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SOCIAL ENTREPRENEURSHIP AS A BUSINESS MODEL FOR SUSTAINABLE DEVELOPMENT: THE CASE FOR CARE ZIMBABWE

A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE MASTER OF BUSINESS LEADERSHIP DEGREE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION

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The undersigned certify that they have read this dissertation and have approved its submission for marking after confirming that it conforms to the departmental requirements.

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DEDICATION

To my mother, my wife Angela and my daughters Farai, Varaidzo and Simbarashe.
ABSTRACT

This study investigates the concept and development of social entrepreneurship in Zimbabwe and to demonstrate how social business initiatives can thrive and increase their impact on the quality of life. The study explores the possibility that the creation of income generating activities in communities aided by an enabling economic environment can effectively transform livelihoods. In Zimbabwe, the role of Government, private organisations and non-governmental organisations to date appear to be fragmented to play a meaningful role in the transformation of livelihoods in both rural and urban settings. The research established that there is no single sector that has been able to offer effective solutions to social problems. Independently, no sector is able to handle the scale, cost and extent of the current social issues facing humanity. In order to address this gap the study suggests a business model incorporating the public, private and non-governmental sectors. The concept of social entrepreneurship is introduced as a possible solution. It is argued that transformative, cost-effective and sustainable solutions to the most critical social problems within Zimbabwe can only be generated once these different sectors collaborate to leverage public and private resources. The objective of the study was firstly achieved through the analysis of the literature on the topic of social entrepreneurship, tracing the origins of traditional entrepreneurship and the entrepreneurial phenomenon. The different definitions of the concept of social entrepreneurship were discussed and this resulted in the distinction of the various types of social entrepreneurship. The methodology used was a case study method. Two case studies of CARE Zimbabwe and a member of the Kufuma Ishungu Micro Finance project were conducted presenting a successful social entrepreneurship venture serving as a good model for the concept in Zimbabwe. Conclusions of the study demonstrate that although social business initiatives are still in their infancy, they can be run successfully and effectively to transform the lives of people in this country. The study also established that there is no significant involvement of the Government and the private sector in social entrepreneurship in Zimbabwe. It is recommended that a multi-sectoral approach is required for effective application and implementation of the social entrepreneurial phenomenon. The study also recommends banking sector reforms to enable access for the unbanked majority particularly those in communal areas.
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CHAPTER 1
INTRODUCTION

1.1 Introduction

This chapter will introduce the broad area of the study of this research focusing on the field of social entrepreneurship in general and specifically how it can be adopted as a business model for sustainable development. The chapter will look at the background to the research, the research problem, the objectives and the research questions. A preliminary literature review will also be undertaken in addition to explaining the justification of the research, the assumptions and the methodology used. The data collection analysis and procedure will also be briefly explained. A research outline presents the framework of the study which also points out the limitations and delimitations of the study. In the final chapters patterns of the results and analyses will be presented to tie them down to the research issues before presenting the findings and implications of the research.

Social entrepreneurship is increasingly recognised as an element of the economic, social and environmental contribution to society (Alvord et al. 2004; Dees 1998; Drayton 2002; Mair and Marti 2006; Peredo and MacLean 2006; Zahra et al. 2009). There is increasing interest in the debate of how social entrepreneurship relates to sustainable development in both the developed world and developing countries. Of interest to researchers is the relationship between the not-for-profit sector and social enterprise development. Entrepreneurship is therefore increasingly being recognised as a significant conduit for bringing about a transformation to sustainable products and processes, with high profile thinkers advocating entrepreneurship as a panacea for many social and environmental concerns. However, despite the promise entrepreneurship holds for fostering sustainable development, there appears to be no consensus regarding the role of entrepreneurship and the academic discourse on sustainable development within the mainstream entrepreneurship realm. While entrepreneurs have generally been viewed as a vehicle for exploiting emerging opportunities associated with societal needs, there is little understanding of how they will discover and develop those opportunities that lie beyond the pull of existing markets.
While the case for entrepreneurship as a panacea for transitioning towards a more sustainable society is enticing, major gaps still remain in our knowledge of whether and how this process will actually unfold. It is the purpose of this study to address this gap. This study will give an overview of previous studies that have been carried out pertaining to the role of entrepreneurship to sustainable development. It will also analyse literature pertaining to the subject and its relationship to sustainable development.

Sustainable development remains an influential, yet controversial concept for both business leaders and policy makers but we need to make progress on pressing environmental systems such as ecosystem degradation and global climate change. Entrepreneurship has often been cited as a significant conduit for bringing about a transformation to sustainable products and processes. Various publications that have been sounding warnings of environmental disasters often end on an optimistic note, concluding that civilisation’s salvation rests upon the shoulders of heroic social and environmental entrepreneurs (Brown, 2006; Homer-Dixon, 2006; Lovins et al, 2004; Vatheeanswaran, 2003). Influential journals such as the Harvard Business Review and the MIT Sloan Management Review advance the idea that entrepreneurship maybe a panacea for many social and environmental concerns (Brugmann and Prahalad, 2007; Handy, 2003; Senge et al., 2007; Hart and Milstein, 1999; Wheeler et al., 2005).

**Sustainable Development**

Origins of the term sustainable development can be traced to the United Nations Conference on the Human Environment in 1972. The term gained prominence through a report to the United Nations by the World Commission on Environment and Development (WCED, 1987), chaired by former Norwegian Prime Minister Gro Harlem Brundtland. The definition emerging from the report was that sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs (WCED, 1987: 43), emphasising the dynamic aspect of sustainability. At its core is the notion that all natural systems have limits, and that human well-being requires living within those limits.

Sustainable development implies that renewable resources should be used wherever possible and that non-renewable resources should be husbanded (e.g., reduced and recycled) to extend their viability for generations to come. This intergenerational aspect of sustainable development suggests a confluence of diverse social, environment, and economic objectives.
and raises a number of important questions. To many, sustainable development seeks to place social and environmental objectives on equal footing with economic objectives (the so-called “triple bottom line”). The environment and economy were primarily conceptualised as separate and competing realms, with earnest scholars speaking of trade-offs between the competing objectives of growth and resource degradation.

To the extent that these two distinct domains could be reconciled, it was through the elaborate pricing of previously unpriced values via elaborate cost–benefit analyses or by providing procedural protections via regulation (McAllister, 1984). There are some serious global issues that confront the sustainability of the world’s future such as poverty, poor health and education, water and food scarcity and global warming (DEXIA, 2009).

Despite the knowledge, skills and resources, humanity is on a collision course with its own future (Von Uexkul & Girardet, 2005). As questions arise regarding the building of a more sustainable future it is imperative to address the following issues:

- Who will take the responsibility to increase income?
- To improve environmental quality;
- Create jobs and
- Enhance the quality of life

These challenges become complicated when one has to also consider the greed of society to get more and go further with often little regard for fellow human beings and the sustainability of the earth. In the perspective of the global economic crisis, it is interesting to note that a survey done by the Kauffman Foundation showed that Americans believe that entrepreneurs are the answer to the financial crisis (Kauffman Foundation, 2008).

1.2 Background to the Research

Different scholars have defined the concept of social entrepreneurship from various perspectives. There appears to be no consensus on the definition and no one official definition has been standardised to define social entrepreneurship as diverse understandings of the term exist around the world.
The Skoll Centre for Social Entrepreneurship (2007) provides the following parameters in defining social entrepreneurship:

Social entrepreneurship is the product of individuals, organisations and networks that challenge conventional structures causing inadequate provision of unequal distribution of social and environmental goods by addressing these failures and identifying new opportunities for better alternatives.

There are three key characteristics that emerge from the Skoll Centre definition of social entrepreneurship and these are:

- **Sociality** – a context, process and/or set of outputs that are for public benefit;
- **Innovation** – the creation of new ideas that address social or environmental issues and
- **Market orientation** – the performance-driven competitive outlook that drives greater accountability and co-operation across sectors.

(http://www.sbs.ox.ac.uk/centres/skol/about/Pages/whatisse2.aspx, accessed 7 March 2012)

A healthy debate surrounding the term is driving studies around the phenomenon of social entrepreneurship offering new perspectives and insights into how we may understand the evolution and future of the discipline. In the case for Zimbabwe, the researcher was driven by the desire to understand what constitutes social entrepreneurship and how these initiatives have provided solutions that are efficient, sustainable, transparent and have measurable impact on communities. The subject of social entrepreneurship in Zimbabwe has not been widely researched as evidenced by the limited literature available on the subject. It was the researcher’s intention to seek and identify some of the programmes under the ambit of social entrepreneurship that have been successfully carried out and contributed to sustainable development while at the same time transforming livelihoods.

In the global context, there are a number of social entrepreneurs whose innovations have changed lives around the world and some of the examples are:

- Muhammad Yunus whose Grameen Bank spearheaded microfinance globally;
- Carlo Petrini’s “slow food movement” which has more than 100 000 members in 132 countries committed to rescuing cultural traditions and preserved biodiversity and
- Wendy Kopp’s Teach for America which transforms educational opportunities for low income groups while recruiting top university students to work in America’s worst performing public schools.
• In Zimbabwe, the Capernaum Trust is paying school fees for over 20 000 disadvantaged children up to university level.  
(http://www.sbs.ox.ac.uk/centres/skol/about/Pages/whatiss2.aspx, accessed 7 March 2012)

1.3 Research Problem

Zimbabwe’s emergence from a decade of economic turmoil has brought with it more challenges revolving around poverty, provision of health and education, water and food security among other issues affecting the environment. Other pressing issues include high unemployment rates, inadequate housing facilities and lack of basic services. The research problem addressed in this research is to study the concept and development of social entrepreneurial models in Zimbabwe and how they can promote thriving social business initiatives to enhance future sustainability. This study will investigate the process of social entrepreneurship and the value it creates.

1.4 Research Objectives

The research problem addressed in this research is to study the concept and development of social entrepreneurial models in Zimbabwe and how they can promote social business initiatives to enhance future sustainability.

The research seeks to:

1. Investigate the major social problems facing Zimbabwe that are threatening the future sustainability of society and the economy.
2. Assess the impact of Care Zimbabwe social entrepreneurship initiatives on the livelihoods of people.
3. Investigate the effectiveness of the Kufufuma Ishungu Micro Finance Project.

1.5 Research Questions

The major research question for this study is: How effective has been social entrepreneurship in Zimbabwe to promote social business initiatives? How can it increase and extend social as well as economic impact to enhance future sustainability in Zimbabwe?

Specific questions

1. What are the major problems affecting the growth of social entrepreneurship in Zimbabwe?
2. What are the major social problems facing Zimbabwe that are threatening society and the economy?
3. What is required to strengthen sustainable social entrepreneurial activities and creation of social enterprises in Zimbabwe?

1.6 Justification for the Research

This study hopes to contribute to the advancement of the frontiers of knowledge or the body of knowledge on social entrepreneurship and sustainable development. It is hoped that the results of this study will contribute significantly to the current theories and secondly improve the practice of social entrepreneurship in Zimbabwe. It will also add to the studies that have been carried out on social entrepreneurship and its relationship with sustainable development in general, and pioneer further studies particularly in Zimbabwe.

The significance of studying this specific angle of social entrepreneurship will be able to provide a base, inviting further research in this field internationally and nationally. In Zimbabwe, research in social entrepreneurship is still relatively new and this study will help change the perception of the social entrepreneur as merely a charity worker into being perceived as a dynamic entrepreneur motivated by more than profit with a passion to change the world.

The study will also provide an insight into the operational and infrastructural challenges faced by the various organisations involved such as CARE Zimbabwe, and consequently suggest means of overcoming them. The findings may also create visibility and awareness to policymakers and business managers around the benefit and importance of social entrepreneurship. It may also influence Government policy in this field thereby providing a conducive regulatory framework for sustainable development. It appears that there is no deliberate planning for investment from both the government and the private sector in social enterprises and this has effectively affected sustainable development.

To this end findings of this research may motivate both the government and the private sector to invest, as also observed in the studies by Helmsing, (1993); Mumbengegwi, (1993); Raftopoulos and Moyo (1994). The findings of this research will also attempt to bridge the gap that dichotomises social entrepreneurship and sustainable development as corroborated in the findings of Emerson (2003); Mizik & Jacobson (2003) addressing the balance between value creation and value appropriation.
1.7 Research Assumptions

For the purposes of this study it is assumed that there is a parallel approach to sustainable development through social entrepreneurship whereby government pursuits are different from the pursuits of the private sector. The study also assumes that people expect sustainable development to take place without taking cognisance that this can only be powered by social entrepreneurship. Another assumption is that sustainable development through social entrepreneurship is community driven rather than externally determined. The study also assumes that sustainable development through social entrepreneurship can only take place in an enabling political, social and economic environment. Another assumption is that social entrepreneurship is not only confined to rural communities alone.

1.8 Research Outline

This research consists of five chapters. Chapter 1 is the Introduction and Chapter 2 provides the Literature Review that guides this research. Chapter 3 describes the major methodology used to collect the data used to answer the hypothesis. Chapter 4 presents patterns of results and analyses them for their relevance to the research issues. Finally Chapter 5 presents enticing conclusions and implications of the research.

1.9 Delimitations of the Study

This study is concerned on how sustainable development can be achieved through social entrepreneurship. It does not however concern the distribution/redistribution of resources among the concerned people. The study is also confined to only one case study of a successful social enterprise in Zimbabwe that is, a project under CARE Zimbabwe Kupfuma Ishungu Micro Finance Project, as it impacted on livelihood security in general incorporating education, health and income for the period January 2007 to December 2011. It is also important to mention that aspects of HIV and AIDS are covered as a cross cutting issue.

1.10 Limitations of the Study

In carrying out this study, a number of challenges were encountered particularly resources in terms of relevant literature on the subject were not readily available. It appears there is not much literature on the subject of social entrepreneurship in the African context. The concept of social entrepreneurship appears to be in its infancy in Zimbabwe and there are no benchmarks to measure its effectiveness.
The lack of theory on the discipline of social entrepreneurship has somewhat created a barrier for the recognition and focussed support needed for it to achieve its full potential. The absence of an evaluation mechanism such as the Global Entrepreneurship Monitor that reviews the levels of social entrepreneurship activity worldwide presents serious problems for Zimbabwe.

1.11 Chapter Summary

This chapter introduced the thesis. It outlined the broad field of the study and the research problem. The chapter also examined the boundaries of the study and justification of the research. This chapter outlined the research format. In Chapter Two, the literature review will focus on social entrepreneurship globally and in Zimbabwe discussing the needs of humanity and critical social issues and the need to change to ensure future sustainability.
CHAPTER 2  
LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher reviews what others have written about social entrepreneurship in general and how it relates to sustainable development. As the phenomenon of social entrepreneurship is relatively new, it is increasingly attracting interest from scholars to add to the body of knowledge thus creating the need for more research to fill in the gaps. With the world’s future threatened with serious issues such as poverty, poor health and water, food scarcity and global warming, questions continue to arise on how to build a more sustainable future. It is critical to evaluate the responsibility to increase income, improve environmental quality, create jobs and enhance quality of life. This chapter shall refer to other studies that have been carried out on social entrepreneurship and sustainable development and relate them to the research questions raised in Chapter One.

2.2 Perspectives of Social Entrepreneurship

Social entrepreneurship has been the subject of growing interest in the last decade and has become a subject of growing interest by academics and governments. However, it can be argued that little is known about environmental factors that affect this phenomenon. In general, the concept of social entrepreneurship remains vague, not well understood and not fully recognised as there is not much theory about the phenomenon. It is surprising that such an important process through which social change occurs remains peripheral (Vasi, 2009; Peredo & McLean, 2006; Seelos & Mair, 2005). There are a number of social issues that are challenging the sustainability of the world that require business, the government, the welfare sector and individuals to discuss and come up with solutions to poverty, inequity and environmental sustainability. A new dispensation has emerged whereby social entrepreneurs are increasingly showing new paths and solutions to global environmental and social problems. They realise the opportunity in addressing social problems, ushering in change resulting in a shift from the public sector including governments and non-governmental organisations, to the private sector involving businesses and individuals. Entrepreneurs are incentivised to generate more profits and as more profit is realised the more the social problem is alleviated (Thompson & MacMillan, 2006).


2.3 Origins of Entrepreneurship

The term entrepreneurship has its origins in the 17\textsuperscript{th} and 18\textsuperscript{th} century when French economists named the phenomena “entreprendre” meaning “to take into one’s own hand” or someone who ‘undertakes’ a significant project or activity (Dees & Haas, 1998; Seelos & Mair, 2004; Martin & Osberg, 2007). In one of the earliest definitions of the term French economist Say (1876) described the entrepreneur as one who shifts economic resources out of an area of lower and into an area of higher productivity and greater yield. His definition explained the concept of value creation by entrepreneurs.

It was however Austrian economist Joseph Schumpeter who argued probably the most influential idea about entrepreneurship. He identified entrepreneurs as the innovators that drive economic progress, the change agents, moving the economy forward by serving new markets or creating new ways of doing things. Schumpeter argued that without entrepreneurs, economies would become static, powerless and subject to decay (Dees & Haas, 1998; Martin & Osberg, 2007). Using the Say-Schumpeter tradition as the basis for his definition, Drucker (1985) focussed on opportunity, saying entrepreneurs do not necessarily create change, but rather exploit the opportunities that change creates. In other words, the entrepreneur is able to see the possibilities rather than the problems created by change (Dees & Haas, 1998).

Any definition of the term social entrepreneurship must start with the word entrepreneurship as the word social simply modifies entrepreneurship. If entrepreneurship does not have a clear meaning, then modifying it with social would not accomplish much, either. The word entrepreneurship is a mixed blessing. On the positive side, it connotes a special, innate ability to sense and act on opportunity, combining out-of-the-box thinking with a unique brand of determination to create or bring about something new to the world (Martin & Osberg 2007). On the other hand, entrepreneurship is an ex post term, because entrepreneurial activities require a passage of time before their true impact is evident. For instance, an entrepreneur will only begin to gain recognition after his first success. As such, such a person will find it difficult to convince potential investors based on claims of being an entrepreneur without at least one notch on his belt (Ahmed Youssry, 2007).
2.4 Models of Entrepreneurship

To gain a better understanding of the term entrepreneurship, it may be necessary to depart from the Schumpeterian entrepreneurship and this implies that small businesses and entrepreneurship is not the same thing (Drucker 1985). In Schumpeter’s (1936) early model, the entrepreneur is the principal source of economic development.

Hoag and Seo (2005) view the entrepreneur as an innovator who invents and then disseminates a “new combination “ of inputs and processes to create new products and services, improve efficiencies, reduce costs or create new markets. The motivation for identifying and exploiting the opportunity is profit and these innovations are superior to existing market offerings. It follows then that the Schumpeterian entrepreneur is an innovator as Drucker (1985, p30) defined it simply: “Entrepreneurs innovate”. This view of entrepreneurship appears to be confined to new entrants only.

What this means is that once the entrepreneur’s little organisation matures, the thinking goes, it is merely a small business. It may no longer be innovative and by definition, cannot be entrepreneurial. Entrepreneurship is variously conceived as business ownership (Gartner and Shane, 1995); business founding and operating (Baumol, 1993b; Wennekers and Thurik 1999) or just as small business (Storey, 2003).

Shane and Venkataraman (2000) gave one of the most cited definitions of entrepreneurship which they said “entrepreneurship is concerned with the discovery and exploitation of profitable opportunities.” A specific and unambiguous definition of entrepreneurship is challenging and each one has to be taken in the context of the study. This study will attempt to link the innovations of selected organisations and the perceived improvement in the livelihood of the beneficiaries. The case study cited in this research focuses on a micro finance project that has transformed the livelihood of families in Zimbabwe. Entrepreneurship has to be understood from both fronts of for-profit and non-commercial forms of enterprise commonly referred to as social entrepreneurship. The presupposition in entrepreneurship literature is that it only occurs in the commercial, for profit realm (Hoag, Seo, 2005). Baumol (1993a, 1993: 2) sought to put entrepreneurship into the context of economic theory and research saying the entrepreneur is “one of the most intriguing and one of the most elusive in the cast of characters that constitutes the subject of economic analysis.” The entrepreneurship term eludes economic analysis as it embodies multiple meanings and its definition is shaped by the scholarly purpose for which it is applied.
2.5 Entrepreneurship Phenomenon

Low and Macmillan (1988), dealing with the problems of all the definitions available in the literature from –Schumpeter to Gartner – concluded that the problem with the definitions is that though each captures an aspect of entrepreneurship, none captures the whole picture. He adds that “it seems likely that the desire of common definitions and clearly defined area of inquiry will remain unfulfilled in the foreseeable future.” Most scholars such as Schumpeter and Drucker agree that entrepreneurship in the broad realm is a multi faceted phenomenon which comprehends from the discovery of opportunities, to the start up of new companies and, to the carrying out of new strategic initiatives within existing business. The discipline of entrepreneurship continues to gain recognition as more and more scholars seek to gain more understanding of the theory and concepts associated with this ubiquitous field that is centred on economic and social innovation. It is a discipline that involves creativity that is consistent with the healthy edge that is required to change the basis of competition.

The study of entrepreneurship and its determinants is a multidimensional phenomenon that draws from a variety of disciplines such as economics, sociology and psychology. As a result, social entrepreneurship is increasingly recognised as an element of the economic, social and environmental contribution to society (Alvord et al 2004, Dees 1998, Drayton 2002, Mair and Marti 2006, Peredo and McLean 2006, Zahra et al 2009.) In modelling the diversity of the entrepreneurial phenomenon and new ventures, Gartner et.al (1989) suggest that it would be desirable to look behind averages – there is no “average” entrepreneur and thus opportunity exploitation is more connected with doing things differently than following others – and not to overlook variation by classifying a wide range of entrepreneurs into homogeneous classes.

This would provide a better understanding of entrepreneurship. Virtanen (1996) found that Vesper (1980) and Gartner et.al, (1989) emphasise the diversity among entrepreneurs and entrepreneur types as they tried to identify the differentiating characteristics among entrepreneurs by developing a taxonomy. They concluded that no single taxonomy captures all the important differentiating variables. A more accurate differentiation in categorising entrepreneurs could only be achieved by combining different traditions and theories to better understand the multidimensional phenomenon of entrepreneurship. The discourse above becomes a prerequisite towards an understanding of the term social entrepreneurship.
2.6 Definition of Social Entrepreneurship

Despite consensus that social entrepreneurship is an emerging field, there appears to be no agreement upon definitions. It is also argued that the definition of the term social entrepreneurship varies from country to country and author to author (Youssry, 2007). Therefore this also extends the argument of the discipline regarding where social entrepreneurship originates from. Austin et.al, 2006; Martin and Osberg 2007; Schumpeter 1962/2005; Dees, 2001 seem to agree that social entrepreneurship is innovation that:

- Adopts a mission to create and sustain social values;
- Recognises and relentlessly pursues new opportunities to serve that mission;
- Engages in a process of continuous innovation, adaption, and learning;
- Acts boldly without being limited by resources currently at hand, and
- Exhibits heightened accountability to the constituencies served and the outcomes created.

It should be understood that social entrepreneurship involves the paradigm shift from the profit sector to the non profit sector. This implies that social entrepreneurship incorporates the enterprise orientation with social objectives and social ownership, which means that the social enterprise is typically accountable to community stakeholders rather than financial investment shareholders. This is summarised by Dees et.al, (2001) who argue that a social entrepreneurship is any business venture created for a social purpose – imitating/reducing a social problem or a market failure – and to generate social value whole operating with the financial discipline, innovation and determination of a private sector business.

According to Perrini (2006) social entrepreneurship stands out as it focuses on a “different set of opportunities using innovative ways to create or sustain social change, bringing two different cultures, business and non-profit, together into one innovative and hybrid organisation.” Being remembered for making a significant contribution to improving the world rather than having made millions is probably the most noteworthy difference between a social entrepreneur and a business entrepreneur (Elkington & Hartgan, 2008; Dorado & Haettich, 2004). This is demonstrated in the social aspects of the Kupfuma Ishungu members who are brought together not only for the business activities of the group but also share their experiences whenever they encounter problems.
The concept of social entrepreneurship has been in existence for centuries with innovative and passionate individuals such as Florence Nightingale emerging as one of the examples as the founder of the first nursing school that developed modern nursing practices. Other examples are Mahatma Gandhi and Maria Montessori who developed the Montessori approach to early childhood education (Nicholls, 2005). One of the fundamental theories of entrepreneurship is that it causes innovation (Schumpeter, 1936). There are several scholarly definitions of the term social entrepreneurship. One of the recent studies summarised 20 of them (Zahra, Gedajlovic, Neubaum, and Shulman, Forthcoming) – but they are driven by practice rather than theory (Mair et.al, 2006). Current research defines social entrepreneurs as entrepreneurs with a social mission (Dees, 2001, Martin & Osberg, 2007) and considers social entrepreneurship as entrepreneurial activity with an embedded social purpose (Austin et.al, 2006).

Filipe Santos in a working paper entitled A Positive Theory of Social Entrepreneurship (2009) notes that definitions are derived from the integration of the two concepts – entrepreneurship and social (Mair et.al, 2006; Martin et.al, 2007). Social entrepreneurship has also been described as the simultaneous pursuit of economic, social and environmental goals by enterprising ventures (Haugh, 2007). Another approach offers a more idealised view of social entrepreneurs as change agents in the social sector (Dees, 2001). However, this approach differs with more pragmatic definitions viewing social entrepreneurship as the generation of earned income by ventures in the pursuit of social outcomes (Boschee, 2001). Dees et.al (2001) as cited in Soderborg (2004) provide one of the most widely cited definitions in the field of social entrepreneurship in the academic literature:

A social entrepreneur is a change agent who:

- “Adopts a mission to create and sustain social values
- Recognises and relentlessly pursues new opportunities to serve that mission
- Engages in a process of continuous innovation, adaptation, and learning
- Acts boldly without being limited by resources currently at hand, and
- Exhibits heightened accountability to the constituencies served and the outcomes created.” (Dees et.al 2001).

It is noteworthy that there has been a shift in the focus of social entrepreneurs away from the non profit sector, traditionally in charity and philanthropic activities, towards entrepreneurial private-sector oriented business activities. While some authors such as Dees et al (2001) and Bornstein (2004) still see the social entrepreneur mainly in the non-profit sector, but most of the studies in recent years highlight that the boundaries between non-profit and for-profit vanish (OECD, 2000). Leadbeater’s (1997) diagram below illustrates how the social-entrepreneur sector overlaps with the public, private and voluntary sectors:
Sources of the Social Entrepreneur Sector

Figure 1: Sources of the Social Entrepreneur Sector (Leadbeater)

Mair and Marti in Social Entrepreneurship Research: A source of explanation, prediction, and delight (2006), consider that “in social entrepreneurship, social wealth creation is the primary objective. Economic value creation, in the form of earned income, is necessary to ensure the sustainability of the initiative and financial self-sufficiency”. This emphasis on the social mission is also the main difference between the two forms of entrepreneurship for Dees (2001). He considers that for social entrepreneurs, the “mission-related impact becomes the central criterion, not wealth creation”. Unfortunately this opens the doors of a major difficulty for social entrepreneurship: How do we measure the creation of social value? Unlike business entrepreneurship that is confronted to market discipline that constantly evaluates its value creation, social entrepreneurship lacks this discipline. The venture’s stakeholders and especially the people paying the fees or providing the resources with all the risks play this essential evaluation role and bias it implies. Scholars such as Mair (2006) have concluded that the concept of social entrepreneurship is poorly defined and its boundaries with other fields of study remain fuzzy.
Others however view this as beneficial for the development of the scholarly field of social entrepreneurship (Nichols & Young, 2008). The more modern definition of social entrepreneurship now incorporates the enterprise orientation with social objectives and social ownership, which means that the social enterprise is typically accountable to community stakeholders rather than financial investment shareholders (Alter, 2006: 5)

“A social enterprise is any business venture created for a social purpose – mitigating/reducing a social problem or a market failure – and to generate social value while operating with the financial discipline, innovation and determination of a private sector business” (Alter, 2006).

Social enterprises therefore lie at the crossroads between non-profit and business organisations. In modern times, the responsibility of looking after society has shifted with the economic strategy implemented by the government of the day determining how this should be done. This has given rise to the “Keynesian model” that has been adopted by most democratic governments after the Second World War. This model discouraged people from hoarding their money and encouraged the flow of money (Coafee & Johnston, 2005). It stimulated the economy and was best known for fixed currency exchange rates to keep inflation down and enhance government investment in infrastructure. Unemployment was kept in check and a solid welfare system for those most in need was in place.

What this model helped to sustain was a normal functioning economy with one man’s spending going towards the earnings of another. This resulted in economic and social stability. With time and the evolution of socio-economic diversities in the 1970s, fixed exchange rates became impossible to uphold, there was a shift to a new laissez-faire or free market neo-liberalism model. This in turn ushered in deregulated markets and privately owned businesses and favoured the exclusion of the public sector and effectively the government’s involvement in the economic sector.

Previously state-owned facilities such as transport, energy and communication were privatised and individuals were encouraged to take greater responsibility for their welfare as the government could no longer afford to provide social welfare (Coafee & Johnston, 2005). As the gap between the rich and the poor continued to grow in the late 1990s, it was evident that the neo liberal model was failing to ensure the welfare of all the people. It was clear that the thrust of government was on the people to fend for themselves. This gave way to a new model commonly referred to as “the third way” whereby the government took responsibility for social services such as education and health while at the same time embracing a free market for business and trade.
This model is focused on rebuilding a strong society combining community involvement and government partnership in order to manage the complexities of a globalised world (Coafee & Johnston, 2005). As the demand for adequate social welfare for communities, particularly for health care and education, continue to mount for governments, they have now shifted the focus from that of self-sufficiency to that of enabler and catalyst. This has now seen governments engaging with communities and organisations from the private sector to act on their behalf (Roper & Cheney, 2005). Despite the lack of consensus on the concept of social entrepreneurship as evidenced in the variations above, in the context of this research, these variations seem to point towards the same goal, that is sustainable development, specifically livelihood security.

2.7 Scope of Social Entrepreneurship

The dynamism and vitality of social entrepreneurship is reflected in the flow of new ideas and themes in the social entrepreneurship literature (Christie and Honig 2006). There is no robust evidence however on the value and contribution of new social enterprise creation as there are limited empirical studies concerning this. As a result, the social entrepreneurship research agenda is characterised by the following topics: Defining the scope of social entrepreneurship (Dees, 1998; Drayton, 2002; Leadbeater, 1997; Mair and Marti, 2006), The environmental context (Neck et al 2009, Townsend 2008), opportunity recognition and innovations (Zahra et al 2008) and performance management (Nicholls 2009, Nicholls 2010, Rotheroe 2007). Hence the institutional approach. The institutional approach is thus adopted taking into account the earlier theoretical considerations to analyse environmental factors that affect social entrepreneurship.

In this framework and in particular with North (1990; 2005), institutions include any form of constraint that human beings devise to shape their interaction. They can either be formal institutions such as political parties and economic rules and contracts, or informal institutions such as codes of conduct, attitudes, values and norms of behaviour. Recent studies have also linked social entrepreneurship with institutions where the institutional approach is considered as an appropriate theoretical framework for the analysis of the environmental factors that affect the creation of new social enterprises (Nicholls 2010, Mair and Marti 2006, 2009). However, although the institutional approach appears plausible, it is more limiting in scope as such a perception assumes that society is fragmented and not holistic.
The main purpose of this study was to explore the relationship between social entrepreneurial activity and sustainable development through the activities of CARE Zimbabwe. It examined how a micro finance project brought communities together to form income generating projects that have successfully transformed their livelihoods thereby adopting a holistic scope. As most businesses are domiciled in the informal sector, access to finance has emerged as one of the major obstacles being experienced by most entrepreneurs in Zimbabwe. Micro finance as espoused in the Kupfuma Ishungu money lending scheme has emerged as an effective tool to overcome this challenge.

As the grouping regularly meets to review their operations and exchange ideas a supportive environment has thus emerged. Lessons can be drawn from Bangladesh’s Grameen Bank that began in 1976 as a research project to examine the possibility of designing a credit delivery system to provide banking services to the rural poor. (www.grameen-info.org/index - accessed April 27 2012). Today Grameen Bank has been transformed into an independent bank with enabling government legislation. It is owned 90 percent by the rural poor that it serves while government owns 10 percent of shares.

### 2.7.1 Role of Government

There is increasing demands for governments globally to legitimately champion social enterprise as a way to achieve the social policy goals of a fairer and more just society through its focus on meeting unmet social needs, addressing environmental challenges, encouraging ethical markets and raising the bar for corporate responsibility. It is thus thriving towards equity and equality. Social entrepreneurship, however, does not exist independently of the social investment landscape, developed networks and capacity building opportunities which both encourage and support its growth. It overally requires an enabling environment and a government strategy to maximise specific social inclusion outcomes (Kernot, n.d.). Government leaders and social entrepreneurs share an interest in identifying efficient, effective, and sustainable ways to solve difficult social problems. Despite this common goal, however, little has been published by scholars and researchers to date on the relationship between the two. In Zimbabwe the Ministries of Women’s Affairs, Gender and Community Development and that of Small and Medium Enterprises Development have been involved to ensure that projects such as the Kupfuma Ishungu project can be replicated throughout the country. In addition they can also facilitate the incorporation of other line ministries such as Agriculture and Mechanisation and Youth Development, Indigenisation and Empowerment to name just a few.
2.7.2 Impact on Livelihoods

Social entrepreneurs play a unique role in creating world change. They are distinguished from other voluntary organisations by their long-term focus on creating wide-scale change at the systemic level. This type of change is often difficult to measure. Many of the methodologies designed to assess impact in these organisations today focus on easily-quantifiable figures such as financial ratios or programmatic outputs. Such metrics emphasise financial stability and other “hard” organisational factors that lend themselves to quantitative measurement.

But these measures miss what Ashoka considers to be the most important and meaningful product of a social entrepreneur’s work—systemic social change over time. In 1997, Ashoka developed the Measuring Effectiveness (ME) programme to better understand the progress of its social entrepreneurs towards systemic social change. The cornerstone of the programme, the Measuring Effectiveness annual survey, is designed to track the progress of Ashoka Fellows over time. In Zimbabwe it will be desirable to come up with a tracking system that monitors the impact of social entrepreneurial initiatives such as that of Kupfuma Ishungu Micro Finance Project and how it has transformed livelihoods in the broader context.

2.7.3 Environmental Factors Affecting Social Entrepreneurship Development

Social entrepreneurship is strongly influenced by environmental factors which condition and motivate new social entrepreneurial activities. In this context it is imperative to study the link between the challenges facing humanity in provision of welfare facilities, the phenomenon of globalisation, and the deregulation process in general (Brockhaus & Horwitz, 1986). There is also the increasing economic and social power of some large multinational companies which has brought the understanding that entrepreneurs and their entrepreneurial activities belong to the community and at the same time that they play an important role in society (Alvord e.t. al, 2004; Austin et al, 2006; Bornstein, 2004; Dees, 1998; Drayton, 2002; Seelos and Mair, 2005, Urbano, et al, 2010).

2.7.4 Influence of Investment on Sustainable Development

A macroeconomic slowdown as a result of the global economic crisis has brought about a new awakening among investors that are driven primarily by social and environmental impact to diversify their portfolios to spread their risk. The lack of opportunities in traditional financial markets will likely increase the ability to recruit high-level talent into investing that has a purpose beyond making money.
A study by CSR Europe, Deloitte and Euronext (2003) revealed that social and environmental performance was on course to become a significant aspect of mainstream investment decisions. The survey entitled Investing in Responsible Business showed that a majority (52%) of fund managers and analysts and 47% of investor relations officers (IROs) agreed on that this trend will soon become a reality. This has to be viewed in the context of Zimbabwe’s poor rankings at 171 out of 183 countries in terms of the 2012 World Bank Ease of Doing Business Report, the country went furthest in terms of attracting new business investments (www.doingbusiness.org/data/exploreeconomies/zimbabwe/ - accessed April 29 2012). Zimbabwe effectively needs to create synergies towards investments for sustainable development.

2.8 Theoretical Framework

There has been a raging debate globally in the last decade on the role and responsibility of business in society (Leadbeater 1997). This has led to a paradigm shift representing a totally new approach towards business and society. While there has been affirmation of concepts such as corporate social responsibility, third sector and non-governmental organisations claiming a proactive and dynamic corporate attitude towards society, its needs and expectations, little attention has been devoted to those organisations existing to face social demands in an entrepreneurial way. The term social entrepreneurship was first used between the 1960s and 1970s and was popularised between the 1980s and 1990s by Bill Drayton, the founder of “Ashoka: Innovators for the public”. Muhammad Yunus, founder and manager of Grameen Bank and is a well known contemporary social entrepreneur and was awarded a Nobel Peace Prize in 2006.

Social entrepreneurship uses different theories and definitions to describe the phenomenon. Sociologists argue that social entrepreneurship is a social experience (Mead, 1934; Weber 1947; Cheater, 1987; Kennedy 1988; Shapero and Sokol 1982). This is further corroborated by Prabhu (1999) who asserts that social entrepreneurship as a social experience involves social entrepreneurs also known as social entrepreneurial leaders and civic entrepreneurs. Psychologists argue that social entrepreneurship is championed by social entrepreneurs who possess the requisite traits, skills, and behaviours and as such are driven by the need for achievement are therefore influenced by psychological theories (Mclelland and Winter (1971); Low and MacMillan (1988); Amit et.al (1993); Brockhaus (1982); Davidson (1989);
Shaver and Scott (1991); Murray (1938); Johnson (1990). In a research carried out by Virtanen (1996), the results showed that economic theories affect expectations of social entrepreneurship and that anthropological theories are applicable in evaluating performances. Other studies (Hornaday 1992); Bornstein (2004); Johnson (1990) have revealed that philanthropy, developmental studies, regional science and population ecology have given social entrepreneurship a multi-dimensional outlook. Consequently social entrepreneurship interacts with various well established disciplines (Johnson 1990). Theoretical underpinnings seem to underscore that social entrepreneurship as a discipline is housed in the social sciences.

2.9 Relationship of Social Entrepreneurship with Sustainable Development

Sustainable development has emerged as an increasingly influential concept in managerial and academic settings. Studies in the USA have shown that sustainable development has in fact become a mainstay of corporate strategy with more and more organisations having senior executives responsible for “sustainability”. Most large firms now have explicit public sustainability policy statements and proclamations for “triple bottom line” considering a firm’s financial, environmental and social performance (Elkington, 1998). All forms of waste reduction and resource substitution are rewarded as symbols of good corporate citizenship (McLelland et.al 2000). The term corporate sustainability has now become synonymous with corporate social responsibility.

2.10 Corporate Social Responsibility

Most corporate sustainability literature has been focused on how established firms can reduce their environmental impacts and how sustainable development affects competitive advantage. There has been mixed empirical evidence on the measurement of the outcomes of the “Green Revolution”. Ambec and Lanoie (2008) suggest that environmental responsibility presents a number of unique opportunities for increased revenue. They identify the following financial benefits from sustainability investments;

- Better access to certain markets;
- Differentiated products;
- Revenue from selling green technology;
- Better risk management and reality of capitulations with external stakeholders;
- Lower cost of material, energy and services;
Lower cost of capital and
Lower cost of labour (Ambec and Lanoie 2008)

There has been general acceptance that business cannot operate in societies that are failing as a result of social problems. They have to partner with communities to uplift and improve conditions. CSR can therefore be defined as a business commitment to contribute to sustainable economic development while improving the social conditions of communities (Menon, 2005). Studies have shown that consumers are likely to reward companies and organisations with ethical and sustainable business practices. Seelos & Mair (2004) observed that social entrepreneurship can act as an important bridge between corporate social responsibility and social enterprise. Menon (2005) avers that companies engage in CSR and considers it as an operational cost. It is also viewed as an effective tool to boost competitiveness. In Zimbabwe the CSR concept appears to be entrenched in what appears to be charitable activities when companies give out donations at year end. It is not in any way linked to sustainable development programmes. It is noteworthy that fewer scholars have explored sustainable development from an entrepreneurship orientation. A few, however evoked Schumpeter’s (1942) concept of creative distraction in courts arguing that new sustainability pressures create various types of market failure, opening up opportunities for new entrants (Cohen and Winn, 2007), Hall & Vredenburg, (2003); Hart & Milstein, (1999); Hart & Christensen, (2002); Senge & Carstedt, (2001).

These authors identify entrepreneurship as a means by which market failures such as environmental and social disruptions can be ameliorated. There have not been many publications on the topic of sustainable development within the mainstream entrepreneurship journals (Cohen and Winn, 2007); Dean and McMullen, 2007). Most scholars as expected had a stronger orientation towards sustainable development than entrepreneurship. The basic themes of sustainable development and entrepreneurship remain disjointed and much of the literature is more prescriptive than descriptive. Most look at the motivation of entrepreneurs to pursue sustainable ventures. Dickson and Clifford (2007) contend that there is a strong link between entrepreneurialism and environmentalism. What makes the phenomena of social entrepreneurship unique is how social elements combine with entrepreneurial elements, merging innovation with entrepreneurial business models to create social value (Seelos & Mair, 2004). In broader terms, social entrepreneurship can be seen as initiatives that act as catalysts for social
transformation to meet social needs. The term “social needs” can however differ depending on individual needs.

These “social needs” range from protecting animals, feeding the poor, uplifting the minorities or sustain the environment. There are many different social needs that individuals are passionate about, believing that addressing these needs will produce a better world (Hsu, 2005; Seelos & Mair, 2004). From the case study of Kupfuma Ishungu Micro finance project, the beneficiaries identified the projects that they view are appropriate to improve their livelihoods. Recent studies have established that governments tend to be inefficient while the private sector is purely motivated by profit and the non-profit sector struggles to raise enough financial resources to effectively address social issues (Urban, 2010).

2.11 Types of Social Entrepreneurship

From the various definitions of social entrepreneurship, it can be deduced that the term has become relatively inclusive, grouping various activities under one roof. There is however a number of conceptual differences arising from these definitions with the entrepreneurs operating from a spectrum of enterprises ranging from charitable to purely commercial undertakings. However, social entrepreneurs are more inclined towards the non-profit sector (Elkington & Hartigan, 2008).

Three distinctive forms of entrepreneurship have emerged, and these are:

1. Non-profit organisations/charity – starting business initiatives due to the lack of funding, increased competition and growing societal needs;
2. Commercial businesses – part of socially responsible practices or Corporate Social Responsibility and
3. Independent entrepreneurs with a for-profit outlook – these are individuals driven by a desire to alleviate definite social problems (Seelos & Mair 2004).

2.12 Social Entrepreneurship in Zimbabwe

Zimbabwe is slowly recovering from a decade long protracted political economic and humanitarian crisis after the signing of the Global Political Agreement among the main political parties and the setting up of the Inclusive Government in February 2009. Having attained its independence in 1980, the lives of most Zimbabweans improved dramatically in
the first 10 years of independence but this was short lived as the country’s economy began to decline from 2000.

The collapse of the economy by 2008 resulted in the deterioration of social services, especially in the areas of health, education, and access to water and sanitation and also increased the levels of unemployment and poverty. This has impacted adversely on the country’s ability to meet the Millennium Development Goals. With the support of donors, the Government has through targeted financing, improved services in education and health as well as enhanced food security (Africa Development Bank country brief 2011-2013). The deteriorating political, social and economic situation during the last decade has made many Zimbabweans fail to meet their basic needs, there was hyperinflation characterised by four-digit inflation (1 042 percent in June 2006), and peaked to 79 600 000 000 percent equivalent to a daily rate of 98 percent.

High unemployment levels of up to 75 percent and shortages of foreign currency and other economic challenges negatively affected essential imports of fuel, electricity and basic commodities. Poverty in Zimbabwe is no longer a rural phenomenon as it is now evident in urban areas. The World Bank estimated urban poverty in Zimbabwe in 1990/91 to be 12 percent while the 1995 Poverty Assessment Study found urban poverty to be 39 percent. In January 2009, Save the Children estimated that 10 out of 13 million Zimbabweans, i.e. over 75 percent of the population, were living in ‘desperate poverty.’

In April 2010, UNICEF noted that 78 percent of Zimbabweans were “absolutely poor” and 55 percent of the population, (about 6.6 million) lived under the food poverty line while New Zimbabwe estimated that more than 65 percent of Zimbabweans lived below the poverty datum line in December 2009. According to the Africa Development Bank Country brief (2011-2013), the economic reforms implemented since the signing of the GPA have, however, borne positive results for the economy. And real GDP grew by about 6 percent in 2009 and is estimated to have grown by 9 percent in 2010. The adoption of the multi-currency regime, along with cash budgeting, has helped to restore or maintain price stability. Inflation remains firmly in single digits at 3.0 percent in April 2011, broadly in line with those of its trading partners. There are, however, inflationary pressures from fuel and food prices and inflation is projected to have reached some 7 percent at the end of 2012.

The challenges of the poor have not only been confined to meeting basic needs but also accessing relevant and appropriate financial services. The poor are not served by Micro
Finance Institutions or banks because they are considered a risky group. As a result, there is an appreciation that, a big gap still exists between the needs of the poor for financial services and the ability of banks and Micro Finance Institutions to provide them.

There is however a slow shift in integrating the poor in the mainstream financial services sector. In Zimbabwe for example, there are several models that have successfully reached the most vulnerable members of the community such as: the Internal Savings and Lending methodology (ISAL) which is the overarching Internal Savings and Loans model; Savings and Credit Cooperatives (SACCOs) implemented by the Lutheran Federation; Zambuko Trust offering revolving loans with Micro Finance Institutions lending to the urban poor (peri-urban population). These services are albeit offered with constraints and challenges leading to limited impact within the sector. All these problems require innovative solutions and innovators whose motive is not only profit maximisation but evolving towards a state whereby resources are best allocated and best organised to benefit society (Schumpeter, 1934).

### 2.13 Social Value Creation

As more and more social problems continue to mount in the universe, the traditional public, private and non-profit business models are no longer capable to deal with all of the problems on a sustainable basis. This has called in the need for social value creation as a way to meet society’s basic needs, sustain communities and the economy, as well as ensuring adequate supply for generations to come. According to Potter (2010) it is anticipated that social entrepreneurship will provide new solutions to the existing and growing problems in society with an emphasis of moving away from the dependency on charity as it is not a sustainable solution. Creating sustainable partnerships and thus creating value networks with public, private and non-profit sectors appears to be the only approach that will benefit all concerned. Although it is still a relatively new discipline, social entrepreneurship is now attracting more scholarly interest as its relevance to economic prosperity and the general well being of the people emerges. (http://www.rhsmit.umd.edu/centers-excellence/center-social-value-creation accessed April 1 2012)

### 2.14 Social Enterprise Development

There appears to be no legal framework for social enterprises in Zimbabwe. One has to set up a private company, co-operative, trust or NGO and the main purpose should be to fulfil
social or environmental goals. The operations should however be like any other business, but what you do with your profits is what makes you different. What distinguishes social entrepreneurs from ordinary entrepreneurs is that they try to achieve their financial goals while minimising any negative impact on society and the environment. Health and social care services emerge the largest category for social enterprises trading activity accounting for 33 percent followed by education at 15 percent. Other social enterprises are also active in the energy, transport, and recycling markets. http://zimdev.wordpress/tag/social-responsibility accessed April 1 2012).

2.15 Chapter Summary

This chapter provided the theoretical framework upon which the key concepts of social entrepreneurship and sustainable development are anchored. It provides a critique of the theories that guide this research as well as past studies in this field. In reviewing the literature, the researcher tried to bring out the gap that was left and warrants further research. The main objective of this research is (was) to analyse and highlight some of the empirical studies done to date on social entrepreneurship and their contribution to recognising the growing social problems in the world that are threatening the future existence of mankind and how these are contributing to sustainable development. Scholarly works provided several definitions to the concept of social entrepreneurship with the term meaning different things to different people. However this research zeroed in on the most applicable definition describing a social entrepreneur as an individual that is able to recognise a social problem and uses entrepreneurial strategies to create change through a business venture. The next chapter on Methodology looks at the research design and the various techniques used in conducting the research. It shows the advantages of each method and the value a certain research technique would bring to the study.
CHAPTER 3
METHODOLOGY

3.1 Introduction

This chapter looks at the research methods employed in data collection for this study. Research helps in validating this study as a real enquiry, an objective study, not as mere convictions of the researcher. Le Compte et al (1993) cited in Lincoln (1996) notes that a research design involves a clear focus on research questions, the purposes of the study, or more precisely, what information is most appropriate to answer specific research questions and which research methods are most effective for obtaining it. A research design designates the logical way in which individuals or other units are compared or analysed. It is the basis for making interpretations from the data. The purpose of the design is to ensure a comparison that is not subject to alternative interpretations (Le Compte et al 1993). This chapter will discuss the research process used in this study. It will briefly focus on the different types of research approaches and then show the paradigm chosen for this research.

The study will also show the particular strategy, that is case study as the method for this research. The chapter will further indicate the data collection instruments used in this study. As asserted by Yin (1994) part of the research design should link all the various elements of the research data to be collected and the interpretations to be drawn with the initial questions of a study. Such research design also leads one through the methods to collect the appropriate data thereby developing grounded theory. Yin (1994) contends that every empirical study has an implicit, if not explicit research design.

3.2 Research Framework

The focus of this study is how the concept of social entrepreneurship can be developed for thriving sustainable outcomes that can impact on the quality of life in Zimbabwe. The researcher evaluated the effectiveness of business in Zimbabwe to combine social motives with business motives to provide solutions for future sustainability and quality of life.
In exploring the context of the social entrepreneurship phenomenon in Zimbabwe, the researcher focused on these key areas:

- Entrepreneurship;
- Social issues;
- Sustainability issues;
- Blended value creation;
- Challenges and obstacles in establishing for-profit social entrepreneurial ventures;
- Networking and role players and
- The change needed.

It is the objective of this study to promote the concept and development of social entrepreneurship business models to show how social business initiatives can increase and extend social as well as economic impact and at the same time enhancing future sustainability. The exploratory outlook was taken with an objective to examine the factors giving emphasis to a greater need for new business models ideal for sustainable solutions to growing social problems.

### 3.3 Research Design

Research design can either be in the quantitative mode or qualitative mode or both. While the quantitative approach uses the positivist paradigm, the qualitative approach uses the naturalist paradigm. While the former argues that the reality is single, tangible and fragmentable, the latter asserts that realities are multiple, constructed and holistic. It is argued that the purpose of quantitative research is for generalisability, prediction and causal explanations, whereas in qualitative research the purpose is for contextualisation, interpretation and understanding actors’ perspectives.

Although some social researchers (Lincoln & Guba, 1985; Schwandt, 1989) perceive qualitative and quantitative approaches as incompatible, others (Paton, 1990; Reichardt & Cook, 1979) believe that the skilled researcher can successfully combine approaches. Since the focus of this research is social entrepreneurship and sustainable development, the research will dwell on the qualities of the phenomenon rather than the quantities. To this end, the qualitative research design was adopted.
3.4 Choice of Type of Research

Qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them (Denzin 1994). Qualitative research is intended to penetrate to the deeper significance that the subject of the research ascribes to the topic being researched. It involves an interpretive, naturalistic approach to its subject matter and gives priority to what the data contribute to important research questions or existing information.

After interrogating some of the findings of existing literature on social entrepreneurship, it enabled the researcher to follow the discussion surrounding the discipline of social entrepreneurship, identify empirical studies, and to explore future research and interest in social entrepreneurship particularly in Zimbabwe. To achieve the major research objective, a qualitative research methodology was adopted. In this approach, the researcher held in depth interviews with officials from CARE Zimbabwe actively involved the Kupfuma Ishungu Micro Finance project as well as an extensive evaluation report on the project. In addition to this a case study on one of the success stories was carried out to give credence to the notion that this can be used as a model to promote sustainable social entrepreneurship with social as well as economic impact.

The focus of the methodology used in this study was qualitative, focussing on what is happening and how it is happening and this was with special attention to why it happens the way it does (Henning, 2004). A case study methodology that was chosen reflects the assumptions of the qualitative research paradigm. Collins and Hussey (2003) define the case study as an “extensive examination of a single instance of a phenomenon of interest and is an example of a phenomenological methodology”.

This was the reason why the case study of CARE Zimbabwe and the success story of Mrs Barbara Gwede Sihlangu were identified as the focus of the research. The reason to adopt a qualitative research method was chosen on the understanding that it allows for unrestricted, deep, open and detailed analysis free from predetermined constraints and categories. It also allowed the researcher to go beyond the “what” or “how many” to just how and why things happen as they do (Miles & Huberman, 1994), as opposed to quantitative methods which require the use of standardised measures focussing on controlling the variables, which force the perspectives and experiences to fit into restricted response categories to which numbers are assigned.
As a result, respondents are not free to express data that cannot be captured by predetermined elements (Paton, 1990). Henning (2004) avers that in qualitative research, the variables are not constrained but use the variables from data and literature to explain what the phenomenon is all about. It follows therefore that in choosing the decision to adopt the qualitative research method was the most appropriate method in solving the major research question. Qualitative research uses various methods of inquiry. In this research, the use of case study was preferred.

### 3.5 Justification of Research Methodology

A case study as a research method provides an understanding of what people do, know, think and feel about a phenomenon by observing, interviewing and analysing documents (Paton, 1990). This approach traces the subjective aspect of human behaviour by focussing on the meaning rather than the measurement of social phenomenon. Outcomes are however highly dependable on the way the data are produced, interpreted and used by the researcher (Denscombe, 2003). In this study the researcher conducted in depth interviews (based on the interview guide in the appendix) with CARE Zimbabwe managers and Mrs Barbara Sihlangu getting details on the programmes they are involved in this country. The interview with Mrs Sihlangu was on how she got started in the Kuguta Ishungu Micro Finance project and how it transformed her livelihood.

One of the reasons for the recognition of case study as a research method is that researchers were becoming more concerned about the limitations of quantitative methods in providing holistic and in-depth explanations of the social and behavioural problems in question. Through case study methods, a researcher is able to go beyond the quantitative statistical results and understand the behavioural conditions through the actor’s perspective. By including both quantitative and qualitative data, case study helps explain both the process and outcome of a phenomenon through complete observation, reconstruction and analysis of the cases under investigation (Tellis, 1997).

According to Yin (1994), generalisation of results from case studies, from either single or multiple designs, stems on theory rather than on populations. This helps raise the level of confidence in the robustness of the method. Making a case for the choice for qualitative research, Miles and Huberman (1994) as quoted by Theron (2010) said that words, when transformed into stories, have a greater impact and help the reader to form a picture, thus proving more convincing than pages of summarised numbers.
3.6 Research Instruments and Procedures

In this study the researcher used a case study in addition to in-depth interviews with officials from CARE Zimbabwe (refer to Appendix A) and the data was analysed from the documentary evidence on the impact and sustainability of the Kupfuma Ishungu Micro Finance programme. Sampling techniques used were in reference of a final evaluation study carried out on the Kupfuma Ishungu Micro Finance project based on the purposive probability sampling because the the source of the sampling was specific. Using the case study approach has the advantage of allowing the opportunity of using different sources of evidence. Yin (1994) notes that a process of triangulation develops by using multiple sources of evidence by using a joined line of inquiry. Triangulation is a process whereby one locates the true position by referring to two or more coordinates. It relies on the known properties of triangles (Denscombe, 2003). Triangulation is considered to be a process of using multiple perceptions to clarify meaning, verifying the repeatability of an observation or interpretation (Denzin & Lincoln, 2005). Findings and conclusions using the case study method are more convincing and accurate as one collects information from multiple sources with the aim to confirm the same phenomenon. Corroborating findings and seeing findings from a different perspective, enhances the validity for the data (Yin, 1994; Denscombe, 2003).

The choice of Kupfuma Ishungu Micro Finance project run by CARE Zimbabwe was influenced by the fact that it was the only suitable organisation in Zimbabwe that provided the crucial elements relevant to the theory being tested as well as towards theory building. As the concept of social entrepreneurship is fairly new in Zimbabwe there are very few organisations that fit in the category of sustainable social enterprises that are running and able to create social and economic value. Part of the research focussed on getting an understanding of the concept of social entrepreneurship with the purpose of designing theory development. The Literature Review in Chapter Two looked at social entrepreneurship globally and in Zimbabwe focussing on the needs of humanity, critical social issues and what needs to be done to ensure future sustainability. The case study on Kuguta Ishungu Micro Finance project epitomises social entrepreneurial characteristics and how it has changed the livelihoods of its beneficiaries.

An analysis of the business model they use reveals patterns that correspond with existing literature on social entrepreneurship. Various sources of data were used including reviewing existing case studies, published and unpublished reports and articles, interviews with CARE Zimbabwe managers, beneficiaries of the project and Internet sources. Documentary evidence
in addition to the in depth interviews helped in identifying patterns across literature while the data analysis confirmed, added to or negated the theory or formed the basis to reconsider the propositions.

3.7 Data Collection

The collection of primary data was done through in depth interviews based on an interview guide attached as “Apendix A” with officials running the programmes under review. Secondary data was gathered through research on the Internet and other published literature on the Kupfuma Ishungu Micro Finance Project. Searching under the term Social Entrepreneurship, the researcher was able to identify empirical articles on the topic in addition to journal articles as well as Google Scholar. Relevant articles were gleaned under the terms “Social Entrepreneurship” and “Sustainable Development”. In depth interviews were preferred as a method that is one of the most critical sources of information for case studies (Denscombe, 2003). Yin (1994) contends that the in depth interview enables respondents the freedom to express their opinions or insights into certain occurrences, thus allowing the researcher to use the information as basis for further study. Another type of interview is the focused interview that is relatively short, open-ended but conducted in a conversational manner. Such an interview is mainly conducted to substantiate certain facts already established. By using this method, researchers allow the respondents to provide their opinions and suggestions. A third type of interview used as part of a case study follows the same format as a formal survey with structured questions. Yin (1994) notes that it uses the same type of instruments and procedures as in regular surveys and analysed in the same way.

3.8 Data Presentation

Because the data gathered was of a qualitative nature the researcher analysed it according to themes to identify major insights from it. The case study selected was deemed most suitable for the purpose of this study as it provided crucial elements significant to the theory being tested as well as theory building. It was a significant case as it represents a sustainable community initiative that is providing sustainable social and economic value using local resources.
3.9 Data Analysis

The research could not use other social entrepreneurial ventures as they did not fit the definition of a for-profit social enterprise, were not fully sustainable social ventures and did not create substantial social and economic impact.

Preliminary findings from the evaluation study carried out by CARE Zimbabwe to measure the impact of income generating projects under the Kupfuma Ishungu Micro Finance projects showed that there was:

1. Positive changes in the ability of households in their ability to meet basic needs.
2. Increased participation in community safety nets.
3. Increased women’s participation in decision making processes.
4. Increased savings and assets
5. Continued access to capital and
6. Expansion of income generating projects and increased profitability.

In analysing the data there was overwhelming evidence that such a model pursued by the micro finance project was an effective tool to fight poverty resulting in better lifestyles for the people of Zimbabwe.

3.10 Chapter Summary

This chapter dealt with the research methodology and design used in this study. The research framework identified the primary objective with the research questions to solve the research problem. The case for qualitative research as opposed to quantitative research was also made and the definition and characteristics of the case study were espoused. Two case studies of CARE Zimbabwe and the Kupfuma Ishungu Micro Finance project were chosen as it suited the purpose of the research. This method allowed for the triangulation of data to make the findings of the case study to be more accurate. The data were gathered from documentary evidence, both published and unpublished reports and articles, in depth interviews with CARE Zimbabwe managers and one of the beneficiaries of the micro finance project and Internet sources. In Chapter Four the research findings and analysis will be presented.
4.1 Introduction

This chapter shall present and discuss the results and findings on the concept and development of social entrepreneurship models in Zimbabwe as implemented by CARE Zimbabwe, testing if social business initiatives can create social and economic value. It will also explore the motivations, promises and implications of social entrepreneurship as pointed out in the literature.

It is the intention of the researcher to link the primary objective of the study - social entrepreneurship as a business model to promote thriving social business initiatives that can increase and extend social as well as economic impact. This objective was achieved by examining the operations of an existing entity under the auspices of the Kupfuma Ishungu Micro Finance Project run by a non-governmental organisation CARE Zimbabwe. The programme has excelled in portraying a home-grown social entrepreneurial business model within the Zimbabwe context that has transformed livelihoods. A case study of one of the beneficiaries of the Kupfuma Ishungu Micro Finance Project met all the requirements to be classified as a successful and sustainable business model within the field of social entrepreneurship.

4.2 Presentation of Findings and Data Analysis

This research adopted a qualitative approach using a case study methodology and as such the findings and analysis or interpretation of data done simultaneously. This is supported by Kuhn (1961) Merriam (1988), Cresswell (1994), Glesne & Peshkin (1992), Bogdan & Biklen (1992) who posit that qualitative researchers do not wait until the end of the study to analyse their data, they analyse their data throughout the study. Therefore this section of this chapter will combine the two.
The findings of this research were obtained from documentary analysis (about CARE Zimbabwe), interviews with the management of CARE Zimbabwe (Refer to Appendix A) and in depth interviews with one of the beneficiaries (case study). The presentation will follow the above chronology.

4.2.1 CARE International Zimbabwe – Organisational Profile

Vision
CARE seeks a world of hope, tolerance and social justice, where poverty is being overcome and people live in dignity and security
CARE International will be a global force and a partner of choice within a worldwide movement dedicated to ending poverty. We will be known everywhere for our unshakeable commitment to the dignity of the people.

Mission
CARE Zimbabwe is committed to being a valued partner of disadvantaged people in their pursuit of livelihood security.

- We will consolidate our position as a leader in innovative, market-sensitive and high-quality programming for economic and social empowerment by
- Strengthening capacity for self help
- Providing economic opportunity
- Delivering relief in emergencies
- Addressing discrimination in all its forms.
- Guided by the aspirations of local communities, we pursue our mission with both excellence and compassion because people whom we serve deserve nothing less.

Core Values
- RESPECT We affirm the dignity, potential and contribution of participants, donors, partners and staff
- INTEGRITY: We act consistently with CARE’s mission, being honest and transparent in what we do and say, and accept responsibility for our collective and individual actions.
- COMMITMENT: We work together effectively to serve the larger community.
- EXCELLENCE: We constantly challenge ourselves to the highest levels of learning and performance to achieve greater impact
CARE INTERNATIONAL IN ZIMBABWE

A registered private voluntary organisation

- Opened in Zimbabwe in 1992
- It is part of CARE Canada’s 11 national CARES. CARE Canada implements projects in 37 countries supported by the Canadian public Cida, various United Nations agencies, the World Bank and other bilateral donors and private foundations.
- Has country agreement (Memorandum of Understanding) Since 1992
- Activity sectors
  - Agriculture and natural resources
  - Food security
  - Small enterprise activity development
  - Livelihood security
  - HIV & AIDS mitigation
- Main areas of operation
  - Midlands and Masvingo
- Secondary areas of operation
  - Manicaland and Harare
- Offices
- Main offices: Harare
  - Sub offices: Masvingo and Gweru
  - Satellite offices: Zaka, Bikita, Mberengwa Zvishavane, Gutu and Chirumhanzu
- Annual operating budget 2005-06 - US$11.5 million
- Donors
  - DFID, USAID (FFP), OFDA, CIDA, SIDA, EU, AUSAID, UN-WFP, McNight Foundation, Rockefeller Foundation,
- Private donors in UK, USA, Canada and Europe
- Development and relief funds brought to Zimbabwe since 1992 – US$98 million
- Current number of beneficiaries – 900 000 vulnerable individuals

CARE’s mandate is to reduce poverty and suffering through the implementation of innovative projects which involve the beneficiary population in design implementation and evaluation. CARE targets assistance for the economically and socially disadvantaged, in particular, women, children and the elderly.
Strategies
The principal strategies which CARE employs to achieve its mandate entail:

a) The design and implementation of innovative programmes and implementation of projects on behalf of institutional donors.

b) Delivery of community-centred development and humanitarian assistance programs.

c) Partnerships with local community-based organisations and local NGOs and

d) Providing funding from institutions and the public coupled with CARE’s management support, capacity building and oversight / accountability.

CARE’s ultimate objective

- Current operations
  - Development assistance and
  - Humanitarian relief
- Future operations
- Reduction in relief programmes
- Increased accent on development aid with a view to creating self-sustaining communities
- Exit

4.3 Analysis of Kupfuma Ishungu Micro Finance Project

The study whose results are presented in this research recognised that the poor in Zimbabwe like other African countries are excluded from accessing mainstream financial services and it was one of the many interventions designed to ensure that the poor have access to financial services.

CARE International in Zimbabwe works in collaboration with local private and public partners in the domains of economic development, nutrition and food security and HIV/AIDS mitigation. CARE has worked in five of the 10 provinces in the country and currently maintains its main office in Harare, three sub-offices in Masvingo, Gweru and Gwanda and over six satellite offices in other districts. The Rural Micro-Finance Project "Kupfuma Ishungu" ("To get wealthy you must persist") has been in operation since April 1998 starting in Midlands and Masvingo Provinces and then spreading to four other provinces; Midlands, Manicaland, Harare, and Mashonaland West.
4.4.1 Poverty Mitigation
The project aims to build poverty mitigation mechanisms for poor and vulnerable households in disadvantaged areas of Zimbabwe by addressing problems of lack of capital, skills and services that hinder the potential for economic growth of rural and urban areas. It increases access to financial services to assist investments in income generating activities, which in turn, increase and diversify income sources for rural and urban households and reduce reliance on agriculture as the only source of livelihoods. CARE’s complementary programmes within the region include agricultural production, natural resource management, input and output market engagement, social protection, domestic and productive water supply and sanitation.

4.4.2 Collaborating Partners
The five-year project with a budget of US$3 418 905 was managed by CARE International. Implementation included CARE’s direct service delivery and capacity building of five other partners: A Self- Help Assistance Programme, CARITAS, Zimbabwe Women’s Bureau, Batsirai Group and Chitungwiza Utano Public Health Trust. The project targeted 60 000 poor and vulnerable households with 360 000 members.

The agreement of implementation of the project were:

- That partner organisations efficiently implement programme activities and express willingness to continue post project funding;
- 60 000 targeted household members lead economically active lives;
- Targeted households exhibit positive change in at least one appropriate topical issue; and
- 500 Cluster Facilitators provide Internal Savings and Lending schemes monitoring and or training to their communities with minimum support.

The role of CARE Zimbabwe was to monitor and set parameters for the implementation of the project, to assess how adequately the project had achieved its stated developmental and specific objectives and determine the effectiveness of the roles played by each partner in project delivery, the nature and extent of impact the project has had on the main target communities in reducing poverty, increasing economic security and promoting livelihood security of participant households.
The evaluation process included engagements between external consultants, CARE, Sida, partners, development organisations implementing the Internal Savings and Lending methodology, traditional leaders and the Government. The evaluation sample (10 percent of groups) was drawn from all districts of project operation. The sample population included project beneficiaries, CARE, Sida and implementing partner staff and Cluster Facilitators. The evaluation used a combination of quantitative and qualitative methods to collect data including a questionnaire, Focus Group Discussions, Case Studies, Interviews, peer reviews, on-site observations and community feedback meetings were used as evaluation tools.

4.4.3 Respondents

![Age profile](image)

**Fig 2 Age Profile of Respondends**

As shown in Figure 2 the majority of the sample (82%) is dominated, by the economically productive age group: 15 to 59 years. This demonstrates that ISAL responds to the financial services needs of economically productive groups who have an option to engage in other productive activities of the formal economy. The inclusion of youth (3%) and the elderly (15%) affirms the methodology’s appropriateness to age diversity.

The majority (92 percent) of the survey sample were women by design. Almost 95 percent of the members are either heads of households or their spouse. As men are only 8 percent of the sample, women are a significant proportion of heads of household. Men participate in Internal Savings and Lending indirectly by supporting their participating spouses; however, direct involvement can be enhanced if the programme designs products that are attractive to men.
4.4.4 Gender Profile

Fig 3: Gender
In terms of gender, the programme reached out to 92 percent of women, surpassing the target of 80 percent as shown in fig 3.

Internal Savings and Lending groups have members with mixed status (gender, age, marital status, position in household and education profile), this diversity is evidence that the project has been inclusive with outreach and Internal Savings and Lending’s ability to building social networks and capital across diverse population group. Thirty percent of the sample had not completed primary school and never attended school. Lack of education can perpetuate the vicious cycle of poverty.

Fig 4: Marital Status of Respondents
By enabling the participants to send their children to school, the programme provides a vital key out of poverty. By increasing economic and livelihood options the programme prepared the ground for poverty alleviation. However the project provides evidence that level of education cannot be used as a basis to deny the poor their right to choose, participate and benefit from financial services programmes. Members that have not completed primary school and have never been to school are using Internal Savings and Lending as a pathway to reduce the effects of poverty.

Fig 5 Age and Sex of Respondents

4.4.5 Livelihoods Protection
Protection and improvement of household livelihood security was the overarching goal of the project, to assess achievement of this goal the evaluation examined participant households’ food, health, education and income security. Overall 100 percent of interviewed households have expressed a positive change in the above securities which are also regarded as basic needs. Households indicated that since joining Internal Savings and Lending, they are now able to meet their food needs (99 percent) both quality and quantity, able to use proceeds from Internal Savings and Lending to buy agricultural inputs on time and able to buy food in times of poor harvests and add variety to their diet.
The above graph is a result of composite scores comprising of adequacy of food as measured by number of meals per day, access to education as measured by the ratio of in-school children to the total number of school going age per household and a combination of clean source of water and proper ablution facilities.

Health security was measured by using indicators of illness, ability to afford medication, access to water and sanitary facilities. An assessment of these indicators showed that participant households are now in a position to cope with incidences of illness- can afford to pay for medication and have proper sanitary facilities (70.6 percent).

Education security was measured using indicators of school-aged children’s access to education. Of the interviewed households 17 percent mentioned that before Internal Savings and Lending they had children of school-age who were out of school because they could not afford, 76.7 percent of these managed to send their children back to school after they participated in Internal Savings and Lending. The scheme has become an important source of school fees and children of Internal Savings and Lending members are attending school regularly and with adequate school requirements.
4.4.6 Security

Income security was measured by a household’s ability to own various types of assets including consumption assets and productive assets, although there are lower percentages of households who managed to purchase productive assets, the evaluation observed that Internal Savings and Lending has enabled participants’ households to acquire consumption and other household assets and that with more years of participation, households are likely to acquire productive assets such as cattle, ploughs in rural areas, and housing stands in urban areas.

![Women's Participation in Decision Making](image)

**Fig 7: Women Participation in Decision Making**

Fig 7 shows that a significant number of women are occupying leadership positions across different social groups. Most indicated that before ISAL they did not occupy these positions. They believed that often during elections communities consider and recognise the improvements one has made about themselves in life.

The above securities have been attained because members mainly women are now economically active with 94.3 percent of households operating an income generating activity and have continued access to capital to fund their income generating operations. By participating in Internal Savings and Lending members are likely to expand their projects however the expansion reaches a ceiling due to limited capital injection as groups are unable to mobilise “huge” financial resources to fully meet members’ expectations.
4.4.7 Impact of Activities
Positive changes have been experienced with income generating activities. Eight out of the 11 qualitative indicators had 70 percent and above indication of improvement in the performance of income generating activities. Up to 20 percent of members had experienced increase in number of employees. This is a sign of growth in income generating activities; the rest is unpaid family labour. This implies that Internal Savings and Lending supports employment generation and also reaching beyond direct participation at household level.

4.4.8 Topical Issues
Discussion of topical issues such as inheritance, HIV and AIDS, Child protection, Nutrition, Birth registration, domestic violence and gender during Internal Savings and Lending meetings had a positive impact in the communities with 45.4 percent reporting behaviour change and 11.6 percent reporting decrease in domestic violence cases. Members have also used Internal Savings and Lending meetings as a platform to discuss and share ideas on general life issues and business exchanges.

4.4.9 Capacity Building
Capacity of all five partners involved in this action was developed and the partners have exhibited undoubted competencies in implementing the Internal Savings and Lending methodology. The Internal Savings and Lending has also become a strategic intervention in all five partner organisations. Slight variations were however noted on understanding and implementing particularly the Cluster Facilitator concept. The process of capacity building was not without challenges. These include limited participation and consultation in budgeting processes, planning for key project events and development and review of data base tools. In some cases project processes interrupted with partner schedules because of challenges of planning. The need for partnership to appreciate that each organisation has its own organisational ethics and different systems, and each partner needs to maintain its own identity while focusing on common ground /intervention.
Fig 8: Households with Cash Savings

The thrust of the project is to enable members to bring together their money to fund income generating activities and for those income generating activities to have a reliable source of capital. The project targeted having 70% of participating households with continued access to financial services. This has been achieved.

4.4.10 Project Impact

The project has been very effective in substantively achieving its goal of mobilising financial resources. The results provide evidence that households have experienced significant positive changes in all livelihood asset areas that include: Human capital, Social capital, Natural capital, Physical capital, Financial capital and Political asset. Internal Savings and Lending members have been enabled to meet specific household needs quite substantively.

The financial literacy skills of members have developed enabling them to appreciate the value of savings and investing. Up to 57 percent paid for education costs in full and on time preventing embarrassment, creating peace of mind and allowing children to focus on studies. Members have re-enrolled school drop-outs. Members used their resources to pay medical bills for sick members to ensure they are healthy and productive. Internal Savings and Lending groups are platforms used by members to discuss and share ideas to solve social problems. The social capital is generated beyond Internal Savings and Lending as income is used to pay membership fees for participating in other informal and formal groups and networks such as burial societies, church groups and other community support groups. Social funds have helped members to mitigate against risks and shocks such as death, illness, food and income insecurity.
4.4.11 Physical Assets

Members have used loans and payouts to pay for agricultural inputs, equipment and improving their effective utilisation of arable land and productivity. Various forms of physical assets have been acquired such as cattle, which have improved the productivity of households, self-esteem of members and capability to mitigate future risk. The change that is valued is food availability, frequency of meals and better quality food. Up to 70 percent of the members reported an increase in access to financial services, savings and loans. This has enabled them to pay for various household needs such as education, food, clothing and shelter. The absence of access barriers, typical of formal and informal financial services providers, has given Internal Savings and Lending the edge and worth as a provider of savings and loans.

The economic empowerment of members, mostly women, has had positive ripple effects in other spheres of empowerment. There has been an increase in their participation in community safety nets, control and participation in decision making, election to leadership positions in social groups, being able to make choices and exercise rights. They are now respected, recognised, independent and influencing decisions in other domains. From feeling less appreciated by husbands and relatives before Internal Savings and Lending their increasing economic role in households caused significant shift of status and strengthened their confidence and self-esteem.

However the overall percentage of women empowered to fully participate in decision making processes remain relatively low at 30 percent; further analysis indicates that urban women are more empowered than their rural counterparts. It may be useful for the programme to focus on factors such as cultural barriers that may be contributing to this. The project provides evidence that level of education, location, age, marital status and poverty status cannot be used as a basis to deny the poor their right to choose, participate and benefit from financial services programmes. In summary, Internal Savings and Lending has had positive impact at individual, household and community levels Evidence also confirms the resilience of Internal Savings and Lending to survive through harsh macroeconomic and political environments a feat other livelihood interventions and commercially offered services have failed to achieve.
4.4.12 Membership

The evaluation noted that the programme has impacted ISAL members in various ways qualitative and quantitatively individual, household and community. At individual level, the programme has developed the knowledge and skills bases. The individuals are now working hard, more confident and making informed decisions. At the family level there is increased happiness within families, increased communication, reduced dependence on remittances from children and borrowing from neighbours and reduced problems/conflicts.

4.5 Summary of Key Findings

4.5.1 Effectiveness

A review of the impact areas affirm that the project has been effective in achieving its goal. Overall the project aimed to protect and improve participant’s households’ livelihood security which in turn would help reduce poverty. Poverty is a multidimensional concept involving deprivations and exclusion on food, education, health nutrition, income, sanitation and assets ownership. This evaluation has noted that participation in Internal Savings and Lending contributed positively to households’ ability to go beyond survival requirements on these indicators of poverty. CARE has been effective in building the technical capacity of partners. Besides partners achieving most of their milestones, some have successfully replicated the methodology through support and capacity building of other partners. Cross cutting issues have been introduced and communities report having observed behaviour change influenced by the introduced themes.

Figure 9: Comparative Analysis of Status of Members and Non-Members

The evaluation noted that the programme has impacted ISAL members in various ways qualitative and quantitatively individual, household and community. At individual level, the programme has developed the knowledge and skills bases. The individuals are now working hard, more confident and making informed decisions. At the family level there is increased happiness within families, increased communication, reduced dependence on remittances from children and borrowing from neighbours and reduced problems/conflicts.

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The project has been effective by ensuring community participation through various project processes mostly influenced by the self-selection and self-determination nature of Internal Savings and Lending groups. Members value the worthiness of Internal Savings and Lending as it offers them an opportunity to make small savings which enable them to address their needs. To this end the project has also been effective in reaching poor, rural women, in female-headed households.

4.5.2 Relevance
The study demonstrated strongly that the project achieved high levels of relevance in various areas. Human development is one of the key elements in reducing social and economic inequalities, Internal Savings and Lending has enabled participants to send their children to school, and meet other basic needs. However education gives a stronger voice in society and builds a dynamic workforce and opens doors to economic and social prosperity. Although still low, women have used their participation in Internal Savings and Lending to leverage on participation in decision making. The project is therefore relevant in pursuing the cause of the poor and addressing social and economic inequalities. The project was implemented through a volatile hyperinflationary and unstable political environment. The resilience and flexibility of the basic Internal Savings and Lending model was able to withstand these hardships although some groups dissolved and re-grouped later albeit as new groups.

The impact of Internal Savings and Lending is consistent with the United Nations Millennium Development Goals and Zimbabwe’s policies on poverty reduction. The project is making significant contribution to improve the ability of households to manage shocks related to poverty.

4.5.3 Sustainability
Sustainability in this context is about ensuring that the institutions, groups and individuals supported through the Kupfuma Ishungu Micro Finance Project and the benefits realised are maintained and continue in the longer term without continued external assistance. Social sustainability is defined in terms of acceptability, community commitment and social cohesion. The results presented in this study have shown high levels of project acceptance. The project has been accepted by a wide array of stakeholders who have seen lives being transformed. The project has buy-in from local leadership and at national level it has an appeal to the Government. The Ministry of Women’s Affairs Gender and Community Development has approached CARE for possible nationalisation of the project concept.
The Internal Savings and Lending project is considered a bottom up project model because it is built on what communities know and were already doing. This familiarity and benefits derived ensure community commitment and enhances ownership. Evidence abound that participant communities are committed to the project. The trying times of 2008 did not dishearten participants, significant numbers developed appropriate strategies to cope with the harsh economic environment; groups that succumbed to economic pressure were quick to regroup and continue with project activities as the economy improved. By training Cluster Facilitators the project aimed to ensure availability of local resource persons within communities to provide guidance and mentorship to both old and new members. The use of community facilitators has demonstrated that they can deliver Internal Savings and Lending training. Strategies are however needed to develop a coherent model for developing their capacity and clarity on sustainability after support for the project has stopped.

4.5.4 Efficiency
The project has been very efficient in ensuring timely accomplishment of tasks. CARE’s day-to-day management of the project budget allowed for comparative analysis of performance. Each partner had a detailed guideline which provided a very clear framework that contributed to their successful execution of roles. A monitoring system guided by a project logical framework and quarterly review meetings ensured partners remain, for some areas, focused and on course.

4.5.5 Social Impact
The Kupfuma Ishungu Micro Finance Project recognised the need to engage the locals who came together and among themselves and created structures to address their social needs. Upon realising that they were being excluded from accessing mainstream financial services they formed saving clubs from where they could access loans for poverty alleviation programmes. The communities were empowered to manage the Internal Savings and Lending schemes using their own resources with each participant carrying the responsibility for the continuity of the programme. Documentary evidence exists that more than 60 000 poor and vulnerable households with 360 000 members now live economically active lives as a result of their participation in the programme. Kupfuma Ishungu has succeeded to empower the participants through active participation in the local economy by imparting knowledge on the opportunities inherent.
4.5.6 Business Model

The Internal Savings and Lending programme has proven to be a sustainable poverty reduction tool that has successfully transformed the lives of rural and urban Zimbabweans who were previously disadvantaged and are now leading better lives. Documentary evidence based on a case study of Mrs Barbara Gwede Sihlangu shows that her status in society was transformed from being the laughing stock of the neighbourhood into a respectable businessperson. After starting off with a paltry US$17.50 Mrs Sihlangu has managed to grow her peanut butter making business into a thriving business venture that is self-sustaining under the auspices of the Kupfuma Ishungu Micro Finance Project’s Internal Savings and Lending scheme and this has enabled her venture to diversify into other product lines.
4.6 **Success Story: Mrs Barbara Gwede Sihlangu**

This research established how one of the beneficiaries of the Kuguta Ishungu Micro Finance Project, Mrs Barbara Gwede Sihlangu has embraced the social entrepreneurial thrust of Care Zimbabwe that has seen her transform her lifestyle. Here is her story:

4.6.1 **Background**

Seke is a suburb in Chitungwiza town that is located 34 km south of Harare. The majority of the town’s 1.5 million residents relies mainly on self-help projects because of a largely dysfunctional industry that would have otherwise provided jobs. Mrs Barbra Gwede Sihlangu (55) is a widow who lives in Chitungwiza. Her husband died in 1993 and she was left with five young children, two boys and three girls to look after. She was unemployed and without any means of survival.

Mrs Sihlangu says she was the laughing stock of the neighbourhood. At one point people thought she was going crazy by venturing into what others would perceive as impossible projects like buying and selling commodities and peanut butter making. For years, she says, she had to endure this ridicule each and every day of her life as she tried to make ends meet for her young family. She admits that life was tough and unbearable for her, especially without any means of livelihood at the time. “Life was not worth living anymore,” she said, but the introduction of a Micro Finance project called Kupfuma Ishungu at her local health centre, in 2004 changed her life forever.

4.6.2 **Outcomes from Entrepreneurial Venture**

The Kupfuma Ishungu project was being implemented by CARE International through the local health centre. She said she was now slowly able to meet her basic daily needs, such as food, shelter, school fees and uniforms for her children. This was through the Internal Savings and Lending scheme whereby she would use the loans to buy items such as vegetables and clothing to re-sell. Mrs Sihlangu later ventured into peanut butter making and she purchased her first machine for US$17.50. This would be the turning point of her life. The purchase was an achievement considering her humble beginnings. With this machine, she would produce about 10 x 375ml bottles of peanut butter per day. The output was equivalent to one gallon of groundnuts that would have been purchased with the meagre resources. To establish a good customer base and public relations, she would use the machine to grind other people’s groundnuts for a fee.
Six months later, the demand had increased and instead of purchasing a new machine her creative and innovative son, Roy, made a replica of the first machine. The additional machine caused production to increase more than threefold, but still demand could not be met. Several months later, she increased her production capacity to 79 bottles per day with the acquisition of yet another machine. This went on for some time and life seemed better and meaningful. “I was now able to take my children to school, buy food, pay bills and also save,” she said. Several years down the line, Roy continued to build more machines for his mother so as to increase production. He would do this by using cheap scrap metal. With the machines, continued KI-MFP peanut butter making using locally grown raw materials (groundnuts) from indigenous farmers. She admits that she was and still is failing to meet demand and this inspired her so much that she asked Roy to build bigger machines so as to meet the ever increasing demand.

4.6.3 Home Industry
This was purely a home industry whereby the machines were operating from the family’s spare bedroom, the kitchen, the dining/sitting room and even the bathroom! Roy continued to look for scrap metals and disused electrical gadgets such as electric motors on washing machines and lawn mowers. Roy and his mother would buy these fairly cheap from auction floors and then remove the motors and other parts to make the peanut butter making machines. In total, there were now four machines and space was quickly running out. Also, the health inspectors would not allow them to operate from a home environment considering that the peanut butter project was now talk of the town and her products were in every shop. The growth and expansion of the business drove Roy and her mother to improve the product offering and they started labelling their product and giving full details.

The business was relocated to bigger premises in compliance with health regulations and increased demand for the product. They found a new home at the light industrial area where other small scale business operators were housed. The popularity of the Aunty Bee brand of peanut butter exceeded Mrs Sihlangu’s expectations. Although others had also ventured into the peanut butter business, she was not perturbed by competition as she was already enjoying a good market share which she could not satisfy. Aunty Bee has now become a trade name associated with success in Chitungwiza Town; a name associated with perseverance and resilience.
4.6.4 Support

Many entrepreneurs, both upcoming and seasoned, have approached her for advice and guidance for success which she has freely shared especially with fellow club members of the Internal Saving and Lending scheme. Hers is a success story, going by the current rate of production of over 7,000 units of peanut butter, syrup drink and *maputi* (popcorn) per day. The business had to diversify into producing other products such as syrup drink, popcorn and mineral water as a way of ensuring continuity when raw materials (groundnuts) run out around November to April. In fact, to mitigate this raw material shortage, Mrs Sihlangu and Roy have since made a deposit for a 30 tonne truck and trailer that would be used to import groundnuts from Malawi, a great producer of ground nuts.

Credit also goes to Auntie Bee’s ever enterprising son Roy, who did not sit and watch while his mother toiled for survival. A renowned artist in his own right who has taken his wire artwork as far afield as Germany, South Africa, the Far East and other European countries, Roy used his artistic KI-MFP skills to transform the fortunes of his entire family. With his KI-MFP skills, for instance, it was Roy who would modify and make all machines that would be used in the peanut butter business.

4.6.5 Diversification

These machines included, the shelling machines, the peanut butter making KI-MFP machines, the popcorn KI-MFP making machine, the nut and grain roasting machine, the syrup juice KI-MFP making machine and many more. Because Roy is ever in an overalls and scruffy clothing sorting out this and that, people do not take him as co-owner of the business. They feel he is one of the employees. Roy admits that he was inspired by his mother, both in word and deed. He further says that he, indeed, capitalized on his mother’s initiatives and simply bettered them for the benefit of the entire family. This is why Aunty Bee’s business has grown from strength to strength because of this hard working KI-MFP partner who has put in more than three hundred percent of his time and dedication. To date, they have big machines that can run for twenty four hours non-stop. In fact he says, “I had to give up my artistic profession for the business”. Indeed this is paying off as; to date they have 16 employees who work in shifts so as to be able to meet demand. Every morning, their four five-tonne delivery trucks are loaded with peanut butter, syrup drink, mineral water and popcorn, and head out in different directions of the country, including Masvingo and Bulawayo which are over 300km and 400km away respectively.
Mrs Sihlangu encourages others to do the same as she is a living example of success through hard work and resilience. She says: “I have now managed to take my children to good schools because of the improved standard of living that I am enjoying. In short, I have achieved a lot with CARE in five years than I did in the last 20 years. Because of this, my self-esteem has been raised to a level that I never anticipated. We are now a family among families. My story is just a tip of the iceberg going by the numerous untold stories that may unfold with time under CARE Programmes.”

4.7 Research Question Analysis

4.7.1 The Role of Government in Social Entrepreneurship in Zimbabwe

The study revealed that only two ministries are involved in this project, namely the Ministry of Women’s Affairs, Gender and Community Development and the Ministry of Small and Medium Enterprises and Co-operative Development. The involvement of other ministries could positively impact on the sustainability of such programmes countrywide. For instance, the Ministry Youth Development, Indigenisation and Empowerment, Local Government Urban and Rural Development, Agriculture and Mechanisation, Transport, Communications and Infrastructure Development, Ministry of Finance, Economic Planning and Development to name just a few all have a direct input on the sustainability of such projects. Government through its various institutions could provide a supportive framework to enhance the sustainability of such ventures.

4.7.2 Impact of Livelihoods on Social Entrepreneurship

The case of CARE International in Zimbabwe in general and Kupfuma Ishungu Micro Finance Project in particular reveal a positive impact on livelihood security as shown by the findings of this study. This is evident from the positive change in the lifestyles of the participants in this study. Food security was guaranteed, employment was created, access to health and education were enhanced, income security was also assured and over and above the issue of HIV and AIDS was easily mitigated.
4.7.3 Environmental Factors Affecting Social Entrepreneurship

Prior to the advent of the Kupfuma Ishungu Micro Finance Project, the beneficiaries mainly from impoverished communities did not have any hope of establishing sustainable income generating projects. They were not even visible to the formal financial institutions as they were deemed impoverished and not redeemable. In essence they were obscured from any form of meaningful economic activity in their community. The programme effectively empowered them. They have been capacitated to network in the community and beyond in pursuit of opportunities. They have now become the change agents in their communities.

4.7.4 Sustainability Issues

The Kupfuma Ishungu Micro Finance project has demonstrated that financial institutions are a key enabler to unlocking the chains of bondage from poverty. Such financial institutions as evidenced in the study through co-operating partners such as the Swedish Development Agency can create synergies resulting in the establishment of viable income generating projects for sustainable development.

4.8 Chapter Summary

This chapter revealed and analysed the findings of this study. The findings were based on the documentary evidence and in depth interviews of CARE International Zimbabwe, its managers and one of the beneficiaries of the Kupfuma Ishungu Micro Finance Project. The chapter also linked the findings to the research questions. Chapter Five will focus on conclusions and implications of the research.
5.1 Introduction

This chapter will begin with an overview of the previous chapters. Chapter Five will also draw a conclusion to the research with reference to the research objectives. It will also end with a proposal on what business model can be used to demonstrate how social initiatives can integrate both social and economic value. The chapter will also recommend what social entrepreneurs need to do in addition to suggestions for further research.

5.2 Overview of Previous Chapters

Chapter One introduced the research by presenting the research problem and its context. In Chapter Two the research examined the relevant literature as it linked to the research problem while the research methodology and its justification were discussed in Chapter Three. Research Findings and Analysis were simultaneously discussed in Chapter Four using the qualitative mode.

5.3 Summary of Findings

The research sought to examine how social entrepreneurship can be applied as a business model to promote social business initiatives that can increase and extend social as well as positively impact on livelihood security. To this end future sustainability in Zimbabwe would be enhanced.

The findings and discussions of this research demonstrated the following:

- Social entrepreneurship is still in its infancy in Zimbabwe;
- Some NGO programmes such as the Kupfuma Ishungu Micro Finance project are spearheading social entrepreneurship activities in Zimbabwe;
- There is no significant involvement of the Government and the private sector in social entrepreneurship in Zimbabwe;
- Micro Finance institutions have a key role to play in the transformation of livelihoods;
- Poverty alleviation, promotion of equality and equity and maximisation of welfare should be the objective of social entrepreneurship;
• There is no distinct framework or blueprint in Zimbabwe for channelling resources designated for income generating projects and

• Indeed social entrepreneurship can be used as a tool for sustainable development that can create social and economic value. The results of this research could be the Genesis of the evolvement of the theory of social entrepreneurship as a model for sustainable development in the context of Zimbabwe.

5.4 Implications for Theory
One of the exciting experiences in qualitative research is theory generation that is grounded theory which is inductive. Arguments put forward by some sociologists, psychologists, economists and others cited in this study’s Literature Review are deducted from quantitative findings and may be therefore prescriptive hence may not render themselves applicable within the setting of the problem. The maxim that theory is born out of practice and that theory improves practice may bear testimony to grounded theory, as alluded to in the last part of the conclusion that this research has evolved the theory that social entrepreneurship as a model can bring about sustainability.

5.5 Recommendations
The findings of this research lead to the following implications for policy and practice:

  5.5.1 There is need for advocacy for the concept of social entrepreneurship in Zimbabwe to enable all stakeholders to comprehend its implications
  5.5.2 Social entrepreneurship should be applied as a medium for sustainable development
  5.5.3 Government should provide a conducive regulatory framework to promote sustainable development through social entrepreneurship
  5.5.4 A multi-sectoral approach is required for effective application and implementation of this phenomenon
  5.5.5 National Budget resources should be exclusively designated for Micro Financial Institutions to support income-generating activities.
  5.5.6. Banking sector reforms to enable access for the unbanked majority (Lessons from Grameen Bank in Bangladesh).
  5.5.7 The phenomenon of Community Share Trusts and Development Associations emerging in Zimbabwe should be operationalised in the context of social entrepreneurship in order to realise sustainability.
5.6 Implications for Further Research

Literature reveals some research on the phenomenon of social entrepreneurship and sustainable development. However these researches are not conclusive. Globalisation has indeed shown that society is dynamic as evidenced by changes in the social, economic, political and technological settings. To this end challenges in society can only be overcome by action research in order to keep abreast with ever changing phenomena in society.

The study has shown how the concept and development of social entrepreneurship albeit in its infancy in Zimbabwe, can be used to enhance sustainable development. Through a combined effort of the Government, the private sector and non-governmental organisations a business model can be crafted to bring about programmes that can promote better lives for the people. This study has shown that social entrepreneurship programmes being run under the auspices of CARE Zimbabwe such as the Kupfuma Ishungu Micro Finance project have positively impacted on the quality of life, sustainability and also created social and economic value. It has emerged from the study that in view of the mounting social problems threatening future sustainability, social entrepreneurship emerges as the solution.
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Appendix one

Interview guide with senior management at CARE Zimbabwe

The researcher used the following interview guide in discussions held with project managers running micro finance programmes to promote the concept of social entrepreneurship for CARE Zimbabwe in various centres around the country.

1. What is the thrust of the programmes you are involved in Zimbabwe?
2. What is your focus group?
3. Describe the characteristics of the poverty reduction programme and how it has been accepted in the communities you operate in?
4. What drove CARE Zimbabwe to enter into such programmes?
5. What is your understanding of the concept of social entrepreneurship?
6. Was the motive to form the Kupfuma Ishungu Micro Finance project to develop entrepreneurship or was it development in general?
7. Has this concept been embraced in the community and are there any success stories to show?
8. Has the government been supportive of this programme?
9. What can be done to ensure that the programme can be replicated in other parts of the country?
10. What role has co-operating partners played in the micro finance project?
11. What would be the ideal environment to ensure that such a programme can be transformed into a business model to ensure that beneficiaries enjoy better standards of living?
12. Has mobilisation of financial resources been a limiting factor of expanding the programme to other areas here in Zimbabwe?
13. What promises and opportunities does social entrepreneurship offer for the future of this country and do you consider it as the most effective solution to major social issues?
14. What impact has CARE Zimbabwe had on communities and how do you measure the economic and social value created?
15. Does the concept of social entrepreneurship seem to be gaining value in Zimbabwe?
16. How do you perceive the role of social entrepreneurship in so far as it relates to the role of the government, the private sector and non-governmental organisations in the sustainability of our economy?
17. Given your experience and knowledge, what needs to be done to increase the efficiency, legitimacy, credibility and effectiveness of the micro finance project?
18. How does social entrepreneurship differ from charity, non-governmental organisations and corporate social responsibility and do they all offer solutions to social issues?

19. In your view, how will we be able to continue to meet the needs of our present society without compromising the ability of future generations to meet their own needs?

20. Has government played an effective role to help the poor and uplift the lifestyles of the majority?

21. How did CARE Zimbabwe manage to convince the other co-operating partners to support this programme and what was the benefit to all parties?

22. What were some of the most significant challenges you faced in creating this programme in Zimbabwe and what advice would you proffer to social entrepreneurs to start new ventures in their communities?

23. Would other organisations be able to implement similar business models to Kupfuma Ishungu and how difficult would it be to duplicate such a model?