create plans to give solutions to society, and those intentions go before such behaviour.

However, Yitshaki and Kropp (2016:32) argue with Ajzen's theory of intentions and planned behaviour. According to the authors, social entrepreneurs are persuaded by passion and eagerness to make a powerful difference in society. Their conduct to be change agents is not a pre-planned behaviour. Siebold *et al.* (2018:22) also suggested that merging social and economic intentions in the quest for development and expansion must be the core mission of social enterprises as they increase their social impact. Social entrepreneurial intentions are essential in the North West province, which has service delivery issues, corruption, and scarce employment opportunities.

The service delivery protests yield in seeing a more dysfunctional economy whose ability to render adequate social services to its population was affected (Urban & Kujinga, 2017:639). The intention and passion must be met with the ability to respond to socio-economic challenges and provide positive changes. Barth *et al.* (2015:219) advise that the aim of social entrepreneurship should also emphasise the creation of income strategies to have a profit motive, use the profit proceeds in a quest to bridge disparity gaps, and meet their social business objectives to remain sustainable and self-sufficient.

2.4 SOCIAL INVOLVEMENT AND STRATEGIES TO BREAK POVERTY TRAPS

Littlewood and Holt (2018:527) describe South Africa as taking a reasonable, appropriate magnitude for understanding the significance of social entrepreneurship in the country. The failure of the government to remain consistent in solving the rising levels of poverty, unemployment, and lack of access to essential services for citizens, sees many ideas of social enterprises appearing to fill disparities (Urban, 2015:640). South Africa is pronounced for its greater poverty levels and unemployment, with youth keeping a high margin rate of 32.6% (Taborda, 2016). The president of South Africa, Mr Ramaphosa in his State of the Nation Address (SONA, 2019), emphasised social entrepreneurship as a tool to alleviate the country's social and economic challenges. Despite the government's desire to improve employment rates and eradicate poverty, the disproportions of income and equality remain a big economic emancipation problem (Urban, 2018:346).

As reported by Small Medium Enterprise (SME, 2022), South Africa's level of entrepreneurship has declined due to poor ratings on government programs, primary education, restricted and inhibiting regulatory environment, and restrictive labour laws. However, in 2019, the International Labour Organisation indicated that more discussions and conversations about social entrepreneurship would gain momentum in a year. Many of these businesses will gain currency in the voicings of the public and private sectors (Herrington *et al.*, 2017). Despite the government's calls for prioritising support for entrepreneurship and its commitment, it remains concerned about what will generate higher levels of sustainable entrepreneurship in South Africa (Herrington

et al., 2017). Post-1994 and democracy, South Africa still faces multifaceted challenges such as socio-economic imbalances, crime, poor health services, education, and poverty (Seekings, 2016:1).

To overcome the challenges, the government must rely on entrepreneurial interventions to develop communities in rural places that are more challenged and underprivileged (Seekings, 2016:1).

2.5 NORTH WEST ECONOMY

NW province has an estimated population of over four million, a 6.9% of South Africa's total population (StatsSA, Quater2:2019). The province is an economic hub and boasts sectors in mining, arts and culture, manufacturing, agriculture, construction, business, and finance services (StatsSA, Quater2:2019). The province is rich in minerals, mining, and agriculture and contributes 32.5% of the economy's GDP (NWPG, 2022). The pillar of NW province is mining which generates more than half of the province's GDP, where minerals commodities such as gold, platinum, diamonds, and uranium are mined at respective places in Orkney, Klerksdorp; Rustenburg, Brits; Lichtenburg, Christiana, and Bloemhof (NWPG, 2022).

The province also boasts many tourist attractions. As reported by StatsSA (Quater2:2019), more than half the population in the province region is unemployed, especially the youth. The employed margins consist of low-income groups. According to Marinescu (2014:10), entrepreneurship can potentially become a tool to develop the economy in the province. World Bank (2017:22) indicated that South Africa has a dual economy where the first economy can be compared to other developed countries. The second economy is characterised by poverty, unemployment, and exclusion (World Bank, 2017:22). These secluded parts of the economy are based in non-urban areas (Urban & Teisse ,2015:36).

NW province includes rural and remote areas, predominantly townships. The remote and rural areas lack proper infrastructure (NWPG, 2022). Informal settlements are found in townships far from SA's economic hubs, such as Johannesburg and other

metropolitan areas. Many people are forced to relocate or travel to cities to look for employment opportunities (Germak & Robinson, 2014:21). According to Herrington *et al.* (2010:8), education can break poverty by encouraging people to position social entrepreneurship as a solution to overcome poverty and unemployment challenges. Awareness and knowledge of a social problem equip one with a better advantage in solving the problem, such as starting a social enterprise business (Germak & Robinson, 2014:21).

2.5.1 INSTRUMENT FOR DEVELOPING THE COMMUNITY

Urban and Teisse (2015:42) view social entrepreneurs as individuals who help disadvantaged communities and thus contribute to uplifting people. Townships have little economic activity; people are labour objects rather than inventors and innovators. Manyaka (2015:10) alleges that products consumed at townships are produced, supplied, and owned by white people. The former NW premier, Supra Mahumapelo mentioned that township residents must work to create products and services they consume (Sopa, 2019). Mr Mahumapelo suggested that townships' small businesses and cooperatives must be converted into local banks, where residents can access banking financial services without strict policy measures and requirements banks typically Forming strategic partnerships with commercial banks, corporates, and other institutions to offer training and development programs for social entrepreneurship may help transform challenged communities into facilities for producing goods and services (Manyaka ,2015:1).

2.5.2 NW PROVINCE ECONOMIC DEVELOPMENT MANDATE

The strategic focus of NW provinces is to generate a practical and sustainable economy by supporting the development of businesses (NWDC, 2015). The economy is revived through promoting trade and investment opportunities. North West's economy is derived from mining, agriculture, tourism, agriculture, and manufacturing sectors (NWDC, 2015). The province is responsible for facilitating sustainable projects that impact job creation and improve community lives. According to NWDC (2015), support can be provided through government stakeholders and agencies such as

(SEDA) Small Enterprise Development Agency and (NYDA) National Youth Development Agency, to name a few. These support institutions also provide funding models, training, development skills, and mentorship to entrepreneurs (SEDA, 2022). The government's focus is to build strategic alliances with companies that invest in Corporate Social Investment (CSI) projects to support and promote social entrepreneurship.

According to the Broad-Based Black Economic Empowerment (B-BBEE) Act, No. 53 of 2003, SA implemented an economic policy mandated to grow, transform the economy, and ensure that wealth is distributed equally to disadvantaged groups to be included in the financial system. The policy aims to redistribute wealth and enhance economic power by addressing Employment Equity (EE), investment, and procurement of previously disadvantaged groups and minorities.

The Broad-Based Black Economic Empowerment (B-BBEE) was founded to increase the number of black people who own, manage, control, and gain employment in the economy of South Africa, as mentioned in the Act No. 53 of 2003. According to the GEM 2018 report, in 2017, South Africans didn't start businesses out of necessity; they did so because of business potential (Herrington & Kew, 2017:44).

The social enterprise sector accounts for 6.7% of all jobs, higher than the yearly percentage growth rate in the country's economy. This analysis indicates that social enterprises employ more in SA (Myres *et al.*, 2017:52).

In 2019, The National Department of Economic Development established a social sector policy to grow the social economy. Table 2.2 indicates the level of contribution social enterprises play in developing the social economy.

Table 2.2: Activities and practices of South Africa's social enterprises

Activity	Percentage
Education and literacy promotion, as well as the development of skills	73%
Assisting young people or women	70%
Quality improvement	67%
Developing communities in which they function	65%
Monitor and assess their impact	41%
Through established internal systems	21%

Source: Lana and Ansulie (2019)

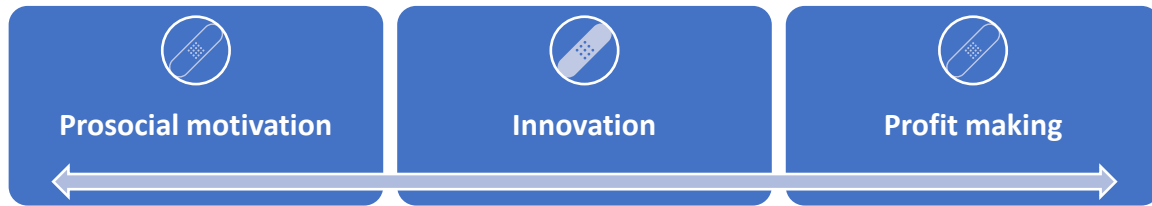
2.6 INNOVATION AND CREATIVITY

To improve the efficiency of social enterprises, social entrepreneurs should pride themselves on being inventive and creative (Lepoutre *et al.*, 2013:693). Lepoutre *et al.* (2013:693) highlight that businesses have benefited from innovation because they operated at cheaper costs than competitors and made more money.

According to Lonescu (2015:53), innovation is essential to social entrepreneurship. Social entrepreneurship businesses lack ownership, resources, and capital control (Urban & Teisse, 2015:36).

Social entrepreneurs depend on their capacity to be inventive and creative to create sustainable solutions for communities (Urban & Teisse, 2015:36). In the opinion of Newbert and Hill (2014:243), social entrepreneurship should be designed in three support structures illustrated in figure 2.4 below.

Figure 2.4: Three pillars of the social entrepreneurship



Source: Newbert and Hill (2014: 260)

- **Prosocial motivation.** Social entrepreneurs' attitudes are embedded when they gain personal well-being from providing social aid to others (Bacq & Alt, 2018:713). They show feelings of caring and positive fulfilment toward helping the community.
- **Innovation.** Social entrepreneurs should have the motivation to innovate new products and services to solve the "market failure" and "government failure" problems (Phillips *et al.*, 2015:428).
- **Profit-making.** Social entrepreneurs should not overrule a desire to profit and generate income as a secondary goal (Drue & Nauta, 2009:913). Social entrepreneurs should incentivise their business operations to fast-track business growth (Wry & York, 2017:437).

According to Sassmannshausen and Volkmann (2018:263), addressing poverty, unemployment, and economic emancipation cannot be solved when resources are scarce. Kim and Lim (2017:1427) indicated that such challenges could be solved by applying a unique thinking approach, especially if people want to solve old and current social problems. Social entrepreneurs are already providing innovative solutions to some parts of the world. They have access to fair markets, distance learning, and low-cost but high-quality healthcare services (Urama & Acheampong, 2013:9). As mentioned by Urama and Acheampong (2013:9), innovative thinking makes it possible to bridge the gaps between scarcity and demand.

According to Kim and Lim (2017:1427), social entrepreneurs are simplified to have the ability to identify and pursue opportunities with the potential to solve community problems. With outsourced resources, social entrepreneurs should succeed in closing

the market gap by providing goods and services necessary for consumers (Aliaga-Isla & Huybrechts, 2018:649). Bacq *et al.* (2016:711) consider a substantial number of social entrepreneurs and social enterprises emerge from poor communities. The level of creativity and innovative solutions are practical responses offered by SEs to problems the government cannot rehabilitate. According to Bacq *et al.* (2016:712), social entrepreneurs often find it challenging to develop a commercial understanding of business for socioeconomic problems. From the research perspective, SEs require intensive skills, education, experience, a sophisticated level of comprehension, and a focus on creating innovative solutions.

2.5 CHALLENGES FACED BY SOCIAL ENTREPRENEURS

A “challenge” relates to circumstances or actions that create a barrier for an individual to progress (Stevenson, 2010:287). According to Horn *et al.* (2009:90), a barrier is an obstacle that prevents growth and success.

In South Africa, social enterprises grew by 23% in 2019; the social economy is a critical contributor to job creation (Lana & Ansulie, 2019). Social entrepreneurship is a revenue-generating business with a twist, and innovation will allow them access to both grants and commercial funds and grow the business’s scale (Stevenson, 2010:287). According to Dacin *et al.* (2010:85), the lack of funding for SE is a significant disadvantage. Access to equity funding, debt, and unrestricted funds is difficult in the early stages of the business (Gordon Institute of Business Science, 2018:26).

According to a survey completed in South Africa by Creative and Social Enterprise in South Africa and Social Enterprises, a large number of social enterprises surveyed made a loss, which was the single largest group compared to those that profited, as seen in figure 2.5.

Figure 2.5: Profit and loss of enterprises in South Africa in 2019.



Source: DICE Social/Impact and Creative enterprise survey (2019)

According to Kickul and Lyons (2012:154), social entrepreneurs require financial investment to secure a future in the economic market. Funders and investors must commit to lending working capital to social entrepreneurs rather than pursuing a guarantee on the return of investments (Kickul & Lyons, 2012:156). Government, incubators, donors, and commercial funders are stakeholders in potentially opening a world of possibilities for social enterprises. To position social entrepreneurs for funding access, they must be able to compete for innovative ideas with other commercial businesses.

Many social businesses were started by previously marginalized community people who lack essential business tools and cost structure (Kritikos, 2014:2). The South African economy is growing slowly. In 2017, the economy was expected to grow at 0.7%, while unemployment has increased by 40% since 1994. Youth unemployment and underemployment have reached a high of 80% (Gordon Institute of Business-GIBS, 2019). Social issues and unemployment has put more pressure on SMMEs with thin profit margins (Dzomonda, 2020:274). According to GEM 2013, the closure rate of small businesses in South Africa is higher than in established entrepreneurship, meaning the system is decreasing. Most of these small businesses are still in the early stages of exploring opportunities with limited income, and lack of financial, managerial, technical, and marketing abilities, which compromise the business success (Herrington & Kew, 2017:236)

Receiving funding is difficult in the early stages of the business (Bandera & Thomas, 2017:142). According to Meyskens *et al.* (2010:661), strategies for scaling up social enterprises are challenging. Social entrepreneurs have external funders who place additional reporting. They do not have onerous reporting. It is an uncoordinated sector; rather than cooperate, they seem to compete and do not have a united voice and, therefore, they battle to influence policies.

An investigation on social enterprises conducted by the Gordon Institute of Business Science (2018) revealed that sales of products or services are ranked high as a source of funds with high revenue. The second highest is government entities, corporate social investment projects, and charity foundations. The report further suggests how money is dispersed into social enterprises. Funding received by social enterprises was used to pay operational costs and improve the stakeholder relationship of existing beneficiaries (Myres *et al.*, 2017:58). An overview of funding sources is seen below in table 2.3.

Table 2.3: Major sources of funding and percentage of revenue obtain

Source of funding	Percentage of Revenue
Corporate social investment	23%
Government entities	31%
Charitable foundations/ membership fees	24%
Sales of products or services	40%

Source: Gordon Institute of Business Science (2018)

Many business owners cannot sustain businesses long-term, and most trade at the level of operability and struggle to scale up. North West province needs game-changers who can create new value chains, companies, jobs, and more. According to SEDA (2018:1), social entrepreneurs have the potential to scale up, and doing so means creating new jobs, reducing poverty margins, improving infrastructure, and more. Gordon Institute of Business Science, 2018, identified other significant common challenges faced by entrepreneurs in table 2.4:

Table 2.4: Social entrepreneurship challenges

Poor infrastructure	The suitable premises and equipment	Lack of research and development
Regulatory conditions	Inability to pay for the right skills	Managing cash flows
Crime in the area	Access to public services	Support and advisory
Shortage of financial skills	Late payments from customers	Shortage of technical skills
Shortage of marketing skills	Lack of demand	Uneducated workforce

Source: Ssesa (2018)

2.5.1 Traditional and innovative funding of social entrepreneurship

Access to funds plays a vital role in mapping the survival of all organizations (Bugg-Levine *et al.*, 2012). Social enterprises depend on a combination of financing sources to fund their activities. Although social enterprises do not solely rely on traditional debt funding, the funding market for social entrepreneurship is highly different. It may create barriers because of regulatory requirements (Diochon & Anderson, 2008:10). Diochon and Anderson (2008:10) highlight that some social enterprises face challenges meeting the criteria to secure funding and are forced to settle for self-finance and donations.

The government has sought to intervene in allocating funds to support social enterprises' involvement in delivering public goods and services (Shaw & Carter, 2007:419). Interest and awareness in funding social enterprises have increased and have attracted other sources of funding from various organisations. However, the lending structure for established social enterprises is expected to include a double bottom-line metric and a revenue-generating performance to keep the enterprise afloat and self-sustainable (Tracey & Phillips, 2007; Moss *et al.*, 2008). Table 2.5 represents potential funders social enterprises can align with.

Table 2.5: Traditional and innovative funding

APPROACH	DESCRIPTION
Government grants	Grants and government donations support social services delivery in communities (Bosma <i>et al.</i> , 2015; Nicholls, 2010).
Loan guarantees	Funding for profit-generating operations on discounted commercial financing while reducing the burden of debt (Beckmann, Zeyen & Krzeminska, 2014).
Equity	Funding that includes an investor ownership stake in the business (Zahra <i>et al.</i> , 2009).
Quasi-equity debt	Funding that allows a social entrepreneur to navigate the regulatory restrictions of equity finance and benefits, aligning repayments with performance (Beckmann <i>et al.</i> , 2014).
Pooling	Structured financing that suits the tailored needs of investors and recipients (Beckmann <i>et al.</i> , 2014).
Social impact bonds	Investors invest in public projects and embrace the risk that returns are only payable on successfully completing these projects (Beckmann <i>et al.</i> , 2014).
Crowdfunding	Individuals contribute varying amounts to a business venture (Kickul & Lyons, 2015).
Debt	Microcredit is for individuals unable to meet the hurdle conditions of traditional institutions (Dey & Steyaert, 2016).
Angel investors	Wealthy individuals set up funds to provide resources to worthy causes and businesses of interest (Bosma, Schott, Terjesen & Kew, 2015).

Source: Adopted from Gordon Institute of Business Science (2018)

2.6 CHAPTER SUMMARY

The chapter revealed that social entrepreneurship can be sustainable and still make a profit if well-managed. The market system and geographic locations are drivers and

motivations of the intention to become a social entrepreneur. The behaviour of social entrepreneurs emanates from situations they are faced with daily. They are persuaded to make a difference and add value by delivering products and services that can improve the quality of life.

Social entrepreneurship is necessary to create employment, reduce poverty, and create fair market opportunities, to mention just a few. The government and other institutions need to work with social entrepreneurs to help solve social challenges in communities. This type of business also needs support, mentoring, and training like different legal types of business. Social entrepreneurs face several adversities, such as funding, unfair policies, lack of education, and other challenges discussed in this chapter.

CHAPTER 3: ANALYSIS OF RESULTS AND DISCUSSION

“If you dare to act on dreams of change, you must find the guts to stand apart while also building the relationships needed to design better systems.”

Jacqueline Novogratz, Founder & CEO, Acumen

3.1 INTRODUCTION

The study aimed to explore the role of social entrepreneurship in the economic development of the North West province, South Africa. Social entrepreneurship is becoming a popular area of research; however, there is limited academic research on the study in South Africa (Manyaka, 2015:5). That influenced the researcher to explore new information, explain the causal and effect relationships between variables, and allow flexibility of data that may be discovered in the process (Snape & Spencer, 2003). The researcher implored a qualitative research design to address the primary and secondary objectives in Chapter one.

The empirical study obtained data through semi-structured interviews with eight social entrepreneurs in North West Province. The researcher presented the findings based on the research questions in Annexure A. The chapter pursued a presentation and description of themes and sub-themes from the interviews. The themes were reviewed in comparison with the literature compiled from Chapter two by comparing the data presented with other similar studies and finding gaps in the literature. The researcher delivered the results and the discussion as they were collected from the eight interviewed participants.

3.2 COLLECTION OF DATA

This study collected data in two forms; a Literature review from Chapter two and semi-structured interviews conducted with the participants. The literature review assisted the researcher in collecting information on the study of social entrepreneurship, intentions, and driving forces, including the challenges related to the study. The

information gathered from the literature review was used to structure interview questions.

3.2.1 SAMPLE SIZE

This study identified eight social enterprises randomly chosen from a list of social enterprises registered with the Northwest department of economic development and through referrals from friends in the business. The researcher chose the sample participants across the regions in Northwest province. Two participants were registered as NPOs, and six were registered as for-profit organisations. The study sampled eight participants in total. The sampled participants were social entrepreneurs from different sectors, including medical and healthcare, manufacturing, recycling, technology, production, microfinance, and welfare social services.

3.2.2 SAMPLE TECHNIQUE

The researcher used purposive sampling to select the eight social entrepreneurs that participated in the study. The researcher incorporated a non-probability sampling strategy as an all-inclusive sample. Bryman *et al.* (2014:180) suggested that non-probability sampling is used when all-inclusive sample frames are not readily available. A non-probability sampling strategy is random and subjective, meaning that the researcher will select a sample based on access and convenience.

The selection criteria of the participants were:

- An owner or a senior representative of a social business because they have more insights about the organisation than junior employees.
- The social business had to operate effectively for over five years since certain parts of the study were about sustainability.
- The social business employed, trained, or rendered a service to the community since the study addressed economic and economy development

- The social business operates on the parameters of North West province, urban or rural areas, so that the research could conduct the interviews conveniently, within the budget, and not travel far to have one-on-one interviews.
- Participants had to be at a legal age to form a business entity.
- The social business had to be legally registered, profit- or non-profit-orientated

3.2.3 INTERVIEWS

Semi-structured interviews were conducted with eight social entrepreneurs in the North West province. The participants were approached telephonically to request permission to participate in the study. When the participants agreed to participate in the interview, a letter of informed consent attached as Annexure B, including the researcher's contact details, was sent before the scheduled interview. Two interviews were conducted over Zoom meetings; three were face-to-face, and the remaining were via WhatsApp video calls. The interviews were estimated to take approximately 45 minutes, but due to the amount of probing, they exceeded with an average of 90 minutes. All interviews were recorded with a smartphone voice recorder for backup purposes in case Zoom and WhatsApp record functions experience audio issues. The researcher posed open-ended questions and probed when unexpected themes came up.

3.2.4 INTERVIEW DESIGN

The interview schedule divided the questions according to themes and sub-themes that will be explained and explored in this chapter, and the example of the interview guide is attached as Annexure A. The interview guide was designed according to the themes, i.e., 1) Closeness to a social problem, 2) Local economic development, and 3) Environment. The full interview guide comprising detailed questions is attached as Annexure A of this mini dissertation.

3.3 DATA ANALYSIS

The researcher followed the thematic analysis approach to make sense of the information by moving data from place to place to recognize developing topics from the data (Bryman *et al.*, 2014:341). Thematic data analysis in ethnography assisted the researcher in identifying trends and themes in the cultural setting. Thomas (2006:237) suggested a six-step lead phase for thematic analysis. The phases are summarised in Table 3.1.

Table 3.1: Six-phase lead

Phase	Process defined
Familiarity with Data, Reading transcripts.	Preparation of raw data needed for transcribing interviews. The process of reading data must be repeated many times over.
Generate initial codes	Develop preliminary code for the data and categorise the codes to make sense of where they fit in the code frame.
Theme searches	Identify themes emerging from the data that support or argue with the literature (Thomas, 2006:240).
Review Themes	To ensure a coherent pattern is formed, refine themes and see if there is a relationship and links to the data extract.
Define Themes	Synthesize the meanings extracted from the data and come up with easily understandable names for the themes (Thomas, 2006:240).
Write Mini-Dissertation	Develop a scholarly report contextualizing the analysis to existing literature (Thomas, 2006:244).

Source: Bryman *et al.* (2014:351)

3.3.1 INTERVIEW TRANSCRIPTIONS

Data collection for this study was collected through interviews. The researcher conducted three one-on-one and five online interviews with the participating social entrepreneurs to obtain data. The interviews were recorded using audio recording devices and Zoom recording functions, and audio was downloaded and transcribed using transcription software and repeatedly rechecked for accuracy. After the first and second interviews, the researcher had to change and rephrase some of the questions because they were vague and not probing enough to extract more data from the

participants. Some questions were complex and had to be simplified so that participants could easily understand them.

3.3.2 CODING

Due to the nature of the study, the researcher used inductive coding to develop new theories from observation and findings (Thomas, 2006:240). The codes were generated based on the data and the participant's responses. After the researcher completes the initial coding, the codes are generated into three themes and nine sub-themes. At the final stage of thematic analysis, the researcher produced a report.

3.3.3 TRUSTWORTHINESS

According to Rose and Johnson (2020:2), qualitative researchers have endeavoured to improve trustworthiness via validity and reliability in several ways, concentrating on credibility, transferability, dependability, and confirmability backed by evidence.

Credibility

The researcher sent the interview guide to participants two days before the interview to familiarise them with the questions and think about the responses. Before the researcher concluded with the interview questions, participants were asked whether they wanted to add additional information. The interviews were transcribed and checked for accuracy before the coding process.

Transferability

Transferability was achieved by reaching saturation of the main themes by the sixth interview. The researcher generalised the study's results to the total population of eight social entrepreneurs. The research repeatedly saw similar instances to the participants' responses; it was empirically confident that the themes were saturated.

Dependability

The researcher ensured that the literature review was logical, traceable, documented, and referred to research material from several countries.

Confirmability

The supervisor of the study was consulted as well as an expert on qualitative research to ensure confirmability.

3.4 STUDY POPULATION

The selection criteria for this study were social entrepreneurs operating around three areas in the Northwest province: Klerksdorp, Mafikeng, and Rustenburg. Since the study is about community and economic development, the researcher preferred social entrepreneurs operating for more than five years over those in the first two years of a start-up phase of the business, which potentially reduced the population size. The researcher first searched online for social enterprises involved in community developments from government publications and databases. The results retrieved from the search did not yield social entrepreneurs who met the criteria, thus limiting the number of participants. The researcher also expanded the search and contacted organisations that work with social entrepreneurs; 10 potentials were identified, and three agreed to participate.

It was challenging to identify social enterprises, and the researcher resorted to using contacts from friends and family who are in business for leads. Another challenge the researcher experienced was that many entrepreneurs needed to be made aware that they were in the social entrepreneurial space; they primarily identified social enterprises with NPOs, nursing homes, or safe housing organisations.

The researcher had a total of 16 potential and willing participants. Due to time constraints and scheduling problems, several participants were unavailable, and some were not interested in participating in the study.

3.5 DEMOGRAPHICS

As indicated in Chapter one, the study participants consisted of eight social entrepreneurs operating their businesses in the North-West Province, South Africa.

To avoid revealing the identity of the participants, the researcher referenced each participant with SE (Social Entrepreneur) and a sequenced number from the interview; SE1 – SE8. The participants were selected from different regions in Northwest province; Klerksdorp, Rustenburg, Mahikeng, Lichtenburg, and Itsoseng. Participants comprised six female and two male social entrepreneurs between the ages of 29-57. five out of eight participants were married, and three out of eight were single. Considering the political dynamics in South Africa to eliminate socio-economic imbalances, race demographics still present a significant factor to be considered in this study because they play an important character in social entrepreneurship. The result of the study shows that eight out of eight participants are black.

These participants had post-matric qualifications, five out of eight had university degrees, and three out of eight had college diplomas. All participants had working experiences before establishing social enterprises. Three out of eight participants used their professions to solve challenges in their respective regions, while five out of eight participants had educational backgrounds but needed to be supported by professional experience to start social enterprises. Six out of eight participants were full-time involved in social entrepreneurial activities, of which two out of eight had full-time jobs and were social entrepreneurs after working hours.

‘The department of health currently employs me as a director of financial management. And before then, I worked for Accenture as a consultant for the national treasury’” - SE1

“I am a full-time employee of Matlosana Municipality in Corporate affairs” – SE5.

The demographic information of the participants in the study covered in section A of the interview is summarised in Table 3.2.

Table 3.2: Demographics information of participants

Participant No.	Gender	Age	Ethnic group	Educational background	Work experience before SE
SE1	Female	41	Black	Post Graduate Diploma	Financial director, Full time employed
SE2	Female	46	Black	Diploma, Certificate	Teacher
SE3	Female	37	Black	MBCHB, LLB	Doctor
SE4	Female	29	Black	BCom	Self-employed
SE5	Male	46	Black	Diploma	Corporate affairs manager, full-time employed
SE6	Female	35	Black	BCom	Cleaner
SE7	Female	57	Black	Degree	Regional manager
SE8	Male	43	Black	Honours	Accountant

Source: Compiled by the researcher

- **Overview of demographics**

According to table 3.2, data presented indicates that females are more likely to start social enterprises in communities. The results suggest that social entrepreneurship is popular among people in their fourty's. One participant was in their twenties; data suggests that social entrepreneurship is a business that individuals can start at the legal age of eighteen.

3.6 BUSINESS STRUCTURE

In the third quarter of 2021, Northwest province recorded an unemployment rate of 35.7%, especially among the youth. The province comprises many rural areas and townships that lack social services and good infrastructure. The activities of social enterprises are important in circumstances where the government cannot deliver services such as employment, healthcare, social, and housing. The language spoken in the province's townships and rural areas is Setswana. While there is a significant

increase in social entrepreneurship in most urban areas in South Africa, this study explores the role social entrepreneurs play in the economic development of urban and rural communities.

As indicated in Chapter one, the inclusion criteria of this study were social entrepreneurs in any type of industry, registered or informal business, and operating for more than five years. The purpose of this section is to interpret the results and discussions of the results compiled from the business structure. This section will obtain information and determine the following:

- The number of people employed or trained the social entrepreneur has created.
- Establish the number of years operating as a SE
- Establish the type of industry in which social entrepreneurs operate.
- Establish the status of the business the entrepreneurs are currently operating.
- Establish if the business received funding to operate

Results compiled from social entrepreneurs about the business structure are presented in table 3.3.

Table 3.3: Business Structure

Participants	Years of Operation	Sector/Industry	The legal form of business	Number of Employees	Source of Capital	Business Location
SE1	6	Production, manufacturing, and recycling	Private Company (For-profit)	5	Self-funded	Mafikeng
SE2	8	Education	Non-Profit Organisation	15	Self-funded	Rustenburg Itsoseng
SE3	8	Medical, health, property, and soccer	Non-Profit Organisations & Private Companies	40	Self-funded	Mafikeng Lichtenburg
SE4	8	Recycling and Technology, Production and Manufacturing	Private Company (For-profit)	35	Self-funded	Rustenburg
SE5	10	Social services	Non-Profit Organisation	15	Self-funded	Klerksdorp
SE6	6	Microfinance	Private Company (For-profit)	15	Self-funded	Lichtenburg
SE 7	118	Welfare and social services	Non-Profit Organisation	115	Donations and sponsors	Lichtenburg Klerksdorp
SE8	15	Brand, social awareness, textiles, and manufacturing	Private Company (For-profit)	10	Self-funded	Klerksdorp

Source: Compiled by the researcher

- **Overview of the business structure**

Even though all the participants provided permanent employment to community members, three out of eight participants have also provided training and learnership programs to help the community members acquire skills that will equip them to start their businesses in the future.

“The one lady who is my niece; I’ve trained her to learn how to make candles, bath salts, bath bombs, and other scented bath products” – SE1

“Casual workers assist when there is a mass distribution and productions as per order or demands” - SE5.

“I have five more temp interns who come up with designs. I work with young designers from the Jouberton location, the ones sitting at home and have been to design courses; the rest I do business partnerships and split operations costs. But in those partnerships, we take unemployed youth, and train them so that they can make their brands or work in textiles manufacturing” – SE8

These social enterprises have been in business for more than five years. According to Alter (2006:6), social enterprise is at the borderline between non-profit and for-profit organisations; and stands between the public, private and voluntary sectors. Most participants' business legal structures were private and for-profit companies, while two operated NPOs. The results in table 3.3 indicated that participants did research before starting social enterprises within their industry. They attempted to bring social impact and the steadiness of disproportions of social and economic issues. Participants operate in various sectors, such as healthcare, education, property, technology, and social services.

Participants used different sources of financing to start their business operations since other various organisations previously employed other participants before becoming social entrepreneurs; most used personal savings as starting capital, while others relied on sponsorships and donations.

“I started with my savings and help from family. But the bulk of the business was effective and running after winning a start-up business competition, and I was fortunate to get more funding from different government innovation hubs” - SE4.

Participants also added:

“I used my pension fund I cashed after resigning from work”-SE6.

“I use my remuneration or salary to fund my project in NW” - SE3.

Participants collected contributions from the public to a central organisation’s fund as an investment.

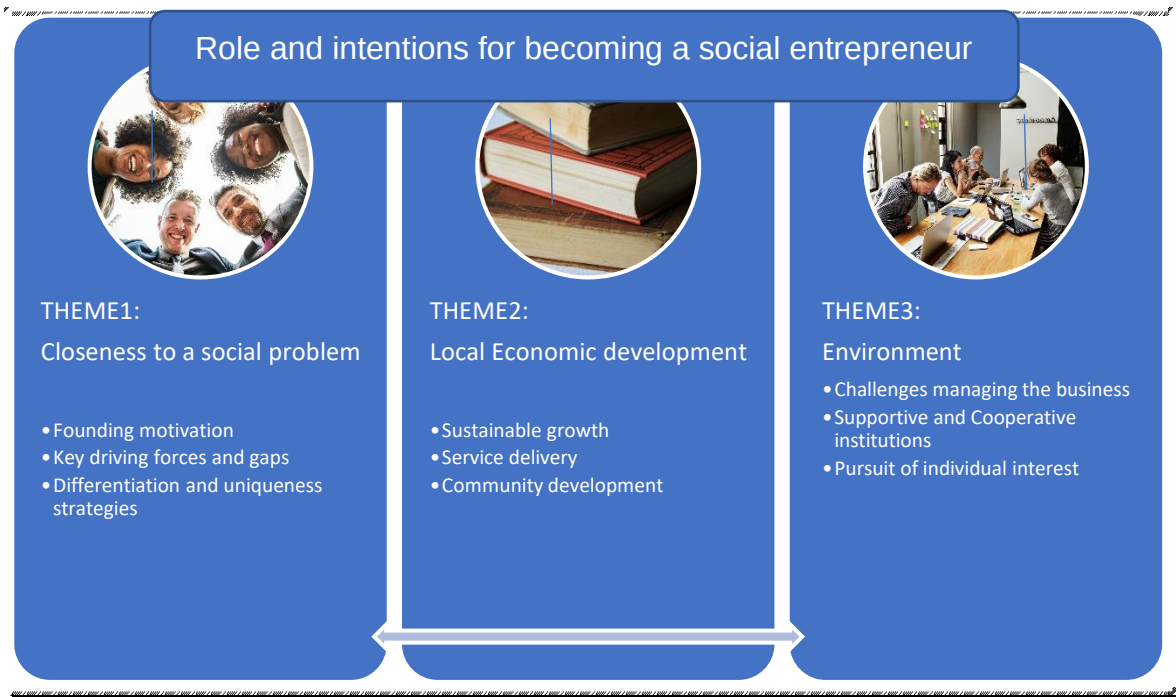
“Quarterly, we host a charity dinner; people buy tickets, and others during the dinner session make pledges and contributions to the foundation” - SE5.

3.7 QUALITATIVE DATA ANALYSIS

The data collected in section B of the interview guide will be discussed and presented as results according to themes: (1) Closeness to a social problem, (2) Local economic development, and (3) Cooperative and supportive environment. Themes and sub-themes were developed from different questions asked in the interview process. Participants were quoted from interview transcripts to support statements made by the participants.

Data captured from the interviews to explore the role and intention of social entrepreneurship in the economic development of the North West province was presented based on themes that emanated from the interview questions. Figure 3.1 presents themes that emerged from the interview guide (**refer to Annexure A**)

Figure 3.1: Graphic presentation of themes stemming from the interviews



Source: Created by the researcher

3.8 THEME 1: CLOSENESS TO A SOCIAL PROBLEM

Theme 1 represents the direct awareness and knowledge of a social or environmental problem. Germak and Robinson (2014:3) suggest that social entrepreneurs must have first-hand knowledge of social and ecological issues. Individuals who identify a problem and a need in the community can identify a solution to the problem and drive them to start a social enterprise.

The interview guide consists of a list of questions derived from theme 1. The participants were asked the following:

- Tell me about your social enterprise business and its founding
- Why did you choose to follow a business with a social value to address and serve the needs of society? (Key driving forces)
- What gaps did you identify in your community or the province?
- Do your social entrepreneurial initiatives or activities meet the demand in your area?

3.8.1 SOCIAL ENTREPRENEURSHIP FOUNDING AND MOTIVATION

The motivation and intention to find social enterprises are subjective and depend on the desire to act in solving social problems in the community (Barki *et al.*, 2015:387). The big motivation to start social enterprises to overcome challenges emanates from the participants' business background information. The results depict the participant's behaviour, attitude, and principles of creating social value and significance for the community.

"I felt the air was dense and smoky. I asked myself what I could do to lend a helping hand to mother earth. There are CO2 emissions, pollution, and oil spillages in the oceans, moving from plastic straws to paper straws. That's how I came about the idea of recycling bottles" SE1.

Participant SE3 also added:

"I realised a niche for people without access to medical attention in remote areas. So, the niche was older people who couldn't reach the hospitals on time" - SE3.

Participant SE3 has a holistic motivation to blend different cultures and empower the youth.

"About soccer institutions, half of the boys don't pursue their studies because of financial problems. So that's how the soccer foundation came into play. I thought that maybe these people can now feel like they've got a sense of belonging if they're involved in something that's very uplifting and deviates them from criminal activities or substance abuse" - SE3.

Participant SE5 added the following about her intentions and motivation to drive change in the community:

“Many kids in the community had plastic bags as book bags, so I felt the need to change that. I saw an opportunity to repurpose these bags, making them durable and environmentally friendly” - SE5.

The market system and geographic location are drivers of social entrepreneurship. The behaviour manifested from situations participants face daily and are persuaded to make a difference and improve the community's quality of life. Other participants conducted research before starting social enterprises.

“I started consciously reading the labels to know what was in these products. Some of the things were harming our environment. For instance, the candles are made from Paraffin. When you light it up, you can see that it's black. And as much as it's a small candle, a billion people are lighting up those candles simultaneously. I started doing additional research about the candles that we make; they are soy based. It's made from beans. I started small and have a small factory in my yard where I produce products from waste” - SE1.

Participant SE3 also added:

I realized a niche for people having to access medical attention. The medical space created a platform for me to be able to engage with every individual to get more insight into what's been happening in their lives. So instead of focusing on being a medical doctor alone, I was able to diversify. And as n I was visiting these surgeries outside small little towns, I also then realized that they also want to go to school and hostels. Accommodation becomes a problem. So I tried to create and tap into this space for a property by ensuring that I address issues of accommodation by making it very affordable and convenient for students to be able to be in a space where it's academically friendly by providing them with more resources.” - SE3

“After discussing it with my mother, I thought of incorporating solar technology into the bags. She told me that she grew up studying with candles, which were unreliable as they burned out by Wednesdays” - SE5.

Other participants' upbringings influenced their motivation to start social enterprises.

“It was an inspiration from the parents who raised me. They believed in sharing our little, not that we were wealthy. I learned early on that leftover food should not be thrown away. If one had extra food or cash at school, one shared it with children who didn’t have much. That played a huge role in learning by observing how they used to do things” - SE5.

Phillips *et al.* (2015:428) consider the motivation to excel as another factor driven internally by a desire to pursue a challenging goal. Participants derive personal inspiration from the challenge of building a social entrepreneurial enterprise, and often the motivation to succeed is characterised by realistic goals to achieve. Participants sought a need to uplift a segmented group of disadvantaged people in the community and thereby help society at large. Several participants did not only venture into a social entrepreneurial business for financial terms but in terms of making a difference by meeting a social need. The participants were all orientated by a need to achieve. The achievement orientation significantly influenced the intention to become change agents through innovation to set up social entrepreneurial ventures.

“I grew up in a low-income community. Rethaka was started by a need to tell a different story of what is possible for young people starting businesses” SE4.

Another participant saw a social business opportunity in the community.

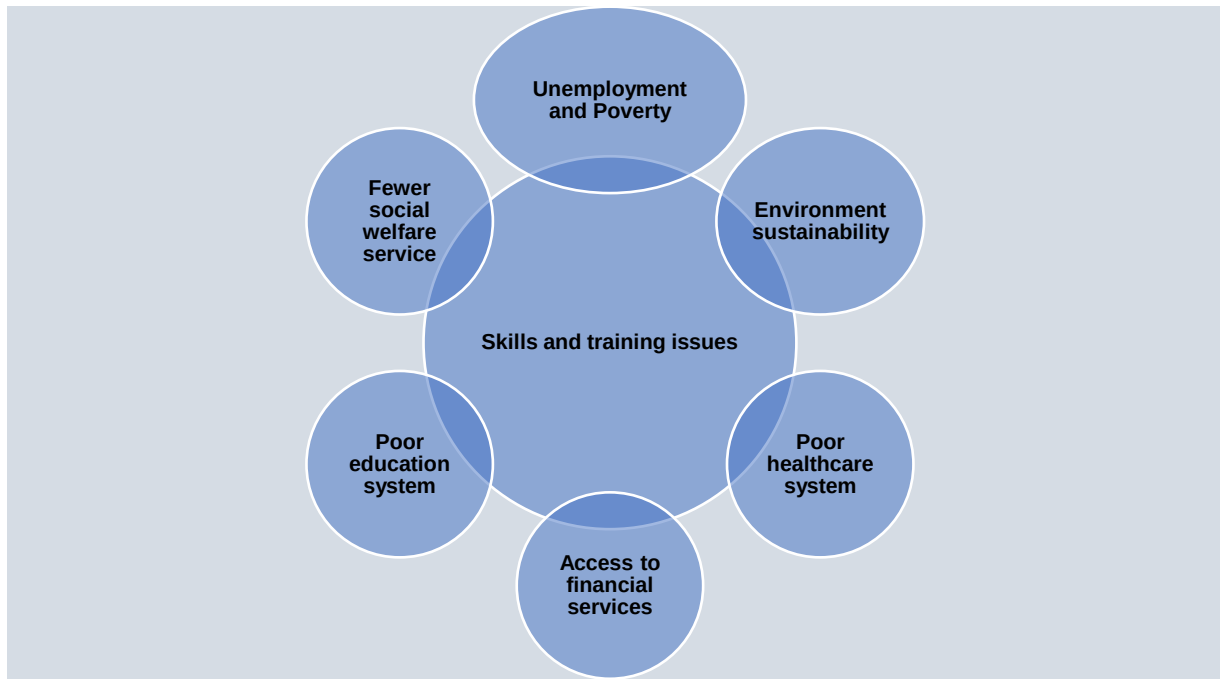
It all started when I was employed; my colleagues had challenges accessing money for their personal needs. Some wanted to renovate their house and buy home appliances that make life easy. I realised banks had strict lending policies and many red tapes. I saw women who wanted to start selling Tupperware or clothes but could not because of a lack of finances to buy their stock. I saw such stories unfold in front of me while growing up. I use my business as an instrument to tackle poverty and promote micro-entrepreneurship” - SE6.

As stated, the motivation and intention to start social enterprises are subjective; it begins as a hobby or an attempt to exploit an opportunity. There are key driving forces participants choose to follow a business with a social value to address and serve the needs of society.

3.8.2 KEY DRIVING FORCES

Through the interviews, the participants recognised fundamental driving forces or gaps that propelled participant to venture into social entrepreneurship. These key driving forces are illustrated in figure 3.2

Figure 3.2: Key driving forces for social entrepreneurs



Source: Created by the researcher

According to Charles *et al.* (2018:451), social entrepreneurs must possess conclusive competence such as skills, knowledge, and abilities to create socio-economic value by manifesting community value. Some of the critical driving forces influencing social entrepreneurship are the motivation derived from being directed to develop solutions that close the social and economic gaps (Aaltio & Wang, 2017:14).

Although unemployment, education, and skills shortage emerged as the pinnacle driving force for all the participants to become social entrepreneurs, participants must be driven by social challenges and exploit an opportunity to maximise social development and economic growth.

“We all know that the employment rate is very high. So, I want to see myself training women in the villages to make products such as vases, candles, bath salts, bath bombs, and many other things I manufacture for myself, especially recycling bottles. I want to teach them to make those bottles, and then they can sell them for themselves, make a profit and improve their quality of life” - SE1.

Other participants saw poor education systems and skills shortages in the labour market as significant contributors to low productivity, growth, unemployment, and poverty.

“Public school system delays development and mental stimulation for learners” - SE1.

“Our beneficiaries live in deprived communities without service delivery and infrastructure. They are unschooled and unskilled; therefore, they do not have easy access to the job market, contributing to some social issues the social worker addresses” - SE7.

One of the critical driving forces to encourage entrepreneurship and open the economy in small communities is ensuring SMMEs have access to financial services.

“Why should banks shut down a vision because people don’t have full-time jobs? And let’s face it, people in villages and townships struggle to get jobs and are poverty-stricken. It’s sad. I do microcredit and microloans for vulnerable groups, women in my case” - SE6.

Poor healthcare services can limit the community’s ability to work and seize employment opportunities. Poor health lure poverty, and poverty entraps poor health. One participant brought healthcare facilities closer to the poor communities to avoid the strains of travelling far.

“I aimed to have surgeries outside small towns within reach, especially for people like your elders who struggle to get to clinics. So, I show my way of giving back to the community so that their health needs are attended to cause of the poor

infrastructure they face within the small towns where these very people are located” - SE3.

“I saw a gap between affordable mobile clinics and the best health services, so I decided to partner with other doctors and open more surgeries to cater to the basic need of the people of NW” - SE3.

Two participants saw a gap in preserving the environment and conservation through recycling and technology.

“The high unemployment rate and people are generally unaware of protecting their environment by going green. Lack of educational background plays a role as well. I'm fortunate enough to impart that knowledge to those who do not know or do not have access to that information” - SE1.

I bridged the gap by bringing together recycling and solar technology to help township children study once the sun has gone down” - SE4.

Apart from practically solving social challenges in the community, a social entrepreneur can positively impact the community by shaping the youth's minds, imparting knowledge and ideas, and creating a space for people to develop their needs.

“I think more than poverty; it is laziness to think or to try new ideas. People have various skills to explore, make a living, and improve their lives in the community, but they are not smart and creative enough” - SE5.

“A rising number of unemployment and people recycling ideas, not coming up with fresh ideas to improve lives around them” - SE8.

Social entrepreneurship explores whether implemented innovation initiatives or activities positively impact communities. Social entrepreneurs seek to ensure a lasting beneficial impact in their areas by turning visionary ideas into business practices. They attempt to mobilise resources to attain their mission and objective.

“I generally feel like in terms of even just travelling, when you are sick, it becomes such a drag to just get out of bed and go to a clinic 60 kilometres away from these small towns. And sometimes you find that people are in critical condition. They don't have the luxury of time to be able to travel and sit in a take a taxi for 60 kilometres. So, opening surgeries within reach has also facilitated them to meet their medical needs on time and in a concise space in terms of just travelling, as far as travelling distance is concerned” - SE3.

Do your social entrepreneurial initiatives and activities meet the demand in your area, is a question participants were asked in the interview. All the participants were aware of their impact on community development in tackling social problems in poor communities.

Participants responded with a level of contentment and awareness that their activities do not entirely alleviate core community problems; they also indicated that their impact is minimal and had shortcomings.

“Yes, we bridge gaps where the government lacks. But the gap is too wide to meet all demands” - SE1

Participant SE2 responded as follows:

“Not to my satisfaction. I need more hands and more human resources” - SE2.

Participant SE3 also reiterated her point:

“I am a little overstretched as far as being at many places at once. So, it would be beneficial if a person gets a little bit of help here and there to improve... because you feel like it's a little bit too much for one to handle” - SE3.

Even though social entrepreneurs' efforts to improve the quality of life as part of community development initiatives, intervention from more people to venture into such social upliftment initiatives or businesses was required.

“I have tackled issues of plastic pollution, unemployment, and lack of electricity in my area; it would be nice if more younger people would come up with innovative solutions; it must not just be me” - SE4.

Other participants suggested possible social entrepreneurial business expansion to more areas to cater to the needs of women in small businesses.

“100% The growth of microfinance over the past five years has been remarkable. Women and rural populations in Ditsobotla are the most frequently served client groups. I plan to expand and move to other regions in NW province” - SE6.

3.8.3 DIFFERENTIATION AND UNIQUENESS STRATEGIES

Social entrepreneurs employ commercial strategies to capitalise on transforming human and environmental well-being. The goals to develop the community are achieved through establishing voluntary sectors such as healthcare, microfinancing, social work services, recycling, technology, and education.

“Many doctors want to finish and get the medical career off the ground by having their surgeries based right within a town, competing with these large medical facilities without the true intention of giving back to the community, you know, and there's a lot of money greed as well that is very involved in terms of that. The price charged consultation fees are overly priced. To me, it's not about that. It's about the well-being of a person; how is a person doing and feeling after they leave the surgery? You know, sometimes I've always thought a patient can come, even if it's just stress-related issues” - SE3.

What differentiates social entrepreneurs from traditional entrepreneurs is their ability to create products and services to benefit society and create opportunities for the less fortunate.

“Repurpose Schoolbag helps to change that child’s life by encouraging that child to commit to staying in school. Because every Repurpose Schoolbag is fitted with a portable solar panel that turns into a desk lamp, providing up to 12 hours of light for reading & doing homework. The Repurpose Schoolbag design integrates retro-reflective material that effectively increases the visibility of children as they walk to school in the early morning, especially during those dark winter morning months. So, it’s cleaning the environment and turning the trash, recycling to a technology product to help the rural-based kids” - SE4.

Each participant employed different strategies, nature of resources, and solutions to address a specific social challenge, therefore making them unique and different from traditional entrepreneurs.

“We have brought change to many road accidents where kids are hit and run by cars. The product provides safety to kids while they walk to school. The school bag has reflective material for visibility day and night. Repurpose Schoolbag helps to change children’s lives by encouraging learners to commit to staying in school” - SE4.

Participants indicated business model strategies adopted in their organisations to deal with the social problems faced by the community or the province.

“The model that I've applied, especially with regards to my medical side of things of having surgeries located outside small towns. It's not many doctors that follow such a route. Many doctors want to finish and get their medical career off the ground by having their surgeries right within the town, competing with these large medical facilities without the true intention of giving back to the community” - SE3.

“My services comprise institutional assessments, tailored training, investment readiness training, financial or social rating workshops, and study visits, things that your conventional financial services institution or banks don't offer to the people” - SE6:

“I have transformed my headwear and apparel production to work within Planetary boundaries. Which includes areas of climate change and chemical pollution ensuring sustainable longevity” - SE8:

While the traditional entrepreneur’s purpose is to create products and services to make a profit, social entrepreneurs are passionate about creating products, services, and processes from which the community will benefit.

“I recycle used material; I don’t buy raw material. I save the environment. It’s a green business” - SE1

Participant SE4 also described her innovative products and services:

“My business that takes our severe plastic bag pollution and several challenges that children from low-income families face, and provides a unique solution combating environmental and social problems” - SE4

Participant SE2 also added:

“My products and services are free. At no costs, I offer professional services to teachers and schools” - SE2

3.9 THEME 2: LOCAL ECONOMIC DEVELOPMENT

3.9.1 SUSTAINABLE SOLUTIONS

There is a consciousness that small industries contribute to sustainable economic development and improve quality of life; hence, social entrepreneurs also believe they are growing into key players that provide financial and psychological rewards. The impact of social entrepreneurs is identified by their attempt to boost the economy and deliver innovative products and services towards sustainable economic growth, poverty mitigations, and job creation. As more people are employed, general economic development should improve (Lall, 2019:1509).

“When you are mentally in an okay space, headspace, you will look for a job, and you're able to work as compared to always now being sickly” - SE3

Other participants created job and training opportunities to offer people a chance to reinvent their businesses.

“I have rendered a service to two high schools, trained 30 teachers, and now taking in 36 more teachers for training. I have employed 15 catalysts to represent me so that we can take on many more schools to train for child-teacher emotional well-being. I plan to gain access to all schools in NW” - SE2

Participants indicated that they, directly and indirectly, contribute to socio-economic development by stimulating new employment opportunities that rapidly grow the economy, boost local growth, and improve the community's quality of life.

“Other than creating jobs, I have positively impacted sustaining and cleaning the environment, the solution to affordable energy” - SE4.

Participants also added:

“I have introduced a culture of reaching out to others within the principles of Ubuntu, the culture of caring and sharing with others, and I have taught many people always to have a voice” - SE5.

“I have brought financial freedom and literacy and contributed to the growth of many small businesses and cooperatives” - SE6.

“I subconsciously counsel the youth through my brand that no matter the adversities, they will triumph” - SE8.

Although participants highlighted that they had created employment, community development does not necessarily have to come in the form of jobs. Social entrepreneurs can also use a broad range of solutions or initiatives to stimulate growth and sustainable development, such as education and skills training, enhancing

competitiveness, social equality, fighting crime, and cultivating a culture of problem-solving.

“I have observed that in our society when someone is assaulted, the story will trend on social media for a day or week, and something happens in nearby towns, someone in the LGBT community is assaulted or murdered, it trends for a day, when the President does something, it also trends for a day or so. We don’t have sustainable campaigns. We are a society that acts on social media, but we don’t have real help to fight such challenges in the community. I advocate the culture of doing the right things daily, don’t do it to show off. Make sure what you do is sustainable and genuine. Some do work as a publicity stunt and are not intentional. I have brought sustainable changes, intentional changes” - SE5

Other participants partnered with the government to create social and environmental value.

“We assembled a qualified team of professionals from different sectors such as Health, SAPS, and the justice department to help the youth to deal with teenage challenges from drugs, crime, Identity crisis, and other issues” - SE7

Since there is no universal definition of social entrepreneurship, social enterprises are tasked to produce products and services that are directly linked with their objectives to benefit the community. While they rely on collective dynamics and involve other stakeholders to partner with in their activities, social entrepreneurs use a broad range of solutions or initiatives to stimulate growth and sustainable development.

“We have done several programs and funded 11 learners to complete higher education in 2017” - SE8.

“We also have a program where we have reached more than 30,000 young girls. There’re several schools where after our fun work programs, we receive sanitary towels that we share with those young girls to keep them in class during the menstrual cycle” - SE5.

“We can build fully finished houses for the poorest families through fundraising, sponsorships, and partnerships with different entities such as Mandela Foundation, Siya Kolisi foundation, and Imbumba Foundation.” - SE5.

Participants conducted campaigns on awareness of social issues.

“We also have an annual fun walk that attracted more than 4000 people; we promote a healthy lifestyle. Our partnerships with The Aurum Institute and the Department of Health; put their mobile services where people would be able to not only exercise but to know their health status from HIV and Diabetes” - SE5

One participant reiterated the following:

“During the beginning of Covid 19, we founded a campaign called: Each one, Feed one. We distributed more than thousands of food pastels to different families. We prioritised mostly the farm community in farming areas because a township has fewer economic activities.”SE5.

3.9.2 IMPACTFUL SERVICE DELIVERY

If social entrepreneurial solutions are impactful and increase presence in communities and understanding of local communities, then participants would have relied on feedback and reviews from the community as an attempt to investigate if they have brought social change, which has benefited society at large. Community involvement and participation position social entrepreneurs as organisations that value causes of outside profit.

“I usually go back to school regularly to get feedback or progress reports. The report contains before and after. It’s an ongoing project to assess challenges and improve. This is an attempt to stop kids from dropping out of school because of challenges I can assist professionally” - SE2.

Participants explained how communication was used as a strategy to guide and modify decisions, thus measure of successful service delivery.

“We also report to our Giving Partners and corporates with information about how much plastic was recycled for their orders. So we are communicating with all stakeholders to review our strategies” - SE4.

A platform for social entrepreneurs to learn from other SE ecosystems may influence participants' ability to work effectively, improve and scale up.

“I've got an open policy with all the patients and learners to say what they would like to see, what they appreciate, and where they would like to see improvements” - SE3.

Participants also indicated an understanding of ecosystems by developing skills to raise impact.

“My services include institutional assessments, customised training, investment readiness training, financial workshops, and study visits to these women in small businesses. So, such propels me to check if there is success or regression. Then I step up to improve where things lack” - SE6

One of the challenges social entrepreneurs may encounter is a regression from the community in pursuit of improving living conditions; the community shows less interest in community projects that fail. A statement from the participant indicates a negative perception of the presence and significance of community development.

“We identified a child-headed family led by two girls in their twenties. We provided them with a fully furnished house. The house was clean, painted, and electrified, and it had bathrooms. Those people lived in shallow shacks with nothing inside. We visited and received follow-up feedback on the progress two months after they moved into the house. We found the house in a mess, with dirty walls, etc. I was disappointed” - SE5.

Entrepreneurialism's measurement of success is profit, although a social entrepreneur's measure of success is social impact, time and commitment to the community, and other service delivery metric systems.

“Success is personal” - SE3.

To succeed, participants explained how they brought about transformative changes to society.

“Seeing those small businesses prosper, the low-income earners, the unlicensed, unregistered, non-tax paying family or extended family businesses growing their business, also creating employment for other people, that is success for me” - SE6.

Success is measured by counting the number of milestones reached. A successful service delivery depends on the community environment social entrepreneurs support and how well the community supports social entrepreneurial activities and innovations.

“I think seeing my story, products being featured in publications, winning awards, is the social impact I can rightfully measure my success and ability to change and influence young people’s mindset that all things are possible to do. Also, seeing my product acknowledged through winning awards is a huge milestone” - SE4

Some participants referred to business expansions and corporate partnership ventures as measures of success to ensure successful transitions and support strategies for social entrepreneurs.

“After coming in third place at the SAB Foundation Social Innovation Awards, we received money for setting up a small workshop and hiring employees. We have since expanded operations” - SE4.

This participant measured success by seeing other people adopting a mission to create and sustain social value in the community and identified what success of impactful service delivery is to them.

“I can safely say the success is if we were able to fundraise and help eleven learners and see nine graduating; for me, it is a great success. If we can say, we started the fun walk, and so many people are organising their fun walk” - SE5.

Seeing a steady influx of social entrepreneurial practice brings about a potential increase in social improvements in society.

“We might not have scientific figures, but we have seen that people are changing their mindsets to improve their lives. In my area, since we started, the number of registered NPOs has increased. Not all of them are sustainable, but the fact that at least one or two people are assisted is a success” - SE7.

3.9.3 COMMUNITY DEVELOPMENT AND ECONOMIC ACCELERATION

Participants indicated that social entrepreneurs played a critical role in community development and economic growth, specifically in the North West province. Social enterprises increased by 23% in 2019, making them essential contributors to job creation and contributor to national development objectives. The participants stated their general overview and perception of how they accelerate inclusive economic growth and the pace of social balance and economy in table 3.4.

Table 3.4 Social balance and economic acceleration

Participant	Quote
SE1	<i>“We create employment; we innovate products and ideas. We create a healthy market and balance social scales. All these contribute to growing the economy. We try to own the value chain.”</i>
SE2	<i>“The way I view it is that if you employ 13 people, they can put bread on the table. It gives people confidence and hope. If people are employed, they buy and spend money. Money is injected and adds a boost to the economy.”</i>
SE3	<i>“It depends on the view of an individual, how you see or make an impact. We have different measuring criteria for what we see as growing the economy. Some are just employment, some it's other things that had the open market.”</i>
SE4	<i>“I am tackling two social problems with one solution - helping children learn and injecting jobs into the area.”</i>
SE7	<i>“Yes, generally, social entrepreneurs tackle social issues; SAVF is a social service with another social entrepreneurial aspect in generating funds for</i>

	<i>sustainability and growth. Our services are also affordable and uniquely tailored for community needs.”</i>
SE8	<i>“Yes, how else can the government be assisted? It’s just that people don’t know that a social entrepreneur is not someone who only taps into soup kitchens, shelters, and social welfare. It can be a profitable business too.”</i>

Social entrepreneurs contribute to accelerating the economy and community development, and community development sensitises economic acceleration. Although social entrepreneurship is not a magical solution to eradicating socio-economic challenges, it can shift the community's mentality into a different way of doing things.

“My schoolbags might be the solution for everyone who needs to burn the midnight oil for study and work. Even for those lucky enough to never have a shortage of lights, perhaps this is a way for anyone, anywhere, to conserve energy” - SE3.

South Africa is a developing country with a promising economy. When comparing our economic status and social imbalances, more work is expected to reach standards for developed countries such as the USA, the UK, and more. One participant indicated that social entrepreneurship assists the government where resources are inadequate to meet in building a more competitive economy.

“We need more of us; look at other countries where SE is prevalent; such countries are better off than Africa. We should let go of entitlement tendencies and rely on the government to implement social changes. They are failing, or we have more significant issues we tend not to realise. Hence innovation and transformation are slow” - SE8.

One participant referred to well-known social entrepreneurs who successfully designed township economies in the 80s and '90s and built successful business empires despite political restrictions in the past.

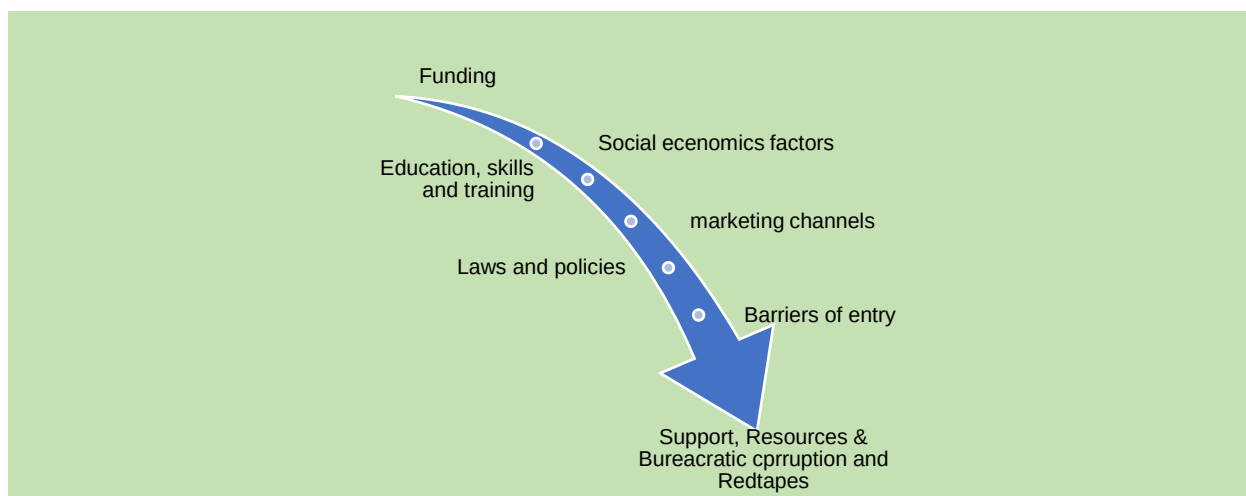
“Microenterprises are the foundation of most developing economies; they contribute to economic exports, job creation, and social equity. Small enterprises help with the

disproportions of wealth gaps and improve access to financial market opportunities. This is how the likes of Mr Richard Maponya and Mr Herman Mashaba started. They lifted the economy of the township by lending money to the poor to start businesses”
 - SE8.

3.9.4 THEME 3: ENVIRONMENT

A cooperative and supportive environment relates to characteristics essential to social entrepreneurs to enable them to contribute to economic success but with the patience for growth to ensure longevity, financial viability, and sustainability. However, these environments are prone to include challenges social entrepreneurs face during the management stages of the business. Through the interview, the participants described challenges experienced during the managing phase of the business. These challenges were presented in themes illustrated in figure 3.3

Figure 3.3 Challenges facing social entrepreneurs



Source: Created by the researcher

3.10.1 CHALLENGES IN MANAGING THE BUSINESS

Access to funding

Accessing funding is a great challenge for most social entrepreneurs. The aspect of risk places social entrepreneurs far from making a profit and needs a self-sustainability

model employed in the start-up phase of the business. Social entrepreneurs are the type of organisations that are heavily constrained in generating funds. Unlike for-profit organisations with multiple funding sources such as bank loans and share issues, many social entrepreneurs typically rely on their own resources, donations, pledges, fundraising, and family to get off the ground and are not profitable enough to qualify for bank loans. Although a modern social entrepreneur is a social change agent with profit generating twist, access to funding has a great potential to grow and scale social enterprises. Some social entrepreneurs can self-fund their businesses and own all the equity; however, the disadvantages are that social entrepreneurs are financially and personally strained.

“I've funded all these businesses myself. It becomes challenging financially. On the skills side of things, the level of service my standing doctors give will not be on par with what I would do if I were at a certain surgery, not emotionally invested with the patients” - SE3.

It is challenging for social entrepreneurs to entirely fund their businesses through investments and sales because they have yet to be profitable. Social entrepreneurs run through the risk of shutting down operations because they often struggle with debt capital or debt financing. When a social enterprise is not liquid, it may affect the ecosystems the business was supposed to serve its needs.

“I don't have a 100% guarantee that loans will be paid on time. It's hard to ensure each of these women SMEs stands guarantee for the others; I struggle to ensure that I make loans to a pool of borrowers instead of individuals alone. So, I lend for shorter durations which is not always favourable to the women” - SE6.

South Africa has various financial institutions, such as cooperative and commercial banks, that offer various financial instruments. The country's commercial banks contribute to an average of 88% of the GDP, which makes them the most prominent endorsers of the Broad-Based Black Economic Empowerment (B-BBEE) and National Development Plan in the South African economy. However, the sector has stick lending policy requests they typically use during the vetting process before financing a social entrepreneur. Most social entrepreneurs assume their ability and accessibility

to funding is discrimination against them primarily because their profit margins are relatively low, and some rely on sponsors and donors for financial support.

“Often, the funding comes with many terms and conditions and strict policies” - SE1.

Participant also stated:

“As a start-up SE in NW province, I assume I will struggle to get approved for loans because of many banks’ red tape and strict lending policies.” - SE2.

A participant indicated the complexity of lending criteria to obtain funding.

“I find banks very rigid with their lending policy; there are issues of red taps, leverages, security which is complex for a young starter.” - SE4.

Participant reiterated the same sentiments by another participant who mentioned that access to funding social entrepreneurs remains uneven in South Africa.

“I wish I knew the criteria financial institutions used to fund self-starters or social entrepreneurs. I am here to see the visible contributions financial institutions are making to businesses. I think there is still much they need to do.” - SE5.

Medium and large-sized organisation experience various degrees in accessing finance because they are more established. For profit-organisations and social enterprises in the growth stage and have collateral have various alternatives to obtain funding at favourable terms. Participants described the familiar financing process they are already acquainted with. The participants shared:

“Banks are not very fussy; their main interest is making sure that the person pays and doesn’t have a bad credit record, have a good surety that they can borrow against.” So, in terms of approaching the bank, it depends on those two things that I’ve mentioned” - SE3.

“I am sure banks support SMMEs, though it’s rigid processes one must go through that are daunting” - SE8.

Support

Support is different; it may be provided through skills development and training, mentorship programs, and different funding models. Government stakeholders such as Small Enterprise Development Agency (SEDA), Industrial Development Cooperation (IDC), and other stakeholders are mandated to support SMMEs to develop social entrepreneurship to mobilise local resources for local development and transform the economy. The government’s support of social enterprises could improve its supportive environment for cooperative action to bridge socio-economic gaps in communities effectively

Regardless of government intervention in such entrepreneurial programs, the government relies on different service departments to deliver service to its stakeholders. Participants indicated a great need for support in their social business endeavours.

“The department of education doesn’t provide support.” - SE2.

Policies implemented by the government can negatively impact the environment in which social entrepreneurs operate in. Participants described the government does not stimulate the development of social enterprises:

“The government is not even close to doing their part, not even by 5%. That’s why I don’t ever go out of my way to try and get subsidised by the government.” - SE3.

“If I had to rely on the government, I’d be stagnating as we speak; the government is failing the youth and social entrepreneurs.” - SE4.

Other participants indicated improper directive channels and information not easily accessible as a problem. People don’t know where to seek help and are unfamiliar with the processes and systems, and resources the government offer and needs

“There are always reasons others don’t receive support; maybe it was because they did not comply.”-SE5.

A participant suggested that the government improve system and database efficiency.

“I realise people do not know where to go for help. I think they should intensify their presence, advertising and go the people more often.”- SE8.

Though the government seeks to intervene in allocating funding mechanisms to support entrepreneurship initiatives, interest in funding social entrepreneurs has gradually increased and attracted other forms of funding. The notion is that supporting social entrepreneurs yields a promising strategy for achievement improvement and achieving social challenges. Therefore, it is believed that the government is expected to work closely with social entrepreneurs to help solve community challenges. Other participants indicated that the state has been able to assist in managing several adversities they faced.

“I have seen the government providing support to other organisations. Support comes in different forms; I have received invitations for training and registered an organisation that is an example of support. They have helped draft the NGOs’ constitutions and provided guidelines on how to operate” - SE5.

Participants shared the same sentiments with other participants that the government is creating favourable conditions for social entrepreneurs.

“Honestly, the government is trying, though support is never enough because many of us SMMEs need support.” - SE6.

“The department of social services is helpful, but they could do a lot more” - SE7.

Private sectors have developed Enterprise and Supplier Development (ESD) programs and economic development strategies that are underpinned by building SMMEs and turning them into stronger and more inclusive competitive markets, thus stimulating economic growth.

“I see the private sector very helpful. They have a clear mandate to assist SMMEs with no security issues; they mentor, train, and do networking, help with financial literacy, and more service that comes after funds are provided” - SE6.

Bureaucratic corruption

Corruption is the abuse of public funds for private benefit and is bad for business and the environment. Corruption poses a serious threat to social entrepreneurs and may poison the business environment for social entrepreneurs. If traditional companies can be affected by corruption, the effects could double for social entrepreneurs and cite extreme violence. One participant described a toxic encounter that could have damaged the credibility of his organisation.

“When covid 19 started, messages were circulating on WhatsApp where the government or its officials were looking for NGOs. The reason for that was; people in different organisations and governments wanted to put money into our NGOs for self-benefiting. For example, they would seek to put in R1 million and ask for R800 000 back the next day. Covid 19 created an opportunity for people to loot. I have rejected such offers. Because firstly, how do I account to SARS for the missing R800 000? A foundation is created to help the needy, not to embezzle money from it. Not to be an accessory and accomplice of crime and stealing” - SE5.

Unproductive institutions and structural and governance challenges could mean that the policies were harmed by corruption and hampered by red tape.

“The system is failing public schools; it doesn’t have enough specialists who deal with such issues” - SE2.

Participants indicated government red tape, which refers to unnecessary rules and processes that could potentially affect the business's existence.

The government probably would focus more on the cause if I were an NGO, but I'm not an NGO” - SE1.

Resources

One of the challenges social entrepreneurs are exposed to is difficulty accessing the necessary resources to establish and run their social business ventures.

“Biggest challenge is supporting the transition of children in the children’s homes to adult life” - SE6

“I need more hands and more human resources. If I had started my project in January 2022, I would have made a big impact in the schools and community” - SE2

Lack of education and training results in unskilled labour. The business's success rests on the business owner employing people with the necessary skills to carry out operations and manage finances better.

“Teachers are not trained to enhance learners’ emotional awareness, creativity, and happiness at home, in schools, in universities, and in the workplace” - SE2.

“The standing doctors sometimes can't necessarily differentiate from leaving emotions at home, able to set emotions aside. I am often facing a different person. I will need to be emotionally invested in what this person is going through. I think you need to have acquired a certain skill for that. So, you find that these standing doctors cannot put it and play it out well as I would. The mirror reflection of what I stand for and represent becomes wrongly reflected. Yes, I suppose I would call them challenges, but we get through it and soldier on” - SE3.

Marketing

Social enterprises are challenged to do the right things, which is a marketing issue.

According to Boschee (2016:7), strategic marketing is fundamental to holding an NPO together in a competitive business environment.

“Honestly, my challenge is the marketing vehicle to push the brand out there to the people that am not just designing caps because I want to be like Nike, Adidas, Gucci or New Balance, my caps are better quality than them (laughing). To drive my objectives, I had to send caps as gifts to celebrities or influencers. The late Shona Ferguson was my actual vehicle. He articulated the message clearly in his social media platforms and TV production team, and my concept, product, the message started to be understood as a motivational tool and a social core” - SE8

“The marketing vehicle to push the brand out there to the people impacts my cash flow because I am forced to send caps as gifts to celebrities or influencers to push my objectives” - SE8

3.10.2 PURSUIT OF INDIVIDUAL INTEREST

Social entrepreneurship has become imperative worldwide and popular in many countries. But, besides its increasing popularity, there is an increase in uncertainty regarding the roles and functions of social entrepreneurship. Any member of the community can explore social entrepreneurship. The business model requires the utmost discipline and time and is a complex industry.

“It depends on the approach; social entrepreneurship requires patience, I started in 2018, but I still feel I am not making money to sustain my business objective. It is a difficult space, especially when you go to people to sell the idea to the people to solve a societal problem, and the other person doesn’t share the same views.” - SE2.

Although money motivates people to start a business, social entrepreneurship is a venture not driven by greed, self-entitlement, and personally benefiting; it is instead a business that seeks to incorporate social responsibility in society. Social entrepreneurs are enduring and ambitious individuals who tackle significant social challenges by offering large-scale solutions.

“Lately, people aren’t driven, so I don’t think it has become or still is a norm for people to want to benefit from the community. People are driven by greed. They want to see themselves growing personally. Anything outside themselves is very far-fetched in an individual’s mind. People are money driven if they don’t see any prospects of money; they don’t want to tap into that space of solving social issues unless there’s money involved. They would not want to get into anything that does not involve profitability. Yes, it’s a give and takes.” - SE3

Supporting this was Participant SE3.

“Look, we can have enough social entrepreneurs. It’s easy to register a company and call one an SE. It depends on the commitment, vision, mission, and objective of an individual or members of that business or organisation. Most importantly, if the SE needs to address something that needs financial or other material resources, we can have thousands of SEs by tomorrow. Still, the question is, are they well-capacitated to carry out their tasks? So, there are several issues, the level of unemployment level drives some, and we find people want to be social entrepreneurs out of boredom and keep busy. But they don’t have a genuine intention of changing someone’s life. It depends on what motivated a person to say I want to be a change agent in society. The intention needs to be right all the way.” - SE5.

However, one must ask if there is still interest in social issues and if the novelty of coming up with ideas to address the challenges is slowly dying. How the social entrepreneur perceives the industry depends on the interest in developing social entrepreneurship to mobilise local resources for local development. How the social entrepreneur perceives the sector depends on the interest in developing social entrepreneurship to mobilise local resources for local development

“I think people are a bit sceptical going into the social space; we are trying to remedy social ills to assist the community. We’re trying to remedy a system ingrained into people, and it is hard to change it. Being a social entrepreneur, you rank the risks because people are usually very short-sighted and do not see the end goal of what you are trying to do. You try to refrain from being political. Our system wants people

to lie to the government, and it's not teaching people to rely on themselves. Social entrepreneurship is challenging, and you need to be very patient.” - SE1.

“It’s a tricky one, but I see younger people taking a keen interest in solving social issues as opposed to older people. I think older people are now tired and have accepted the general state of their condition. The youth are creating creative solutions despite funding and mentoring challenges.” - SE4.

3.11 CONCLUSION

Chapter three discussed the findings obtained from the empirical study. This research aimed to understand social entrepreneurs' motivation, support, and challenges. Because social entrepreneurship is still an under-researched topic, the researcher used an exploratory research design to gain an understanding of the social enterprises' contribution to the economic development of Northwest province. The next chapter will conclude the findings in the previous chapter, contribution to the practice, and recommendations.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

“The future belongs to social entrepreneurs.”

- Pontus, 2020.

4.1 INTRODUCTION

The preceding chapter presented an analysis of the role social entrepreneurship play in the economic development of Northwest province. As previously indicated, social entrepreneurship is understudied in South Africa. Therefore, this chapter will document the practical approach, compare the research findings with the literature, and discuss consistency or variance. The study explored the role of social entrepreneurship in the economic development of the North West Province, South Africa; the themes identified in the preceding chapter will be discussed and compared with a literature review to understand the phenomenon. The research questions and objectives from chapter one will be addressed to expand the understanding of social entrepreneurship's role in developing communities and economic acceleration and make recommendations and suggestions for future research.

4.2 CONCLUSIONS

In this section, the researcher provides concluding comments based on the findings in Chapter 3.

4.2.1 SECTION A: DEMOGRAPHICS

Age

Social entrepreneurship is about individuals who exploit business opportunities that emphatically impact society. When people mature and age, they desire to maintain a degree of balance and do something different for their communities. Seven out of eight participants are between the ages of 30 and 57, while one of the eight participants is in the twenties.

Gender

Statistically, the sex ratio states that women are more than men. Unsurprisingly, women's participation is active in the North West province. Some researchers established that women are more empathetic and have a unique role in being a mother; thus, they use the position to focus on improving the standards of other women and the community at large. Therefore, social entrepreneurship is about empathy.

Race

A total number of participants in this study are black. Many parts of the North West province are predominantly black, supporting the sample results. However, it is crucial to consider that whites also participate in social activities.

Education and Work experience

Education is an active learning practice to run a successful social enterprise, indicating that people with post-matric qualifications can start and sustain a social enterprise. The researcher can conclude without evidence that curbing unemployment and poverty in Northwest province requires people with higher education backgrounds and professional experience to use social entrepreneurship to achieve economic emancipation and create employment.

4.2.2 SECTION B: BUSINESS STRUCTURE

Business Location

Klerksdorp, Mafikeng, and Rustenburg are the largest towns in the Northwest, home to farmers and miners; therefore, these towns form economic hubs in the Northwest province. The neighbouring cities in Mafikeng, i.e., Lichtenburg and Itsoseng, demonstrate a significant presence of social entrepreneurial activities. There is a relationship between the business's area and a community's social needs. For

example, the shortage of healthcare services in the area may be ascribed to the number of medical and healthcare social entrepreneurs.

The number of people employed.

According to the GEM 2020 report, social entrepreneurs struggle to employ more than three people in the business's first two years and start-up phase. The study shows that social entrepreneurs can operate and grow their businesses. The results also reveal no relationship between social entrepreneurs operating for less than five years and more than ten years with employment figures. The research can conclude without evidence that social entrepreneurs who depend on donations and grants have lower employment figures because survival requirements drive their organisations.

Business sector

There is a relationship between the business area of operation and the type of industry undertaken by the business. The findings in this study indicate that for enterprises with social welfare and healthcare services, the entrepreneur is not restricted to one area of operation; they can have branches in several towns and would require the entrepreneur to spend much time travelling to those branches. Based on the results of this study, the researcher may conclude that social entrepreneurs are not limited to one sector to bridge the gap between social and economic development and sustainability.

Start-up capital

Starting a new business requires capital; success relies on access to capital to grow and be consistent with its social mission. Reflecting on the average growth rate of social enterprises, there is a correlation between the organisation's budget and the ability of social entrepreneurs to address social challenges. In this study, seven out of eight participants self-funded their businesses. The research may conclude that these organisations have limited resources to higher budgetary requirements preventing growth.

4.2.3 CLOSENESS TO A SOCIAL PROBLEM

Unemployment and poverty are areas of concern for many social entrepreneurs. Most social entrepreneurs embark on these types of social businesses because either they were affected by social challenges or saw a potential to find a solution to change the status quo. Another area of concern is environmental challenges in the communities, culminating in the significant presence of social entrepreneurs in waste management to preserve the environment. The scarcity of healthcare, education, and social welfare services has also seen a substantial increase in people opting to operate as NGOs to intervene where the government lacks by providing service delivery. Based on the issues identified from the study's results to confront unemployment, lack of education, poor healthcare, and crime, participants were persuaded to venture into social enterprises to address and serve the needs of society. Most participants in the study indicated that they had unique fundamental driving forces that influenced them to seek innovative solutions.

According to findings in the literature, social entrepreneurship is an attempt by individuals to improve living conditions and environmental issues for vulnerable communities by using innovative and experimental ways of doing business to address social inequality and poverty by striking a balance for unmet needs (Milanovic 2011:52).

After discussing the findings, the researcher concluded that social entrepreneurship is influenced by first-hand exposure and awareness of problems in the community. The motivation for a social entrepreneur to start a social venture is to explore a business opportunity in the sector and solve social challenges. The social entrepreneurs' conceptualization of closeness to a social problem included an act of practice, intention, and behaviour directed to create social value by closing socioeconomic gaps. The findings were consistent with the literature by Alto and Wang (2017:14), where participants considered attitude towards behaviour as an act of practice that drives individuals' intentions to start a business with a social core. It is concluded with evidence that participants had first-hand knowledge of social and environmental issues and tackled social problems by employing unique strategies to solve them.

4.2.4 LOCAL ECONOMIC DEVELOPMENT

Social entrepreneurs pursue business interests with commercial activities to solve community challenges. Comparable to other countries, Northwest province has many social challenges, and it is essential to encourage social entrepreneurial activities because it is a prerequisite to economic development. The findings in the study indicated factors that contribute directly and indirectly to the accelerating economic growth and developing communities. Most participants stated that they had stimulated the economy by creating jobs and offered a broad range of solutions and initiatives such as education, skills development, fighting crime, and social inclusion strategies as efforts to address challenges faced by communities. For those reasons, it is imperative to ensure these social enterprises remain sustainable (Steinman, 2017). Social entrepreneurs use various instruments to bridge economic development gaps and are not limited to one economic sector.

Consistent with the literature (Steinman, 2017), the participants described developing the economy using networking and communication strategies to improve and enhance social enterprise stability by upscaling their offerings to social and economic development. Participants' conceptualisation of sustainability was classified into financial and non-financial. The findings indicated that most participants regarded the sustainability of the business as having access to financial instruments and profits. The non-financial elements that participants considered included community involvement, adequate resources, and stakeholders' support.

Referring to the findings in the literature on the study and Lall (2019:1509), social entrepreneurship's impact is recognized by its effort to stimulate the economy by creating jobs, providing service delivery, and creating new products and services or improving existing ones at a competitive level. The empirical study findings were consistent in that social entrepreneurs play an essential role in growing the economy and eradicating poverty and socio-economic challenges.

4.2.5 COOPERATIVE AND SUPPORTIVE ENVIRONMENT

Social entrepreneurs are pressured by the gradually competitive environment, which forces them to constantly create and improve on innovation in their social value activities. Based on the findings in the literature, there is a relationship between the impact of government, institutions, and social entrepreneurs; it is assumed that entering into partnerships and creating a supportive and enabling environment for social entrepreneurs will stimulate the economy. The researcher's findings in this study revealed that SEs encountered challenges managing the business. The participants indicated challenges in funding, cash flow, shortage of resources, skills shortage, education, and training. The findings indicated that government support and contribution are not satisfactory; the challenge is for financial institutions to provide better financing models to support social entrepreneurs.

Based on the literature, social entrepreneurship is relatively under-researched in South Africa, and policymakers still have uncertainty about its benefits and what the sector can offer (Littlewood & Holt, 2018:525). Policies made by the government and other institutions can influence the environment social entrepreneurs operate. The findings also found a relationship between support and sustainability, which the literature acknowledged that institutions that support social entrepreneurs' business environment promote growth and sustainability.

The researcher argued that partnerships and support networks should be mutually beneficial exchanges where institutions receive good publicity and social entrepreneurs receive exposure and more project prospects. The study indicated that support is valued because it makes social entrepreneurs feel validated for their initiatives. The researcher further concluded that a cooperative and supportive environment might stimulate the growth of social enterprises, and stakeholders could also benefit through outsourcing social entrepreneurs' services.

4.3 RECOMMENDATIONS

This section provides general recommendations drawn from the secondary objectives.

4.3.1 IMPROVE FUNDING MECHANISMS

South Africa faces three macroeconomic issues, sluggish economic growth, upward inflation, and high unemployment. Social entrepreneurs depend on grants and funding that could be more sustainable because of the unpredictability of lending criteria and policies. Financial institutions' support should rely on incentives to enable social entrepreneurs to build the necessary infrastructure for NGOs and small enterprises. Financial institutions marketing strategies should clearly state policies and requirements for start-ups and NPOs to increase competitiveness in the financial service sector strategies and improve their lending capacity. Banks may reduce the lending risk of start-ups and NPOs by improving laws that enforce contracts, register fixed assets, and collect guarantees. An effective law regulating property and land ownership rights should allow NPOs to use the assets for collateral.

4.3.2 IMPROVE NETWORKS

Numerous stakeholders create networks accessible to social entrepreneurs, and multiple stakeholders should create and manage a database of contacts where records are kept for future reference. Social entrepreneurs do not need to only rely on networks created by other stakeholders; they can also make and manage their formal networks within the industry where they can share information, advice, support, and mentor. This practice builds credibility and sustainability and increases business opportunities. Social entrepreneurs need to establish relationships and networks with the communities they are involved with to open market access has been regressing.

The Department of Trade and Industry (DTI) is the government's authorised body structure to support new entrants to small businesses. The progress of eliminating policy barriers to new entrants and reducing the burden of the licensing requirements of NPOS has been slow. Government should not over-regulate social sectors. Instead, it should ease the burden on social enterprises by implementing property rights laws that reduce challenges for social entrepreneurs. South African government should implement a policy of Public-Private Partnerships (PPP) on a larger scale for new entrants, and the procedure should not only include the health sector but must be

concentrated on other sectors. PPPs are incentivised collaborative actions between the private sector and the government (World Bank, 2017). They have the potential to improve the efficiency of service delivery and stimulate economic growth and sustainability of social enterprises. Therefore, the government and other stakeholders must collaborate with social entrepreneurs and outsource services in a bid for tenders to increase market access.

4.3.3 ENCOURAGE SOCIAL ENTREPRENEURSHIP BEHAVIOUR AND INNOVATION

In a competitive market, it is usual for traditional businesses to compete at delivering products at services for profit takings. Unlike social entrepreneurship, the business model aims to maximize social value and innovation. Such organisations should clearly describe their value-positioning strategies and provide higher-ranking services. Every individual has the potential to make a difference, and many organisations aim to uplift the youth through programs aimed at creating job opportunities by providing skills and training to the youth to launch and run their small business. Although Youth Venture is unique and different from other accelerator programs, its scale of accomplishment is relatively significant. Their philosophy of fostering entrepreneurship liberation is an excellent perceptive for young people to stay committed to making positive changes in their communities. There should be a significant investment in exploring accelerator programs and training centers facilitated by both government and private sector to train and support entrepreneurship effectively.

The researcher also made the following strategic recommendations to overcome social entrepreneurs' challenges in managing the business:

Social enterprises in South Africa face many challenges that prevent them from pursuing their social missions and finding sustainable solutions to aiding disadvantaged communities. The findings of the study were corroborated by social entrepreneurs interviewed.

4.3.4 STRATEGIES TO OVERCOME SOCIAL ENTREPRENEURIAL CHALLENGES

Table 4.1 below illustrates the strategies recommended to overcome social entrepreneurial challenges.

Table 4.1: Strategies to overcome social entrepreneurial challenges

Challenges	Recommendations
Access to funding	• Social entrepreneurs need to look at the innovation of self-sustainability, create models to raise funds, and not be limited to one project. Social entrepreneurs need to empower themselves and invest in networks and social capital.
Financial and business management	• Take accountability by ensuring social enterprises have qualified people to run the business, such as qualified accountants to manage books. • Social entrepreneurs need to have a culture of learning and enrol in business administration courses to build skills and abilities for the team.
Social and economic factors	• Crime affects the development and trajectory of doing business, thus increasing operational costs, profitability, and sustainability. • Encourage businesses and communities to work proactively with police by establishing Community Policing Forums (CPFs). • Integrate better town planning in urban areas. • Invest in affordable security and insurance.
Support	• Social entrepreneurs should be autonomous and learn to function without the expectations of funding to run social enterprises. • Social entrepreneurs should specialise and collaborate in products and services that enable them to generate income • Social entrepreneurs should demonstrate credibility to the funders and have solid business plans to show donors what they plan to do with the money.
Bureaucratic corruption and red tapes	• Gather sufficient information about the organisation social entrepreneurs intends to work with. Be accountable for how the funds are used and improve direct contacts in organisations by avoiding intermediaries.

Marketing	• Create a simple marketing plan that defines initiatives and strategies. • Develop digital marketing strategies required to create awareness about the cause the business is involved in. • Redefine KPIs with missions to attract more potential investors. • Use community support as a marketing strategy.
Education, skills, and training	• Hire the best talent in the organisation, ensure they have proper skills, and fit the organization's culture. • Develop the team through training so that they can develop others. • Create a system that enables workers to succeed in the business
Laws and policies	• Social entrepreneurs need to research regulatory frameworks and procurement policies that incentives and encourage collaborations to ensure they comply and participate in public service delivery.

Source: Compiled by the researcher

4.4 ACHIEVEMENT OF OBJECTIVES

The primary objective of the study was to explore and describe social entrepreneurship in the North West province to identify the challenges and opportunities faced by social entrepreneurs managing their businesses and challenges to improve the living and economic conditions of community members. The primary objective also enabled the researcher to identify the challenges social entrepreneurs face to address social issues and improve economic conditions by creating employment opportunities.

4.4.1 DISCUSSIONS ON THE PRIMARY OBJECTIVES

The primary objective was achieved in Chapter two through a comprehensive literature review. The primary objective was addressed through the literature on social entrepreneurship, entrepreneurship, importance, characteristics, and intentions of social entrepreneurship. Based on the compiled literature, entrepreneurship and social entrepreneurship were complex concepts to define because social entrepreneurship is still in its infancy. Various authors defined and explained the terms; however, because of definitional ambiguities, every author put their own experience and views on what they perceive as social entrepreneurship.

To achieve the primary objectives employing the empirical study, the following secondary objectives were formulated:

4.4.2 SECONDARY OBJECTIVES

The first objective aimed to establish the driving forces and motivation factors to become a social entrepreneur and the importance of social entrepreneurship in communities. This objective was achieved by analysing attitudes, characteristics, perceived behavioural control, and subjective norms. The objective was achieved in chapter three through empirical research employing semi-structured interviews with eight social entrepreneurs in Northwest province.

The second objective aimed to obtain insight into sectoral challenges and identify significant challenges experienced by social entrepreneurs. The literature review in chapter two detailed challenges encountered by social entrepreneurs, and Chapter three also describes challenges found in the empirical research.

The third objective was to analyse how social entrepreneurs accelerate inclusive economic growth in the community and NW province. The primary objective of this study is “exploring the role of social entrepreneurship in the economic development of Northwest province.” The objective was achieved in chapter two; the literature review was also corroborated in chapter three through qualitative interviews, and the results were also discussed.

The fourth objective was to explore and identify the impact of social entrepreneurship in the community. The study’s objective was achieved through factors and resources that were considered successful, added value to the community, and contributed to social enterprise sustainability. The literature review in chapter two described the objectives and was later supported in chapter three by the participants.

The fifth objective concluded and suggested practical recommendations for overcoming social entrepreneurs’ challenges and exploiting more opportunities in the community. The last secondary objective depended on results obtained and discussed

through the empirical research in chapter three. These results advanced to draw conclusions and recommendations in chapter four.

4.5 LIMITATIONS OF THE STUDY

- Limitations of the study are that findings may not be generalised to other settings due to research methods and designs. Because a qualitative study was undertaken, information was recorded and transcribed from the perception and experiences of the social entrepreneur; therefore, the results cannot be confirmed for accuracy. The social entrepreneurs' opinions and perceptions may change in the future.
- Participants only included social entrepreneurs in rural and urban communities. The participant's organisation is in developing towns in the region of Northwest province; Mafikeng, Rustenburg, and Klerksdorp. The areas do not represent the whole of Northwest province. Empirical research on social entrepreneurs in the Northwest has not been previously conducted, and information is limited because the Northwest is one of the impoverished and corrupt provinces in South Africa.
- Only social entrepreneurs were interviewed. It would have been interesting to get perceptions of government, supporting and funding agencies regarding social entrepreneurs, i.e., SEDA, banks, and NWDC.
- Interpretations of responses and meanings may differ from the participant to the researcher. Participants' way of responding to the questions was guided by the researcher's limited understanding of the study.
- The researcher's selection criteria of participants were based on the biases of the researcher. The participant selected did not reflect a statistical representation of social entrepreneurs and may have possibly excluded other thought-provoking cases.

- Time constraints may have potentially excluded some social entrepreneurs from the study, and it was a challenge to access participants that met the criteria. Thus, a small sample size was selected.

4.6 SUGGESTION FOR FUTURE RESEARCH

Over the years, social entrepreneurship has interestingly gained momentum and seen a surge of research interest; however, some aspects call for future research based on the limitations of the study, i.e., evidence-based research to understand the relationship between social entrepreneurship and assess its significance in developing communities thus growing the economy (Saebi *et al.*, 2018:70)

A mixed research methodology could broaden the research landscape by including other provinces in SA and provide more detailed findings supported by statistical inferences. As mentioned earlier, including more participants, i.e., government and funding agencies, may produce valuable data variations in the sample criteria. Future research on the comparative study of unsuccessful and sustainable social entrepreneurs by investigating how supporting institutions could efficiently influence processes and policies and other variables that could assist in the successful running of social enterprises.

4.8 SUMMARY

This chapter provided a conclusion to the empirical study on exploring the role social entrepreneurs play in the economic development of Northwest province. The chapter summarized the findings from the empirical research and provided conclusions from the empirical study.

The researcher formulated managerial recommendations and recommendations for future research. The research analysis met all the objectives and answered the research questions.

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ANNEXURE A: INTERVIEW GUIDE

Exploring the role of social entrepreneurship in the economic development of the North West Province, South Africa.

My name is Tshegofatso Manoto, and I am an MBA (Masters in Business Administration) student at the North-West University Business School. **This interview we are about to conduct seeks to explore the role of Social Entrepreneurship in the economic development of North West Province, South Africa.**

Section A: Includes demographic information to assist in profiling the participants.

Profile of the social entrepreneur:

1. Age, gender, ethnic group
2. What is our highest level of academic education?
3. Where is your business located?
4. What is your work experience before engaging in social entrepreneurship?

Business structure:

5. Indicate the legal structure of your business (NGO, Non-profit organization, Profit orientated)
6. How did you fund your business?
7. How many people have your social enterprise employed?
8. How many years have you been a social entrepreneur?
9. In which sectors does your business render its social solutions?

Section B: Interview questions: Questions addressing the objective of the study

THEME 1: CLOSENESS TO A SOCIAL PROBLEM

1. Tell me about your social enterprise business and its founding

Probe: Why did you choose to follow a business with a social value to address and serve the needs of society? (Key driving forces)

Probe: What gaps did you identify in your community or the province?

2. Does your social entrepreneurial initiatives or activities meet the demand in your area?

THEME 2: LOCAL ECONOMIC DEVELOPMENT

What opportunities and changes have you brought to your community?

Probe: Do you attempt to investigate if you have improved someone's quality of living with products and services offered or sold to the community?

3. What differentiates your enterprise from conventional entrepreneurs?

Probe: Do you think social entrepreneurs play a vital part in community development and growing the economy, specifically in the Northwest province?

Probe: In what way?

4. How do you measure your social impact and business success in the province and locally in your community?

5. What is your observation of social entrepreneurs like yourself in alleviating poverty, providing sustainable community development projects, and transforming the lives of the community? (Are you succeeding?)

THEME 3: COOPERATIVE AND SUPPORTIVE ENVIRONMENT

6. What challenges did/does your business face as a social entrepreneur?

Probe: Do you feel the provincial government provides support to social entrepreneurs?

Probe: What kind of support do you require to develop communities effectively through your business or organization?

Probe: Do you find that financial institutions' lending policies are supportive to help sustain, maintain and grow the business?

7. Do you think interest in social issues and the novelty of coming up with ideas to address the challenges is slowly dying?

Thank you. Is there any information or comments you would like to add?

This is the end of the interview. Thank you for your time and openness throughout the discussion.

ANNEXURE B: INFORMED CONSENT

INFORMED CONSENT TO PARTICIPATE IN AN INTERVIEW

Date: _____

Participant code: _____

Participant signature: _____ X _____

Dear Participant,

My name is Tshegofaso Manoto, and I am a final year MBA candidate at the North-West University (NWU) Business School. This study explores the role of social entrepreneurship in the economic development of North West province, South Africa. It is intended to get insights from social entrepreneurs to determine whether social entrepreneurship contributes to creating viable socio-economic relations, institutions, and practices, that yield and sustain social benefits by significantly growing the economy.

The outcome of this study will be a mini-dissertation submitted to the university as a partial requirement to obtain a degree of Masters in Business Administration. The NWU is a reputable and internationally accredited institution with high ethical standards and expectations throughout conducting a research study.

Please note that your participation is voluntary and can discontinue if you wish. Participants are also allowed not to answer questions they are not comfortable answering. There will be no compensation paid for participation.

The interview duration will be approximately 1 hour. The interview will be voice-recorded. However, your name will not be recorded. The recording will be available to you upon request,

The interviewer will take notes. This is done for data analysis. The interviewer will transcribe the recording and kept confidential on a password-protected computer. The transcripts and recordings will be destroyed after three years.

Furthermore, all individual identification will be removed from the hard copy of the transcript, and participant identity and confidentiality will be concealed using coding procedures. Please note that excerpts from the interview may be included in the final dissertation report or later publications. However, under no circumstances will your name or identifying characteristics appear in these writings. Also, the interviewer may ask for limited demographic information for profiling interview participants, and no further statistical analysis will be performed.

This study is approved by the General Management Scientific Committee of the NWU Business School. Prof Christoff Botha is the Research Manager. His contact number is 018 299 1672, and his email address is christoff.botha@nwu.ac.za.

The Faculty of Economic and Management Sciences Ethics Committee (EMS-REC) has given this study an ethical clearance attached as Annexure C. The ethical clearance number is: [NWU-00710-22A4]. Mark Rathbone is the chair of the Ethical Committee. His contact number is 018 299 1356, and his email address is mark.rathbone@nwu.ac.za.

My supervisor for this MBA research study is Professor Stephan van der Merwe. His contact details are as follows: Telephone: 018 299 1414; email: stephan.vandermerwe@nwu.ac.za.

Please feel free to contact him regarding my credentials and concerns about the study.

Thank you once more for your participation. Your honest contribution to this study is highly valued.

Kind regards

Tshegofatso Manoto

MBA Candidate (North-West University)

ANNEXURE C: ETHICAL CLEARANCE



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27 June 2022

ETHICS APPROVAL LETTER OF STUDY

Based on approval by the Economic and Management Sciences Research Ethics Committee (EMS-REC) on 24/06/2022, the Economic and Management Sciences Research Ethics Committee hereby approves your study as indicated below. This implies that the North-West University Senate Committee for Research Ethics (NWU-REC) grants its permission that, provided the special conditions specified below are met and pending any other authorisation that may be necessary, the study may be initiated, using the ethics number below.

Study title: Exploring the role of social entrepreneurship in the economic development of the North West province, South Africa																													
Study Leader/Supervisor (Principal Investigator)/Researcher: Prof SP van der Merwe - MBA																													
Student: Manoto, T (26812355)																													
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Approval of the study is initially provided for a year, after which continuation of the study is dependent on receipt and review of the annual (or as otherwise stipulated) monitoring report and the concomitant issuing of a letter of continuation.																													

Special in process conditions of the research for approval (if applicable):

•

General conditions: <i>While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, the following general terms and conditions will apply:</i> • The study leader/supervisor (principle investigator)/researcher must report in the prescribed format to the EMS-REC: - annually (or as otherwise requested) on the monitoring of the study, whereby a letter of continuation will be provided, and upon completion of the study; and - without any delay in case of any adverse event or incident (or any matter that interrupts sound ethical principles) during the course of the study. • The approval applies strictly to the proposal as stipulated in the application form. Should any amendments to the proposal be deemed necessary during the course of the study, the study leader/researcher must apply for approval of these amendments at the EMS-REC, prior to implementation. Should there be any deviations from the study proposal without the necessary approval of such amendments, the ethics approval is immediately and automatically forfeited. • Annually a number of studies may be randomly selected for an external audit. • The date of approval indicates the first date that the study may be started. In the interest of ethical responsibility, the NWU-SCRE and EMS-REC reserves the right to: - request access to any information or data at any time during the course or after completion of the study;
