SOCIAL ENTERPRISE AS A TOOL TO PROMOTE ECONOMIC DEVELOPMENT IN UNDERSERVED COMMUNITIES IN CAPE TOWN, SOUTH AFRICA

by

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Thesis submitted in fulfilment of the requirements for the degree

Master of Technology: Business Information Systems

in the

Faculty of Business & Management Sciences

at the

Cape Peninsula University of Technology

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December 2021

DECLARATION

I, Yavela Mgolodela, declare that the contents of this thesis represent my own unaided work, and that the thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

Ymgolodela

Signed   Date: 7 December 2021

ACKNOWLEDGEMENTS

First and foremost, I want to thank God, the Almighty, who has blessed me with knowledge and the opportunity to complete my thesis,

My supervisor, Dr. Andre De La Harpe, for his support and guidance. Dr De La Harpe
shared his knowledge, sacrificed his time and was always willing to assist throughout the
research.

The social entrepreneurs, thank you so much for accepting the invitation to participate
in my research study. During the trying time of COVID-19 when the world was in chaos and
many small enterprises were going into survival mode, you found time in your busy schedules to share your knowledge with me.

Finally, thank you to my mother and sister, my whole family and all my friends for their love,
patience, support and encou

ragement throughout this study.

ABSTRACT

Despite the growing value and popularity of social entrepreneurship, an accepted definition remains elusive. It is imperative that the principles guiding social entrepreneurship are identified so that common ground is established to facilitate future research. On the basis of a systematic literature review, this conceptual paper proposes a theoretical framework outlining social entrepreneurship as a tool to promote social enterprise in an underserved community in Cape Town, South Africa. The resultant structures and functions of social entrepreneurship are shaped by these constraints as reflected by the flexibility recognised by the framework. Social entrepreneurship is well practiced and talked about in emerging economies. However, to date, no dedicated review and conceptual framework exists, creating and integrating past social entrepreneurship research in the fast-growing emerging economies such as South Africa. This study focusses primarily on the meaning of social entrepreneurship to different fields, considering where it stands in respect to other forms of entrepreneurship today.

The study aimed to answer two primary research questions, formulated as follows:

   i) *What are the factors affecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?*
   ii) *How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?*

The study intends to explore the role of social enterprises (SEs) in promoting economic development of underserved communities in Cape Town, South Africa. It also aims to explore the challenges SEs face in underserved communities. A semi-structured interview guide with a qualitative research method was used for this study of 15 suitable, non-randomly and purposively selected SEs in Cape Town. An inductive research approach was employed to collect data through semi-structured interviews conducted with founders of the businesses. Data were decoded using keywords and analysed using a descriptive data analysis method to formulate the findings.

First, this study explores the role of SEs in promoting economic development of underserved communities in Cape Town, South Africa. Secondly, it explores the challenges SEs face in underserved communities.

The study contributes both practically and theoretically to the current body of knowledge as it was required to provide insights i) of the role of SEs in communities, and ii) the growth of SEs.

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ABBREVIATIONS

Abbreviation	Explanation
ASEN	Association of South East Asian Nations
BBBEE	Broad Based Black Economic Empowerment
GIIN	Global Impact Investing Network
LED	Local economic development
NGO	Non-governmental organization
NPO	Non profit organization
SE	Social entrepreneurship
SEs	Social entrepreneurs
SEAA	Social Enterprise Academy Africa
TCT	Transaction cost theory
TOE	Technology, organization and environment theory

DEFINITIONS

Summarised definitions of key concepts: Social entrepreneurship and social entrepreneur

Author	Definition
(Hattenberg et al., 2021:40).	"the process through which solutions are proffered for social challenges without recourse."
(Pathak & Muralidharan, 2017:42).	"The individuals with daunting determination and commitment to persist in the face of obstacles."
Mato-Santiso and Rey-Garcia (2019:15)	a SE creates new models for the provision of products and services that cater directly to basic human needs that remain unsatisfied by current economic or social institutions".
Haugh (2005:346)	"people with core creativity that tend to fill, in a meaningful way, the gap of social problems left by government."
(Bansal et al., 2019:94)	"Social entrepreneurs tackle social challenges and respond to those challenges where the market and the public sector fail to do so."
(Hattenberg, Belousova & Groen, 2021:40).	"People with special traits such as special leadership skills, a passion to realize their vision and a strong ethic fibre."

CHAPTER 1:   CHAPTER 1: INTRODUCTION

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Figure 1-1: Layout of Chapter 1

1.1   Introduction

Social entrepreneurship is the "process of creating worth by finding combinations and resources such as land, labour and capital" (Lepoutre, Justo, Terjesen & Bosma 2013:700). These combinations are primarily aimed at creating social value by motivating social change or meeting community needs (Lepoutre et al., 2013). Social entrepreneurship comes in many forms, from small local businesses to large corporations. Social enterprises (SEs) play a vital role in achieving sustainable development (Maseno & Wanyoike, 2022). According to Ahmad and Bajwa (2022:18), social entrepreneurship focusses on the following priorities: i) skills development; ii) job creation; and iii) supporting the process of integration of socially excluded people back into society.

South Africa has seen reduced poverty levels since 1994, coupled with a rise in income inequality. As a result of several factors such as the pandemic and the COVID disorder in July 2020, the economy in South Africa contracted in 2021 with the average unemployment rate hovering at 42.74 from 2000 until 2021 (Littlewood, Ciambotti, Holt & Steinfield, 2022; Mathibe, Chinyamurindi & Hove-Sibanda, 2022; Degbey, Eriksson, Rodgers & Oguji, 2021; Kajiita & Murote kang'ethe, 2021).

This makes unemployment one of the most alarming factors in the process of reducing inequality and poverty. Because of the inherent characteristics of social entrepreneurship, solving social problems and promoting economic sustainability, social entrepreneurship is regarded as an instrument for stabilising both economic and social conditions in a country. This is particularly true for a developing county such as South Africa where social entrepreneurship plays a critical role in development as government is unable to meet the vast social needs of the population (Sroka & Meyer, 2021). SEs can introduce new business models and attempt to redirect resources to solve social issues that are neglected by the state and society (Maseno & Wanyoike, 2021).

1.2   Background of the research

In the quest of alleviating poverty in underserved communities, multinational organizations and development agencies have been involved in many interventions for the past decades (Quacoe, Yusheng & Quacoe, 2022). Studies have reported that the approaches adopted by these organizations have been paternalistic, with most of the programmes aimed at alleviating poverty degenerating into charity. This has occurred rather than building durable and community-based self-reliance for these underserved communities (Littlewood et al., 2022; Musarurwa, 2021). It is evident that these developmental interventions are often largely compromised in terms of promoting the development of underserved communities and as a result, eventually contribute to the creation of real poverty rather than its alleviation (Maseno & Wanyoike, 2022).

To enhance the collective development, the focus should be more on creating sustainable economic activities in the form of SEs rather than welfare projects (Elliott, 2019). In developing countries such as South Africa, it has been acknowledged that development – that is, the growth of enterprises – is an important element in communities for the purpose of bringing economic development to the

community (Quacoe et al., 2022). South Africa is facing many socio-economic problems such as unemployment, poverty and income inequality (Dzomonda, 2020). Such challenges continue to disturb most communities, especially previously disadvantaged groups. However, both the government and the private sector have failed to take a closer look at unemployment, poverty, income inequality and social problems such as drug abuse and high crime rate in the country (Dzomonda, 2020). As the private sector is driven by the profit maximisation goal, issues of social problems are not always taken into consideration (Bacq & Lumpkin, 2020). Studies have reported that it is difficult to pursue a social entrepreneurship career in South Africa (Quacoe et al., 2022; Chipeta, Kruse & Surujlal, 2020). The studies hold the view that little is known about social entrepreneurs and their activities and how they can positively impact communities, particularly underserved communities. In the South African context, the generally effect of social entrepreneurship is often negatively perceived (Stroka & Meyer, 2021). Unfortunately, South Africa still lags behind as minor efforts to assist social entrepreneurs have been recorded mostly in the Western Cape Province (Barnardo et al., 2021).

In areas where the majority of the unemployed people are youth, social entrepreneurship is identified as the key for positive change for economic and social issues (Ambad, 2022). Broadly, over the past two decades, social entrepreneurship became an important phenomenon, often associated with global successes in various fields such as culture, health and education (Ngema & Adetiba, 2020). South Africa is a nation that is characterised by high unemployment rates and poverty. Statistics shows that South Africa faces an exceptionally high unemployment rate of 29.1% which is among the highest in the world. Total employment decreased by 0.3% from 10 170 000 in June 2019 to 10 142 000 in September 2019 (Statistics South Africa, 2019:5). These elements lead to a need for social entrepreneurs who can serve by establishing systems and models for the purpose of transforming communities (Barnardo et al., 2021). Whether in a form of helpful organizations or as individuals, social entrepreneurs have been recognised as extraordinary change agents for the purpose of transforming communities (Ahmad & Bajwa, 2022). Ideally, social entrepreneurs rejuvenate marginalised and underserved communities by creating jobs in a sustainable manner (Littlewood et al., 2022; Dzomonda, 2020). Maseno and Wanyoike (2021) argue that social entrepreneurs create sustainable businesses in the communities in which they are

embedded. Essentially, social entrepreneurship offers self-employment to South African youth.

1.3 Problem statement

SEs are confronted with many challenges such as a lack of funding, lack of government support and difficulties in attracting and retaining qualified employees (Sroka & Meyer, 2021; Chipeta et al., 2020). Social entrepreneurs face difficulties which delay their endeavours to approach social problems in their communities (Maseno & Wanyoike, 2021; Musarurwa, 2021). Social entrepreneurship leads to innovation since SEs are engaging into innovative ways of addressing problems in their communities (Fridhi, 2021). For decades, underserved communities have been suffering from a stagnant economic growth (Ahmad & Bajwa, 2022). Some research suggests that these issues are as a result of high unemployment rates among the youth (Quacoe et al., 2022). However, the positive results of the activities undertaken within the framework of social entrepreneurship in terms of socio-economic challenges and the impact they have are still negatively perceived by communities (Diaz-Sarachaga & Ariza-Montez, 2022).

Few studies have been conducted on social entrepreneurship and SEs, especially among emerging economies such as in Africa (Littlewood et al., 2022). Existing data on the impact of social entrepreneurship in developing countries are limited and in some instances even outdated (Ambad, 2022; Quacoe et al., 2022). This has resulted in a growing call for studies to investigate the role of social entrepreneurship in developing countries (Ambad, 2022; Maseno & Wanyoike, 2021).

Studies in the South African context report that even though there is a visible positive impact of social entrepreneurship in tackling economic issues on a community level, the impact of these initiatives remains unknown while also being negatively perceived by other communities (Quacoe et al., 2022; Ngatse-Ipangui & Dassah, 2019). The existing partial knowledge of the scope of the impact of social entrepreneurial initiatives makes it relatively difficult to develop an understanding in terms of the contribution of development and social cohesion at the community level. There is still a gap in the literature on the role that SEs can play in economic development as well as challenges SEs face in underserved communities.

1.4   Aims and objectives of the study

The aim of the study is to explore the role of SEs in promoting economic development of underserved communities in Cape Town, South Africa. It also aims to explore the challenges SEs face in underserved communities.

The objectives of the study are as follows:

i)   To determine the effect of context on SEs in underserved communities in Cape Town, South Africa;

ii) To determine the factors that affect the development of SEs in underserved communities in Cape Town, South Africa;

iii) To examine the effect of SEs on the economic development of underserved communities in Cape Town, South Africa; and

iv) To determine the forms of support that can be provided for social entrepreneurship initiatives to promote economic development in underserved communities in Cape Town, South Africa.

1.5   Research questions

Good research questions are considered essential as a guide for developing a research paper or thesis (Dhir & Gupta, 2021). Table 1.1 below presents the research questions for the purpose of finding answers for the problem identified by this study.

Table 1.1: Research questions, objectives and methodologies for answering the questions

Research Question 1	What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?		
	Question	**Objective**	**Methodology**
SRQ 1.1	What challenges do social enterprises face when doing business?	To determine the challenges that affect social enterprises doing business	Interviews semi-structured questionnaires
SRQ 1.2	What are social enterprise perceptions of economic development?	To examine the perceptions of social enterprises of economic development plans in underserved communities	Interviews semi-structured questionnaires
Research Question 2	How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?		
	Question	**Objective**	**Methodology**
SRQ 2.1	How do social enterprises involve	To determine the involvement of the	Interviews semi-structured questionnaires

	stakeholders in their businesses?	stakeholders in the enterprise	
SRQ 2.2	How do social enterprises communicate with their stakeholders?	To examine the communication processes within the enterprises	Interviews semi-structured questionnaires
SRQ 2.3	How can social enterprises promote economic development in underserved communities	To determine the opportunities that social enterprises can utilise to promote economic development	Interviews semi-structured questionnaires

*SRQ-sub research question

1.6 Research methodology

1.6.1 Introduction

The following section outlines the research methodology for the study. In doing so, the section provided a discussion on the research philosophy that underpinned the study. The section further focusses on the research approach and research strategy that were employed for the study. Lastly, the research methodology ends with the data collection procedure and data analysis for the study.

1.6.2 Research philosophy

Research philosophy refers to a study's philosophical assumptions and beliefs that the researcher or scholar seeks to adopt as a guide in the process of formulating a study. A research philosophy can also be described as "relating to certain systems of belief regarding methodological, ontological and also epistemological assumptions of research" (Rahi, Alnaser & Ghani, 2019:14). These belief systems are known for serving as a guiding map for the researcher and the study subjects (Alharahsheh & Pius, 2020). The research philosophy is divided into two sub-sections: ontology and epistemology.

1.6.2.1 Ontology

Ontology relates to the nature of reality. Consequently, ontology is mainly concerned with the phenomenon from the point of view of its nature. It is primarily about unearthing the reality or answer to a research question through a process of indicating which existing type of knowledge can be found. There are two polarised viewpoints of ontology: objectivism and subjectivism, or constructionism (Al-Ababneh, 2020). The current study will follow constructionism ontology which espouses the view of social reality as a projection of human imagination.

1.6.2.2 Epistemology

Epistemology, defined as the study of knowledge, is mainly concerned with what is accepted as valid knowledge (Rahi et al., 2019). Simply put, epistemology can be described as relating to the issue of what must be regarded as acceptable knowledge in a discipline. In terms of epistemological undertakings, the two fundamentally different but competing thoughts are positive (realism) epistemology and phenomenological (or normative, interpretive) epistemology (Al-Ababneh, 2020). The *positivist paradigm* is defined as a research orientation built on the assumption that useful research is based on hypotheses, theory and quantitative data (Hashemnezhad, 2015). This paradigm holds the view that a single reality exists and can be measured objectively. The positivist paradigm is outcome-oriented and inherently understandable. The main characteristics of the positivist paradigm "concern concepts that are related to nominal definition, law-like statements, formal language, operational definition, variables related together empirically, use of statistical techniques and derivation of hypothesis for empirical testing" (Atieno, 2009:13).

The *interpretivist paradigm* "attempts to adopt a more contrarian belief that people are highly complex, idiosyncratic and unpredictable beings that are subject to a variety of responses that are individualised which nullifies the positivists universal laws of behavioural" (Ponelis, 2015:10). Interpretivists are more concerned with understanding the perceptions of individuals about the world; they hold the assumption that the personal nature of social constructs can be both extracted and refined through interaction between research subjects and researchers.

For the purpose of this current study, the interpretivist paradigm will be adopted. The interpretive approach has the potential to give the researcher a greater and more diverse scope in terms of addressing impact and influence and to ask questions such as *how* and *why*. This what this study is precisely seeks to achieve. This assertion is the main rationale for the researcher's choice of the interpretivist paradigm.

1.6.3 Research approach

The research approach allows for data to be categorised based on deductive or inductive reasoning. Deduction entails moving from the general to the particular, as in starting from a theory, deriving hypotheses from it, testing those hypotheses and revising the theory (Locke, 2007). Abductive, inductive and deductive approaches are combined to provide additional insights where the inductive approach or

deductive approach alone is not sufficient. This approach is favourable for a mixed-methods study (Abutabenjeh & Jaradat, 2018). Induction, on the other hand, involves moving from the particular to the general, as when making empirical observations about some phenomenon of interest and forming concepts and theories based on them (Locke, 2007). The study followed the inductive approach that was consistent with the qualitative approach. The qualitative approach refers to "the systematic analysis of a social phenomenon through a process were non-numerical data is collected for the purpose of building an understanding of how people establish perceptions and interprets of different phenomenon" (Lub, 2015:1). The rationale for employing the inductive approach (qualitative) for the current study is that it will allow the researcher establish answers from the raw data collected from participants. Furthermore, the inductive approach (qualitative) focusses on determining the experiences of the individuals under investigation. This supports the aim of the study, namely, to explore the role of SEs in promoting economic development of underserved communities in Cape Town, South Africa.

1.6.4 Research strategy

This research followed a (multiple) case study strategy. The strategy was used to gain an understanding of the context and the processes put in practice. Its aim is to generate answers to *why*, *what* and *how* questions and is often used in explanatory and exploratory research (Saunders, Lewis & Thornhill, 2015). The multiple case design has the potential of providing the researcher the space to crosscheck research findings after the process of theory building is complete. Another advantage that is associated with the multi-case design is the fact that it increases the reliability of the study findings. Fifteen SEs in underserved communities in Cape Town were selected, all of which excel in promoting the development in the communities where their businesses are located. The choice of a case study method was informed by its advantages in examining the positive developments of social enterprises and the influence they bring.

1.6.4.1 Sampling

For this study, a non-probability and conveniently selected sample was used, with 15 SEs selected (Chapter 3: section 3.4.3; Chapter 4: section 4.4.5). The respondents are both male and female between the ages of 25-40 years, residing in Cape Town.

1.6.4.2 Unit of analysis

The *unit of analysis* can be described as referring to the entity that makes up what is being studied or looked up in a particular study. For the purpose of this study, the unit of analysis is the role social entrepreneurship plays in promoting economic development of underserved communities in Cape Town, South Africa (Chapter 3: section 3.4.1).

1.6.4.3 Unit of observation

The *unit of observation* can be defined as "referring to the unit for or at which the data is collected." (Grønmo, 2019:592) For the purpose of the study, the unit of observation was the 15 owners (participants) from the selected SEs (Chapter 3: section 3.5.2; Chapter 4: section 4.2).

1.6.5 Data collection

Data collection refers to the tools used by the researcher to collect data from the participants (Williman, 2010). An interview guide (Appendix C) with semi-structured questions was used to collect data from the participants. There are two types of interviews: structured and unstructured. Structured interviews include pre-coded questions with well-defined patterns to follow the sequence of questions, while unstructured interviews include open-ended and vague opinion-type questions (Acharya, 2010). This study used unstructured interviews to elicit data from the participants. Before the data collection started, the participants gave permission to partake in the research. After permission was obtained from the participants of the SEs, the participants were contacted and interview dates and times determined. This was followed by emailing the interview guide with a semi-structured questionnaire (Appendix C) to each participant. A day before the interview, the participant was again reminded of the interview and the interview guide once again mailed. At the interview, the participant was asked permission to record the interview.

1.6.6 Data analysis

The recorded interviews were transcribed and mailed to the specific participant to validate the transcript and ensure that the content and intended meaning were correct. Once done, analysis began. The transcripts were read several times to familiarise with the data. Once done, codes and concepts were identified. From these concepts, findings were derived. The findings were then summarised. From the findings, key concepts were derived by linking similar words and concepts. Then

categories and themes were developed (Chapter 4: section 4.6; Table 4.4; Appendix C).

1.7 Ethics

Research *ethics* refer to moral principles that are predetermined for the purpose of providing guidance in the process of conducting a particular study (Surmiak, 2018). All ethics prescribed by CPUT were adhere to. For the purpose of the current study, the ethical consideration included informed consent, voluntary participation, anonymity, privacy and security and the misuse of results.

i) *Informed consent:* Informed consent is an important ethical requirement that mainly involves human participation. Simply put, informed consent can be defined as referring to a process wherein study subjects are made aware of all the important study aspects regarding participants of the study (Arifin, 2018). The participants will be given the consent formed before the interviews can commence. For the purpose of the current study in the informed consent the purpose and aim of the study will be explained. As part of the content of the informed consent form, participants will be informed that their participation is voluntarily.

ii) *Voluntary participation:* As mentioned above, participants will be made aware that their participation is voluntary, meaning that permission will be requested from the participants before collecting primary data.

iii) *Anonymity:* Anonymity can be described as the extent to which the data collected from the study is kept completely private (Surmiak, 2018). In the current study, the researcher will ensure that various elements of anonymity are adhered to such as access to data and measures concerning collection, communication and conservation of data.

iv) *Misuse of results:* This refers to the extent to which the information obtained from participants will not be misused (Arifin, 2018). For the purpose of this current study, the study results will only be used for academic purposes.

1.8 Delineation

The study explores the role of social entrepreneurship in underserved communities in promoting economic development. For this study, SEs in Cape Town, South Africa, were used. No other type of business was considered for this study. The aim of the study is to explore the role of social entrepreneurship in promoting economic development of underserved communities in Cape Town, South Africa. It also aims to explore the challenges SEs face in underserved communities.

1.9 Headline findings

The top four findings identified are as follows:

Headline finding 1: SEs in Cape Town are not perceived as a tool of sustainable development.

Headline finding 2: SEs desire to see change in their communities by empowering others to do well.

Headline finding 3: SEs create opportunities for job seekers to end unemployment, offer training to people, give people chances, create opportunities and nurture skills development.

Headline finding 4: SEs bring mentorship and training to the community members.

1.10 Conclusions

This chapter focused on the background and the problem statement of social entrepreneurship and challenges faced by social entrepreneurs in Cape Town. Based on the research, it may be concluded that social entrepreneurs in Cape Town perceive social entrepreneurship as a tool for solving social problems. However, social entrepreneurship is still in the early stages of development and implementation. One of the most important findings is related to the role of social entrepreneurship in sustainable development. The importance in the application of sustainable development is vital in the communities of Cape Town. However, social entrepreneurship in Cape Town is not perceived as a tool of sustainable development. Therefore, appropriate measures should be adopted to raise the awareness of social entrepreneurs about the potential of social entrepreneurship in this field.

1.11 Contribution

This study focused on exploring the role of SEs in promoting economic development of underserved communities in Cape Town, South Africa. It also aims to explore the challenges SEs face in underserved communities.

The study contributes both practically and theoretically to the current body of knowledge as it is required to provide insights of the role of SEs in communities and in growing SEs. The study provides guidelines to assist in facilitating decision making. This study provides future researchers with perspectives on related studies of SEs. It also gives SEs the opportunity to understand the challenges they may face inside and outside their communities. The study shows future SEs that while it may

not be easy, they are encouraged to keep pushing forward, turning challenges into opportunities.

1.12 Layout of thesis

Chapter 1: This chapter focused on the introduction and background, research problem, significance of the study, research questions, research objectives and the proposed methodology.

Chapter 2: This chapter reviews literature on both social entrepreneurship and economic development. In doing so, the chapter will outline the conceptualisation of both concepts while linking economic development to previously disadvantaged communities.

Chapter 3: This chapter focusses on the methodological aspects of the study. In doing so, the chapter outlines the research paradigm, research approach, research population, sample design, data collection procedures, data collection instrument, research design and ethical issues.

Chapter 4: This chapter presents the data analysis, results and interpretation. In doing so, the chapter covers the demographic data of the study and analyses and interprets the data collected by means of in-depth interviews.

Chapter 5: This chapter focusses on the discussion of the results and the alignment to literature.

Chapter 6: This chapter covers the research questions of the study, limitations of the research, future research, reflection, and recommendations and conclusions based on the analysis of the primary data.

1.13 Summary

Chapter 1 is the introductory chapter of this study. The chapter outlined the background, research problem, research questions, aim, objectives, research methodology, ethics, delineation, headline findings, conclusions, contribution, the layout of the thesis and a summary.

Problem statement: It is unclear what role SEs can play and the challenges they face in the economic development of underserved communities.

Research questions: 1) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa? 2) How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?

Aim: To explore the role of SEs in promoting economic development of underserved communities in Cape Town, South Africa. Also, to explore the challenges SEs face in underserved communities.

Objectives:

i) To determine the effect of context on SEs in underserved communities in Cape Town, South Africa;

ii) To determine the factors that affect the development of SEs in underserved communities in Cape Town, South Africa;

iii) To examine the effect of SEs on the economic development of underserved communities in Cape Town, South Africa; and

iv) To determine the forms of support that can be provided for social entrepreneurship initiatives to promote economic development in underserved communities in Cape Town, South Africa.

Research methodologies: The sample size for the study consists of 15 SEs in an underserved community in Cape Town. A multiple case study strategy was followed. The unit of analysis was the role SEs play in promoting economic development of underserved communities in Cape Town. The unit of observation comprised 15 owners from the 15 SEs. Data collection took place using interviews and a semi-structured questionnaire as data collection tools. The interviews were recorded, with answers to questions transcribed, reviewed and analysed. Key themes were identified.

Findings and conclusions: The main finding of the study was that SEs in Cape Town are not perceived as a tool of sustainable development. The contribution to the study was both practically and theoretically to the current body of knowledge as it provided insights of the role of SEs in communities and of growing the SEs.The study focused on exploring the role of social entrepreneurship in promoting economic development of underserved communities in Cape Town, South Africa, by exploring the challenges that SEs face when they startup businesses. Appropriate measures should be adopted to raise the awareness of SEs and the potential of SEs to underserved communities. The ethics for the study involved informed consent, voluntary participation, anonymity, privacy, security and the misuse of results

CHAPTER 2:   LITERATURE REVIEW

Figure 2-1: Layout of Chapter 2

2.1   Introduction

Chapter 1 focused on providing an overview of the study in terms of its background, problem statement and objectives. Chapter 2 focusses on the literature for the study. In doing so, the chapter covers the i) entrepreneurship, ii) characteristics of social entrepreneurs, iii) models of SEs, iv) factors driving the evolution of SEs, v) economic development, vi) SEs and economic development, vii) SEs in Africa, viii) global challenges faced by social entrepreneurs, ix) challenges faced by social entrepreneurs Africa, x) the way forward, and xi) a summary.

The literature was approached by stating the historical review about social entrepreneurship, using key words and key concepts from the title, problem statement, research questions and aim of study to align the search with the study. An iterative approach was followed and key words and concepts from the literature were included. Search engines of the online library of CPUT were used to search for relevant articles.

2.2 The history of social enterprises in South Africa

There has been an exponential growth of social organizations around the world. Galera and Borzaga (2009:214) state that "not all well-planned ideas that aim to pursue a social goal are taken under the umbrella of a social organization." A study by Kerlin (2013:85) shows that as a result of the exponential growth of social enterprises, various descriptions and meanings have been introduced in the literature. Kerlin (2013:84) defines a *social organization* "as a non-governmental and market-based approach used for the purpose of social issues". Furthermore, the author describes a social organization as "an entity with meaningful projects aimed at raising revenue only for social activities". Characteristics of a good leader include honesty and integrity, confidence, inspiration, commitment, passion and a good communicator. A good leader not only does things for themselves but for others as well, so others are motivated to follow the footsteps of the leader. A good leader is a great listener and listens to other people and take notes.

2.3 Historical overview of the term *entrepreneur*

When exploring aspects relating to entrepreneurship such as social entrepreneurs, as a foundational step, it is important to build an understanding of the meaning of *entrepreneurship* (Manyaka, 2015). The term *entrepreneur* originates from French economics as early as 1700. The term refers to an individual who undertakes a significant activity or project. Shortly after the term was established, other scholars broadened the term by suggesting that an entrepreneur is an individual who is a non-fixed income earner, paying cost of production while earning an uncertain income. They went further by describing an entrepreneur as an individual who is a specialist in risk taking (Nicholas & Santos, 2013). According to Iversen, Jørgensen and Malchow-Møller (2007), Schumpeter (1934) modernised the definition of entrepreneurship, which is to bring new ventures to combine enterprises and individuals who are ready to carry out those new ventures.

Schumpeter (1934) attempted to broaden the definition: entrepreneurs are individuals classified as innovators that serve the purpose of carrying new combinations, thus contributing to economic development. Thirty years after, McClelland (1961) argued that an entrepreneur should be viewed as an individual who has a deep desire for achievement, a moderate risk taker and energetic. During this time there were also other scholars who added to this definition by proposing that an entrepreneur is an individual who constantly searches for change with the intention of responding and further exploiting the opportunities that are associated with it. Innovation, therefore, is considered to be a specific tool of entrepreneurs (Omrane, 2013).

Schumpeter's (1934) concept of *entrepreneurship* was further expanded by adding that the concept of *innovation* refers to doing something new or doing something that is already being done in a new way. This would involve initiatives that include creating a new product, developing a new method of production, opening a new market, capturing a new source of supply and establishing a new organization of industry. The historical overview of the concept of entrepreneur reveals the difficulty associated with understanding the concept. Entrepreneurial businesses normally incorporate an element of profit or income generation (Kim-Soon Ahmad, & Ibrahim, 2016; Stephan & Pathak, 2016). However, in the case of the traditional entrepreneurial business, profit is used for the benefit of the entrepreneur, whereas with the social entrepreneur, profit is used to meet some social need.

2.4   Entrepreneurship

The concept of *entrepreneurship* lacks consensus on its definition. Szaban (2018) opines that good science must begin with a good definition. While the word *entrepreneurship* is a literal translation from the French word *entreprendre*, which means to undertake something, a series of definitions have emerged from the concept (Aliaga-Isla & Huybrechts, 2018). For example, Berglund (2015:480) defines *entrepreneurship* as "the process through which individuals pursue opportunities with scarce resources at hand." Kloepfer and Castrogiovanni (2018:681) define *entrepreneurship* as "the process of doing something new and something different for the purpose of creating wealth for the individual and adding value to society". Entrepreneurship means thinking, reasoning and acting that is opportunity obsessed, holistic in approach, and leadership balanced. Foss and Klein (2020:8) suggest that entrepreneurship is determined by, inter alia, "the desire to achieve, the need to be

creative and constantly aiming at being innovative". Although defining entrepreneurship lacks general consensus, historically the concept has significantly contributed to the body of literature. Some scholars agree that discrepancies in defining *entrepreneurship* are because the concept is multidisciplinary (Doran, McCarthy & O'Connor, 2018; Walmsley, Decker-Lange & Lange, 2022). Entrepreneurship stems from the fields of sociology, psychology, business management and economics. Sociologists have described entrepreneurship according to the social aspects. In psychology, entrepreneurship relates to the cognitive perspective of the individual entrepreneur. Furthermore, entrepreneurship in the business domain is attributed to the behavioural and process perspective, while economists describe entrepreneurship according to the functions of the entrepreneur (Schmitt, Rosing, Zhang & Leatherbee, 2018).

A growing body of literature highlights *entrepreneurship* as rooted in economics (Hessels & Naude, 2018; Petrakis, Valsamis & Kafka, 2020; Foss & Klein 2020). Williams and Vorley (2019) provide a detailed history of the origin of entrepreneurship, noting that the word *entrepreneur* was first coined by the early French economist Richard Cantillion. It was in the 17th century that Cantillion described an *entrepreneur* as someone who takes the risk of engaging in exchanges for a profit (Szaban, 2018). Since inception, the term *entrepreneur* gained popularity to the point that other writers, such as Jean Baptist Say, reformulated the concept's meaning to describe entrepreneur as a leader of production and distribution processes who aims at minimising resource allocation while maximising overall efficiency within the production process (Foss & Klein, 2020).

Entrepreneurship continued to gain popularity up until the 20th century where classical economist Joseph Schumpeter (1939) introduced the concept of innovation. As an innovator, Schumpeter describes the entrepreneur as "someone who makes a profit through successful innovation of the entire production and distribution process" (Schumpeter, 1939:161). It can further be stated that the personal profit motive is a central engine that powers private enterprise and social wealth. Although the profit-making motive might be a central engine of entrepreneurship, it does not preclude other motivations (Gandhi & Raina, 2018).

As evident in Table 2.1 the four types of entrepreneurship have some common ground.

Table 2.1: Types of entrepreneurs (Kloepfer & Castrogiovanni, 2018:681)

	Conventional	Institutional	Cultural	Social
Definition	An agent who enables or enacts a vision based on new ideas in order to create successful innovations (Schumpeter)	An agent who can mobilise resources to influence or change institutional rules, in order to destroy existing institution, or to establish a new one.	An individual who identifies an opportunity and acts upon it in order to create social, cultural or economic value.	A social actor applies business principles to solving social problems
Organizational	Profitmaking	Profitmaking	Non profit or profit	Non profit or profit
Primary goal	Economic	Institutional reform/development	Cultural diffusion/enlightenment	Social change/ well-being
Examples	Business service providers	Apple/Kodak	Museums	Grammen Bank

Each type of entrepreneurship has a motive to achieve some goal, be it economic, institutional, cultural or social. However, a clear distinction is made as to whether the organizational form is primarily for-profit or nonprofit. For-profit organizations achieve value by making an economic profit while nonprofit organizations find value through the provision of social benefits. Primarily, nonprofit organization practice what is called social enterprise (SE).

2.5 Social entrepreneurship

Research on SEs suggests that defining the concept of social entrepreneurship is a challenging task. Many authors, for example Dacin and Tracey (2011) and Bansal, Garg and Sharma (2019), have attempted to define the term *social entrepreneurship,* but while most conceptualisations of SE are usually a reflection of what scholars conceive to be the definition of entrepreneurship as a concept, there is a distinction between economic entrepreneurship and SE. This leads to a holistic overview of entrepreneurship which reflects the economic and social perspectives to clearly differentiate the types of entrepreneurship.

Economic entrepreneurship refers to "the identification and exploitation of business opportunities and the attraction of resources targeted at proffering solutions to business problems or challenges" (Williams & Vorley, 2019:406). SEs, on the other hand, refer to "the process through which solutions are proffered for social challenges without recourse to the constraints of resources currently available" (Hattenberg et al., 2021:40). Social entrepreneurs are "individuals with daunting determination and commitment to persist in the face of obstacles" (Pathak & Muralidharan, 2017:42).

As can be appreciated by the range of definitions proposed, agreeing on the content and boundaries of the concept of SEs is a source of much debate. While some

scholars welcome the openness of the concept, others argue that it will serve to weaken its potential for growth and impact. Agapitova and Linn (2016) argue for greater clarity. They state that if too many non-entrepreneurial efforts are included in the definition, then SEs will fall into disrepute, and the kernel of true SEs will be lost. For an economic entrepreneur, wealth is a measure of value creation. Hence, the wealth that accrues to a business is an indication of the success of the business (Gandhi & Raina, 2018). On the other hand, for a social entrepreneur, wealth is a tool for tackling social challenges. Consequently, the success of a social entrepreneur is designated by the social impact achieved. Therefore, in line with the work of Kloepfer and Castrogiovanni (2018:685), SE can be broadly defined as "the identification and exploitation of opportunities and the attraction of adequate resources with a focus on overcoming social challenges or problems geared towards fostering development in in a society".

Social entrepreneurship is an approach by individuals, groups, start-up companies or entrepreneurs, where they fund, develop and implement possible solutions to environmental cultural or social issues. Importantly, the concept can be applicable to a wide range of organizations that vary in aims, size or beliefs. According to Travis, McFarlin, Van Rooyen and Gray (1999:185), "community development in South Africa is one important intervention approach in response to poverty alleviation issues surrounding the society because citizens residing in rural areas have very little and are surrounded by poverty". Social conditions perpetuate violence, illiteracy and ill-health. Mato-Santiso and Rey-Garcia (2019:15) propose that an "SE creates new models for the provision of products and services that cater directly to basic human needs that remain unsatisfied by current economic or social institutions".

2.6   The social entrepreneur

According to Haugh (2005:346), these individuals are "people with core creativity that tend to fill, in a meaningful way, the gap of social problems left by government, private and public organizations". In addition, the author shares the point of view of scientific analysis regarding the importance of the vital characteristics of individuals in the success of social entrepreneurship. These characteristics are believed to not only transform or resolve the issues of a particular sector, but also preserve a sustainable transformation for better life.

2.7 Characteristics of social entrepreneurs

Social entrepreneurs are individuals who "create businesses with the aim to serve people in society" (Bansal et al., 2019:94). Social entrepreneurs tackle social challenges and respond to those challenges where the market and the public sector fail to do so. According to Canestrino, Cwiklicki, Magliocca and Pawelek (2020), characteristics of social entrepreneurs are no different from those of commercial entrepreneurs. Specific emphasis has been placed on factors such as innovation, passion and desire for greater reward. Pathak and Muralidharan (2017) demonstrate that like entrepreneurs, social entrepreneurs are entrepreneurial, innovative and able to transform the environments in which they operate.

Social entrepreneurs can be simply defined as "people who use business principles to solve social problems" (Hattenberg, Belousova & Groen, 2021:40). They are characterised by special traits such as special leadership skills, a passion to realize their vision and a strong ethic fibre. Below are the traits associated with social entrepreneurship, according to Gandhi and Raina (2018:5):

i) *Adopting a mission to create and sustain social value:* the vision cannot become personal; it has to benefit a group of people in need.

ii) *Recognising and relentlessly pursuing new opportunities:* social entrepreneurs are visionaries; they see opportunities where other see threat.

iii) *Engaging in a process of continuous innovation, adaptation and learning:* the organization should be innovative and change oriented to be considered an SE. It is not required to create something from zero; it can simply involve applying an existing idea in a new way or to a new situation.

iv) *Acting boldly without being limited by resources in hand:* social entrepreneurs take maximum advantage of their resources. However, they also mobilise resources of others to make their visions come true.

v) *Exhibiting a heightened sense of accountability to the constituencies served and for the outcome created:* social entrepreneurs find ways to measure their social value.

2.8 Models of social enterprises

An organization which "pursues social missions or purposes that operate to create community benefit regardless of ownership or legal structure and with varying degrees of financial self-sufficiency, innovation and social transformation is known as an SE" (Pathak & Muralidharan, 2017:44). Bansal et al. (2019) postulate that a region's history can shape and influence the social entrepreneurial activity in a particular country. SEs, as already noted, are largely influenced by a country's

social, political and economic contexts. In this regard, the different organizational formations that have emerged are as a result of American (social/business) and European traditions (co-operatives and NGOs) (Ngatse-Ipangui & Dassah, 2019:35). Again, in comparing SEs in the United States and Europe, various kinds of SEs are appropriate for the precise needs and institutional structures of each country. SEs lie within the boundaries of private, public and non profit sectors. Bacq and Lumpkin (2020) indicate that SEs can be separated and located on a diametrically divergent scale between enterprises which are purely philanthropic and those purely commercial, while a hybrid model falls between the two extremes.

On the other hand, an SE comprises commercial entities with social purpose, for instance, for-profit community development banks and hybrid organizations which combine not-for-profit entities and for-profit elements. These include businesses that train and employ homeless people while also providing them with shelter. Bansal et al. (2019), using organizational structure and source of income as the basis of differentiation, group SEs into not-profits, hybrid not-for-profit and hybrid for-profit.

In a quest to set the margins of SE, Abu-Saifan (2012:24) proposes that,

> "social entrepreneurs function with dual business strategies which are: non profit with earned income strategies and for-profit with mission-driven strategies, where the former, in order to achieve self-sufficiency, performs hybrid social and commercial activities whereas, for the latter, the venture seeks to act as a societal business that performs social and commercial entrepreneurial events concurrently so as to achieve sustainability."

Figure 2.2 presents the model by Abu-Saifan (2012:24).

Figure 2-2: A framework showing SE boundaries (Abu-Saifan, 2012:26)

Abu-Saifan (2012) uses this framework to expatiate on a proposed definition of SE in which boundaries are proposed to place social entrepreneurs properly in the range

of entrepreneurs. The framework depicts the nonprofit with earned income strategies; this, he claims, refer to an SE carrying out hybrid social and commercial activities so as to ensure self-sufficiency by using revenue and profit generated to advance social value delivery. Furthermore, Abu-Saifan (2012) postulates that with for-profit with mission-driven strategies, the social entrepreneur runs an organization which is both social and commercial; as such, the entity is independent financially and thus the founders as well as investors have access to monetary gain.

2.9 Factors driving the evolution of SEs

2.9.1 Driving factors

The time is certainly ripe for entrepreneurial approaches to social problems. Many governmental and philanthropic efforts have fallen far short of our expectations. Major social sector institutions are viewed as inefficient, ineffective and unresponsive. Social entrepreneurs are needed to develop new models for a new century (Aquino, Luck & Schanzel, 2018).

Different social, political, institutional, economic and historical factors have influenced the global proliferation of social entrepreneurs and enterprises. These include initiatives to reinvent government, resulting in a retreat of government and increased civic involvement (Ngatse-Ipangui & Dassah, 2019:35); the inadequacy of the free market neo-liberal model in ensuring the welfare of all (Macke, Sarate, Domeneghini & da Silva, 2018; Kimmitt & Munoz, 2018); the perception of market failure (Kumaludin, Xavier & Amin, 2021); public funding not reaching the poor (Gandhi & Raina, 2018); diminishing public funding (Bacq & Lumpkin, 2020); the global movement towards marketisation and privatisation (Mendez-Picazo et al., 2012); and the need to fill institutional voids and uncontrolled capitalism that has resulted in social injustices.

The transition of NGOs into SEs has also been influenced by the entry of for-profit entities into the non profit sector causing NGOs to adopt business practices to remain competitive. In South Africa, gross inequalities (Ngatse-Ipangui & Dassah, 2019) and the government's inability to meet the social deficit (Aquino et al., 2018) are some of the factors that have influenced local social entrepreneurs. These driving forces have propelled individuals and groups to seek innovative business-oriented solutions to pressing social needs.

The permeability of cross-national borders and the globalisation of business in international markets have made it easier for social entrepreneurs to pursue global

opportunities. The reason for the globalisation of social ventures is related to the global nature of the need (Bansal et al., 2019). Other factors driving this globalisation of SEs are i) global wealth disparities, ii) the corporate social responsibility movement, iii) market and institutional failures, and iv) advances in technology (Aquino et al., 2018:10). Globalisation of SEs is a rapidly increasing trend that will contribute significantly to global development because of its focus on meeting social needs in different parts of the world.

An example of institutional factors driving SE is the United Kingdom's Department of Health creating incentives for its staff to form healthcare SEs. Staff reported that the opportunity to grow from the experience and gave back motivated their actions (Gandhi & Raina, 2018). The findings of this work confirmed Mendez-Picazo et al.'s (2012) observation that often opportunity recognition to start an SE can occur in a collective form. At the level of the individual social entrepreneur, one of the forces driving the formation of SEs is compassion, an emotion that connects a particular individual to the suffering of others (Bacq & Lumpkin, 2020). Social entrepreneurs are also motivated by personal fulfilment motives to form SEs (Kamaludin et al., 2021). These observations move the discussion beyond the macro reasons (social, political and economic) towards an exploration of the micro reasons (personal and affective) for the formation of SEs.

Many of the driving forces discussed above reflect social, economic and political forces in western nations. The driving forces in many developing and developed countries across the world may vary considerably and would be of interest to researchers (Barnard, 2019). It is reasonable to assume that in South Africa, socioeconomic delivery backlogs and a non-governmental movement weakened by the retreat of international funders following the advent of democracy, and the need for social change and transformation, constitute several of these driving forces.

2.10 The need for social change

SE offers the broader field of entrepreneurship an opportunity to contribute to social change (Kamaludin et al., 2021). The purpose of SEs is to bring about some form of social change and in developing countries, social entrepreneurs are viewed as agents of social change (Kimmit & Munoz, 2018). This link between SE and social transformation was empirically explored by Macke et al. (2018). In their analysis of seven successful case studies of SEs, they looked at the nature of innovation, the character of the leader and organization, and how the ventures expand and sustain

their impact to transform larger systems (Macke et al., 2018). One important concept they discuss is that of scaling up which entails expanding services and benefits to more people, and large-scale behaviour change. The same theme was addressed by Aquino et al. (2018:10) who emphasise the organizational factors that facilitate the leveraging of social change through SE. They identify the organizational factors as broad and bold vision, a scalability orientation and economic robustness of ventures, as three factors relate positively with social change, growth and economic performance, and this link can be mediated by environmental factors.

The work of Sengupta and Croce (2018) and Terziev and Georgiev (2018) seeks to identify dimensions in SE ventures that could cause a larger systemic impact on the quality of lives of communities. These dimensions are important as they point to areas of capacity-building to achieve a greater impact. The concern with the study above is that it focusses on increasing numerical impact and does not consider the need to factor in system and institutional change. At a more localised level, Ran and Weller (2021) argue that SEs should be part of community development strategies because they are best placed to facilitate community economic development. They also promote self-determination and local community cohesion. This perspective is supported by Mato-Santiso and Rey-Garcia (2019) who consider two case studies of SEs and elucidate the role that social entrepreneurs play in providing services to the poor and in supporting the goals of sustainable development. The same authors, however, point out that for SEs to make a noteworthy contribution to sustainable development objectives, the volume of initiatives across the globe must increase.

The link between SE and social change assumes that SEs make a positive contribution to society. Some researchers have proposed a more considered approach, whilst others question this assumption. A level of caution is expressed by Mato-Santiso and Rey-Garcia (2019) regarding bullish views on the social impact of SE. They argue that whilst social entrepreneurs can expand the solutions available to society, they cannot drive social change on their own. SE needs government and institutional support. Furthermore, they argue that the model of an SE should not be regarded as the panacea for most situations.

2.11 Community development

Community development does not, in certain ways, only improve the quality of life (Waghid & Oliver, 2017). As part of community development, economic development, in its grand aspect, is mainly conducted to improve employment and

the economic base of the community. Spicer, Kay and Ganz (2019) view economic development as part of community development because it involves different elements of community development, such as participation, rethinking and action learning, and it is gratifying, especially in a context that ameliorates the comparative position of the community.

Mendez-Picazo et al. (2021) indicate that regarding community development, different social entrepreneurs engage in both direct and indirect economic activities. In Hall and Canestrino et al.'s (2020:136) view, the combination of social and economic aspects creates economic opportunity for poor people and improves the basic condition of deprived communities in areas such as healthcare, education and nutrition. Chilufya and Kerlin (2017) illustrate that either a social entrepreneur or a social worker can dramatically change the economy and contribute to economic development and growth, integrated human, social and economic development.

2.12 Social enterprises and economic development

SEs can improve or develop the economy by following some of these main aspects: i) creating jobs; ii) innovation; iii) enhancing social investments/trade; and iv) poverty elevation.

2.12.1 Creating jobs

SE is a basic source for creation of jobs or employment. Not only can SEs offer more employment, but they can also act as a campaigner and advocate for employing people from outside the usual suspects. There are many opportunities which are created by SEs for unemployment (Bacq & Lumpkin, 2020). SEs have two intersecting roles when it comes to employment. One is that employers in their own right aspire to be excellent employers and seek employment as a central part of their remit. The other is the sector's role as advocates and catalysts in demonstrating that employing people from outside the existing employed workforce Is not only a good thing, but also the right thing to develop their businesses as well as the economy of country (Kamaludin et al., 2021).

2.12.2 Innovations

SEs are also known for innovators and innovation, creating a direct impact on the economy of any country. SEs are also popular for creative industries and creative economics. Innovations help boost the economy. Social entrepreneurs and their innovations promote inclusive economic growth (Kimmitt & Munoz, 2018). SEs are

the driving force behind innovations that improve the quality of life of individuals around the world, which also help in developing the economy (Macke et al., 2018). All over the world in the recent decade, there has been a phenomenal surge of interest in social innovation as a way to achieve sustainable economic growth. The financial and economic crisis make creativity and innovation in general and social innovation in particular even more important to foster sustainable economic growth, secure jobs and boost competitiveness (Aquino et al., 2018).

2.12.3 Enhancing social investments/trade

SEs are key sources which brings different social investment and trades in Pakistan (Mato-Santiso & Rey-Garcia, 2019). SEs include micro finance, fair trade, triple bottom lines companies, incubators and other for-profit business or non profit market interventions with a defined and measurable social impact. Social entrepreneurs also contribute to the dynamic shift in social justice, cultural sustainability and economic development around the world.

Impact investment is fully correlated with SEs. Impact investing is defined by Global Impact Investing Network (GIIN) as "investments made into organizations, funds and companies with the intention to generate social and environmental impact alongside a financial return" (Ran & Weller, 2021:6). GIIN emphasises the importance of intentionality in actively seeking direct investments in social business/enterprises with high social and environmental impact outcomes as well as an expectation of financial return. This shows how SEs enhance the investment in the economy of the country (Terziev & Georgiev, 2018).

2.12.4 Poverty alleviation

SEs are viewed as a way of combating poverty, with the pursuit of an entrepreneurial strategy. Many studies indicate that opening up trade has a positive impact on poverty reduction (Aliaga-Isla & Huybrechts, 2018; Sengupta et al., 2018; Canestrino et al., 2020). The SE has a promising approach to eliminate the causes of poverty, which helps boost the economy. SEs make ventures that may be for benefit or non profit, yet the need is frequently on utilising market-oriented exercises to create framework change that enhances the lives of individuals. The SE has a specific capacity in the financial ecosystem. SEs are successful means of financial advancement and poverty alleviation in bankrupted and lower income areas of the world. But the consequences of an SE on poverty eradication and increased income

for the beneficiaries of microfinance are at best inconclusive (Mato-Santiso & Ray-Garcia, 2019).

2.13 Social enterprises in Africa

Despite recent gains in digital and financial technology, Africa lags behind much of the world in commercial entrepreneurial activity (Sengupta et al., 2018). According to the Global Entrepreneurship Inde (GEI, 2017), sub-Saharan Africa has only a quarter as many small businesses as Asia, relative to its population, and an eighth as many as in OECD countries. Factors cited as impediments to entrepreneurship in Africa start with colonialism, which focused economic activity on the extraction of natural (and human) resources and led to political boundaries that disrupted tribal ties and social networks, followed by a post-colonial legacy of stifling state bureaucracy and corruption (Terziev & Georgiev, 2018). On this count, over 20 sub-Saharan African countries score low (bottom quartile) on the World Bank's 'ease of doing business' index and many of their government's score poorly on Transparency International's corruption index. In addition, widespread poverty, limited access to financial capital and a lack of commercial and community infrastructure make sustaining and growing an enterprise problematic (Hattenberg et al., 2021).

Some of these factors, however, provide fertile soil for social entrepreneurism. Theory postulates that SEs (and the not-for-profit sector more generally) emerge when both markets and government fail (Canestrino et al., 2020). Market failures wreck developing regions where there is often a mismatch between demand and supply, production inefficiencies, a shortage of trust and deficient infrastructure. Government is then expected to step in by regulating markets and/or providing public goods. Government failure arises when the state intervenes ineffectively or lacks the resources or political will to address unmet societal needs. In this mix, SEs, not wholly dependent on market pricing and predictable profits and with a sharp focus on meeting social needs, take root (Doern et al., 2019).

A study of 384 SEs operating in 19 sub-Saharan African countries documents how economic and socio-political conditions influence the formation and self-definition of SEs in the region (Petrakis et al., 2020). It reports a strong association between the poverty level in a country and the likelihood that an organization,

    i)   defines itself as an SE; and

ii) targets its goods and services at the poor and disenfranchised. (Importantly, many of these SEs place more importance on training, consulting with, and transferring knowledge to their poor clientele than making sales per se).

Respondents have been asked whether or not they see themselves as having a national versus an ethnic identity. Here the study finds a strong association between having a tribal ethnic identity, targeting the poor and disenfranchised, and including the local community in operating decisions about the enterprise. The connective point is that social entrepreneurs and their enterprises not only arise amidst market and government failures but can also, to an extent, remediate them (Hessels & Naude, 2018).

2.14 Research on social enterprises in South Africa

Literature and research on SEs in South Africa remain relatively sparse. In one example, Sroka and Meyer (2021) consider the SE Play Pumps as part of an insightful, but descriptive, review of international cases. To date, perhaps the most comprehensive study of South African SEs has been conducted by researchers at the University of Johannesburg supported by the International Labour Organization (ILO) and Belgian government (Raniga & Ringson, 2021). This study involved 24 South African SEs with an emphasis on bestpractice learning, examining their backgrounds and history, business models, target market, and issues of replicability. From this research, various tools, guides and training materials were developed as well as reports addressing themes like impact measurement and appropriate enabling policy responses. The research offers significant insights, particularly for practitioners and policy makers, but its theoretical engagement and contributions to wider SE scholarship are more limited (Sengupta et al., 2018).

SEs are not only under-researched in the South African context, but given the sustainable development challenges the country faces, SE is critical as a phenomenon in social life. In a more recent study, Sroka and Meyer (2021) consider narratives and discourses of SEs, reflecting on how the meaning of social changes in South African and wider developing world contexts. Limited academic work on SEs in South Africa can be partially supplemented by practitioner literature. For example, Chipeta, Kruse and Surujlal (2020) discuss SE development in South Africa, and opportunities to create a virtuous cycle of investment, startup and impact, particularly in relation to Broad Based Black Economic Empowerment (B-BBEE). Ngatse-Ipangui and Dassah (2019) consider social impact measurement and the application of

European models to African contexts with reference to SEs in the Western Cape. Organizations such as the Social Enterprise Academy Africa (SEAA), ASEN and UnLtd South Africa have also made a range of training materials available for social entrepreneurs. However, while useful, such work retains a strong practitioner rather than scholarly focus.

The constitution of South Africa (1996) obligates every local government in South Africa to promote socio-economic development at the grassroots levels while improving the standard of living of the people. Significantly, it is of importance for local government to create an enabling and favourable environment for business to thrive, its sustainability and job creation opportunities. For this to be possible, local government must create an ongoing relationship between them, the private sector, communities and community organizations and non profit organizations (NPOs). Barnard (2019) argues that when these stakeholders work together effectively and efficiently, they will be able to successfully plan, generate and manage the LED (local economic development) programmes that speak to addressing the challenges of poverty, unemployment and inequality.

Raniga and Ringson (2021) assert that LED promotes the development of small businesses and co-operatives as a strategic tool of attracting more people into entrepreneurship, thereby boosting the creation of job opportunities. Through the use of human, natural and institutional local resources, jobs can be created to improve the lives of the people in the local communities.

The aim of LED is to boost local economies, promote job creation and income generation and improve governance and municipal performance. The promotion of local economic development is based on a different approach to traditional development strategies. It focusses on improving territory (that is, a region or a city) competitiveness and economic performance. Local governments, businesses, community organizations and NGOs collaborate to develop an understanding of their local economy, reflect on the different revival options available to them and develop strategies and projects enabling shared benefits of economic growth.

The White Paper on Local Government (1998) posits that local government must enhance local economic development by focusing on developmental initiatives and investing in basic survives. It goes further: municipalities should also promote marketing and investment initiative as well as small businesses; support services should be provided as part of promoting social and economic development. There

needs to be continuous research and technology improvement due to the ever-changing environment globally to stay relevant to the market and ensure competitiveness and positive development progress. LED initiatives address particular social and economic challenges at the local level, focusing on the mobilisation of local resources, redistribution of resources, promotion of local creativity and innovation, investment in human capital, the provision of technical assistance and training for self-employment and business start-up and support for enterprise creation. Most Western countries regard LED as an important tool for dealing with poverty.

The business development approach at the local sphere of government is the most appropriate way of attaining the local economic development objectives, expanding growth, and ensuring local investment and job creation (Chipeka et al., 2020). There are four essential strategies of entrepreneurialism identified within the context of the business development approach: centres of production, centres of consumption, centres of knowledge-processing and corporate decisionmaking and centres for reception of central government surplus redistribution (Bernard, 2019:4). Therefore, it is important for local government to incorporate strategic elements of both business and community development in the LED strategies or programmes. Poverty alleviation is a critical challenge that must be tackled at the grassroots level for community development (Sroka & Meyer, 2021). This should be addressed in the formulation of local economic initiatives across South Africa and these initiatives should focus on business development. This approach is aimed at ensuring that people are independent and not too reliant on government for opportunities. Local government should motivate and support individuals, community groups and local communities to initiate and sustain economic initiatives (Sengupta et al., 2018).

2.15 The role of social enterprises

SE plays an important role in society concerning development (Aliaga-Isla & Huybrechts, 2018). The concept of SE offers change and innovation to uplift the value of society (Gandhi & Raina, 2018). According to Phillips, Lee, Ghobadian, O'Regan and James (2015) the importance of the existence of SE is in placing greater opportunities on certain communities. This is more apparent in developed or emerging countries through systematic change that actors bring in the society by selling products and delivering services.

Chipeta (2020) shows SEs as a change agent present in many communities and a vital provider of resources necessary for these communities to overcome inequality. Moreover, according to Chipeta, roles related to SE also propel the needs of the economy by introducing more jobs and new ventures.

SEs have the potential to create both social and economic value through the following:

i) meeting social needs in new, innovative and more sustainable ways than alternative approaches;

ii) generating employment opportunities and increasing net productivity in a country;

iii) developing social capital, which further enhances social and economic development;

iv) promoting equity through focus on the needs of disadvantaged and vulnerable members of society; and

v) creating crosssector partnerships (Mendez-Picazo et al., 2021:9).

The SE is an important business concept that aims at providing innovative solutions to unsolved social problems while putting social value creation at the heart of the strategy to improve individuals' lives and their wellbeing. Researchers in the field have highlighted its importance from different viewpoints. For example, Bacq and Lumpkin (2020) argue that the SE is an important area of study as it provides researchers with a platform to challenge, question and rethink concepts and assumptions that exist in other fields of management and business research. Pathak and Muralidhara (2017) praise SEs for their contribution to economic development policies. Social and economic values are created through, inter alia, increased employment that attracts the disadvantaged segment, the provision of the unmet social needs through product and service innovation and the provision of social capital (Kamaludin et al., 2021).

Historically, the SE has consistently been commended as the alternative process of providing much needed social goods and services to society at large; the social entrepreneur is regarded as an agent of change behind these developments (Kimmitt & Munoz, 2018; Macke et al., 2018). The activities of these social entrepreneurs are significant in situations where government facilities have failed or are unable to deliver much needed resources and services such as employment, health care and education (Aliaga-Isla & Huybrechts, 2018). Empirical findings provide support for this trend. For instance, the 2006 GEM report revealed that 3.2% of the work population consisted of social entrepreneurs, which represented over half

the percentage number of commercial entrepreneurs of 6.2% (Aquino et al., 2018). These findings show how significant SEs have become.

Although SEs have been noted as one important strategy for social change, it is necessary to understand how the desire to start a business with a social mission gets formed (Mato-Santiso & Rey-Garcia, 2019). The answer to this question lies in understanding SE intentions. For the purposes of this study, a distinction is made between SE intentions and social entrepreneurial intentions. SEs intention can be described as the practice through which a person intends to start a business with the purpose of creating social change in society (Ran & Weller, 2021).

2.16 Constrains to social enterprises success

2.16.1 Environmental constraints

Despite the general consensus of the positive role SEs can play in advancing social development across Africa, many constraints still limit their scope for impact (Sengupta et al., 2018; Bernard, 2019). Environmental constraints include barriers from the local political, economic, social and cultural milieus within which these enterprises are located (Chipeta et al., 2020: 18). Such barriers influence the SEs ability to pursue specific goals, follow regulatory processes for operating, access necessary supply chains, acquire finance and fit into the community (Sroka & Meyer, 2021). Understanding these constraints is important both for the entrepreneurs who need to operate within the environment and for policy makers who can help ameliorate the constraints in order to promote the development of SEs within their country.

2.16.2 Economic constraints

One of the biggest constraints to the establishment and success of SEs is the limited access to finance that is appropriately structured for their specific needs (Sroka & Meyer, 2021). Many formal financial institutions see SEs, especially the smaller ones, as too risky or unprofitable to finance (Gandhi & Raina, 2018). Where access to finance through local markets exists, it is often time-consuming and challenging to get. Although more social venture funds are backing enterprises with social missions, acquiring funding through this channel can be extremely competitive and difficult to secure (Chilufya & Kerlin, 2017).

Market failures and inefficiencies that limit growth are rife in many African economies. These include, but are not limited to, information asymmetries caused by limited transparency, lack of audited financial statements, inability to provide

collateral and limited time management credit scoring information available (Mendez-Picazo et al., 2021). The local financial markets are often underdeveloped and ill-equipped to deal with these inefficiencies. This undermines their ability to support the creation and growth of new SEs (Bacq & Lumpkin, 2020).

The problem of high fixed costs (accompanied by smaller investment size and low turnover amounts) means that commercial viability or financial sustainability is hard to achieve. Few African countries have tried to implement policies or programmes to help (or incentivise) social entrepreneurs to overcome this challenge.

2.16.3 Political constrains

Lengthy bureaucratic processes for setting up enterprises create costly delays and act as a deterrent to those wishing to enter the SE space (Sroka & Mayer, 2021). Corruption similarly drives up the costs of starting or running an enterprise, which is particularly detrimental for an entity who aims to keep costs down for its consumer and create a sustainable model for operating with sometimes limited revenue (Pathak & Muralidharan, 2017). Political instability also increases the uncertainty and risk levels faced by social entrepreneurs, which can undermine their success (Gandhi & Raina, 2018). Although these challenges are not unique to SEs, it often affects them more severely due to their tighter margins and financial constraints (Bacq & Lumpkin, 2020).

2.16.4 Cultural and social constrains

Cultural constraints such as gender biases or decisionmaking power norms in particular societies can influence the ability for SEs to connect with or impact local communities (Macke et al., 2018). Chilufya and Kerlin (2017) note that the priority of offering a low-cost product or service makes it challenging for an individual enterprise to absorb. There is a significant customer education cost required to stimulate demand for or awareness of that product or service.

Another significant constraint for SEs is the struggle to attract talented or adequately trained employees, especially for managerial positions (Macke et al., 2018). This is particularly difficult in the case of skilled labour professionals as the importance of keeping prices low for the end consumer in an SE, leaves little scope for paying high or attractive salaries for these professionals (Sroka & Meyer, 2021). Creativity in attracting and retaining the necessary talent to make the enterprise a success is a central consideration for social entrepreneurs (Raniga & Ringson, 2021).

2.16.5 Capacity constraints

In addition to the economic constraints listed above, the inadequate infrastructure in many African countries further increases the cost of doing the business and limits the scope of the SE (Chipeta et al., 2020). It also acts as a barrier to distribution, especially for accessing the rural poor with a particular good or service. There is also rarely the sufficient capacity development support for new or growing social entrepreneurs, which would help improve the chances of success and meaningful impact (Bansal et al., 2019).

2.17 Global challenges faced by social entrepreneurs

Entrepreneurial ventures in Africa as indicated in a report by UNDP (2013:162) suffer the challenges of market research firms, credit bureaus, value chain facilitators, as well as incubators and venture capital firms. Additionally, the report indicated that a frail governing environment and legal structures have resulted in laborious, unreliable and regulations which are not strict enough. Ngatse-Ipangui and Dassah (2019) point out a detailed account of damaging outlooks entrepreneurs have of the legal system in Ghana.

Scholars have claimed entrepreneurs have to rely on relationships and trust to overcome challenges and access resources instead of structured systems. Mato-Santiso and Rey-Garcia (2019), upon accessing the numerous constraints entrepreneurs go through, conclude that if running a conventional business is demanding, then running an SE is even harder. Ngatse-Ipangui and Dassah (2019) admit that handling extensive social issues, such as health and food insecurity issues among the several social issues tackled by social entrepreneurs, is really an overwhelming task.

Gandhi and Raina (2018) undertook a field study of SE-oriented organizations in India, identifying multi-dimensional challenges that occur through the life cycle of the organization of the ventures from inception through growth phase. Furthermore, multiple challenges are encountered by social entrepreneurs deciding on the target needs at the base of the pyramid as well as deciding on the choice of value offerings to address their needs. Challenges pertaining to the environment culture were also identified as well as issues relating to competition from the informal market economy and finally, challenges pertaining to the design of affordable, available and accessible solutions.

Evidence from literature shows that one major challenge faced by social entrepreneurs is the ethical dilemma in sustaining the equity that is supposed to exist between the social mission and monetary returns for the stakeholders (Phillips et al., 2015). These authors may be right in several instances since the basic motive for setting up ventures is profit motivated. André and Pache (2016), drawing from the resource dependence theory, argue that the resource constraining environment in which social entrepreneurs operate creates temptation to shift focus from serving the under-privileged beneficiaries to stakeholders' demands since they depend on them for their vital resources.

Kimmitt and Munoz (2018) identify problems related to the measurement of social impact and emphasise the difficulty in quantifying the impact given the dual objectives and the intricacy of measuring mission-related outcomes. Macke et al. (2020) identify cultural and language differences, geographical distance as well as economic and educational disparities as likely to thwart the management of limited resources.

Canestrino et al. (2020), in analysing Japanese SEs, identified two key challenges that occur in that jurisdiction, namely, the regulatory system and financial viability. They observed that the lack of a definite legal structure for SE make it challenging for the concept to become popular in the country. Added to this, is the absence of policies supportive of SEs by the government which has resulted in the difficulty in accessing finances. Legal restrictions, together with inadequate information on SEs, create limitations for social entrepreneurs in Australia too (Agapitova & Linn, 2016).

2.18 Challenges faced by social entrepreneurs Africa

There are many hurdles and challenges that social entrepreneurs face, hindering the entrance of new social entrepreneurial ventures. Several major challenges which are faced by SE are discussed in the following sections.

2.18.1 Lack of education related to social education

In Africa, SE is still encumbered by the conventional education system. Education is key to promote SEs in the business sector of the continent's economy, but there is still lack of social entrepreneurial development curriculums in the education system of many countries in Africa (Pritchett & Lant, 2004).

2.18.2 Lack of government support

One of the major challenges for SEs in Africa is lack of financial resources or assistance (Sengupta et al., 2018). Social entrepreneurs run their organization

generally by their own funds or sometimes they raise funds by a high rate of interest from local money lenders, which becomes a financial burden on social entrepreneurs. In many African countries, commercial banks are also not providing easy loans to social entrepreneurs for social purposes because of social complications of the banking system (Rules & Regulations) (Sroka & Meyer, 2021). Government needs to support social entrepreneurs for the sake of the health economy.

2.18.3 Lack of awareness

There is a lack of SE awareness in Africa. People don't know what an SE is, how it works, and why they work (Raniga & Ringson, 2021). If we want to promote SEs in Africa, we have to educate our people first about this social ventures. Awareness plays a vital role in the success of SEs (Kamaludin et al., 2021).

2.18.4 Facing competitors from other enterprises

The social entrepreneur deals with the welfare of society and the basic focus to find easy or affordable solutions for different societal problems or issues. But every activity of social business carries a cost, paid mostly by the entrepreneur. A social entrepreneur is always in search to earn some profit by providing the best solution to the problems faced by society (Kimmitt & Munoz, 2018). But conventional businesses comes with competition with the same technique and solution. Traditional businesses create their monopoly by increasing investment or cost in the market, and they start hampering the future growth of social businesses and entrepreneurship in many African countries (Bernard, 2019).

2.19 The way forward

Considering the potential SEs have for development in Africa and the constraints they face, it is important to look at ways in which an enabling environment for SEs can be fostered (Gandhi & Raina, 2018). UNCTAD (2012), in its framework for SE policy, identifies three levels of policy support that can help achieve this (Chilufya & Kerlin, 2017: 217-252). The first is to improve the general business climate through broad reaching economic policies. This would include minimising regulatory barriers, administrative and compliance costs and tax burdens, and ensuring functioning markets, competition and the effectiveness of bankruptcy laws. The second is to develop policies to promote private sector and enterprise growth. The third is to create specific policies to increase entrepreneurial capacity and facilitate start-ups.

Reducing regulation and creating specific incentive programmes for SEs would help achieve this (Mfazi & Elliott, 2022).

More specifically, the following six priority areas were proposed (Carpentier & Braun, 2020:75). Although each of these would have to be tailored to the specific economic and social context of individual countries, they provide a framework for action:

    i)   Formulating national entrepreneurship strategy;

    ii) Optimising the regulatory environment;

    iii) Enhancing entrepreneurship education and skills;

    iv) Facilitating technology exchange and innovation;

    v) Improving access to finance; and

    vi) Promoting awareness and networking.

Providing financial support for SE development is also a key element in promoting the success of SE for development (Sengupta et al., 2017). As SEs generate social value, society at large would benefit from investing in them to enhance their capacity for impact (Doran et al., 2017). This could initially be driven by the public sector, which has a particular mandate to prioritise social welfare and would help offset the cost of risk that is not intended to result in profit. If this approach was adopted, it would be even more important to have good measurement of social impact to ensure it outweighs the costs involved (Petrakis et al., 2020).

Other steps, such as creating supportive institutions and legal structures, including a legal mandate for recognition of an entity as having SE status and encouraging best-practice exchange and training through SE centres, could also help improve the path forward (Bansal et al., 2019). Through these initiatives, a healthy institutional, economic and social environment can be developed to support the growth of SE in developing countries. The strength of this ecosystem will significantly determine the extent to which the practice of the SE can be a force for positive social development in Africa (Kimmitt & Munoz, 2018).

2.20 Underlying theories

This section provides a background of the relevant research theories underpinning the study. While many theories have been used in research studies over the past years, only a few of these have shown significance to the organizational aspects of technology adoption, acceptance and how technology is used in enterprises. Prominent theories in research studies underpinning this study are the Dynamics Capabilities framework of Teece et al. (1997); the Transaction Cost Theory (TCT) by

Williamson (1979); and the Technology, Organization and Environment theory (framework) (TOE) of Tornatzky and Fleischer (1990).

Information system studies employ socio-technical theories to guide their studies. The use of the theories to underpin studies lies mainly in the areas of qualitative interpretive research. This is because of the relationship between technical and non-technical factors which are involved in the field of IS (Mkhomazi & Iyamu, 2013). The goal of the theoretical framework of dynamic capabilities is to describe how an organization can identify opportunities, seize them, and deliberately reconfigure its resources to capitalise on their opportunities (Helfat & Winter, 2011). The theoretical framework developed by Teece et al. explains how organizations can invent to endure competitive advantage (Teece et al., 1997).

2.20.1 The dynamic capability theory

Wiley (2000) describes the dynamic capabilities as a set of specific and identifiable processes such as product development, strategic decision making and alliancing. They are neither unclear nor repetitive. Although dynamic capabilities are distinctive in their details and path-dependent in their emergence, they have significant commonalities across firms (popularly termed 'best-practice').

Eisenhardt and Martin (2000:1106) argue that "dynamic capabilities are more homogeneous, less similar in form, and the competitive advantage gained will only last for a short while". Arbussa et al. (2017) posit that SEs can be advantaged through the dynamic capability theory to drive a successful business model transformation through strategic agility, which is a combination of strategic sensitivity and leadership unity. Kurtmollaiev (2020) also argues that whilst the dynamic capability theory received fierce criticism from researchers, its approach is suitable to influence individuals within organizations towards making the theory constructive for SEs.

2.20.2 The transaction cost theory

The concept of TCT was first introduced by Ronald Coase (1937) in his research paper entitled *The Nature of the Firm* as simply "the cost of using the price mechanism" (Allen, 2000:893). Coase's purpose for his paper was to seek "why a firm emerges at all in a specialised exchange economy" (Coase, 1937:390). TCT is used to understand the boundaries of organizations' "alternative production and transaction costs such as monitoring, controlling and managing transactions in a relationship" (Ayong & Naidoo, 2019:49). Whilst Coase's TCT has both critics and

supporters, his research draws particular interest by two researchers, Oliver Williamson and Yochai Benkler. While Coase is considered the founder of TCT, Williamson has redefined and Benkler revolutionised TCT by incorporating the role of technology in the theory (Rindfleisch, 2020). TCT by Williamson (1985:10) suggests the exploration of the substitute cost of managing "inter-organizational contractual transactions" in relation to other methods of transactions. Williamson (1985:57) further states that the variables to consider are:

i) 'Uncertainty—uncertainty consists of two types and they are, behavioural which is important for the understanding of TCT from a strategic and opportunism perspective, and environmental uncertainty which is the uncertainty with respect to technology, demand, local factor supply conditions, inflation, and others.

ii) Transaction frequency—refers to the buyer's activity in the market from which transactions can be one-time, occasional or recurring.

iii) Asset specificity—asset specificity refers to a) durable investments that are undertaken in support of particular transactions, b) the opportunity cost of which investments is much lower in best alternative uses or by alternative users should the original transaction be prematurely terminated, c) the specific identity of the parties to a transaction plainly matters in these circumstances, which is to say that continuity of the relationship is valued, d) contractual and organizational safeguards arise in support of transactions of this kind, which safeguards are unneeded (would be the source of avoidable costs) for transactions of the more familiar neo-classical (nonspecific) variety'.

Rindfleisch (2020:94) states that Coase, Williamson and Benkler all have different views of the role of technology on TCT. Coase (1937) only acknowledges technology as a reason for the vertical integration of TCT. Williamson (1985) recognises that the market and technology change, that technology is not perceived as a determining factor for an organization. Benkler (2017) places more emphasis on technology and its impact on TCT in terms of cost. According to Benkler (2017), technology is the key in driving down communication costs, which in turn, creates the opportunity for online collaboration and innovative knowledge sharing between larger audiences in various locations.

2.20.3 Technology, Organization and Environment theory (TOE)

The TOE framework has been used extensively in literature where studies address the behaviour against introducing new technologies. It also has been used in the

area of SEs by some scholars to categorise the success factors of SE strategies (Prause, 2019; Alkhamery et al., 2021). The TOE framework was proposed by Tornatzky and Fleischer in 1990 to categorise factors influencing the adoption of innovation. It determines three categories of an organization that influence the adoption of technological innovation: technological factors, organizational factors and environmental factors (Alkhamery et al., 2021). This framework is consistent with the DOI theory, in which Rogers (1995) emphasises individual characteristics and both the internal and external characteristics of the organization as drivers for organizational innovativeness, but the TOE framework also includes a new and important component – environment context (Oliveira & Martins, 2010).

2.21 The theoretical conceptual framework

From the problem statement and research questions and theory, the conceptual framework as depicted in Figure 2.3 is proposed. The three main components of the framework are the underserved community, the SEs and then the economy. The proposition is that these three components work independently but also dependently from and with each other.
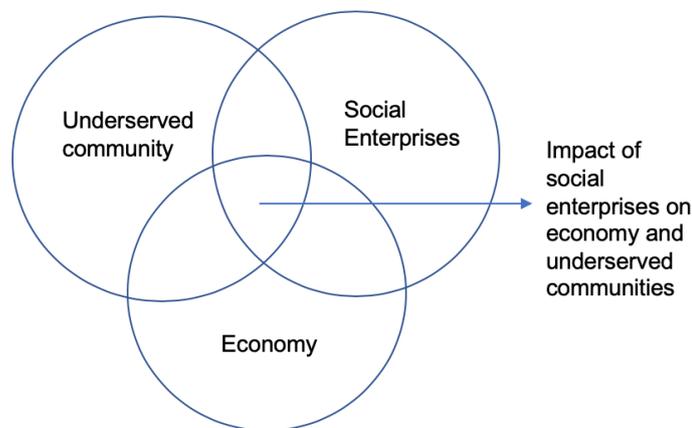
Figure 2-3: A proposed theoretical conceptual framework

The centre represents the impact of the three components on economy of the underserved communities. The three theories support the framework as the closer the components move to each other the bigger the impact. If any one of the components fails to deliver, the impact is severely minimised.

2.22 Summary

Chapter 2 discussed the historical background of SEs and the historical overview of the term *entrepreneur.* Moreover the chapter outlined the evolution of SEs and social

entrepreneurship and the effect they have in the community, outlining the opportunities that SEs bring about in the community.

Entrepreneurship is one of the factors that stimulate economic growth. Increased awareness of environmental problems has led to an alteration in the objective to be achieved, introducing analysis of the effects of entrepreneurship on sustainable development. In this area, the role of the social entrepreneur in this relationship has also been considered. Due to the positive relationship between both types of entrepreneurship on sustainable development, it is important to determine who has the greatest impact on sustainable development and the factors that stimulate this entrepreneurial activity by grouping these factors into two main groups: sociocultural and economic.

This study is subject to improvement by introducing more countries in the sample to compare the situation of countries with different structures. Likewise, as statistical information improves, it would be convenient to introduce more variables within the factors considered, especially those with an environmental nature, with particular focus on the role of green innovations in the process. The clarification of terms and a broad understanding of the existing research outcomes were stated.

The research methodology and design of this study are presented in Chapter 3.

CHAPTER 3:   RESEARCH METHODOLOGY & DESIGN

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Figure 3-1: Layout of Chapter 3

3.1   Introduction

According to Cooper and Schindller (2003) *research methodology* refers to the method by which data is collected for a research project. Research methodology is important as it includes the research philosophy, approach, strategy, sampling, data collection and analysis. The design follows the framework called the research onion (Figure 3.2) as proposed by Saunders et al. (2019:130).
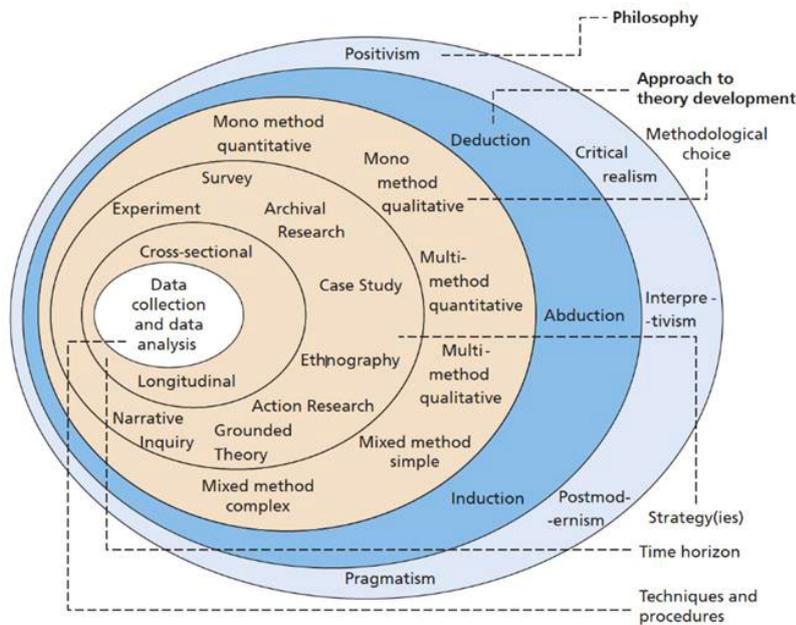
Figure 3-2: The research onion (Saunders et al., 2019:130)

The aim of the study is to explore the role of social entrepreneurship in promoting economic development of underserved communities in Cape Town, South Africa. The chapter discusses the research, philosophy, approach, strategy, data collection, data analysis, delineation, ethics and a summary.

3.2   Research methodology

Methodology refers to the theory emphasising how research should be done and a design indicates the techniques used to obtain and analyse data (Saunders et al., 2009:3).

3.2.1   Research philosophy

A *research philosophy* is a "set of assumptions and beliefs of how the world is perceived, which shapes and guides the behavioural of a researcher" (Wahyuni, 2012:69). A philosophy guides a researcher to identifying and clarify beliefs in relation to "ethics, reality, knowledge and methodology" (Mertens, 2010:469). There are four basic beliefs which relate to research philosophy: ontology (nature of reality); epistemology (nature of knowledge and the relationship between the knower and that which is to be known); axiology (the nature of ethics); and research methodology (the appropriate approach to systematic inquiry) (Mertens, 2010:470). Ontology and epistemology are the two main philosophies (Wayhuni, 2012:69).

3.2.1.1 Ontology

Ontology implies that the nature of reality is supposed to be socially constructed (Amoah, 2016); hence, a researcher decides whether the world is objective and external to the researcher or subjective (Collis & Hussey, 2003).

i) Objectivist

According to Bahari (2010:17), *objectivism* "is connected with the views of objectivity of the social world and the idea of behind action in social processes". Objectivists also believe that social phenomena and their meaning exists independently of social actors. Positivism is regarded as objective in its orientation. For the purpose of the study, an interpretivist stance was followed in an attempt to explain the subjectivist stance based on the perspective of the particular individual who is part of the social world.

ii) Subjectivism

The study followed a subjectivist ontology which espouses that social reality should be viewed as a projection of human imagination. *Subjectivism* includes "assumptions of the arts and humanities stating that social reality is made from the opinions and outcomes that is people's actions" (Saunders et al., 2019:137).

3.2.1.2 Epistemology

Epistemology deals with the nature of knowledge and explores how to generate, understand and use the knowledge considered valid and acceptable in a particular society (Collis & Hussey, 2003; Wahyuni, 2012; Amoah, 2016). Epistemology mainly consists of positivism, post-positivism, interpretivism and pragmatism (Saunders et al., 2009:108). For the purpose of the study, the interpretivist paradigm was adopted. These paradigms are discussed in the following section.

i) Positivism

The *positivist paradigm* seeks to make "law-like generalizations by conducting research to measure a social phenomenon" (Wahyuni, 2012:71). The paradigm utilises quantitative methodology as it is based on numerical measurement of a phenomenon and seeks to describe or test hypotheses (Amoah, 2016). Different researchers who utilise positivist research produce similar results by using statistical tools and applying a similar research design in investigating a large sample (Wahyuni, 2017). Additionally, the positivist paradigm is considered valid and reliable as it is apparent and measurable; research findings cannot be distorted by the researcher's personal values and opinion (Cupp, 2016; Gray, 2017). Positivists

adopt an objectivist epistemology by striving to not include their feelings and values and believe that a research question must be investigated through a scientific inquiry. Ontologically, positivists believe that the world is independent of our knowledge of it (Gray, 2017). Furthermore, positivists consider the research process as value-free and unbiased (Collis & Hussey, 2003).

ii) Post-positivism (critical realism)

Post-positivism is the replacement of the positivist paradigm (Amoah 2016:115). Similar to the positivist paradigm, post-positivism makes generalizations. However, knowledge is considered the result of social conditioning. This is called "the critical realist stance, which understands that social reality needs to be framed in a certain context of relevant laws or dynamic social structures, which have created the observable phenomena within the social world" (Wahyuni, 2012:71). Additionally, the post-positivism research paradigm respects the privacy of the subject studied and relies on informing the respondents and obtaining their consent. The paradigm seeks to minimise harm and pain that may be caused to the respondents during the research process. Post-positivism "often employs either quantitative or qualitative methodologies in its approach" (Amoah, 2016:115).

Objectivist ontology is adopted by Post-positivists, which relies on a scientific approach in developing knowledge (Saunders et al., 2009). However, in the axiology philosophy or belief, the paradigm is biased by world views, cultural experiences and the upbringing of the researcher (Saunders et al., 2009; Wahyuni, 2012; Amoah, 2016).

iii) Interpretivism

The interpretivist paradigm, also referred to as the constructivism paradigm, suggests that reality is constructed by social actors and people's perceptions of it. They recognise that "individuals with their own varied backgrounds, assumptions and experiences contribute to the on going construction of reality existing in their broader social context through social interaction" (Wahyuni, 2012:71). Therefore, to understand the social world from the experiences and subjective meanings that people attach to it, constructivist researchers favour interactions and engage in dialogue with the participants of the study (Amoah, 2016). Consequently, interpretivism relies on qualitative methodology as it seeks to provide descriptions of social constructs (Wahyuni, 2012). Interpretivists adopt the subjective ontological philosophy which minimises the distance between the researcher and that which is

being researched. On the axiological assumption, interpretivists consider the researcher's values which determine what are recognised as facts and the interpretations which are drawn from them (Collis & Hussey, 2003).

iv) Pragmatism

The pragmatism paradigm, combining the objectivist and subjectivist approach to research, suggests that objectivist and subjectivist perspectives are not mutually exclusive. Hence, a mixture of ontology, epistemology and axiology is acceptable to approach and understand a social phenomenon. Additionally, pragmatist researchers "favour working with both quantitative and qualitative data because this enables them to better understand social reality" (Wahyuni, 2012:71). The method of combining qualitative and quantitative methodologies is referred to as a "mixed research design" (Harrison & Reilly 2011:8).

A researcher must be skilled in both quantitative and qualitative design to adopt the mixed-methods design. The research design is time-consuming and expensive (Garuth, 2013; Quinlan, Babin, Carr, Griffin & Zikmund, 2015). Opposition to mixed-methods argues that the philosophies of ontology and epistemology cannot be observed in the mixed-methods design (Quinlan et al., 2015).

For the purpose of the current study, the interpretivist paradigm was adopted. The interpretive approach has the potential of giving the researcher a greater and more diverse scope in terms of addressing issues of impact and influence. Questions such as *what*, *how* and *why* are what this study seeks to achieve. This assertion is the main rationale for the researcher's choice of the interpretivist paradigm.

3.2.1.3 Axiology

Axiology is concerned with the nature of ethics. It emphasises the role of values in research and the researcher's position in relation to a research project (Wahyuni, 2012:69).

3.2.2 Research Approach

The *research approach* is the researcher's approach to theory development. The research approach allows data to be categorised based on deductive, abductive or inductive reasoning.

3.2.2.1 Deductive

The *deductive approach* entails moving from the general to the particular, as in starting from a theory, deriving hypotheses from it, testing those hypotheses, and revising the theory (Locke, 2007; Nola & Sankey, 2007).

3.2.2.2 Abductive

The inductive and deductive approaches are combined to provide additional insights where the inductive or deductive approach alone is not sufficient. This approach is favourable for a mixed-methods study (Abutabenjeh & Jaradat, 2018).

3.2.2.3 Inductive

The inductive approach involves moving from the particular to the general, as when making empirical observations about some phenomenon of interest and forming concepts and theories based on them (Locke, 2007). The study followed an inductive approach that is consistent with the qualitative methodology. The qualitative approach refers to "the systematic analysis of a social phenomenon through a process were non-numerical data is collected for the purpose of building an understanding of how people establish perceptions and interprets of different phenomenon" (Lub, 2015:1). The rationale for employing the inductive approach (qualitative) was that it allowed the researcher to establish and formulate answers from the raw data collected from the participants. Furthermore, the inductive approach (qualitative) explores the experiences of the individuals under investigation. This was what the study aimed to achieve: to explore the role of SEs in promoting economic development in underserved communities.

3.3   Research strategy

Case studies as a research method are a way "of adding to the body of knowledge about individuals, groups, organizational and social spectrums" (Yin, 2003:1). According to Kumar (2011), case study strategies are more favourable with a qualitative design, but that does not mean a case study cannot be used with a quantitative design as well. This can be done with an individual case study or a multiple case study (Schindller, 2019). This study used a case study strategy. Järvensivu and Törnroos (2010) suggest that case studies are suitable for exploring business-to-business relationships and networks.

To explore the effect of SEs in underserved communities, a case study method was chosen as the research strategy because a case study tends to respond to the *why, what* and *how* questions of a study (Saunders et al., 2007:146). Saunders et al. (2007:592) define a *case study* as a "research strategy that uses a multiplicity of sources of evidence" that helps gain a better understanding of the research problem. The purpose of the case study also influences how deep or how long the study will be, which sets the foundation for the researcher when selecting either a single case

study or multiple case study design (Piekkari & Welch, 2011). The study of a single case enables the researcher to investigate and get close to the phenomenon and study it indepth. It also allows for a 'rich' description and identification of a deep structure.

The study of multiple cases may not enable the same degree of 'rich' description of data as studies of single cases, but a multiple case design allows analysis of data across cases. Furthermore, it enables differences in context to be related to constants in process and outcome (Elzoumor & Strachinis, 2019). Multiple case approaches allow the researcher to cross-check research findings after theory building (Irani et al., 1999). The disadvantages of multiple case studies are that conducting them could be time-consuming and expensive (Yin, 2003). Further, a topic is not as intensely investigated in a multiple case study approach as it would be in a single case study approach (Dyer & Wilkins, 1991).

A multiple case study strategy (with 15 SEs) was used in this study (Chapter 4: section 4.2).

3.3.1   Unit of analysis

According to Grünbaum (2007:84), the *unit of analysis* (UoA) is defined as "what the case study is focusing on" such as an individual, a group or an organization. The unit of analysis for this research was the role of SEs in underserved communities in Cape Town. All companies are operating in Cape Town.

3.3.2   Unit of observation

The *unit of observation* (UoO) and UoA are regularly confused. The UoO, sometimes referred to as the unit of measurement, is defined statistically as the *who* or *what* from which data are measured or collected (Sedgwick, 2014:1). One participant was interviewed from each SE selected. The 15 participants interviewed (section 4.2) constituted the UoO. In-depth interviews were conducted with 15 participants who were founders of the SEs

3.3.3   Sampling

A sample is the division of the population where data will be collected. It is "the number of units selected from the population for a research project" (Wiid & Diggines, 2009:191). Based on the sample, inferences can be made about the entire population (Cupp, 2016:102). Consequently, the size of the sample determines the statistical validity of the findings. Statistical formulas can be used to determine how

large a sample should be to ensure that the survey findings are interpreted with precision and confidence.

The research made use of a purposive sampling method: "The purposive sampling technique, also called ruling sampling, is the deliberate choice of a participant due to the qualities the participant possesses" (Etikan et al., 2016:2). According to Etikan et al. (2016:2), this method of sampling is "typically used in qualitative research to identify and select the information-rich cases for the most proper utilization of available resources". This method of sampling assisted in the following:

i)   customising the sample size to researcher specifications in terms of the number and type of study participants;
ii) saving time and money during the collection of data; and
iii) minimising the risk of error during data collection.

Sampling methods are divided into two categories: probability and non-probability sampling methods (Wiid & Diggines 2009:199). Selecting a sample method answers the question of how the sample elements were selected from the population (Tustin et al., 2005:344). The sample methods are discussed in the sub-sections.

- *Probability sampling methods:* Probability sampling is a plan where all units in the population have a chance of being selected for a sample (Tustin et al., 2005:344). Accordingly, there are four types of probability sampling methods: simple random sampling, systematic sampling, stratified sampling and cluster sampling (Wegner, 2000:114).
- *Non-probability sampling methods:* These differ from probability sampling methods in that the population has an unknown chance of being selected for a sample (Smith & Albaum, 2012:101). The most common reason for utilising non-probability sampling is that it is less expensive than probability sampling and can often be implemented more quickly (Etikan, Musa & Alkassim 2016:1). There are four types of non-probability sampling methods: quota sampling, judgement sampling, convenience sampling and snowball sampling (Smith & Albaum 2012:97).

For this research, a non-probability, convenient sampling as well as snowballing techniques were used.

3.4 Data collection

The researcher made use of a semi-structured interviews through an interview guide (Appendix C) to collect primary data. Using this method allowed for a better understanding of participants' views on the research topic. The interview guide assisted in planning the interview questions and as a tool to engage with participants during the research. According to De Vos et al. (2011:352), an interview guide "provides the researcher with a set of predetermined questions that might be used as an appropriate instrument to engage the participants and designate the narrative terrain".

3.4.1 Questionnaire

A *questionnaire* is a "model of communication between the researcher and the respondent" (Brace, 2013:4). It contains a set of questions designed to collect data necessary to achieve research objectives (Wiid & Diggines, 2009:171). It ensures that the data collected is comparable, minimises biases, attracts and motivates respondents to participate in the survey, and encourages respondents to be honest and accurate (Tustin et al., 2005:387; Wiid & Diggines, 2009:172). There are two types of questions, open-ended and closed questions. An open-ended question is one with a list of possible answers to a question; no answer is suggested so respondents are expected to answer in their own words (Brace, 2013:37). Open-ended questions are employed with in-depth interviews and focus group interviews where there is a well-trained facilitator or interviewer (Tustin et al., 2005:392). Closed questions, on the other hand, provide the respondent with a list of possible answers to choose from (Brace, 2013:37). The study utilised a semi-structured questionnaire where each participant was given a copy with all questions before the interview to prepare themselves for the interview.

3.4.2 Interviews

Interviews were used as a means to extract data from the participants. Interviews were conducted only after permission for the interviews with the SEs was obtained. Consent was obtained from each participant once the participant was identified and asked if willing to participate. Appointments were made for MS Team interviews as face-to-face interviews were not permitted because of COVID-19. This allowed for the exploration of views and ideas of the respondents and ensured that clear answers were obtained (Leedy & Ormrod, 2010; Nieuwenhuis, 2007; Ezzy, 2002).

Each interview took no more than 40 minutes. All the interviews were recorded with permission of the participants.

3.5   Data analysis

After the interviews, recordings were transcribed and mailed to the applicable participant for validation and approval of content. Data analysis involved organising the collected data to answer the research questions. As data alone does not answer the research questions, Houser (2008:272) asserts that "once the data have been collected, it essential to make sense of it by organising and coding the information to accelerate the analysis thereof". In this study, the questionnaires received from the participants were carefully checked for illegible and incomplete answers and possible errors (such as double answers). Interview questions containing these shortcomings were excluded from the analysis. The transcriptions were then analysed by means of reading and re-reading the transcriptions. The data was then coded, and re-coded where necessary. From the codes, findings were identified. The findings were then categorised and from the categories, themes were developed (Chapter 4; Table 4.4.).

3.6   Delineation

The study explored the role of SEs in underserved communities in promoting economic development. For this study, SEs in Cape Town, South Africa, were investigated. No other type of business was considered for this study.

3.7   Ethical considerations

Ethics are essential to good quality research. The researcher has the responsibility to ensure that research is conducted responsibly and morally, with due respect for doing what is "right" by social values (Blumburg et al., 2008). Research ethics need to be followed at all stages of the research project as integral to the research process (Bryman & Bell, 2011).The following principles were adhered to during the research:

    i)   *Anonymity:* Anonymity can be described as being the extent to which the data that is collected from the study subject is kept completely private (Surmiak, 2018). In this study it was ensured that various elements of anonymity were adhered to such as access to data, measures concerning collection, communication and conservation.

ii)   *Misuse of results:* This refers mainly to the extent to which the study results of information that was obtained from the participants were not be misused (Arifin, 2018). Study data were only used for academic purposes.

iii)   *Non-malfeasance:* No harm done to the research participants

iv)   *Volunteering of participants:* Participants were not forced to partake as it was optional to be part of the research.

v)   *Ethical practice:* Participants were informed that answers to the questions will not be of personal gain. Data is not biased or created.

vi)   *Research treated all participants anonymous:* Confidentiality is sustained and the privacy of research participants respected.

vii)   *Participants were treated with respect:* Research participants are treated decently and are not betrayed.

viii)   *Analysis of report:* Results are not falsely reported.

These principles have informed the approach to the current study and have been adhered to at all stages of the research process. The semi-structured questionnaire was sent to a selected group of participants who had agreed to participate in interviews with the researcher.

3.8   Summary

Chapter 3 outlined the research philosophy, methodology, approach, strategy and methods for collecting and analysing the data. The philosophical approaches used assisted the researcher to determine the impact of SEs in underserved communities in Cape Town through ontology, epistemology and methodology. The ontological stance was subjectivist and the epistemological stance was interpretive.

Research philosophy: Research was based on subjectivist ontology and interpretivist epistemology.

Research approach: The study followed an inductive qualitative research approach.

Research strategy: A multiple case study was chosen as the research strategy.

Unit of analysis: The unit of analysis for this research was the role of SEs in underserved communities in Cape Town.

Unit of observation: The unit of observation consists of one participant (the owner of the SE) interviewed from each SE selected. The 15 participants interviewed (one from each selected SE, section 4.2) constituted the UoO. In-depth interviews were conducted with 15 participants who were the founders of the SEs.

Sampling: For this research, a non-probability, conveniently sampling as well as snowballing techniques were used.

Data collection: The researcher made use of a semi-structured interviews through an interview guide (Appendix C) to collect primary data. For consistency as well as the intergrity of the process, the interview guide were mailed to all the participants in order to prepare themselves for the interview. The interview guide was then used to conduct the interviews and to make sure all participants got the same questions to answer.

Data analysis: After the interviews, recordings were transcribed and mailed to the applicable individual participant for validation and approval of content. Through out the collection and analysis process the RQs, SRQs as well as interview questions were closely linked to ensure alignment. To achieve the aims of the study, 15 SEs operating in Cape Town were purposively selected for interviews. Due to COVID-19, interviews were undertaken virtually via Microsoft Teams with the founders of the social enterprises. The outcomes of the interviews were narrowed by grouping related codes and categories to themes. The unit of analysis for this research was the role of SEs in underserved communities in Cape Town.

Ethics: Permission to take part in the research was obtained from all participants, who signed a letter of consent before the interviews began. Research ethics, as defined by Cape Peninsula University of Technology, were adhered to throughout the research process.

In the subsequent chapter, data analyses and results are presented.

CHAPTER 4:   DATA ANALYSIS & FINDINGS
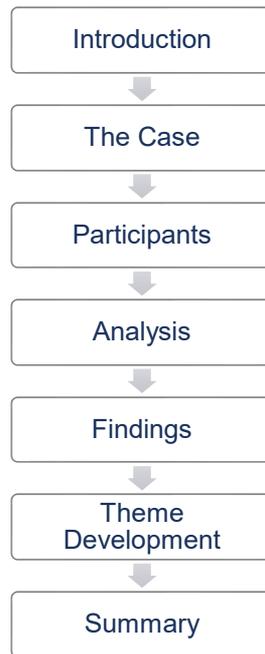
Figure 4-1: Layout of Chapter 4

4.1   Introduction

Chapter 3 provided the research design and methodology of the study. It outlined the different types of research paradigms and research designs, and distinguished between a survey and sample. The chapter explained why the interpretivist paradigm was adopted for the study. Chapter 4 (Figure 4.1) expands on the interviews conducted during the research process and the findings are formulated based on the analysis of 15 participants.

Short case descriptions of the SEs are provided, with the participants' descriptions to follow. Research questions (RQs) and two sub-research questions (SRQs) for each RQ, respectively, were formulated for this research (Chapter 1; Table 1.1). Interview feedback transcriptions were the original source documents and from these, findings were analysed. The analysis of data was done within the theoretical framework underpinning the research. The findings were placed in the context of social entrepreneurs and economic development.

4.2   The case

This research was a multiple case study with a focus on the role of SEs in Cape Town in contributing to the promotion of economic development. The 15 participating companies which formed the unit of analysis of the research study are based in Khayelitsha, the City of Cape Town (Figure 4.2).

Table 4.1 presents the SEs, trade each is involved in, years in business, and the number of employees. Of the 15 SEs participating in the research, the youngest enterprise in the field was in business four months and the oldest enterprise 15 years. The names of the enterprises were omitted for the sake of privacy and replaced by letters in alphabetical order. The number of years each enterprise has been in business, whether owner-managed or not, the number of employees in each enterprise, and the type of business are presented in Figure 4.1.

Table 4.1: Participants' company, trade, years of existence and number of employees

Code	Company	Trade	Years of existence	Number of employees
P1	A	Travelling Company	11	15
P2	B	Museum	7	10
P3	C	Art Gallery	11	11
P4	D	Car Wash	13	15
P5	E	BnB (Accommodation)	10	20
P6	F	Cleaning Services	9	10
P7	G	Restaurant	10	14
P8	H	Internet Cafe	1	5
P9	I	Driving School	1	6
P10	J	Beauty Therapy	12	25
P11	K	Gallery	5	8
P12	L	Salon	4	9
P13	M	Printing T-shirts	6	10
P14	N	Tutor	3	7
P15	O	Selling Paintings	8	6

*P-participant; SE-social enterprise

Figure 4-2: Khayelitsha, Cape Town Map (Google Maps)

4.3 The participants

Fifteen participants from SEs were interviewed. All the participants were owners of the SEs. All the participants gave written consent for the interviews to be conducted for this study. Thus, the research ethics were adhered to. The years of existence are presented in Table 4.1. The SE with the least years in existence is 1 year, and the oldest 15 years. Participants were labelled in number order as P1 to P15 in Table 4.1, with P representing participant.

4.4 Data analysis

4.4.1 Introduction

The analysis started by transcribing the recorded interviews (Figure 4.2; Appendix B). Once transcribed, the transcriptions were emailed to the participants to verify the transcription accuracy and that the intent of the participant is correctly captured. For the convenience of the reader, the research questions and sub-research questions are once again presented as in Chapter 1: Table 1.1.

Table 4.2: Research questions, objectives and methodologies used in answering the questions

Research Question 1	What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?		
	Question	Objective	Methodology
SRQ 1.1	What challenges do social enterprises face when doing business?	To determine the challenges that affect social enterprises doing business	Interviews semi-structured questionnaires
SRQ 1.2	What are the social enterprises perceptions of economic development?	To examine the perceptions of social enterprises of economic development plans in underserved communities	Interviews semi-structured questionnaires
Research Question 2	How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?		
	Question	Objective	Methodology
SRQ 2.1	How do social enterprises involve stakeholders in their businesses?	To determine the involvement of the stakeholders in the enterprise	Interviews semi-structured questionnaires
SRQ 2.2	How do social enterprises communicate with their stakeholders?	To examine the communication processes within the enterprises	Interviews semi-structured questionnaires
SRQ 2.3	How can social enterprises get involved in promoting economic development in underserved communities?	To determine the opportunities that social enterprises can utilise to promote economic development	Interviews semi-structured questionnaires

*SRQ-sub-research question

After thoroughly reading the transcriptions several times, codes and concepts (Table 4.1; 4.2) were identified. This was an iterative process to ensure that all possible codes were identified. This was done by identifying and combining synonyms, similar

meaning words and concepts. Once validated, the transcripts were analysed. Figure 4-3 is an example of a transcript.

APPENDIX D1: INTERVIEW TRANSCRIPTION P1 What do you think is more important with regard to influencing the efficacious deployment of smart technology within service-oriented organizations – economic factors or technological factors?
Me: What challenges do social enterprises face when doing business? **P1:** The challenges that I have faced before starting the business were: I was not sure how people were going to receive that there Is going to be a travelling agency I Khayelitsha I had to sell the idea so that people understood what Khayelitsha travelling was all about, the business is a very complex one it does a lot of things such as booking flights for guests, fetching clients from the airport and more I was just not sure about a lot of things, I have now achieved the great milestone by working with one of the well-known car rental companies (Bidvest) I am glad I took that chance and opportunity I took a risk. **Me:** Ok
How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
Me: How do social enterprises involve stakeholders in their businesses? **P1:** We have different channels and different department each department looks and takes care of their own department unless it is something that needs to be done by the whole team. Internally we have a marketing team that does presentations and does marketing for the business so they are the ones that does the entire communication with stakeholders, they brief them and they try and be creative. Externally we outsource to other companies where we need help, we ask for assistance. We ask other companies to partake in other activities for example when we are fully booked in terms of transporting guests, we contact Bidvest to step in. those are kind of things that stakeholders get involved with. They must see the desire for sponsoring our business. **Me:** Ok.
How can social enterprises get involved in promoting economic development in underserved communities
Me: How can social enterprises get involved in promoting economic development in underserved communities **P1:** It would be as though we are all saying the same thing but we are all for economic growth we want to see change in our communities, we want to see crime coming to an end that is why we would come up with ideas of starting businesses because we want to give others a chance and to do better with their lives. **Me:** Thanks for that answer.

Figure 4-3: Example of a transcribed interview

4.4.2 Interview process, transcriptions and coding

4.4.2.1 Transcription

The researcher commenced each interview with an introduction, expressing the purpose of the interview and the context surrounding it. The participant was then asked if they accepted voluntarily to be part of the research, whereafter the letter of consent (Appendix C) was presented for signing. The acceptance and signing of the consent letter allowed the researcher to continue with the actual interview questions. All 15 interviews were recorded with participant permission and transcribed and returned to the specific owner of the transcript for validation. Once validated, the transcripts were analysed.

4.4.2.2 Identifying the codes and concepts

Codes and concepts were identifying from the transcripts. Table 4.3 indicates how the codes and concepts were identified.

Table 4.3: Codes and concepts identified (yellow highlights present the codes and concepts)

Participant 3	Participant 4	Participant 5	Summary
Starting a business is all about having concept, if you do not have the concept it won't be easy starting an enterprise journey fortunately for me being an entrepreneur has always been a dream it was something I have always wanted to do. I had prepared for challenges before i could start-up a company	Sometimes it depends on the kind of the business that you want to venture in, because you find that some SEs never faced any challenges whilst some faced all changes that are out there, for example for me I knew it was going to be difficult to open a business because I am an ex-convict and that alone speaks for itself no one wants to support an ex-convict. and I was assisted by one the SEs in Khayelitsha he held workshops on behalf of me so that people can get an understanding, his support for me was everything.	challenges depend on the type of the business and the type of people you will be dealing with. Before starting a business I did not encounter any challenges it was when the business has been existence and has been functioning that I had come across challenges. there were competitors all over and i had to do some changes in the business to gain back my clientele. so sometimes we relax and forget about	Every business is faced with a number of challenges since its interception, and its operations.

Entrepreneurship is filled with challenges and that makes it is exciting for risk takers |

		the competition that is out there	

In Table 4.4, the IQs and research questions were linked to the codes.

Table 4.4: Example of identified codes and concepts (yellow highlights present the codes and concepts)

*IQ-interview question

IQ #	Research Question	Participant 1	Codes
1.1.1	What skills do you need to be part of the development process?	The skills that you need to have to be part of the development process are as follows: you need to be patient with people as they will take their time when exploring, you need to be understanding, be punctual and also be a friendly person because mostly we are dealing with tourists both from local and internationally.	Patient Punctual Friendly person
1.1.2	What challenges do SEs face when doing business?	The challenges that I have faced before starting the business were: I was not sure how people were going to receive that there Is going to be a travelling agency in Khayelitsha. I had to sell the idea so that people understood what Khayelitsha travelling was all about, the business is a very complex one it does a lot of things such as booking flights for guests, fetching clients from the airport and more I was just not sure about a lot of things, I have now achieved the great milestone by working with one of the well-known car rental companies (Bidvest) I am glad I took that chance and opportunity I took a risk.	Receive Achieved
1.1.3	What are the factors effecting the role of SEs in the promotion of economic development in underserved communities in Cape Town, South Africa?	Social entrepreneur impacts or will impact positively in the lives within the community because others may not have had an opportunity to work now, they get to bring a bread on the table, they are now able to do things for themselves, they are able to do things they could not do. They are now taken seriously by their families because sometimes even though you are educated you get undermined because there is nothing yore bringing to the table	Positive impact Opportunity

In the next section, the answers to the interview questions are presented. Examples of interviews are given, and each interview question is summarised into one or more findings. The findings are then summarised, categorised and themes are developed.

4.5   Findings

This section presents the findings developed from the interviews conducted in the course of the study. In this section, the information derived from the interview transcriptions is elaborated and based on the research questions (RQ), sub-

research questions (SRQ) and the specific interview question (IQ), linked to the SRQ.

4.5.1 RQ1: What is the state of SEs in underserved communities?

4.5.1.1 SRQ 1.1 What challenges do social enterprises face when doing business?

IQ 1.1.1: What are the main challenges that enterprises face when doing business? The purpose for asking this question was to determine the main challenges that social enterprises face when doing business. This question allowed the social enterprises founder to express themselves on the topic of the challenges they faced. Participants (P1, 4, 12, 13 & 15) associated the main challenge faced by SEs to community acceptance of the business. Participants (P3, 5, 7 & 10) linked the challenges faced by SEs to lack of industry expert support. Participants (P8, 9, 11 & 14) stated that limited financial resources and lack of community support are two challenges faced by SEs.

This is shown in the responses from SEs P1, 7 and 11. P1 indicated that, "The challenge that I have faced before starting the business were: I was not sure how people were going to receive that there is going to be a travelling agency in Khayelitsha" (Appendix C1). P7 specified that,

> *Personally, one of the challenges I have faced was not knowing who to ask for capital because I had just graduated and my parents had an idea that I'd work in a corporate world and that was not something I wanted to do so for me lack of support also has been a challenge as I had no one to talk to about the hardships of starting business because parents would say we told you so.* (Appendix C7)

P11 mentioned that "One of the challenges I have faced before I started my business was not raising enough money and also not getting a place where I will locate my business, those were the challenges I had come across as a result it took me a lot of time to get started" (Appendix C11).

Finding 1: The challenges faced by SEs depend on the level of maturity of the organization and the industry in which the SE operates.

Finding 2: Challenges faced by SEs are linked to factors such lack of community support, lack of financial resources, lack of industry expert and correct geographical location to reach target market.

IQ1.1.2: What skills do you need to be part of the development process? The rationale for asking this question was to determine the skill requirements needed by entrepreneurs to be part of the social development process. Participants (P2, 4, 6, 7, 9, 14 & 15) believe that leadership skills such as high level of responsibility,

passion, leading by example, ability to resolve conflict and adaptability to change are skills needed for the development process. Participants (P1, 5 & 12) identified interpersonal skills such as being friendly, respectful, kind and courteous and presentable as necessary for the development process. Participants (P8 & 13) felt that time-management and good communication skills are important skills needed for the development process.

This is shown in the responses of P2, P8 and P12.

P2 states that "Leadership, be a good leader, good communication skills, computer literate (must be able to use a computer) be a leader that will lead by example and be approachable" (Appendix C2). P8 mentioned, "When working in an internet café you must be able to manage your time, be able to talk to customers and must be computer literate as you are working with a computer most of your time" (Appendix C8). P12 stated,

> *You must be very punctual because we are working with clients so you need to be very punctual, also be respectful because when you do not respect the people you are working with that would mean you are going to lose customers and that is not good for the business. Be clean and a neat person as you are the face of the business.* (Appendix C12)

Finding 3: The skills identified by participants to be part of the development process are mainly linked to core competency skills.

Finding 4: Hard skills such as computer literacy is not acknowledged as a requirement for the development process.

IQ1.1.3: How will social entrepreneurship impact lives within the community?

This question was asked to determine how social entrepreneurs impact the lives of those in the community in which they operate their business.

Participants (P1, 2, 3, 4, 5, 9, 10, 14 & 15) identified job creation as an impact that their social enterprise has on the community. Participants (P6, 7, 8, 11, 12 & 13) mentioned that their social enterprise is creating community inclusiveness through community empowerment programmes in which they are upskilling community members.

This is shown in responses of P3, P4 aand P13 below.

P3 stated that "People are trying to be productive in terms of economic development. And also employment rate is high therefore we create job opportunities" (Appendix C3). P4 mentioned "Social entrepreneurship will have a good effect in the community, because many lives have been changed, a lot of people have been

given opportunities and a lot of people have been given chances to prove themselves and to do well for themselves" (Appendix C4). According to P13,

> *Social entrepreneur at first does not have an impact because the community firstly needs to be updated about what kind of business is going to be open and who is going to benefit from that. Once they get to understand that then there is a positive impact because everyone wants to partake in the business and its activities.* (Appendix C13)

Finding 5: SEs contribute to economic development through job creation for the community members where they are operating.

Finding 6: Community inclusiveness and empowerment through skills development programmes provided by SEs impact the community positively.

Finding 7: The community in which the social enterprises operate benefits from the products and services provided by the social entrepreneurs.

4.5.1.2   SRQ 1.2: What is the social enterprise perception of economic development?

IQ1.2.1: What economic development plan do enterprises have?

The rationale for asking this question was to establish how SEs can get involved in promoting economic development.

Participants (P1, 2, 3, 4, 5, 6, 7, 8, 11 & 13) are all of the opinion that SEs can contribute to the local economic development plan by supporting local businesses in the community and sharing knowledge and expertise to grow and develop young, aspiring entrepreneurs. Participants (P9, 10, 12, 14 & 15) mentioned that business expansion to other underserving communities to encourage those underserved community members to be self-efficient will assist with the economic development plan. This is shown in the responses of P6, P9 and P14. P6 stated that, "We want to develop each other's businesses, and all I can say is that I have been groomed by a lot of businesses as I was not sure of what I was doing and they were familiar with business so they had stepped in, in making my business a success" (Appendix C6). P9 mentioned, "As entrepreneurs we all want to be successful, with high profit returns, expanding to other areas as well where our services are needed the most" (Appendix C9). P14 insisted, "I want our tutorship to expand in other areas as well but within the township, I do want my business to grow, I want other people as well to get to experience what are students have experienced by being with us" (Appendix C14).

Finding 8: The majority of participants are aware and mindful that they need to support each other as local businesses to survive and grow the economy.

Finding 9: Participants with more experience are willing to share their knowledge and expertise as well as support younger entrepreneurs who aspire to start their own business.

Finding 10: Participants identified an opportunity to grow their business in the future into other underserved communities which could potentially lead to community development and empowerment.

IQ1.2.2: What perception does social enterprise have?

The question was asked to determine the perception of the entrepreneurs regarding social enterprises. This question allows the participants to share their view of what social enterprise means to them.

Participants (P1, 2, 3, 4, 6, 8, 9, 10, 11 & 15) all perceive that the main purpose of a social enterprise is community empowerment and community upliftment. Participants (P7, 12 & 13) believe that social enterprise is there to assist entrepreneurs to expand their business and increase the business profit margins by providing services and products to the community. P14 believes that social enterprise is there to change the perception of people who think that entrepreneurs do not make enough profit and are only there to serve communities.

This is shown in the responses from P2, P12 and P14.

P2 claimed that the perception of social enterprise is to "educate young ones not to partake in crime activities, give gangsters employment so that there is no reason for them to go back to crime" (Appendix C2). P12 explained, "I have always heard the saying that says go big or go home and to me that has been a motivation, I have always wanted to expend my business and also make a name for myself in other provinces not only in Cape Town" (Appendix C12). According to P14, "Sometimes people think that social enterprise cannot or does not make enough profits, but in actual fact they do, even though their goal is to make an impact in the communities" (Appendix C14).

Finding 11: The SEs have different perceptions of social enterprise dependent on their end goal of what they want to achieve, which could be linked to factors such as business growth and an increase in profit margins.

Finding 12: There are some SEs that perceive the main purpose of social enterprise as developing and empowering communities by providing a platform for community members to grow or start fresh.

Finding 13: There is a need to change the perception of some entrepreneurs and community members regarding social enterprise as the notion that there is no profit growth opportunity.

4.5.1.3 *SRQ 1.3: What are the views of social enterprises on promoting economic development?*

IQ1.3.1: How will social enterprise affect the community?

The rationale for asking this question was to determine the impact of SEs in the underserved communities in which they operate.

Participants (P2, 3, 5, 6, 7, 8, 9, 11, 12, 13, 14 & 15) all identified community upliftment and job creation as the impact that social enterprises have on the community. Participants (P1 & 10) think that the type of effect a social enterprise has on the community is determined by how well the change is communicated with community members, as poor communication can have a negative effect. P4 was adamant that "if the community does not judge the entrepreneur on his past life style choice and accept that people can change then the social enterprise can have a positive effect on the community" (Appendix C14).

This is shown in the responses from P1, P5 and P11.

According to P1,

> *Social enterprise has different effects on people within the community, when things have been well communicated there is good and positive effect but when things are not communicated there tends to be a negative effect because no one has an idea of what is going to happen.* (Appendix C1)

P5 explained, "The goal is to improve the community and lives within the community We are working to get more young people to work with us" (Appendix C5). P11 mentioned that "Social enterprise has been or is well received by the community as it we mould gangsters or identify gangsters and give them opportunities where no one else can or would, social enterprise is there to fill in those gaps" (Appendix C11).

Finding 14: Social enterprise can positively impact the community through social empowerment and upliftment of the community members.

Finding 15: Clear communication is a key factor in how the change will affect the community as this ultimately determines how accepting community members will be of the social enterprise.

Finding 16: There is a certain trust relationship that will needed to be form between the social enterprise and the community members especially from those social

entrepreneurs with bad reputational backgrounds so that the community members can accept and support their social enterprise.

IQ1.3.2: How will the social enterprise benefit from the development of the community?

The purpose behind asking this question was to determine how the social enterprise will benefit from the development of the community.

All participants believe that they are empowering the community members with skills, knowledge and job opportunities which the can later be ploughed back into the social enterprise to train other community members. This is shown in the response of P1 and P6. According to P1,

> Social enterprise has a positive effect because now as social entrepreneurs we are able to identify the companies that are under us, the individuals whom we believed in that they are and they can build their own businesses. Now they have successful businesses and they are also doing the same thing empowering others within the community. We offer part time opportunities for those who only need experience and we also have full time positions where anyone with a qualification that Is related to tourism sector may apply, and those without qualifications we look and monitor their skills and give them where that are able to work. (Appendix C1)

P6 mentioned that "the community benefits because jobs are created and some people would say that is not what they wanted but as social entrepreneurs we can actually see that there is change and there's a lot of difference because we all want to uplift our society" (Appendix C6).

Finding 17: Social enterprises provide community members with skills and knowledge which the social enterprise can later benefit from by utilising these community members to train up the rest of the community and to grow the social enterprise.

IQ1.3.3: What outcome is expected of the community from the social enterprises?

This question was asked to establish the expectation of the social enterprise of the community and it members that they serve.

Participants (P1, 4, 6, 7, 8, 9, 10, 11, 12, 13 & 15) mentioned that the main expectation they have from the community is to support their social enterprise as the success of the social enterprise is determined by how well the community accept and support it. P2 would like the community to be open and adaptable to change and also change their perception of people like gangsters who have changed their lifestyle and now want to improve the community and rid it of bad elements.

This is shown in the responses of P2, P4 and P9.

P2 explained,

> *There is new development from gangsters the community no longer looks at them the same way they use to. The community has a clear with no gangsters, there are also developments from gangsters such as some have started their own companies. Gangsters are doing things for themselves and so the community is now relieved of such a development.* (Appendix C2)

P4 mentioned that "Support is all that we are asking for from our people" (Appendix C4). P9 stated that "the community must trust in the development process as it is for them, overcome the suspicions they may have had as there may be people questioning the whole idea behind the enterprise" (Appendix C9).

Finding 18: There is an expectation from the SEs side of the community to support the enterprise as it is there for the benefit of the community by providing skills, knowledge and job opportunities to community members.

Finding 19: There is a need for community members to be more open minded and adaptable to the change brought about in the community by the SEs.

Finding 20: Social entrepreneurs desire to be accepted by their community irrespective of their previous backgrounds.

4.5.2 RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?

4.5.2.1 SRQ 2.1: How do social enterprises involve stakeholders in their businesses?

IQ2.1.1: How are stakeholders involved by a social enterprise in the business?

This question was asked to determine how SEs and stakeholders collaborate during the operation of the business.

Participants (P3, 6, 12 & 13) contended that stakeholder involvement in the SE is minimal and that stakeholders are normally involved only if there are burning issues and if stakeholder input is needed on decisions. Participants (P1, 2, 7, 8, 9, 10, 11, 14 & 15) mentioned that they involve stakeholders for matters involving funding, sponsorship from other companies, internal brand promotion, networking with other companies to collaborate on certain projects and social responsibility projects such as feeding the community or handing out food parcels.

This is shown in the response from P7 and P12.

P7 stated that "We involve our stakeholders when we need to be sponsored by that something or maybe when we want to go and give food parcels to old age homes, disadvantaged schools in our community we then involve our stakeholders"

(Appendix C7). P12 mentioned that "We do not always run to stakeholders every time there is an issue; we only report issues that affect them as stakeholders because we would know they would come with solutions" (Appendix C12).

Finding 21: Some SEs are self-efficient and can run the operation of the business with minimal involvement of stakeholders.

Finding 22: Some SEs are dependent on stakeholders and involve them in business decisions that are related to funding, sponsorship, brand promotion and networking as a form of acquiring more business opportunities.

IQ2.1.2: How are stakeholders involved in: a) leadership decision making, b) financial costs, c) organizational culture, d) employees (skills and adoption), and e) customer (adoption)*?*

This question was asked to determine the extent stakeholders are involved in SEs when it comes to the following: a) leadership decision making, b) financial costs, c) organizational culture, d) employees (skills and adoption), and e) customer (adoption).

Participants (P1, 6, 8, 9, 12, 13 & 15) mentioned that the stakeholder is involved in the decision makingprocess of getting funding for the SE. Participants (P2, 10, 11 & 13) insisted that stakeholders are the key to linking the SE to government for better support.

This is shown in the responses from P1 and P11.

P1 stated that "They are the eyes and ears of the business, because they want the business to grow, whenever they hear of an opportunity that there is funding, they will communicate that with us" (Appendix C1). P11 mentioned, "They get funding for the business, there is also government influence our business is taken seriously because there are stakeholders involved" (Appendix C11).

Finding 23: One of the key purposes of stakeholders is to source funding from sponsors as well as the decision makingprocess around acquiring funding for the SEs.

Finding 24: Stakeholders plays an important role in SEs to get financial support from government.

Finding 25: Stakeholders acts like the face and voice of the company and explain to sponsors or government the nature and purpose of the SE and its influence in the community.

4.5.2.2   SRQ 2.2: How do social enterprises communicate with their stakeholders?

IQ2.2.1: What manner of communication does social enterprise use to communicate with stakeholders?

The rationale for asking this question was to determine the communication channels or platforms used by SEs to communicate with the various stakeholders.

Participants (P1, 2, 3, 6, 7, 8, 10, 11, 12 & 15) advised that they make use of communication technology such telephone, email, video conferencing, SMS and social media to communicate with various stakeholders of their SE. P3 and P14 indicated that they make use of communication technology for communication over and above face-to-face meetings and newsletters disseminated to stakeholders. P9 mentioned that their SE communicates via the Union to the stakeholders.

This is shown in the response from P3, P8 and P9.

P3 stated that "it is not necessarily formal, it can either be a phone call and an email for future purposes and for record keeping" (Appendix C3). P8 claimed, "We do Zoom or Google meet" (Appendix C8).

According to P9,

> *It depends on the business levels or channels, the one at bottom level would communicate with stakeholders through unions o through the company representative that will represent the company. There needs to be a chain of command and steps to follow. In this case it does not apply to me as I am the owner and an instructor myself.* (Appendix C9)

Finding 26: SEs make use of various communication technologies to communicate with stakeholders, such as email, SMS, video conferencing and telephone.

Finding 27: Some communication with stakeholders is formal as the technology allows for recording keeping whilst other communication with stakeholders is informal such as telephone communication, with no record kept.

Finding 28: Some SEs belonging to a Union also utilise the Union as a third-party communication platform to communicate with stakeholders.

IQ 2.2.2: How long does communication take before anything is implemented?

This question was asked to understand the duration between communication of a change by the SE to the stakeholders until implementation of the change by the SE. Participants (P1, 3, 8, 9, 10, 14 & 15) were unable to confirm the duration from communication of change to implementation of the change. Participants (P2, 6, 12 & 13) predicted that it can take up to one month for a change to be implemented from

the date of communication. P7 estimated that it takes one week from communication to implement a change.

This is shown in the responses from P1 and P6.

According to P1,

> *I cannot really say how long communication takes, if maybe a phone call was done or an email was sent and if they were really convinced, they give feedback as soon as possible. It depends on how well the information was, it does not take up a lot of time as everything is done telephonically, because one gets to ask questions they are not about on the go.*
> (Appendix C1)

P6 expressed, "Our communication does not take longer than one month" (Appendix C6).

Finding 29: Most SEs plans activities in advance which makes implementation of decisions quicker after the communication has been sent out to stakeholders.

Finding 30: In some SEs, clear communication is important around a change to stakeholders to help with the decision making, as this is the reason for the delay in implementation.

IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?

The rationale for asking this question was to determine how SEs involve stakeholders in their business.

Participants (P1, 5, 7 & 14) mentioned that their SE promotes economic development by creating and providing job opportunities to community members.

Three Participants (P4, 6 & 11) indicated that they assist the community by providing learnership opportunities which lead to jobs and reduces the crime rate in the community. Five of the participants (P2, 9, 10, 13 & 15) try to identify social problems in the community and then involve the community to find a solution to the problem. This is shown in the responses from P4, P12 and P15.

P4 expressed, "I believe that we can help eliminate crime, we may sometimes feel that it is not our duty to do so, but the little that we can do there is so much that can be done" (Appendix C4). P12 mentioned that "social enterprises can get involved by allowing those who needs training, those that are looking for jobs, inform them and maybe they can do presentations telling them more about the kind of business they are operating so that they can ask questions" (Appendix C12). P15 stated that "you

look at the problem and you then identify what the problem is. It will then be easier to solve the problem once it has been identified" (Appendix C15).

Finding 31: SEs positively contribute to the development of the economy through jobs they create for unemployed community members.

Finding 32: Community members are presented with learnership opportunities which allow them to acquire skills and knowledge needed for jobs.

Finding 33: Social development in communities by SEs help eliminate community problems which indirectly assists with economy development.

IQ2.2.4: What opportunities does social enterprise come with?

The purpose behind asking this question was to determine how the social enterprise will benefit from the development of the community.

All participants claimed that they are empowering the community members with skills, knowledge and job opportunities which can later be ploughed back into the social enterprise to train other community members.

This is shown in the response of P2 and P8.

P2 stated that "We come with job opportunities, bring learner ship in the community also train university students" (Appendix C2). P8 mentioned that "We come with job opportunities; there are also bursaries that we come with for our students that are doing full courses that take six months to finish" (Appendix C8).

Finding 34: SEs provide community members with the opportunity to progress in life through learnerships, bursaries and job opportunities.

4.5.2.3 SRQ 2.3: How can social enterprises get involved in promoting economic development in underserved communities

IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?

This question was asked to determine the process used by SEs to select the candidates they have potentially identified to benefit from the SE.

Participants (P1, 2, 3, 5, 6, 8, 9, 10 & 13) mentioned that their SE follows the normal recruitment process where the opportunity is advertised to the community and candidates are shortlisted, interviewed and selected based on the criteria set out for the opportunity. Three participants (P7, 12 & 14) use a practical approach for the recruitment process because of the industry they are in. Candidates are observed and a decision is made from there as to whether or not a candidate is successful. This is shown in the responses below from P6 and P7.

P6 mentioned that "We advertise, short screen call for interviews and after interviews have been conducted, we then take a thing not more than a month and select the best candidates to join our team tests" (Appendix C6). According to P7,

> *There really is no strict or tight process that we follow, first we test people on certain dishes to prepare than we take things from there if they can make the food very well then, we let ten train with the professional staff then if they cannot prepare, they start of by serving food and learn on the job.* (Appendix C7)

Finding 35: Opportunities presented by some SEs are advertised to the community to ensure that the process is fair for all potential candidates.

Finding 36: SEs in the more practical industries like cooking and hair dressing use a different approach to select potential candidates which is determined by a candidate's ability to perform certain tasks.

IQ2.3.2: Are there any job opportunities created by social enterprise?

This question was asked to determine the job opportunities that social enterprises create for the community members.

All the participants agreed that SEs create jobs for community members.

This is shown in the response of P1 and P6.

P1 stated that "There are job opportunities that are created because sometimes you may see that a person only has matric and has applied and has a driving license, we then make that person one of our drivers" (Appendix C1). P6 mentioned that "Yes, there are plenty of jobs that are being created as there are different stages and different kind of work that's being done at our cleaning services" (Appendix C6).

Finding 37: SEs create jobs for underserved community members.

IQ2.3.3: How has the development affected the lives of the community?

This question was asked to determine how development affected the lives of those in the community in which a business operates.

Participants (P2, 3, 4, 5, 6, 9, 10, 11, 13 & 15) indicated that social development impacted the community positively as the community is supportive of their enterprise. P1 felt that the development was good for the community and attracted guests to the community which also encouraged community members to interact with guests. P14 mentioned that their social enterprise created opportunities for community members to travel both locally and internationally.

This is shown in the response from P1 and P14.

P1 explained, "The impact is a very good impact because there is human interaction between workers and guests and people from the community" (Appendix C1). According to P4,

> With us specifically the change we have noticed in the leaners that we have worked with is that they become more goal driven and about 80% of them do reach and complete matric and move on to study at tertiary institution. We have also connected them with opportunities that have given them access to hard skills like learning to sail and being part of the sailing industry. This then has also opened opportunities for them to travel local and international. All these milestones then assist them to be able to continue to reach for better opportunities. (Appendix C14)

Finding 38: Community members are exposed to opportunities that they would not necessary have had prior to the development.

4.6   Theme development

Themes were developed by combining the findings (38) of the research which were coded and re-coded and then categories (9) were developed. Table 4.5 shows the finding category counts per theme. The six themes identified are presented together with the number of occurrences of each category per theme. Table 4.6 indicates the number of themes developed from the categories.

Table 4.5: Finding category counts per theme

Themes	Findings Category Count
Community upliftment through social entrepreneurship	11
Stakeholder involvement in social enterprises	9
The leadership aspect of a social entrepreneur	7
The role of social enterprises in local economic development	5
The financial aspects of social enterprises	4
The importance of industry expert support in social enterprise sustainability	2
Grand Total	38

Table 4.6: Categories derived from codes and number of times the codes appears

Categories	Code Count
Community upliftment through social entrepreneurship	186
Stakeholder involvement in social enterprises	50
Industry expert support for social enterprises	24
The technical ability of social enterprises	37
Talent attraction in social enterprises	16
Cross-promotion ability of social enterprises	19
Leadership skills of social entrepreneurs	39
The financial aspects of social enterprises	18
Economy contribution by social enterprises	7

		Grand total			397

From the categories, themes were developed as shown in Table 4.6

Table 4.7: Codes, categories and themes

	SRQ	Initial Codes A	Revised Codes	Category	Themes
P9	1.1.3	One of the sole purpose is to maximise profits, in the process there also comes job creations	Job opportunity	Job creation	Employment
P9	1.3.3	The community must trust in the development process as it is for them, overcome the suspicions they may have had as there may be people questioning the whole idea behind the enterprise.	Lack of business support	Lack of business support	Community support of SEs
P8	2.2.4	There are also bursaries that we come with for our students that are doing full courses that take six months to finish.	Access to tertiary education	Social empowerment	Education
P8	2.3.3	Yes, there are plenty of jobs that are being created.	Job opportunity	Job creation	Employment
P7	1.1.3	Social entrepreneurs uplift the community.	Community upliftment	Community inclusiveness	Community upliftment
P7	1.1.3	Sometimes they are problem solvers.	Solution driven	Social empowerment	Social empowerment
P6	1.3.3	The community can start off by supporting us local businesses, they can advertise for us and bring us more customers.	Lack of business support	Lack of business support	Community support of SEs
P5	1.1.3	We give people chances that they never thought they would have.	Job opportunity	Job creation	Employment
P5	1.1.3	We come up with solutions where there seems to be no solution.	Solution driven	Social empowerment	Community upliftment through SEs
P4	1.1.3	People have been given opportunities and a lot of people have been given chances to prove themselves and to do well for themselves.	Job opportunity	Job creation	Employment
P4	2.3.3	It had a good and positive effect because I was never given a chance; people would think I wanted to scam them but it turned out well in the end.	Community is affected positively	Community inclusiveness	Community upliftment through SEs
P3	1.1.3	Create job opportunities.	job opportunity	Job creation	Employment
P3	1.2.2	Be productive in terms of economic development.	Increased productivity	Economic contribution	Economic development
P15	1.3.3	The community must trust in the development process as it won't be an overnight thing. It takes time but eventually pays off.	Lack of business support	Lack of business support	Economic development
P15	2.2.3	You look at the problem and you then identify what the problem it will then be easier to solve the problem once it has been identified	Identify problems in community and try and find solutions	Community inclusiveness	Community upliftment through SEs
P14	2.3.2	Yes, there are job opportunities as our business	Yes, jobs are created	Job creation	Employment

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P	SRQ				
		grows, we create job opportunities for people within the community.			
P14	2.3.3	The leaners that we have worked with is that they become more goal driven and about 80% of them do reach and complete matric and move on to study at tertiary institution.	More goal driven with tertiary education opportunity	Education	Education
P13	1.1.3	Positive impact because everyone wants to partake in the business and its activities.	Community inclusiveness	Community inclusiveness	Community upliftment through SEs
P13	1.2.1	We now want to change the whole perception behind that we want to take our businesses to the next level so that our communities may get recognised.	Perception change	Community inclusiveness	Social empowerment
P12	1.2.1	We want to grow our people educate them so that they have a better and clearly understand about social enterprise, the advantages and disadvantages it comes with.	Training	Education	Education
P12	2.3.3	The development has benefitted the community positively because people have never though that they can actually make a living from making wigs but now they can see that it is in demand, they do advertisements for us; they even refer other people to us.	Benefits of business opportunities created better understanding in community	Community inclusiveness	Economic development
P11	1.1.3	Change the whole perception around our business.	Perception change	Change and perception	Social empowerment
P10	1.2.2	See each and every young social entrepreneur being successful.	Perception	Change and perception	Social empowerment
P10	2.3.3	It affected them, up until they knew and understood what the business was all about and what opportunities it comes with.	Benefits of business opportunities created better understanding in community	Business opportunities	Economic development
P1	2.2.4	We get an opportunity to work with other businesses by doing that we learn a thing or two and then we apply it on our side.	Local business support	Lack of business support	Community support of social enterprises
P1	2.3.2	There are job opportunities that are created because sometimes you may see that a person only has matric and has applied and has a driving license, we then make that person one of our drivers.	Job opportunities are created based on the person's education and skills level	Job creation	Community upliftment through SEs

*P-participant; SRQ-sub research question

Table 4.8 presents the six themes developed.

Table 4.8: Development of the themes from the categories

Categories	Themes
Community upliftment through social entrepreneurship	Community upliftment through social entrepreneurship
Stakeholder involvement in social enterprises	Importance of stakeholder involvement in social enterprises
Industry expert support for social enterprises	Importance of industry expert support in social enterprise sustainability
The technical ability of social enterprises	The leadership aspect of a social entrepreneur
Talent attraction in social enterprises	The leadership aspect of a social entrepreneur
Cross-promotion ability of social enterprises	The leadership aspect of a social entrepreneur
Leadership skills of social entrepreneurs	The leadership aspect of a social entrepreneur
The financial aspects of social enterprises	The financial aspects of social enterprises
Economy contribution by social enterprises	The role of social enterprises in local economic development

Table 4.9: Themes developed and aligned with the RSs, and SRQs.

Themes	RQ	SRQ
Employment	To examine the effect of social enterprises on the economic development of underserved communities in Cape Town, South Africa.	What are the opportunities that can be associated with the promotion of the development of SEs in underserved communities?
Community support of SEs	What is the state of SEs in underserving communities?	What are some of the contextual factors that influence SEs in underserved communities?
Community upliftment	To examine the effect of social enterprises on the economic development of underserved communities in Cape Town, South Africa.	
Economic development	To examine the effect of social enterprises on the economic development of underserved communities in Cape Town, South Africa.	How can SEs promote economic development in underserved communities ?
Education	What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?	What are the mechanism than can promote development of SEs in underserved communities?
Social empowerment	To examine the effect of social enterprises on the economic development of underserved communities in Cape Town, South Africa.	What are the opportunities that can be associated with the promotion of the development of SEs in underserved communities?

*RQ-research question; SRQ=-sub-research question

Six themes were developed from the findings. The study noted that SEs plays a significant role in creating employment opportunities, economic empowerment, community upliftment and economic development which all answer the RQ3 which intended to examine the effect of social enterprises on the economic development of underserved communities in Cape Town, South Africa. In addition, other themes that emerged from the study were education, which aimed at answering RQ2 about the

factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa. The other theme that emerge was community support of SEs which answered RQ1 pertaining to the state of SEs in underserving communities.

4.7 Summary

The research, based on a multiple case study, focused on exploring the role of social entrepreneurship in promoting economic development of underserved communities in Cape Town, South Africa. Fifteen SEs were chosen non-randomly and conveniently. From the 15 SEs, 15 participants (the company founders) were chosen for interviews.

Chapter 4 contained the findings (20) based on data collected from 15 participants. All participants gave consent to collect data for this research study. The analysis started by transcribing the recorded interviews. Once transcribed, the transcriptions were emailed to the participants to verify that the transcriptions are correct, and that the intent of each participant is correctly captured. The findings were then coded, re-coded, summarised, categorised and themes developed. The chapter included information of the 15 interviews from which a total of 20 findings were identified, with 20 categories and six themes.

In Chapter 5, the research questions, findings, and themes are discussed in relation to the existing literature.

CHAPTER 5: DISCUSSION OF FINDINGS

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│  Discussion of Theme 1: Factors that affect the │
│  development of social SEs in underserved       │
│  communities in Cape Town, South Africa         │
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│  Discussion of Theme 2: The effect of SEs on    │
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│  communities in Cape Town, South Africa         │
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│  Discussion of Theme 3: The forms of support    │
│  that can be providing for social               │
│  entrepreneurship initiatives, to promote       │
│  economic development in underserved            │
│  communities in Cape Town, South Africa         │
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│  Discussion of Theme 4: Social enterprises      │
│  involve stakeholders in their businesses       │
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│  Discussion of Theme 5: Social enterprises      │
│  communicate with their stakeholders            │
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│  Discussion of Theme 6: Business challenges     │
│  being faced by social enterprises              │
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Figure 5-1: Layout of Chapter 5

5.1 Introduction

The aim of this research was to investigate social entrepreneurship as a tool to promote economic development in underserved communities in Cape Town, South Africa. Investigating SEs as a tool to promote economic development in underserved communities is a challenging task. Authors such as Dacin et al. (2011) and Bansal et al. (2019) have defined *SE* as individuals with daunting determination as well as commitment to persist in the face of obstacles. In this context, economic underdevelopment in underserved communities is an obstacle. Following the presentation of findings, this chapter discusses the findings under the developed themes.

The discussion of the themes is undertaken in relation to the research questions as well as sub-research questions and aim of the study, as they map to existing literature in the body of knowledge. The theme discussion aims to find answers to the initial research questions to address the identified research problem and objectives.

In the next section, the six identified themes are discussed in detail:

   i)   Factors that affect the development of social SEs in underserved communities.
   ii) The effect of SEs on the economic development of underserved communities.
   iii) Support for SE initiatives for economic development in underserved communities.
   iv) SEs and stakeholders.
   v)   Communication between SEs and stakeholders.
   vi) Business challenges faced by SEs.

5.2 Theme 1: Factors that affect the development of social SEs in underserved communities

This theme addresses RQ1 (What is the state of SEs in underserved communities?) together with SRQs 1.1 (What are some of the contextual factors that influence SEs in underserved communities?) and SRQ1.2 (What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?)

In responding to SRQ1.1, all participants explained that there are three main contextual factors that influence SEs in underserved communities: networking, leadership and innovation. This linked to the assumption by Paulson (2019) who suggest that leadership skills help entrepreneurs in making a difference as these skills direct the sacrifices they make which in turn leads to the benefits of the

organizations and the communities at large. Also highlighted is that innovation is a significant factor in the development of SEs. It is not all 'goods and services provision' that makes an SE.

Based on the finding, it is clear that there are factors affecting the role of SEs in the promotion of economic development in underserved communities in Cape Town. These factors range from challenges they are facing, the skills required, and the impact on the community. P8 highlighted several factors affecting the role of SEs in the promotion of economic development in communities: the issue of funding, getting the start-up fund, finding a place for the business, the lack of human resources, proper planning, support from the community, communication skills, leadership skills, entrepreneurship skills and aligning with investors (Appendix B). These findings are supported by Aquino, Luck and Schanzel (2018), that the time is certainly ripe for entrepreneurial approaches to social problems. However, many SE efforts have fallen far short of expectations. According to Macke et al. (2018) and Kimmitt and Munoz (2018), the inadequacy of the free market and lack of proper business skills are two factors hamstringing the influence of SEs. Ngatse-Ipangui and Dassah (2019) mention that social, political, institutional, economic and historical factors have influenced the global proliferation of social entrepreneurs and enterprises. Other factors include the perception of market failure, lack of funding, technology, the global movement towards marketisation and lack of business skills and support from the public (Kumaludin et al., 2018; Bacq & Lumpkin, 2020; Mendez-Picazo et al., 2021).

Many of the driving forces for factors affecting the role of SEs in the promotion of economic development in underserved communities in Cape Town include the need for social change and transformation. This links with perspectives of the participants, that as social entrepreneurs there is a need to support each other, trying by all means to overlook competition as collaboration is a recipe for economic development in these underserved communities in Cape Town. Thus, it can be concluded from the participants' responses that SEs can have a positive effect on the lives within the community if they create jobs and give people opportunities to showcase their skills to command development in their communities.

5.3 Theme 2: Effect of SEs on the economic development of underserved communities

This theme addresses RQ2 namely: What are some initiatives and support systems that can be applied for promoting social entrepreneurship in underserved communities? And SRQs 2.1 and 2.2 (What mechanisms can promote the development of SEs in underserved communities? What opportunities can be associated with the promotion of the development of SEs in underserved communities?)

The research participants highlighted that SEs can improve or develop the economy by following some of these main aspects namely creating jobs, innovation, enhancing social investments/trade and poverty alleviation. P13 said,

> *As much as I want to grow my business, I want to keep it local for me it works being around people that give you support, working with people with where I reside for me that is something I can smile about because I am giving others a chance to learn and to grow so that in the near future, they can have something of their own. We empower others as well and we give other small or growing businesses to grow also.* (Appendix B)

SEs are determined to bring value to their communities, thereby creating employment. Bacq and Lumpkin (2020) are of the view that an SE is a basic source for the creation of jobs or employment. Not only can SEs offer more employment but they can act as a campaigner and advocate for employing people from outside the usual application pool. There are many opportunities, which are created by SEs, for the unemployed and the increase of value. SEs have two intersecting roles when it comes to the creation of employment: one is that employers in their own right aspire to be excellent employers while seeking employment as a defining part of their remit (Kamaludin et al., 2021).

SEs are also regarded as innovators for creating a direct impact on the economy of their community. SEs are important in the community as they are popular for creating change; thus, innovation is appreciated as a process to boost economic development. As supported by Kimmitt and Munoz (2018), SEs and their innovations lead to the promotion of inclusive economic growth. SEs are the driving force behind the innovations that improve the life quality of individuals worldwide, assisting in local economic development (Macke et al., 2018). As social entrepreneurs create jobs, aspire innovation, enhance social investments and alleviate poverty, they support

each other, trying to move away from what people say but following their burning desire to create change while making profits.

Based on the findings, SEs value developing each other's business, and as a result they suggest business referrals. This contributes to the alleviation of poverty. It concurs with the view of Canestrino et al. (2020:319) who say, "SE is a way of combating poverty through pursuit of an entrepreneurial strategy". Studies further indicate that SEs have a positive impact on reduction of poverty (Aliaga-Isla & Huybrechts, 2018; Sengupta et al., 2018). Through collaboration of SEs, the desire to alleviate poverty is rekindled. For example, P3 said,

> *We do not only develop our businesses but also the people that we sometimes get business from and the people that we get referrals from. It's a big industry we only hope that we can work well with the clientele that we have, for instance I have been in prison for a long time when I got released, I had no hope that one I would be successful, but now my business has grown so much. This we believe will have impact on reducing poverty levels.* (Appendix B)

Based on the analysis of findings and existing literature, it can be concluded that SEs develop and support each other even if they are competitors for the betterment of their communities and thereby creating jobs, innovation, enhancement of social investments and poverty alleviation.

5.4 Theme 3: Support for SE initiatives to promote economic development in underserved communities

5.4.1 SRQ2.3: How can social enterprises get involved in promoting economic development in underserved communities?

In fulfilling the research aims, all participants highlighted that SEs have different effects on people within the community. This concurs with the views of Sroka and Meyer (2021) who believe that SEs are a critical phenomenon in social life given the sustainable development challenges the country faces. The effects raised by participants include the following: i) when things have been well communicated there is good and positive effect; ii) employment creation, reduces the crime rate; iii) providing education and empowerment to the young adults; and iv) solving many problems through collaboration and teamwork. P12 said,

> *Social enterprises have done a good job because now we are able to say that certain people are now successful because they have started from the bottom with nothing but now, they are now successful. They have given themselves time and dedication that this is what that they want and no matter challenges they face in the end they will succeed. If social entrepreneurs*

would work together with the people that resides in the same place where the business is then that way there would be a positive effect and development. (Appendix B)

The participants are confident that SEs are affecting the community in a positive way.

Raniga and Ringson (2021) assert that it is the role of LED to promote the development of small businesses. The LED should also develop co-operatives as a strategic tool for attracting more people into entrepreneurship, hence boosting the creation of job opportunities. SEs are the key drivers of this initiative. As supported by participants, SEs have different effects on people within the community. SEs as key drivers of economic development are doing good by bringing change in the community. For Bernard (2019), through the use of human, natural and institutional local resources by SEs, jobs can be created for the improvement of people' lives in local communities. LED aims at boosting local economies, promoting job creation as well as generating income and improving governance which are the clear goals of SEs. This indicates that SEs are positively affecting the community. Based on the views of participants, it can be concluded that SEs are the key drivers of local economic development (LED).

Participants aired that SEs are there to create opportunities for job seekers to end unemployment, offer training to people who need training, and give people chances; they also create opportunities and nurture development skills. P14 explained that,

> *SEs play a vital role in the community because we start by creating opportunities to students to up their grades, giving second chances to people who need to better their marks, those who have had challenges in certain areas of studying we give them an opportunity to rectify those mistakes.* (Appendix B)

Chipeta (2020) argues that SEs are change agents, present in many communities and acting as a provider of resources necessary for these communities for overcoming inequality. Moreover, literature and participants also agree that SEs propel the needs of the economy by introducing more jobs and new ventures. Thus, again, participants highlighted that social enterprises are affecting the community in a positive way.

Lastly, Mendez-Picazo et al. (2021: 33) assert that SEs have the potential to create both social and economic value for the community in several ways:

i) Meeting social needs in new, innovative and often more sustainable ways than alternative approaches;

ii) Generating employment opportunities and increasing net productivity in a country;

iii) Developing social capital, which enhances social and economic development;

iv) Promoting equity through the focus on the needs of disadvantaged and vulnerable members of society; and

v) Creating best-practice partnerships.

This was supported by participants as they averred to SEs having different effects on people within the community, including employment creation, reducing crime rates, providing education and empowerment to young adults, and solving many problems through collaboration and teamwork. P8 stated, "Positive and good and I say this because, there are many businesses operating in townships but not everyone benefits from those, and if we can work well with people and not judge by the things they have done in the past, I believe there can be good results" (Appendix B).

5.5   Theme 4: SEs and stakeholders

5.5.1   TheSQ2.1: How do social enterprises involve stakeholders in their businesses?

SRQ2.1: How do social enterprises involve stakeholders in their businesses?

SRQ2.2: How do social enterprises communicate with their stakeholders?

The research participants highlighted that the way they communicate with stakeholders is not necessarily formal, it can either be a phone call or an email for future purposes and for record keeping. Participants show that they also communicate with stakeholders through meetings. For example, P7 said, "We use to hold meetings with our stakeholders now due to COVID-19 we do Zoom meetings, or we use MS Teams. That way it is much easier to communicate with one another" (Appendix B). This concurs with the views of existing literature that SEs communicate assertively with their stakeholders about important strategies that they are introducing, monitoring or evaluating for social change, and it is necessary for stakeholders to understand the desire of SEs in starting a business with a social mission (Mato-Santiso & Rey-Garcia, 2019). The reason for this communication lies in understanding of the intentions of SEs.

In a different view, P9 opined that,

> *Communication depends on the business levels or channels, the one at bottom level would communicate with stakeholders through unions or through the company representative that will represent the company. There needs to be a chain of command and steps to follow. In this case it does not apply to me as I am the owner and an instructor myself.* (Appendix B)

Based on this explanation, it is noted that when businesses have already launched, communication differs from when a business is still at the formulation stage. Communication between businesses and stakeholders changed during COVID-19.

This links with what participants averred. They alluded that when they were communicating with stakeholders during COVID-19, they used Zoom meetings, social media and emails, sometimes also making phone calls. During these times, there was really no particular format followed in terms of communication. According to Ran and Weller (2021), business communication shifted to use of phone calls, Zoom, emails, text messages, and Google meet during COVID-19 induced lockdown. This changed the time of meetings, length of meetings and nature of meetings. In that, participants showed that there is no fixed or exact time but communication takes place before anything is implemented. P10 said that "The communication takes a maximum of one month depending on how communication was made, on a face-to-face meetings it takes a week maximum but in terms of emails and everything it takes time because follow-ups must be done" (Appendix C). This concurs with Shevely (2020) who opines that business communications and meetings are not determined by the period it takes; it is all about finishing the agenda. This links with the views of participants who highlighted that, "It is hard to tell how long It takes it revolves around the idea of consensus. It merely depends on the one that decides, each decisions needs to be properly discussed and properly thought" (P9; Appendix B). Thus, as a conclusion, the communication between SEs and stakeholders are not limited to time but to the agenda of communication.

5.6   Theme 5: Business challenges being faced by SEs

5.6.1   SRQ1.1: What challenges do social enterprises face when doing business?

IQ1.1.1: What are the main challenges that social enterprises face when doing business?

The research participants highlighted that SEs face multiple challenges when starting a business. For example, P1 highlighted that,

> *The challenges that I have faced before starting the business were: I was not sure how people were going to receive that there is going to be a travelling agency in Khayelitsha. I had to sell the idea so that people understood what Khayelitsha travelling was all about, the business is a very complex one it does a lot of things such as booking flights for guests, fetching clients from the airport and more I was just not sure about a lot of things, I have now achieved the great milestone by working with one of the well-known car rental companies (Bidvest) I am glad I took that chance and opportunity I took a risk.* (Appendix C1).

This concurs with the views from the existing literature. Sengupta et al. (2018) and Bernard (2019) suggest that despite the general consensus of the positive role played by SEs in advancing social development across Africa, there are a number of

constraints that limit the impact of SEs in communities. This is supported by Chipeta et al. (2020:112) who indicate that, "there are environmental constraints which include barriers from the local political, economic, social and cultural milieus that these enterprises are located within."

Participants confirm that SEs face multiple challenges when starting a business. Several challenges include the following: the issue of funding, getting a start-up fund, finding a place for the business, lack of human resources, lack of proper planning, lack of support from the community and aligning with investors. This concurs with the views of Sroka and Meyer (2021) that one of the biggest constraints to the establishment and success of SEs is lack of start-up finance as well as the limited access to finance. Gandhi and Raina (2018) mention that many formal financial institutions regard SEs as too risky or unprofitable to finance. Participants confirmed they are facing financial challenges. Chilufya and Kerlin (2017) note that, although more social venture funds are backing enterprises with social missions, acquiring funding through this channel can be extremely competitive and difficult to secure. In contrast to the financial institutions' unwillingness to fund SEs, families work as a funding source. P6 however said, "Social enterprises face a lot of challenges when starting a business but personally I did not come across any challenges my family gave me money to start a company they have supported me throughout the entire journey" (Appendix B). P11 reported that, "One of the challenges I have faced before I started my business was not raising enough money, it was not getting a good place to start my business as well as lack of support from my families and the community" (Appendix B). In agreement, Macke et al. (2018:63) suggest that SEs are facing i) cultural challenges like gender biases, and ii) lack of support from families and community or iii) decision making power norms in particular societies which can influence the ability of SEs to connect with or impact local communities. Chilufya and Kerlin (2017) note that the priority of offering a low-cost product or service makes it challenging for an individual enterprise to absorb costs.

5.7   Answering the research questions, aim and objectives of research

5.7.1   RQ1: What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?

In fulfilling the first objective, to determine the factors and challenges that affect social enterprises doing business, there are three main contextual factors that influence SEs in underserved communities identified as follows:

i)   Networking;

ii)   Leadership; and

iii) Innovation.

The challenges SEs face in their quest to promote local economic development are identified as follows:

i)   Issues of funding;

ii)   Getting the start-up fund;

iii) Getting a place for the business;

iv)   Lack of human resources;

v)   Lack of proper planning;

vi)   Lack of support from the community; and

vii) Aligning with investors when starting a business.

5.7.2   RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?

In fulfilling the research objectives to determine the involvement of the stakeholders in the enterprise and to examine the communication processes within the enterprises, the following was highlighted with stakeholders (customers, the investors and the local authorities):

i)   They are funders of social enterprises;

ii)   They are the investors;

iii) They make leadership decisions;

iv)   They reduce financial costs;

v)   They promote organizational culture; and

vi)   They assist in modelling to employees and customers.

In communication, SEs rely on the following:

i)   Phone calls;

ii)   Zoom;

iii) Emails;

iv)   Text messages; and

v) Google meet.

In fulfilling the research objective, to determine the opportunities that social enterprises can utilise to promote economic development, the research found the following opportunities of SEs:

    i) Social enterprises come with job opportunities;

    ii) Upskilling opportunities;

    iii) Economic development opportunities through creating other businesses;

    iv) Social enterprises bring mentorship;

    v) Learnership and training to the community members; and

    vi) Offering bursaries to bright students struggling with school fees.

5.8 Summary

The themes discussion above was aimed at finding answers to the posed research questions to address the identified research problem and objectives. In the previous section, six identified themes are discussed in detail:

    i) Factors that affect the development of social SEs in underserved communities in Cape Town, South Africa;

    ii) The effect of SEs on the economic development of underserved communities in Cape Town, South Africa;

    iii) Forms of support provided for social entrepreneurship initiatives, to promote economic development in underserved communities in Cape Town, South Africa;

    iv) Social enterprises involve stakeholders in their businesses;

    v) Communication between social enterprises and their stakeholders; and

    vi) Business challenges faced by social enterprises.

Based on the findings of the first theme, it is clear that there are factors affecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town. These factors range from challenges they are facing, skills they require, and the impact they bring in the community. As a result, the issues of funding, getting the start-up fund, getting a place for the business, lack of human resources, lack of proper planning, lack of support from the community and aligning with investors as well as lack of skills such as communication skills, leadership skills and entrepreneurship skills are some of the factors impinging on the role of social entrepreneurship in the promotion of economic development.

From the second theme, it can be summarised that SEs can improve or develop the economy by following some of these main aspects: i) creating jobs, ii) innovation, iii)

enhancing social investments and iv) poverty alleviation. Upon this discussion, the research reached the conclusion that SEs develop each other, support each other – even their competitors – for the betterment of their communities. This leads to creation of jobs, innovation, enhancement of social investments and poverty alleviation.

Theme three highlighted that social enterprises have different effects on people within the community. SE is a critical phenomenon in social life given the sustainable development challenges the country faces. The effects that were raised by participants include the following: when things have been well communicated there is good and positive effect; employment creation; reduces crime rate; provides education and empowerment to the young adults; and solves many problems through collaboration and teamwork. Based on the views of respondents and the existing literature, it was summarised that SEs are 'game changers' of communities.

Theme four showed disagreement: some participants highlighted that there is no involvement of stakeholders while other participants vouched that stakeholders are involved in every step of the business. Since a large percentage of participants indicated that they involve stakeholders, it can be construed that SEs, for the most part, work alongside stakeholders. There was a link between the views of the existing literature concerning theme four. Thus, based on the connection between the highlights of participants and existing literature, it was concluded that SEs involve stakeholders in many ways, including funding. Stakeholders are involved through leadership decision making, financial costs, organizational culture, employees (skills and adoption) and customers (adoption). As a result, stakeholders are involved in the frontline where they are into the partnership with business owners.

Based on theme five, the way they communicate with stakeholders is not necessarily formal; it can either be a phone call or an email for future purposes and for record keeping. Participants showed that they also communicate with stakeholders through meetings. When they were communicating with stakeholders during COVID-19, they used Zoom meetings, social media and emails, sometimes phone calls. Therefore, there really is no format that they follow in terms of communication. As a conclusion, communications between SEs and stakeholders are not limited to time but to the agenda of communication.

On the last theme, SEs face multiple challenges when starting a business. There are environmental constraints which include barriers from the local political, economic,

social and cultural milieus within which these enterprises are located. Some of the challenges highlighted include the issue of funding, getting the start-up fund, getting a place for the business, lack of human resources, lack of proper planning, lack of support from the community and aligning with investors. There are also other challenges other than funding. SEs are facing cultural challenges like gender biases, lack of support from families and community or decision makingpower norms in particular societies which can influence the ability for SEs to connect with or impact local communities. As a result, it is concluded that SEs faces a number of challenges when starting and running a business.

Chapter 6 discusses the conclusions, recommendations, future research and reflection.

CHAPTER 6: CONCLUSION & RECOMMENDATIONS

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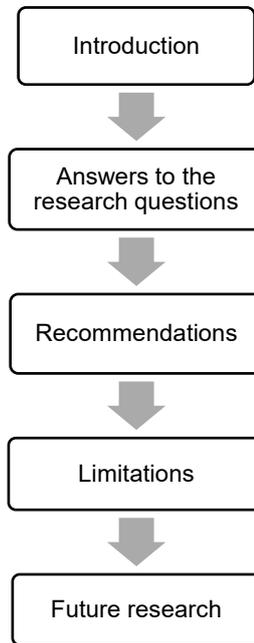
Figure 6-1: Layout of Chapter 6

6.1 Introduction

Chapter 6 presents the conclusion, recommendations and answers to the research questions that were constructed. The discussion in this chapter is directly linked to the research aims and objectives, which served as the foundation of the research. In this chapter, recommendations of the study are provided, together with proposed future research.

Research over the years has been concerned with entrepreneurship and its contribution to the local economic development (Ngatse-Ipangui & Dassah, 2019:35). These studies sought to understand social entrepreneurship and how it is a tool for promoting economic development. Social entrepreneurship is the "process of creating worth by finding combinations and resources such as land, labour and capital" (Lepoutre, Justo, Terjesen & Bosma 2013:700). These combinations are primarily aimed at creating social value by motivating social change or meeting community needs (Lepoutre et al., 2013). This is particularly true for a developing county such as South Africa where social entrepreneurship has a critical role to play in development as government is unable, or unwilling, to meet the vast social needs of the population (Sroka & Meyer, 2021).

The elements led to the need for social entrepreneurs who can serve the purpose of establishing systems and models for the purpose of transforming communities (Barnardo et al., 2021). Whether in a form of helpful organizations or as individuals, social entrepreneurs have been recognised as being extraordinary change agents for the purpose of transforming communities (Ahmad & Bajwa, 2022). Ideally, social entrepreneurs rejuvenate marginalised and underserved communities by creating jobs in a sustainable manner (Littlewood et al., 2022; Dzomonda, 2020). Maseno and Wanyoike (2021) argue that social entrepreneurs create sustainable businesses in the communities in which they are embedded. Essentially, social entrepreneurship offers self-employment to South African youth.

The study aimed at exploring social entrepreneurship as a tool of promoting economic development. With this in mind, the objectives of the study were as follows:

i)   To determine the effect of context on SEs in underserved communities in Cape Town, South Africa;

ii) To determine the factors that affect the development of SEs in underserved communities in Cape Town, South Africa;

iii) To examine the effect of SEs on the economic development of underserved communities in Cape Town, South Africa; and

iv) To determine the forms of support that can be provided for social entrepreneurship initiatives to promote economic development in underserved communities in Cape Town, South Africa.

6.2   Conclusion

The research results reveal that SEs make a fair contribution to the promotion of economic development. SEs are all for economic growth, the need for change in the communities, the need to see crime coming to an end, the need to create jobs and opportunities. The findings indicated that SEs have the potential to create both social and economic value by meeting social needs in new, innovative and often more sustainable ways than alternative approaches, generating employment opportunities and increasing net productivity in a country, developing social capital, promoting equity by focusing on the needs of disadvantaged and vulnerable members of society and creating best-practice partnerships. SEs have consistently been commended as the alternative process of providing much needed social goods and services to society at large, and the social entrepreneur is known as the agent of

change behind these developments. This renders them drivers of local economic development.

6.3 Answers to the research questions and aim of the research

The problem statement was formulated as follows: SEs are confronted with a number of challenges like lack of funding, lack of government support, and difficulties attracting and retaining qualified employees which has led to delays in their endeavours when approaching socio-economic problems in their communities. The aim of the study was to explore how SEs can be harnessed as a tool for the promotion of local economic development. The research questions have been answered by the research.

6.3.1 Research Question 1

SRQ1: What challenges do social enterprises face when doing business?

What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?

In identifying factors affecting the development of SEs in underserved communities in Cape Town, the following challenges were identified: lack of funding, inability to generate start-up funding, inability to secure a location for the business, lack of human resources, lack of proper planning, lack of support from the community, lack of alignment with investors, and lack of skills (communication skills, leadership skills and entrepreneurship skills). These factors affect the role of SEs in the promoting local economic development.

While SEs are determined to promote local economic development, these factors are affecting their progress. Thus, there is a need for SEs to push for social change and digital transformation so as to minimise the effects of these factors on their business agenda. Based on this analysis, it can be concluded that the research question was adequately answered.

6.3.2 Research question 2

How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?

SQ2.1: How do social enterprises involve stakeholders in their businesses?

In examining how SEs can promote economic development in underserved communities, it was found that SEs work alongside stakeholders. SEs promote local economic development through enhancing change, innovating as well as determining the value of society. SEs are a change agent, also regarded as key

drivers of change, meaning they are involved in every area of local economic development. SEs promote local economic development by opening greater opportunities for the community. SEs propel the local economic needs by introducing more jobs and new ventures that favour local economic development. Based on this analysis, the research question was answered satisfactorily.

6.4 Recommendations

Taking into consideration the findings and themes of the study, several recommendations can be made in terms of social entrepreneurship as a tool for the promotion of local economic development, as presented below.

i) Based on the findings of the research, it is recommended that importance of the role of SEs in local economic development be highlighted.

ii) SEs must monitor the results of their activities in ensuring potential impact on local economic development.

iii) SEs must keep in mind that local economic development should involve those categorised as beneficiaries trapped within the socio-economic problem. Involvement ensures more control as well as balance of the needs to be met. Forms of support like volunteering, finding donation sources and communication from locals are viewed as helpful.

iv) Instead of waiting for local stakeholders to come and discover what programmes satisfies their needs, social entrepreneurs are expected to make their programmes known to local people in a variety of ways such as door-to-door distribution of detailed flyers, social media or events and use of mass media plus word of mouth.

v) To support local economic development, SEs are expected to request direction from local people who understand their needs best and to hear how needs can be met.

vi) Plans for local economic development in deprived areas, like Khayelitsha Township, need to be clearly and simply defined so that local stakeholders understand.

vii) It is essential to reinforce measures like monitoring, motivation and advising the underserved communities for them to take part in promoting local development.

viii) There should be mechanisms in place to ensure that each SE operation is aligned to local economic development goals for accountability. This will help avoid conflicts of interest as well as problems in the organizational power structure.

6.5 Limitations

The research was conducted with social entrepreneurs in Cape Town. If the study is extended to a larger population as well as other general entrepreneurship, the results may not be generalisable or may lead to a different conclusion. The

respondents who participated in this study primarily held management positions with some local economic development background, which may skew the results as the study may not present how social entrepreneurship can be harnessed to promote local economic development in other areas.

The COVID-19 pandemic took everyone by surprise. People and businesses had to adjust to a new normal. While a number of social enterprises had reserved financial resources that they could access to survive the pandemic, some of the SEs, especially the SMEs, were not so fortunate. Due to the devastating effects of COVID-19, it was difficult to investigate SEs as the majority were fighting not only to keep their doors open, but also fighting for their employees and others who depend on their salaries and services to feed their families. This is a clear indication that participating in research for SEs was their lowest priority. Not all SEs were allowed to participate in the study, some were omitted, and some were invited to participate but did not accept the interview invitation. Those SEs that agreed to participate in the study were all SEs whose social entrepreneurship maturity levels were slightly higher than other general SEs.

6.6 Future research

i) More in-depth research is needed on formulating social entrepreneurship as an effective tool to promote economic development in underserved communities in South Africa.

ii) More in-depth research is needed to understand factors influencing SE decisions to formulate, adopt and implement local economic development strategies.

iii) More research is needed to develop a framework for SEs that will assist them with how to transform their enterprises, since the focus is on local economic development more than socio-economic transformation.

iv) There is a need for more research to evaluate how SEs are used as tools for local economic development promotion in other areas in South Africa.

v) There is a need for research to investigate how SEs in rural South Africa can be harnessed as a tool for rural economic development.

6.7 Reflection

Conducting the research and completing this thesis have definitely increased my level professional competency in many ways. The first is that, through the course of the research, I have developed a critical mindset towards solving issues in business. The research journey was therefore a humbling experience which took me out of my comfort zone. I went from being uninformed on how to find a research topic, to

working with a supervisor to find a research topic. Academic research surely takes one on an emotional roller coaster ride full of peaks and valleys. I remember getting excited to finally settle on a topic for my research proposal and feeling confident to take on my proposal, only to be caught off guard by philosophy terminologies. Fifteen interviews were transcribed, coded and analysed and I was finally ready to start tackling these six chapters of my thesis. The push started great, but it was during this phase of the research study that the pressure hit. I quickly realized how important it is to have a good support structure behind you in your supervisor, family and friends. Whilst they cannot physically help you with your thesis, the psychological support is important; the motivation and the random check-ins kept me going during the long days and late nights.

The critical analysis skills I have developed and applied in the course of this study can easily be applied to real issues in business in my professional capacity in the future. Secondly, the completion of the study was similar to the management of projects in the sense that there were strict deadlines, a resource scarcity, and time for organising and scheduling interviews. Therefore, the skills gained the process of completing this study can be transferred to successfully manage business projects. Moreover, my writing skills were sharpened significantly and these improved writing skills will serve me in the future.

Lastly, there was great improvement in my time-management skills as this improved by the end of this study when faced with the submission deadline. The principles that I employed were setting specific deadlines for each chapter, transcribing interviews following the completion of each interview, carving out a chunk of time day after day in conducting this research, as well as setting up recurring check-ins with my supervisor. Through this experience, I have now discovered a software application that transcribes interviews verbatim, taking only about four to five minutes. If I had used this technological application, I could have saved a great deal of time for better purposes.

This entire process was an immensely beneficial experience for me at both a personal and professional level. This was challenging in terms of scheduling interviews and gaining access to information as it conflicted with my personal and professional time. Notwithstanding, I was privileged to have a supervisor who provided guidance and unwavering support throughout the research process. He

equipped me with the knowledge to effectively conduct a research study and increased my interest level in my pursuit of a PhD.

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Appendix A: EXAMPLE OF INDIVIDUAL CONSENT FORM

Faculty of Business & Management Sciences

Ethics Informed Consent Form

CONSENT TO PARTICIPATE IN A RESEARCH STUDY

Category of Participants (tick as appropriate):

Staff/Workers	X	Teachers		Parents		Lecturers		Students	
Other (specify)									

You are kindly invited to participate in a research study being conducted by Yavela Mgolodela from the Cape Peninsula University of Technology. The findings of this study will contribute towards (tick as appropriate):

An undergraduate project		A conference paper	
An Honours project		A published journal article	
A Masters/doctoral thesis	X	A published report	

Selection criteria

You were selected as a possible participant in this study because you are:

(a) Understanding and practical experience in the field of study

_____

(b) Priority in Company

_____

(c) etc

The information below gives details about the study to help you decide whether you would want to participate.

Title of the research:
Social entrepreneurship as a tool to promote Social enterprise in an underserved community in Cape Town, South Africa

_____

_____

A brief explanation of what the research involves:

The aim of the study is to explore the role of social entrepreneurship in promoting economic development of underserved communities in Cape Town, South Africa
Objectives of the study

i)   To determine the effect of context on social enterprises in underserved communities in Cape Town, South Africa

ii)   To determine the factors that affect the development of social enterprises in underserved communities in Cape Town, South Africa

iii)   To examine the effect of social enterprises on the economic development of underserved communities in Cape Town, South Africa

v) To determine the forms of support that can be providing for social entrepreneurship initiatives, to promote economic development in underserved communities in Cape Town, South Africa.

Procedures (_Interview or Self-administer questionnaire otherwise create your own_**)**
If you volunteer to participate in this study the following will be done:
1. Describe the main research procedures to you in advance, so that you are informed about what to expect;

2. Treat all interviewees with respect by arriving on time for all the interview schedules and well prepared;

3. Conduct an introduction with the interviewee in order to break ice;

4. All the interviewees will be asked for permission to record the interviews and also take some note where applicable;

5. In a case where there is no clarity, the interviewees will be allowed to ask for confirmation or clarity of words/sentences/phrases to ensure accuracy of the data collected;

6. Participants will be told that their data will be treated with full confidentiality and that, if published, it will not be identifiable as theirs;

7. Participants will be given the option of omitting questions they do not want to answer or feel uncomfortable with;

8. Participants will be told that questions do not pose any realistic risk of distress or discomfort, either physically or psychologically, to them;

9. At the end of each interview all the interviewees will be thanked for their time and information provided for this study;

10. Participants will be debriefed at the end of their participation (i.e. give them a brief explanation of the study).

You are invited to contact the researchers should you have any questions about the research before or during the study. You will be free to withdraw your participation at any time without having to give a reason.

Kindly complete the table below before participating in the research.

Tick the appropriate column		
Statement	Yes	No
1. I understand the purpose of the research.	x	
2. I understand what the research requires of me.	x	
3. I volunteer to take part in the research.	x	
4. I know that I can withdraw at any time.	x	
5. I understand that there will not be any form of discrimination against me as a result of my participation or non-participation.	x	
6. Comment:		

Please sign the consent form. You will be given a copy of this form on request.

S. Daweti	
Signature of participant	Date: 7 August 2020

Researchers

	Name:	Surname:	Contact details:
1.	Yavela	Mgolodela	0727375326 ymgolodela@gmail.com

Contact person:	
Contact number: 073 707 3639	Email: sdaweti@gmail.com

APPENDIX B: INTERVIEW GUIDE

Dear Research Participant

Request for permission to conduct an on-site, semi-structured interview

My name is Yavela Mgolodela (student number 219166242). I am a master's student at Cape Peninsula University Of Technology. This letter serves as a request to collect data in your company. As a partial requirement of my studies, I am conducting a research study titled: Social entrepreneurship as tool to promote economic development in an underserved community in Cape Town, South Africa. The aim of the study is to explore the role of social entrepreneurship in promoting economic development of underserved communities in Cape Town, South Africa. And if my request will not be a problem, could I kindly please get a letter of permission which will serve as proof that I will indeed be collecting the data in your company.. The study involves an individual interview that will take approximately one hour and will be conducted at a place of the participants' convenience. In addition, the interview may be audio-recorded in maintaining accuracy of the information shared. The interview will only be recorded with the participants' consent. The information gathered will be used in completing the dissertation.

Participation in this study is voluntary. Participants may choose to withdraw at any point and this will not affect them negatively in any way. All the information collected will be treated confidentially.

Participation in the study will not lead to any direct benefits but will add to knowledge and understanding of work-life conflict. There are no anticipated risks attached to participating in this study.

Thank you very much for your consideration and time.

Yours Sincerely,

Yavela Mgolodela

Semi-structured questionnaire

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business? Comment:
IQ1.1.2: What skills do you need to be part of the development process? Comment:
IQ1.1.3: How will social entrepreneur impact in lives within the community? Comment:
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have Comment:
IQ1.2.2: What perception does social enterprise have? Comment:
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community?

Comment:
IQ1.3.2: How will the social enterprise benefit the development the community?   Comment:
IQ1.3.3: What outcome is expected of the community from the social enterprises?   Comment:
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business?   Comment:
IQ2.1.2: How are stakeholders involved?   Comment:
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders?   Comment:
IQ2.2.2: How long does communication take before anything is implemented?   Comment:
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?   Comment:
IQ2.2.4: what opportunities does social enterprise come with?

Comment:

SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities

IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?
Comment:

IQ2.3.2: Are there any job opportunities that are created by social enterprise?
Comment:

APPENDIX C: INTERVIEW TRANSCRIPTIONS

PARTICIPANT 1

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business?
Comment: The challenges that I have faced before starting the business were: I was not sure how people were going to receive that there Is going to be a travelling agency I Khayelitsha I had to sell the idea so that people understood what Khayelitsha travelling was all about, the business is a very complex one it does a lot of things such as booking flights for guests, fetching clients from the airport and more I was just not sure about a lot of things, I have now achieved the great milestone by working with one of the well-known car rental companies(Bidvest) I am glad I took that chance and opportunity I took a risk.
IQ1.1.2: What skills do you need to be part of the development process?
Comment: The skills that you need to have to be part of the development process are as follows: you need to be patient with people as they will take their time when exploring; you need to be understanding; you need to be punctual and also be a friendly person because mostly we are dealing with tourists, locally and internationally.
IQ1.1.3: How will social entrepreneur impact in lives within the community?
Comment: Social entrepreneur impacts or will impact positively in the lives within the community because others may not have had an opportunity to work now, they get to bring a bread on the table, they are now able to do things for themselves, they are able to do things they could not do. They are now taken seriously by their families because sometimes even though you are educated you get undermined because there is nothing yore bringing to the table.

SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have Comment: Social enterprises believe in developing each other's business, for instance we are a well-known company that does holiday bookings and takes care of our guests, we are working with Bidvest for car rentals even though we have our own cars. We do have equipment to wash our own cars but we believe in supporting growing business so we support local car washes within our area. We also teach visitors more especially visitors from abroad about Cape Town all about Cape Town and also take them to visit different tourists attractions that Cape Town has.
IQ1.2.2: What perception does social enterprise have? Comment: As much as I want to grow my business but for now I want to keep it local for me it works being around people that give you support, working with people with where I reside for me that is something I can smile about because I am giving others a chance to learn and to grow so that in the near future they can have something of their own. We empower others as well and we give other small or growing businesses to grow also.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: How will social enterprise affect the community? Comment: social enterprises have different effects on people within the community, when things have been well communicated there is good and positive effect but when things are not communicated there tends to be a negative effect because no one has an idea of what is going to happen.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: Social enterprise has a positive effect because now as social entrepreneurs we are able to identify the companies that are under us, the individuals whom we believed in that they are and they can build their own businesses. Now they have successful businesses and they are also doing the same thing empowering others within the community. We offer [art time opportunities for those who only need experience and we also have full time positions where anyone with a qualification that Is related to tourism sector may apply, and those without qualifications we look and monitor their skills and give them where that are able to work.
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment: The community looks at us now from another angle, because at first it was difficult for them to adapt, difficult for them to understand because in a black community such things are for whites now they get to understand that all of this was to create a better future for the young ones, was to create jobs because jobs are very scarce. The support that we are getting from the community is something I never really thought it would happen it took time, now we are working together as a community.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business?

Comment: We have different channels and different department each department looks and takes care of their own department unless it is something that needs to be done by the whole team. Internally we have a marketing team that does presentations and does marketing for the business so they are the ones that does the entire communication with stakeholders, they brief them and they try and be creative. Externally we outsource to other companies where we need help, we ask for assistance. We ask other companies to partake in other activities for example when we are fully booked in terms of transporting guests, we contact Bidvest to step in. those are kind of things that stakeholders get involved with. They must see the desire for sponsoring our business.

IQ2.1.2: How are stakeholders involved?

Comment: stakeholders get funding for the business, they are the eyes and ears of the business, because they want the business to grow, whenever they hear of an opportunity that there is funding, they will communicate that with us.

SQ2.2 How do social enterprises communicate with their stakeholders?

IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders?

Comment: the way of communication that we do is either we make phone calls or we send out emails but that is all done by our receptionist or administrative officer they work hand in hand with all the arrangements and the bookings.

IQ2.2.2: How long does communication take before anything is implemented?

Comment: I cannot really say how long communication takes, if maybe a phone call was done or an email was sent and they were really convinced they give feedback as soon as possible. It depends on how well the information was, it does not take up a lot of time as everything is done telephonically, because one gets to ask questions they are not about on the go.

IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?

Comment: It would be as though we are all saying the same thing but we are all for economic growth we want to see change in our communities, we want to see crime coming to an end that is why we would come up with ideas of starting businesses because we want to give others a chance and to do better with their lives.

IQ2.2.4: What opportunities does social enterprise come with?

Comment: We get an opportunity to work with other businesses by doing that we learn a thing or to and then we apply it on our side. We support other local businesses because we all want to be successful and we all want groom others as well, so we motivate others too.

SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities?

IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?

Comment: We advertise our positions and all the requirements each position will need so that everyone may apply, we do a recruitment and selection process. We call for interviews after interviews have been

conducted, we select the best candidate by saying the best candidate I mean we select the person who has the highest points than others.

IQ2.3.2: Are there any job opportunities that are created by social enterprise?
Comment: There are job opportunities that are created because sometimes you may see that a person only has matric and has applied and has a driving licence we then make that person one of our drivers, we do have cleaning opportunities as well. Plenty of job opportunities are created.
IQ2.3.3: How the development affected the lives of the community?
Comment: The impact is a very good impact because there is human interaction between workers and gusts and people from the community, we also approach schools and teach or give information about the tourism industry and make them understand what tourism is all about. We wish in the end that there can be a transformation on how people perceive tourism culture.

PARTICIPANT 2

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business?   Comment: Not having capital to start the business is quite a challenge, not having funding to start the business, and also no support from family. Those are the main challenges we had encountered
IQ1.1.2: What skills do you need to be part of the development process?   Comment: Leadership, be a good leader, good communication skills, computer literate(must be able to use a computer) be a leader that will lead by example and be approachable.
IQ1.1.3: How will social entrepreneur impact in lives within the community?   Comment: Changing the whole perception of gangsters, elevate crime within the community, employ prisoners (give them a second chance).   Social enterprises are there to fill in the gap between communities and landscape and also to help make change.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have   Comment: To develop each other's business by supporting local business(money to grow within the township).

IQ1.2.2: What perception does social enterprise have?
Comment:
To educate young ones not to partake in crime activities, give gangsters employment so that there is no reason for them to go back to crime.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community?
Comment: Social enterprise has been or is well received by the community as we mould gangsters or identify gangsters and give them opportunities where no one else can or would. Social enterprise is there to fill in those gaps.
IQ1.3.2: How will the social enterprise benefit the development the community?
Comment: We create opportunities for job seekers, offer training to people who need training.
IQ1.3.3: What outcome is expected of the community from the social enterprises?
Comment: There is new development from gangsters the community no longer looks at them the same way they use to.
The community is has a clear with no gangsters, there are also developments from gangsters such as some have started their own companies.
Gangsters are doing things for themselves and so the community is now relieved of such a development.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business?
Comment: as part of the Khayelitsha tourism board already we work with the tourism sector we bring in tourists, we often get sponsorships for soccer tournaments; that's how stakeholders are involved.
IQ2.1.2: How are stakeholders involved?
Comment: They get funding for the business, there is also government influence our business is taken seriously because there are stakeholders involved.
SQ2.2 How do social enterprises communicate with their stakeholders?

IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders?   Comment: We use Zoom meetings and emails.
IQ2.2.2: How long does communication take before anything is implemented?   Comment: It takes a maximum of one month.
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?   Comment: They can be more involved in the frontline, be present when decisions are being taken.
IQ2.2.4: what opportunities does social enterprise come with?   Comment: we come with job opportunities, bring learner ship in the community also train university students.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities?
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?   Comment: We advertise, select and short screen interviews and tests and lastly, there is a three month probation.
IQ2.3.2: Are there any job opportunities that are created by social enterprise?   Comment: Yes, there are plenty of jibs that are being created.
IQ2.3.3: How the development affected the lives of the community?   Comment: It affected them up until they knew and understood what the business was all about and what opportunities it comes with.

PARTICIPANT 3

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?

SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business? Comment: Starting a business is all about having concept, if you do not have the concept, it won't be easy starting an enterprise journey fortunately for me being an entrepreneur has always been a dream it was something I have always wanted to do. I had prepared for challenges before i could start-up a company.
IQ1.1.2: What skills do you need to be part of the development process? Comment: need to know your industry what exactly what you do, obstacles, competitors without having to go to school, information and experience
IQ1.1.3: How will social entrepreneur impact in lives within the community? Comment: people are trying to be productive in terms of economic development. And also employment rate is high therefore we create job opportunities.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have Comment: to develop each other, help other businesses to grow as well.
IQ1.2.2: What perception does social enterprise have? Comment: people are trying to be productive in terms of economic development. And also employment rate is high therefore we create job opportunities
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: How will social enterprise affect the community? Comment: it is a good thing that there actually social entrepreneurs within our communities something that is rare in other communities, we are doing the best that we can to give support in our communities in terms of employment.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: We give people chances; we employ people because we know that unemployment is high
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment:
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business? Comment: You do a presentation and it is not always guaranteed that they will be involved.
IQ2.1.2: How are stakeholders involved? Comment: I have never been approached by stakeholders, by making sure that you get to clients.
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders?

Comment: it is not necessarily formal, it can either be a phone call and an email for future purposes and for record keeping.
IQ2.2.2: How long does communication take before anything is implemented? Comment: It depends on your resources, there is no specific time frame
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities? Comment
IQ2.2.4: what opportunities does social enterprise come with? Comment: its job creation, we give people experience, information about the business
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates? Comment: we advertise the post and the its recruitment and selection process
IQ2.3.2: Are there any job opportunities that are created by social enterprise? Comment: Yes there are, because all that we do we start from scratch build up nosiness and we hire people more especially those with skills and those with experience.
IQ2.3.3: How the development affected the lives of the community? Comment: it is getting there surely but slowly in a more positive way

PARTICIPANT 5

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business? Comment: challenges depend on the type of the business and the type of people you will be dealing with. Before starting a business, I did not encounter any challenges it was when the business has been existence and has been functioning that I had come across challenges. there were competitors all over and I had to do some changes in the business to gain back my clientele. So sometimes we relax and forget about the competition that is out there
IQ1.1.2: What skills do you need to be part of the development process?

Comment: Be a person that works well with people for instance if a client has done something wrong you do not necessarily have to say it out to them because in the tourism industry a customer is always right. That way you are gaining yourself more clients. Be an approachable person that when people are not satisfied with your services, they are able to tell you and you will be willing to listen.
IQ1.1.3: How will social entrepreneur impact in lives within the community? Comment: we have a good impact, I would say because we give people chances that they have never thought they would have but we do, we come up with solutions where there seems to be no solution. We are trying our best to fit in people from within the community.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have Comment: we support each other because at the end of the day we all want to see profits in our businesses, but we also take into mind that there are businesses that are struggling and we can be of assistance
IQ1.2.2: What perception does social enterprise have? Comment: For our businesses to grow but then gain it depends on where you want your business to be. Personally I want my business in locations of Cape Town
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community? Comment: The goal is to improve the community and lives within the community We are working to get more young people to work with us.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: Social enterprise play a huge role in the community because we start of by creating opportunities to those that are in need of jobs.
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment: The outcome we would like to see in the community is seeing young people from our community away from the streets and away from drugs.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business? Comment: No stakeholders.
IQ2.1.2: How are stakeholders involved? Comment: No stakeholders.
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders? Comment: No stakeholders.
IQ2.2.2: How long does communication take before anything is implemented? Comment: Or organization plans our activities in advance and gets one approval from the board level. Once the approval has been given from the board implementation of activities takes place.

IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?   Comment: Creating jobs is the start because we can do all things at the same time and not knowing what outcome it will bring.
IQ2.2.4: What opportunities does social enterprise come with?   Comment: Social enterprise come with job opportunities, economic development opportunities through creating other businesses.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?   Comment: we advertise an ad with all the necessary information, shortlist and select from the shortlisted candidates.
IQ2.3.2: Are there any job opportunities that are created by social enterprise?   Comment: Yes, there are job opportunities as our business grows, we create job opportunities for people within the community.
IQ2.3.3: How the development affected the lives of the community?   Comment: It's been a good effect I would say.

PARTICIPANT 6

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business?   Comment: Social enterprises face a lot of challenges when starting a business but personally I did not come across any challenges my family gave me money to start a company they have supported me throughout the entire journey.
IQ1.1.2: What skills do you need to be part of the development process?   Comment: There are no skills required; you just need to love your work and dedicate your time as you spend almost the whole day at work.
IQ1.1.3: How will social entrepreneur impact in lives within the community?   Comment: Social entrepreneurship has a good impact more especially if you have a good relationship with other people then you would work very well with them, as we are trying to develop the community in which we live.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have   Comment: We want to develop each other's businesses, and all I can say is that I have been groomed by a lot of businesses as I was not sure of what I was doing and they were familiar with business so they had stepped in, in making my business a success.
IQ1.2.2: What perception does social enterprise have?

Comment: We want to grow our economy, also not necessarily about increasing profits but we want to see change, we want to see if with the jobs that we are creating is there a lot of change that's taking place or we are still at where we started.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community? Comment: There has been a good effect from social enterprises side, because I for one was one of the people who could not find job only because I did not finish what I have studied at university and I sat at home for three full years up until my 4th year when I have decided that I now need something to do with my life.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: The community benefits because jobs are created and some people would say that is not what they wanted but as social entrepreneurs we can actually see that there is change and there's a lot of difference because we all want to uplift our society.
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment: The community can start off by supporting us local businesses; they can advertise for us and bring us more customers.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business? Comment: I have never been approached by stakeholders I had to write letters asking for sponsorships from other companies such as the municipality and department of health to help my business get more stock.
IQ2.1.2: How are stakeholders involved? Comment: They are in the frontline explaining more what my company is all about, that way it's much easy to get funding from other companies as well.
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders? Comment: we communicate via phone either our landline or by cell phones.
IQ2.2.2: How long does communication take before anything is implemented? Comment: our communication does not take longer than one month.
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities? Comment: They can employ more youth that could also help eliminate the usage of drugs and crime within the community.
IQ2.2.4: What opportunities does social enterprise come with? Comment: we come with job opportunities, and others by joining our company they enter with no knowledge at all but they end up opening their own. We provide with information.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?

Comment: We advertise, short screen call for interviews and after interviews have been conducted, we then take a thing not more than a month and select the best candidates to join our team tests.
IQ2.3.2: Are there any job opportunities that are created by social enterprise?   Comment: Yes, there are plenty of jobs that are being created as there are different stages and different kind of work that's being done at our cleaning services.
IQ2.3.3: How the development affected the lives of the community?   Comment: It had a good and positive effect because the minute people saw cleaning materials, they came in numbers with applications understood what the business was all about and what opportunities it comes with.

PARTICIPANT 7

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business?   Comment: Personally, one of the challenges I have faced was not knowing whom to ask for capital because I had just graduated and my parents had an idea that id work in a co-operate world and that was not something I wanted to do so for me lack of support also has been a challenge as I had no one to talk to about the hardships of starting business because parents would say "we told you so".
IQ1.1.2: What skills do you need to be part of the development process?   Comment: Because this is a food industry the kills that you need are: passion you need to love what you do as you will come up with different dishes as time goes by, creativity also is a skill because you need to make something different from other people, you must be unique so that you come up with your own dishes, you must be clean because when working with people you must present yourself well.
IQ1.1.3: How will social entrepreneur impact in lives within the community?   Comment: social entrepreneurship has a positive impact in the community because social entrepreneurs uplift the community, sometimes they are problem solvers. At first you would find that the community or some community members are not very happy that there is going to be something like this in the township up until they understand what they understand the reason behind that.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have?   Comment: As social entrepreneurs we support each other, we try by all means to overlook completion, yes competition is there it will always be there but all that we trying to do we are trying to support each other. For example if I run out of a certain product, I always refer my clients to other people so that they are able to get whatever they may have been looking for.
IQ1.2.2: What perception does social enterprise have?   Comment: We are trying as social entrepreneurs to move away from what people are saying that we do not make enough money or that we are not making profits, because that's the perception that people have about

social entrepreneurs. And yes, our aim is to increase our profits where necessary so that we may create jobs for the community we live in.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community?   Comment: Social enterprise will affect the community positively and I say this because as much we are doing this for us, it is not only for us but for our community as well. It is depressing to see the youth walking down the streets day in day out asking for hand-outs or hanging around shops asking for R2 from customers that is not really a good thing. All that we are doing is eliminate all that. We want everyone and if not everyone at least a majority to be financially independent.
IQ1.3.2: How will the social enterprise benefit the development the community?   Comment: We create a lot of job opportunities; we give people opportunities as we feel that they are deserving of being given second chances to prove themselves if not for themselves but for their families for being supportive all these years when they had nothing to offer.
IQ1.3.3: What outcome is expected of the community from the social enterprises?   Comment: The outcome we would like of the community is to support our businesses, help us grow. We sometimes teach those who show interest in cooking dishes to try so that they become one of us. The outcome also we want is to be given a fair chance like any other entrepreneur be it small or big.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business?   Comment: We involve our stakeholders when we need to be sponsored by that something or maybe when we want to go and give food parcels to old age homes, disadvantaged schools in our community we then involve our stakeholders.
IQ2.1.2: How are stakeholders involved?   Comment: They advertise what we do as a business, they put in a good word out there to other people so that we get support even from big companies or work with big companies. involved. For example we do caterings when there are municipal events and that has been done by stakeholders.
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders?   Comment: We use to hold meetings with our stakeholders now due to covid 19 we do Zoom meetings, or we do teams that way it is much easier to communicate with one another.
IQ2.2.2: How long does communication take before anything is implemented?   Comment: it does not take it takes less than a week

IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?
Comment: We want to see better changes in the townships we live in, we want to see people doing better all that we are trying to do is to fill gap we are trying to create more jobs so that the ones that are in need and really need to work are able to provide for themselves.
IQ2.2.4: What opportunities does social enterprise come with?
Comment: We come with job opportunities, give people training where they will get to learn more about the dishes that we serve and even more because outside work we give them leftovers to practice more at home.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?
Comment: There really is no strict or tight process that we follow, first we test people on certain dishes to prepare than we take things from there if they can make the food very well then, we let ten train with the professional staff then if they cannot prepare, they start of by serving food and learn on the job.
IQ2.3.2: Are there any job opportunities that are created by social enterprise?
Comment: There are many job opportunities that are being created because when a person is not a qualified chef, they can always be in the kitchen maybe wash dishes, or be a cleaner, they can also do waitressing and do deliveries. But we sometimes create positions based on a person's attitude or desire to learn.
IQ2.3.3: How the development affected the lives of the community?
Comment: It affects the community very well beacuse we get support from almost everyone around nd from other townships, we are still learning and growing we are there yet.

PARTICIPANT 8

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business?
Comment: Social enterprises face a lot of challenges when starting a business. one of the major challenges I have faced when I was about to start my own business was where am I going to find space where my business will be reachable to customers and also, I had to consider things such as rent, so sometimes it is not really about money you might have money but not resources.
IQ1.1.2: What skills do you need to be part of the development process?
Comment: when working in an internet café you must be able to manage your time, be able to talk to customers and must be computer literate as you are working with a computer most of your time.
IQ1.1.3: How will social entrepreneur impact in lives within the community?
Comment: Social entrepreneur will have positive impact in our community because we hire people within our townships, people that we know really need the work
SQ1.2: What is the social enterprises perception of economic development?

IQ1.2.1: What economic development plan do enterprise have
Comment: We want to grow our company is well-known it is all over the province our development plan is to grow more and grow other businesses as well, just recently we had groomed a young entrepreneur from fort hare due to lack of unemployment she now owns her own internet café.
IQ1.2.2: What perception does social enterprise have?
Comment: we educate other young upcoming social entrepreneurs about business, and how to have a successful business. we want to see more businesses succeed.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community?
Comment: Social enterprise will only affect the community positively because all that we want to see is to everyone in an environment where they can proudly say they are happy that black owned businesses have helped them grow mentally and physically.
IQ1.3.2: How will the social enterprise benefit the development the community?
Comment: Social enterprise will or does benefit the community because we can see that there are changes, there is economic growth from how things used to be.
IQ1.3.3: What outcome is expected of the community from the social enterprises?
Comment: The community can support us as social entrepreneurs in making success of what we have built so that our community can also be a better community. Now that there are jobs that are created, we no longer see gangs sitting around street corners because they are busy with something.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business?
Comment Stakeholders are involved in frontline where we want to make new partners, we always approach stakeholders so that they can do presentations on our behalf.
IQ2.1.2: How are stakeholders involved?
Comment: They get funding for the business, when stakeholders are involved, we even get computers we then go and donate to local schools with some of the computers and printers.
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders?
Comment: we do Zoom or Google meet.
IQ2.2.2: How long does communication take before anything is implemented?
Comment: It does not take long it also depends on the pressure we put on them.
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?
Comment: They can start off by posting things on social media to inform people so that they can be more involved by so doing they will get the communities support.

IQ2.2.4: What opportunities does social enterprise come with?
Comment: we come with job opportunities, there are also bursaries that we come with for our students that are doing full courses that take six months to finish.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities?
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?
Comment: We advertise the positions that needs to be filled we short screen and call for interviews after interviews we then select then they go for a month's training.
IQ2.3.2: Are there any job opportunities that are created by social enterprise?
Comment: Yes, there are plenty of jobs that are being created.
IQ2.3.3: How the development affected the lives of the community?
Comment: It affected them up until they knew and understood what the business was all about and what opportunities it comes with.

PARTICIPANT 9

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business?
Comment: The issue of funding, getting the start-up fund was a major issue that I had faced. Also the lack of proper planning has been quite a challenge, because if you do not have a proper plan and you start a business with no clear or proper planning then few months later the business closes down. Aligning with investors is also a challenges.
IQ1.1.2: What skills do you need to be part of the development process?
Comment: There needs to be conflict resolution skill finding ways to deal with problems and coming up with solutions to them, communicate well in professional manner, must be able to adapt to changes that you may come across.
IQ1.1.3: How will social entrepreneur impact in lives within the community?
Comment: One of the sole purpose is to maximise profits, in the process there also comes job creations, when there are jobs created people are able to contribute to the economy. That leads to community growth. Employ people who will render good service to customers so that the business can grow.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have

Comment: As entrepreneurs we all want to be successful, with high profit returns, expanding to other areas as well where our services are needed the most.
IQ1.2.2: What perception does social enterprise have? Comment: If or when you start a business the only perception you have is to make money, now in the essence of social enterprise you're able elevate poverty, you contribute in the economic growth which would also mean there is improvement in social well-being.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community? Comment: The goal is to improve the community and lives within the community, close the gaps where necessary come with solutions starting a business means you're getting people employed.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: By creating opportunities
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment: The community must trust in the development process as it is for them, overcome the suspicions they may have had as there may be people questioning the whole idea behind the enterprise.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business? Comment: Stakeholders are involved mostly in terms of funding, because whenever funding is needed stakeholders are always there to provide with funding. and when there is a need to expand you need to consult with stakeholders.
IQ2.1.2: How are stakeholders involved? Comment: They get funding for the business; they are always there to back up the business.
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders? Comment: It depends on the business levels or channels. The one at bottom level would communicate with stakeholders through unions through the company representative. There needs to be a chain of command and steps to follow. In this case, it does not apply to me as I am the owner and an instructor myself.
IQ2.2.2: How long does communication take before anything is implemented? Comment: it is hard to tell how long It takes it revolves around the idea of consensus. It merely depends on the one that decides; each decision needs to be properly discussed and properly thought through.
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?

Comment: you look at the problem and you then identify what the problem it will then be easier to solve the problem once it has been identified
IQ2.2.4: What opportunities does social enterprise come with? Comment: We come with job opportunities, people contributing to the economy and also improving the standard of living.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates? Comment: It depends, because you select based on the company's criteria, and company's values, select the best candidates that meets the requirements.
IQ2.3.2: Are there any job opportunities that are created by social enterprise? Comment: There are many of job opportunities that have been created.
IQ2.3.3: How the development affected the lives of the community? Comment: There is a good development; the community has been affected positively.

PARTICIPANT 10

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business? Comment: As easy as it may look, starting a business is not that easy. The challenges that we face as social enterprises may differ, what I may have faced the other person might not have faced, however sometimes funding is not an issue but resources may and lack of information. Not having information about the business that you want to open may be a challenge because you do not know if the business is going to be a success or it won't proper information must be gathered and the place where the business will be located is very important because it must be visible to people.
IQ1.1.2: What skills do you need to be part of the development process? Comment: You must be someone that is creative, a customer may come up with a certain design that they want and you may show them what you think it may look like when you play around with it.
IQ1.1.3: How will social entrepreneur impact in lives within the community?

Comment: I believe that social entrepreneur will have a positive effect in the lives within the community because we are not only creating jobs but we are giving people opportunity to showcase and we are giving people an opportunity to receive or to accept this kind of development in our communities.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have Comment: We want to grow our businesses, make them known
IQ1.2.2: What perception does social enterprise have? Comment: We want to educate grow our businesses first make them become a success so that we are able to look forward and expand if needs be. Our ultimate goal is to see each and every young social entrepreneur being successful.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community? Comment: Social enterprise at first is not well received by the community because of lack of communication, and maybe they have not been told of such a development therefore they feel that they are side lined, but as time goes when information has been spread, they can now accept the developments that are about to take place in the community.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: There is quite a lot that Tassa does, we have classes that students attend and offer free accommodation to our students we train them up until they are perfect for the work. We provide training and then we create opportunities.
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment: The outcome that we can expect from the community is by getting their support in making the community develop and also by getting together in case where we need to stand by one another, we live in the same community therefore we want to achieve the same thing for our community to be a better place.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business? Comment: We approach certain companies that have something to do with beauty because other companies may not even understand all that we are doing. So we approach companies to work with them or supply us with resources.
IQ2.1.2: How are stakeholders involved? Comment: They get funding for the business, there is also government influence when there are stakeholders involved our business are taken seriously.
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders? Comment: we use Zoom meetings and emails sometimes we make phone calls there really is no format that we follow in terms of our communication.
IQ2.2.2: How long does communication take before anything is implemented?

Comment: The communication depends on the agreement that has been reached, I cannot exactly say how long it takes, it does not take long. We do not go to the second month not having a direction.
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities? Comment: We can involve the very same people when we want to make changes or when we think of planning to make changes because those are the very same people that we want support from it is only fair that we involve them when changes are about to happen.
IQ2.2.4: What opportunities does social enterprise come with? Comment: We come with job opportunities; we have classes that are 24 hours daily so there are no excuses that one cannot attend classes.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities?
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates? Comment: we advertise, select and short screen, interviews and tests and lastly there is months' probation where we test if one is able to do the work.
IQ2.3.2: Are there any job opportunities that are created by social enterprise? Comment: Yes, there are plenty of jobs that are being created.
IQ2.3.3: How the development affected the lives of the community? Comment: It affected them up until they knew and understood what the business was all about and what opportunities it comes with.

PARTICIPANT 11

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business? Comment: One of the challenges I have faced before I started my business was not raising enough money and also not getting a place where I will locate my business, those were the challenges I had come across as a result it took me a lot of time to get started.
IQ1.1.2: What skills do you need to be part of the development process? Comment: You need to be patient because anything that revolves around customers needs patience, customers are key to the success of a business.
IQ1.1.3: How will social entrepreneur impact in lives within the community? Comment: We want to change the whole perception around our business because black people are known for hiring people that they know now we are bringing businesses to our people, our own communities we want them to see believe in black empowerment.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have

Comment: We want to develop each other's support our competitors even if there is no need but we want black owned businesses to grow and be successful with the support they get from other entrepreneurs and their customers.
IQ1.2.2: What perception does social enterprise have? Comment: We want to educate the youth and everyone else who wants to learn more about business and grown into being an entrepreneur.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community? Comment: Social enterprise has been or is well received by the community as it we mould gangsters or identify gangsters and give them opportunities where no one else can or would, social enterprise is there to fill in those gaps.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: We create opportunities for job seekers, offer training to people who need training.
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment: The support that we get from the community means so much to us, because when you are about to open a business people would assume that you are going to take away their loyal customers and that is not the case, we want to create more opportunities to other people as well
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business? Comment: We approach big companies for we know that if we are with them, we are going to be supported and maybe get sponsorship from other companies and we may get to work with them in the near future.
IQ2.1.2: How are stakeholders involved? Comment: They get funding for the business, there is also government influence our business is taken seriously because there are stakeholders involved.
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What means of communication do social enterprise use to communicate with stakeholders? Comment: We use Zoom meetings and emails
IQ2.2.2: How long does communication take before anything is implemented? Comment: The communication takes a maximum of one month depending on how communication was made, on a face-to-face meetings it takes a week maximum but in terms of emails ad everything it takes time because follow-ups must be done.
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities? Comment: They can be more involved in the frontline, be present when decisions are being taken.

IQ2.2.4: What opportunities does social enterprise come with?
Comment: We come with job opportunities, bring learner ship in the community also train university students.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?
Comment: We advertise, select and short screen, interviews and tests and lastly there is months' probation where we test if one is able to do the work.
IQ2.3.2: Are there any job opportunities that are created by social enterprise?
Comment: Yes, there are plenty of jobs that are being created.
IQ2.3.3: How the development affected the lives of the community?
Comment: It affected them up until they knew and understood what the business was all about and what opportunities it comes with.

PARTICIPANT 12

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business?
Comment: Starting a business is not as easy as it may look or seems, there are challenges that come with that challenges such as: capita because capital is the start of the business you cannot continue without capital, you need to consider things such as rent and space where you're going to rent and for how much and also clientele you do not know how people are going to receive or whether they are going to support you or not. There is quite a lot that could go wrong one needs to do proper research about the community and how they would feel about you opening a business in the community.
IQ1.1.2: What skills do you need to be part of the development process?
Comment: You must be very punctual because we are working with clients so you need to be very punctual, also be respectful because when you do not respect the people you are working with that would mean you are going to lose customers and that is not good for the business. Be clean and a neat person as you are face of the business.
IQ1.1.3: How will social entrepreneur impact in lives within the community?
Comment: Social Entrepreneur will or impacts positively in communities we live in, because what we do caters for our people as well, we are not only doing it for ourselves and increasing our profits but we want people to gain and benefit from what we are bringing to the community, we want to work with them train them.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have

Comment: We all have different plans as Social enterprise but the key is for our business to grow, not only in the location but also in town because I want to challenge myself to something else than being in a township. We want to grow our people educate them so that they have a better and clearer understand about social enterprise, the advantages and disadvantages it comes with.
IQ1.2.2: What perception does social enterprise have? Comment: I have always heard the saying that says go big or go home and to me that has been a motivation, I have always wanted to expend my business and also make a name for myself in other provinces not only in Cape Town.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community? Comment: Social enterprise has done a good job because now we are able to say that certain people are now successful because they have started from the bottom with nothing but now, they are now successful. They have given themselves time and dedication that this is what that they want and no matter challenges they face in the end they will succeed. If social entrepreneurs would work together with the people that resides in the same place where the business is then that way there would be a positive effect and development.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: Social enterprise has developed the community in a positive and good way, because and I believe I am not only saying this for myself nut for other Social Entrepreneurs as well. We start of businesses with nothing, and with nothing or little that we have and that we make we want our community to grow, we want our community to be noticed, because many people now visit Khayelitsha because of the business that have been opened and have opened doors for others.
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment: Even voluntarily the people from our community would want to help and they would want nothing in return. That has helped us a lot because we can depend on our people. During our busy days w know that we get extra hands from people and would not expect you to pay because they know or they can now see that there is change or a lot of change has taken place ever since business were opened in the community.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business? Comment: We do not always run to stakeholders every time there is an issue, we only report issues that affect them as stakeholders because we would know they would come with solutions.
IQ2.1.2: How are stakeholders involved? Comment: our stakeholders are not involved on a day-to-day basis, whenever there is an urgent matter like when we need some sort of funding or when we need representatives they are always there to offer a hand to see that we do get funding. They are involved whenever money is involved
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders?

Comment: We do not have a formal way to communicate, or let me say, it depends on the seriousness of what needs to be addressed. We do make phone calls and they would give positive feedback; we also send emails. If there are matters that would want for us to meet, we schedule meetings for such cases.
IQ2.2.2: How long does communication take before anything is implemented?   Comment: It takes a maximum of one month, because sometimes after we have met or after we have addressed the issue or spoke about what needs to be doe, they would meet to brainstorm and go out to other people for assistance if needs be.
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?   Comment: Social enterprises can get involved by allowing those who needs training, those that are looking for jobs, inform them and maybe they can do presentations telling them more about the kind of business they are operating so that they can ask questions.
IQ2.2.4: What opportunities does social enterprise come with?   Comment: Social enterprise come with job opportunities to those seeking employment, they give information to those who wants to open businesses and also give advice to young entrepreneurs on how to open business and which route one needs to take. It is not an easy journey but one needs to persevere.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities?
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?   Comment: We do not have a formal way, you do not necessarily need formal education, making hair is a skill and if you do not have that skill, you are taught how to, whenever we have vacancies, we post on social media then you just apply. If you do not know how to make hair you start of by drying hair but do not do the actual hair.
IQ2.3.2: Are there any job opportunities that are created by social enterprise?   Comment: Yes, there are job opportunities, sometimes we create job opportunities unnecessarily but we believe in giving people chances.
IQ2.3.3: How the development affected the lives of the community?   Comment: The development has benefitted the community positively because people have never though that they can actually make a living from making wigs but now they can see that it is in demand, they do advertisements for us they even refer other people to us.

PARTICIPANT 13

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business?

Comment: We face a lot of challenges as social enterprises challenges such as if we do not have proper research then businesses would close down, we need to do proper research about the place the business is going to be at, we need assistance with finances when you do not have capital or money that is going to carry you through you are going to ask for hand-outs all the time.
IQ1.1.2: What skills do you need to be part of the development process?   Comment: You need to be a very neat person as you are going with peoples clothes, time-management is very important because when people tell you that they are going to call their items at a certain time they be finished before the collection time so that they don't get to wait for you whilst you're finishing up.
IQ1.1.3: How will social entrepreneur impact in lives within the community?   Comment: Social entrepreneur at first does not have an impact because the community firstly needs to be updated about what kind of business is going to be open and who is going to benefit from that. Once they get to understand that then there is a positive impact because everyone wants to partake in the business and its activities.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have   Comment: We want to develop each other's businesses; we want to grow also because people have an idea that because it's in the township then they cannot support because they do not trust our abilities but we now want to change the whole perception behind that we want to take our businesses to the next level so that our communities may get recognised.
IQ1.2.2: What perception does social enterprise have?   Comment: We want to grow our economy, also we want to maximise our profits in order for us to grow our businesses. We want to keep it local because in townships we have people who supports us and with no doubt they share information with other people and in townships there is not much competition.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community?   Comment: I can personally say that we are well received by the community because sometimes you hear people's comments that they are now very happy that they can get to brand their clothes in a township, they don't have to travel or go to town to have their clothes printed.
IQ1.3.2: How will the social enterprise benefit the development the community?   Comment: The community will benefit because jobs are created and for people within the community, we also provide training to people there is quite a lot that we do and that we offer and provide because for us it is depressing seeing our people unemployed having to beg for jobs because no one is willing to offer any available opportunities.
IQ1.3.3: What outcome is expected of the community from the social enterprises?   Comment: The community can adapt to the new life that we are trying to live in communities where we live. The community can also support us because we could do with their support now that allows us to push more than before.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?

SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business? Comment: we always approach stakeholders whenever there are burning issues, issues that needs them so they can assist us in making decisions.
IQ2.1.2: How are stakeholders involved? Comment: They get funding for the business, there is also government influence from their side they sometimes get sponsorships for us maybe we get free t-shirts from companies to print for schools.
SQ2.2: How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders? Comment: We use Zoom meetings and emails now that there is covid 19 but during normal days we used to make appointments and meet up.
IQ2.2.2: How long does communication take before anything is implemented? Comment: our communication does not take longer than one month.
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities? Comment: They can include the community whenever they are planning on making changes so that it is easier for them to adapt and accept the situation than to hear it from someone outside.
IQ2.2.4: What opportunities does social enterprise come with? Comment: we come with job opportunities, and we offer trainings and we have classes to teach anyone interested in learning.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities?
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates? Comment: we advertise, select and short screen, interviews and tests and lastly there is a months' probation.
IQ2.3.2: Are there any job opportunities that are created by social enterprise? Comment: Yes, there are plenty of jobs that are being created.
IQ2.3.3: How the development affected the lives of the community? Comment: It affected them up until they knew and understood what the business was all about and what opportunities it comes with.

PARTICIPANT 14

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business?

Comment: The main challenge of running a social enterprise is funding and lack of human resources. Often at times the product of the enterprise itself is targeted at low-income market which means money for operations needs to be raised elsewhere For example, we offer tutoring and learners that are part of our programme do not necessarily afford the classes. We need fundraiser from other companies in order to run the programmes. This then means that we cannot afford a big team and this is our small team doubling up on various tasks.
IQ1.1.2: What skills do you need to be part of the development process? Comment: One needs to be passionate about the work because there is necessarily money rewards or incentives within the development projects. Some projects often operate on minimal budgets. The sector also needs creative people that are able to work with less resources effectively for greater impact.
IQ1.1.3: How will social entrepreneur impact in lives within the community? Comment: Social enterprise are problem solvers because their businesses are not only about making profits but about contributing to change thus, through their ideas social entrepreneurs are able to create employment and learning opportunities for the community.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have Comment: I want out tutorship to expand in other areas as well but within the township, I do want my business to grow, I want other people as well to get to experience what are students have experienced by being with us.
IQ1.2.2: What perception does social enterprise have? Comment: Sometimes people think that social enterprise cannot or does not make enough profits, but in actual fact they do, even though their goal is to make an impact in the communities.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community? Comment: The goal is to improve the community and lives within the community We are working to get more young people to finish school with good grades so that they are able to gain access to better opportunities.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: Social enterprise play a vital role in the community because we start of by creating opportunities to students to up their grades, giving second chances to people who need to better their marks, those who have had challenges in certain areas of studying we give them an opportunity to rectify those mistakes.
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment: The outcome we would like to see in the community is more leaners to reach matric with good grades and to gain access to better opportunities than to sit and do nothing. Our aim is to see young people our community succeed, being the things they have always wanted to be growing up and even more.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?

IQ2.1.1: How are stakeholders involved by social enterprise in the business?

Comment: In our academy leaners self- enrol into our programme. Once they are in the programme, we then have feedback mechanism that allow participants to input into the way programmes run. Our other stakeholders are also parents and for them we host quarterly parents circles- and for them this is also one way that is used a participation and feedback mechanism.

IQ2.1.2: How are stakeholders involved?

Comment: We also have volunteer positions available. One of our key positions is ne for volunteer tutors. The tutors are involved in the running the tutoring sessions. Those are individuals we have groomed because we have graduates that are unemployed; therefore, we give them an opportunity to do something by tutoring the students and making sure that everything is going well as far as students are concerned.

SQ2.2 How do social enterprises communicate with their stakeholders?

IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders?

Comment: Our main medium way of communicating with our stakeholders has become WhatsApp. However we also do face-to-face communication through calling meetings, newsletter, shot massaging system and social media.

IQ2.2.2: How long does communication take before anything is implemented?

Comment: Or organization plans our activities in advance and gets one approval from the board level. Once the approval has been given from the board implementation of activities takes various periods depending where they are within the calendar of activities.

IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities?

Comment: I think as social enterprises we create job opportunities for local people but also the social enterprise itself in its existence is meant to create a change within its particular community. For example for us as Emagqabini Education Academy we work to see young people gain access to better opportunities after school so that they can be active citizens, contributing to the economy through steering away from lives of crime or other social ills that unproductive young people might fall into.

IQ2.2.4: What opportunities does social enterprise come with?

Comment: social enterprise come with job opportunities, up skilling opportunities, economic development opportunities through creating other businesses. For example, the people bringing tourists into the community. The tourist then ends up supporting the local restaurants or charities that they get to visit.

SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities

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IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates?

Comment: we take candidates through an interview process. Then ask candidates to do a task in order to see them perform some of the skills that they say they have, especially things like writing or critical thinking. Once they pass interviews and the task, we ask them to work with us for a week so both the candidates and

ourselves can observe that they are a perfect fit. After a week, we then make final decisions in consultation with the candidate to make the appointment.
IQ2.3.2: Are there any job opportunities that are created by social enterprise? Comment: yes there are job opportunities as our business grows, we create job opportunities for people within the community.
IQ2.3.3: How the development affected the lives of the community? Comment: with us specifically the change we have noticed in the leaners that we have worked with is that they become more goal driven and about 80% of them do reach and complete matric and move on to study at tertiary institution. We have also connected them with opportunities that have given them access to hard skills like learning to sail and being part of the sailing industry. This then has also opened opportunities for them to travel local and international. All these milestones then assists them to be able to continue to reach for better opportunities.

PARTICIPANT 15

RQ1: i) What are the factors effecting the role of social entrepreneurship in the promotion of economic development in underserved communities in Cape Town, South Africa?
SRQ1.1: What challenges do social enterprises face when doing business?
IQ1.1.1: What are the main challenges that enterprise face when doing business? Comment: As social enterprises we face different challenges, some do not even come across challenges. Challenges that I came across was, even if you do right by your business if people do not want to support you they will not. For instance I had all the capital started my business but i did not receive support from the community. tried everything in me to convince them that i would be of assistance, months later when i was about to close down that was when my business started functioning well.
IQ1.1.2: What skills do you need to be part of the development process? Comment: Must be a responsible person, person that is observant and must be able to identify your weaknesses and strengths.
IQ1.1.3: How will social entrepreneur impact in lives within the community? Comment: We are all about maximising profits, in the process there also come job creations, That leads to community growth.
SQ1.2: What is the social enterprises perception of economic development?
IQ1.2.1: What economic development plan do enterprise have Comment: As entrepreneurs we all want to be successful, expanding to other areas as well where our services are needed the most for instance my business has grown I have other businesses as well.
IQ1.2.2: What perception does social enterprise have?

Comment:We want to elevate crime and poverty therefore we help or assist where we see that there is need for us to intervene.
SQ1.3: What are the views of social enterprises on promoting economic development?
IQ1.3.1: IQ1.2.1: How will social enterprise affect the community? Comment: We are doing the best that we can, we cannot give everyone a chance, we cannot promise everyone jobs but a little if not few are with jobs and with the help of social enterprise.
IQ1.3.2: How will the social enterprise benefit the development the community? Comment: By creating opportunities
IQ1.3.3: What outcome is expected of the community from the social enterprises? Comment: The community must trust in the development process as it won't be an overnight thing. It takes time but eventually it pays off.
RQ2: How can social enterprises promote economic development in underserved communities in Cape Town, South Africa?
SQ2.1: How do social enterprises involve stakeholders in their businesses?
IQ2.1.1: How are stakeholders involved by social enterprise in the business? Comment: Stakeholders are involved mostly in terms of funding
IQ2.1.2: How are stakeholders involved? Comment: They get funding for the business; they are always there to back up the business.
SQ2.2 How do social enterprises communicate with their stakeholders?
IQ2.2.1: What way of communication do social enterprise use to communicate with stakeholders? Comment: We communicate by email and calls.
IQ2.2.2: How long does communication take before anything is implemented? Comment: It depends on them, as soon as they have made up their minds then a decision takes place
IQ2.2.3: How can social enterprises get involved in promoting economic development in underserved communities? Comment: You look at the problem and you then identify what the problem is; it will then be easier to solve the problem once it has been identified.
IQ2.2.4: What opportunities does social enterprise come with? Comment: We come with job opportunities, people contributing to the economy and also improve the standard of living.
SQ2.3: How can social enterprises get involved in promoting economic development in underserved communities
IQ2.3.1: What is the process followed by social enterprise in selecting the best candidates? Comment: People apply and they are called for interviews whoever gets selected gets an offer.

IQ2.3.2: Are there any job opportunities that are created by social enterprise?   <u>Comment</u>: There are many of job opportunities that have been created.
IQ2.3.3: How the development affected the lives of the community?   <u>Comment</u>: There is a good development, positive effect

Appendix D Editor's Certificate