

Why social entrepreneurship in South Africa?

Issued by [Gordon Institute of Business Science](#)

10 Apr 2019

As the financial pressure for those working for non-profit organisations continues, the debate for and against social entrepreneurship is intensifying in South Africa.

Social entrepreneurship is hard to define, with different interpretations in different countries. In South Africa it is emerging as a blend of for- and not-for-profit approaches, which balances the value and trust of social organisations with the efficiencies and profit motive of business. Within this is a conflict that challenges our cultural interpretation of charity – to make money out of social services is interpreted as inherently wrong and counter-intuitive to the mission-focus of civil society.

It is this dissonance that makes social entrepreneurship so powerful in South Africa, as it forces us to look at what we assume is right and challenges the norm. Multiple reports talk of a crisis in civil society and question the sustainability of the current system of funding which is largely dependent on grants. Compounding this, is a fractured relationship with government, which subsidises rather than funds non-profits to deliver essential services, in fields such as education, child protection and health.

The concept of social entrepreneurship addresses some of the constraints that civil society organisations in South Africa experience. It introduces a profit motive to the running of an organisation, which fundamentally shifts the way non-profit leaders approach their work. It is not much different to the non-profit structure in that profit must be re-invested back into the organisation, but it opens different avenues of funding.

Because social enterprises in South Africa are often registered as both for- and not-for-profit companies, they can access both grant and commercial funding. This opens a spectrum of opportunities from accessing equity and debt funding, to developing an income stream that brings in predictable, unrestricted income to organisations.

Interestingly the consequence of this approach is not a shift away from the mission of the organisation, but instead a focus on it. Non-profit organisations that succeed in adapting to social entrepreneurship introduce income into their organisations that aligns with their work.

The consequence for organisations starting out with a social entrepreneurial bent is that they think differently about how they deliver their services. Weaved into their models are opportunities to generate income that underpin the service. It may seem counter-intuitive, but profit encourages a focus on impact as without quality service delivery, the organisation doesn't have customers, and consequently no income. This has links to accountability and transparency, creating a circle that builds trust, credibility and profit.

Social entrepreneurship in South Africa is not the magic solution that will eradicate the constraints that non-profit organisations experience. But it offers potential to shift our civil society into a different way of doing things. It creates a focus on long term sustainability, on quality service, efficiency and accountability. It blends the lessons from business with the diversity and complexity of social values, and in the mix are great opportunities for change. In the words of Bernard Shaw: "Progress is impossible without change, and those who cannot change their minds cannot change anything."

The Gordon Institute of Business Science's Entrepreneurship Development Academy runs a year-long academic programme, the Social Entrepreneurship Programme (SEP), which introduces the principles of management, alternative income streams and accountability. The SEP is a middle-management training programme, aimed at those who want to make a difference. The course takes excellence in business thinking and applies it to the social development space.

In response to several requests from prospective applicants for late application submissions, the deadline for applications has been extended to Thursday, 18 April 2019. The Social Entrepreneurship Programme will commence on 9 May 2019. Take advantage of this opportunity to develop your social impact business idea or upskill your socially conscious business by applying now on www.gibs.co.za/sep.

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