

# Social enterprise models in Africa: Evidence from Rwanda and South Africa

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# Introduction

- “ Interest in SE has grown BUT:
  - “ Problem of definition remains → ICSEM constructing ‘bottom-up’ typology (Defourny, Nyssens & Broolis, 2017)
  - “ Africa remains under-studied (Kolk et al, 2015)
  
- “ The paper aims to contribute to our knowledge of SE models on the continent by reporting the specificities of social entrepreneurial models in Rwanda and South Africa, in comparison to what can be observed in other world regions

# Theoretical background

- “ Efforts to capture the diversity of social enterprises :
  - “ Davister et al (2004): WISEs
  - “ Alter’s (2007): SE operational models
  - “ Kerlin (2013, 2017): Macro-institutional SE framework
  - “ Young & Lecy (2014): SE Zoo
  - “ Defourny, Nyssens and Brolis (2017): ICSEM global typology

## ICSEM background

- “ 230 researchers from some 55 countries:
  - “ Comparative analysis of SE models and institutional trajectories
  - “ Survey carried out with a common questionnaire to build an international database covering some 730 SEs from 43 countries deemed emblematic of SE models identified
  - “ Hypothesis that data on three major dimensions would particularly inform the diversity of such models:
    - “ the nature of the social mission or social aims,
    - “ the type of economic model,
    - “ and the governance structure.

## ICSEM (Defourny et al, 2017)

- “ 4 major SE models:
  - “ Social Business
  - “ Cooperatives (worker and credit & savings)
  - “ SE with a parent organisation
  - “ NPOs (Large NPOs, small NPOs and WI NPOs)

→ How does this compare to Africa?

# Methodology

- “ The ICSEM Africa database: 57 SEs from 2 countries surveyed regarding 5 groups of questions/variables:
  - “ identity (origin/legal form),
  - “ social mission,
  - “ workforce,
  - “ resources
  - “ Governance
  
- “ Multiple Factorial Analysis (MFA) in order to reduce the number of variables and to combine quantitative and qualitative variables into factors
  
- “ Hierarchical Cluster Analysis (HCA) in order to identify the different models of SE

Status	COOPERATIVES		INFORMAL		NPO		
	Mutual interest	General interest	1 particular tontine (affiliated to a bank)	Charity for community development	Community and non-market based	Community based	Parent initiated NPO or unipersonal business
Main type of prices	Market price		Below market price	Free	Free		
Rules of profit distribution	Equal members or discounts		No rules	Prohibited	Prohibited		
Resources	Market	1)Market 2) subsidies 3)Membership	Other	1)Market 2)Philanthropy 3)subsidies	1) Philanthropy 2) Subsidies	Hybrid	
Origin	Workers	Citizens	A bank	An individual	Citizens or individual		Parent organization or individual
Workforce	No volunteers	Large number of workers		No volunteers		No volunteers	Large number of workers and volunteers
Goods & services	Manufacturing	Services (finance, accommodation and food) + manufacturing	Financial services for construction	Education, human health, arts & entertainment	Human health, education, Manufacture of food products and beverages		

Status	COOPERATIVES		INFORMAL		NPO		
	Mutual interest	General interest	1 particular tontine (affiliated to a bank)	Charity for community development	Community and non-market based	Community based	Parent initiated N or unipersonal business
Governance	G.A. with shares		/		G.A.	G.A. without shares or board	G.A.
Board composition	/	Investors, providers, users	/	/	Workers and managers	Citizens, managers, workers, experts, users, donors, investors, volunteers	
Decision power	G.A.		Bank	An individual	G.A. or Board		
Networks	NO	Little	NO	YES	Little		YES

# Discussion

AFRICA	Mutual interest (workers) cooperatives	General interest cooperatives		1 particular tontine (informal)	Informal charity for local development	Community and non-market based NPO	Community based NPO	Parent initiated NPO or unipersonal business		
SOUTH AMERICA	Mutual interest (workers) cooperatives		Savings and credits cooperatives		Small NPOs or informal for local development		Traditional NPO	Parent initiated and market based NPO	Work integration NPO	Social business
WORLD	Mutual interest (workers) cooperatives		Savings and credits cooperatives			Community and non-market based NPO	Traditional NPO	SE with a parent organization	Work integration NPO	Social business

## Conclusion

- “ Emergence of new categories (tontine, GI coop and informal comm. dev charities) and absence of categories present in Latin America or at the global level
- “ Data suggest that informality is an important aspect of African SE models

Thank you for your attention!

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