HIGHER EDUCATION

ENABLING A SOCIAL ENTREPRENEURIAL APPROACH FOR THE THIRD SECTOR

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ABSTRACT

Social entrepreneurship could possibly be a solution to the lack of financial sustainability that many South African non-profit organisations currently experience. The following methodology was adopted for purposes of gaining insight into the potential of non-profit organisations in the Free State to embrace social entrepreneurship: By means of telephonic interviews, focus group sessions and face-to-face interviews with provincial government officials and non-profit organisations in Mangaung and Matjhabeng, a snapshot of the third sector environment in the province was developed by the researchers. Due to the paucity of academic contributions on this topic, the researchers highlighted the challenges facing the third sector in its endeavour to adopt a social entrepreneurial approach. It is suggested that higher education could play a facilitative role in the shift towards this approach (for the public, private and third sectors) through reciprocal knowledge enablement.

HIGHER EDUCATION: ENABLING A SOCIAL ENTREPRENEURIAL APPROACH FOR THE THIRD SECTOR**1. INTRODUCTION**

The third sector in South Africa is likely to encounter serious capacity problems in the longer term due to a decline in state sponsored social welfare spending and its ongoing reliance on funding generated from external sources. The resulting lack of adequate and reliable external funding threatens the sustainability of many non-profit organisations (NPOs) in the third sector and, therefore, their capacity to continue delivering necessary services to vulnerable communities (Le Roux 2005:351).

This gloomy reality has come as a wake-up call for many of these NPOs who now realise that they are rapidly required to adopt a more entrepreneurial and business-like approach to generate funding needed to address social problems. Enter the social enterprise!¹ Even though the concept currently defies exact definition, the social enterprise has been hailed as a solution that allows organisations to meet social needs while generating a profit. A social enterprise is often an NPO that earns at least 50% of its income from the entrepreneurial provision of goods and services (as opposed to receiving grants or donations) (ILO 2011a:20). A social enterprise approach to funding generation is gaining traction due to the possibility that the third sector will be able to sustain itself through self-generated revenues in the longer term, therefore being less dependent on grants and donations from traditional donors and sponsors.

Social entrepreneurship is a growing part of the debate on entrepreneurship in the countries belonging to the Organization for Economic Cooperation and Development (OECD) as this approach assists in improving the well-being of people by reducing inequalities and increasing social cohesion (Noya 2006:9). Although social enterprises have collectively established themselves as a viable and productive sector in many countries, Visser (2011:239) notes that traditional NPOs in South Africa have not yet embraced social entrepreneurial activities.² Understandably, South African NPOs are reluctant to venture into untested waters, and they cannot be blamed for this reluctance, considering the number of challenges they already face on a day-to-day basis. However, with financial challenges continuously becoming

1 For the purpose of this chapter, 'social entrepreneur' will refer to the individual involved in an entrepreneurial undertaking; 'social entrepreneurship' to the approach followed; and 'social enterprise' to the social entrepreneurial entity created.

2 Information gathered and reproduced in this chapter partially stems from a research project conducted by the Centre for Development Support (CDS) for the International Labour Organization (ILO) culminating in a publication entitled *The potential of non-profit organisations in the Free State province to adopt a social enterprise approach*. The report was published under the auspices of the SME Observatory of South Africa.

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more serious, NPOs might need to jump in at the deep end (Centre for Development Support and GreaterCapital 2013).

We decided to probe social entrepreneurship in South Africa from the perspective of the third sector in reaction to the paucity of academic contributions (Urban 2008; Visser 2011) in applied research. The primary aim of this chapter is to highlight the challenges facing the third sector in South Africa in its endeavour to become more sustainable through the adoption of social entrepreneurial approaches. We contend that taking note of the challenges can guide higher education institutions (HEIs) to play a facilitative role in the shift towards social entrepreneurial approaches by the third sector through knowledge enablement.

In this chapter we address the problem by elaborating on the challenges through reviewing current literature on social entrepreneurship within the third sector. The literature review is complemented by a case study of social entrepreneurial approaches in the third sector as encountered in the Mangaung Metropolitan Municipality and Matjhabeng Local Municipality in the Free State. Recommendations are made regarding the potential facilitative role that HEIs can play.

2. ENTER SOCIAL ENTREPRENEURSHIP?

As mentioned previously, a debate regarding the merits of social entrepreneurship as a lifeline to NPOs is currently raging in South Africa, and is picking up momentum with more and more actors in the private, public and third sectors becoming involved. It is prudent first to review the concept of social entrepreneurship and the debate around it by means of a literature review before gauging whether the HEI sector can play a facilitative role in encouraging a shift to social entrepreneurship by third sector actors. The literature review does not purport to be comprehensive in any way, but is deemed to be sufficient in the context of the chapter and its aim.

2.1 Defining social entrepreneurship

Researchers, policy makers and members of the NPO community are taking a critical look at the traditional model of NPOs, which are largely dependent on grant funding for their survival. While they acknowledge that the sustainability of many NPOs is threatened, they also point out that more entrepreneurial and business-like approaches could be adopted.

Forming part of a dynamic social economy, social enterprises have been hailed as an integral solution that allows organisations to meet social needs while generating

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a profit. During the 2009 ILO Global Jobs Pact Conference, 'the social economy' was defined as

a concept designating enterprises and organisations, in particular co-operatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity (ILO 2009).

Although there is no globally accepted definition of the term 'social enterprise', the UK government's definition of social enterprise will be used throughout this report. It is hereby given as "business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners" (Department of Business, Innovation and Skills 2011).

Social entrepreneurship could therefore benefit communities through the possible creation of decent jobs for marginalised or excluded people, and reintegrates people with disabilities or those unable to work full-time in the labour market. The skills needed in social enterprise create employment opportunities for the jobless and unemployed (Edes 2013).

In addition to generating an income for themselves, entrepreneurs around South Africa are establishing businesses that educate children, improve HIV awareness, protect endangered species, provide access to affordable health care and vital services, and build affordable housing. Such businesses are what we call social enterprises. They are attracting increasing attention from funders and policy makers alike by providing sustainable market-based solutions to social problems. Traditionally, NPOs focus on their mission first; that is to say, their social mission is fundamental to their work and guides their activities. On the opposite end of this spectrum are commercial companies where increasing the profit margin is the principal purpose. A worry often voiced by NPOs is that by taking on income-generating activities they would stray from the focus of their mission.

However, becoming a social enterprise does not mean that an organisation has to convert to a fully fledged traditional business, but rather that it should become a financially sustainable organisation. Becoming social enterprises also does not guarantee the sustainability of NPOs. If not well prepared for this mission shift, NPOs will continue to face financial challenges. There is no one-size-fits-all solution to becoming a social enterprise, and the majority of NPOs will require capacity building in business management to enhance their skill in strategic planning, communication and funding strategies in order to succeed. The following continuum (Table 11.1)

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profiles the different types of organisations according to their core purpose or bottom line and the space where social enterprises exist.

TABLE 11.1 Continuum table of organisations according to their core purpose

Social purpose organisations						Commercial purpose organisations		
Social value first		Blended societal and financial value				Financial value first		
Impact only		Impact first				Finance first		
Charities		Revenue-generating social enterprise			Social purpose business	Traditional business		
Grants only: No trading, includes traditional philanthropy	Trading revenues and grants	Potentially sustainable social enterprise: Some income in trading revenues	Break-even: All income from trading revenues	Profitable social enterprise: Surplus reinvested (no dividends to shareholders)	Profitable social enterprise: Surplus profit distribution	CSR/CSI/CSV* company	Company allocation of a percentage of profits to charity	Mainstream market company

* CSR/CSI/CSV = Corporate Social Responsibility / Corporate Social Investment/ Corporate Social Venture [Reproduced with the kind permission from the publisher. Source: Balbo, Hehenberger, Mortell and Oostlander (2010:18)]

With 95% of South African NPOs registered as voluntary associations, the majority would fall into the charity category in Table 11.1 above. Social enterprises can operate in different areas of this continuum according to the portion of their entire income that they are able to generate through trading activities. However, it is generally accepted that a social enterprise has a social and/or environmental objective as its main reason for existence, in contrast to traditional businesses, the primary objective of which is profit maximisation.

2.2 Social entrepreneurship in South Africa

The Global Entrepreneurship Monitor (GEM) identified the lack of understanding of the concept of social entrepreneurship among the reasons for the low prevalence of social entrepreneurship in South Africa (Visser 2011:236). Johnson's (2000:10) speculation that there are few institutional mechanisms in place to provide a framework, context, space and place to support social entrepreneurship in South Africa is therefore correct. There are furthermore no accurate figures for the number of social enterprises, mainly because there is no widely accepted definition or legal structure for them. The first global study on social entrepreneurship that South Africa participated in was the 2009 GEM report (Notten 2010). When it comes to social

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entrepreneurship, South Africa's performance on the global stage is average. With respect to social entrepreneurial activity in early-stage businesses, South Africa's rate is 1.8% of all entrepreneurial activity social in nature. Uganda, the only other African country in the survey and a much poorer country than South Africa, had a rate of 2.2% (Notten 2010). Social entrepreneurs provide solutions to social, employment and economic problems where traditional market or public approaches fail (Urban 2008:347). Yet, despite these achievements government in SA appears reluctant to engage directly with social entrepreneurship endeavours, viewing social entrepreneurs as innately risky maverick endeavours. In South Africa social entrepreneurship has unequivocal application where traditional government initiatives are unable to satisfy the entire social deficit, where an effort on the reduction in dependency on social welfare/grants is currently being instituted, and where the survival of many NGOs is at stake (Urban 2008:347).

While social entrepreneurship is still an under-researched area, a number of significant pieces of research have been produced in the last three years, aiming at providing practical tools that can guide the development of social enterprises in their financial and legal formats (ILO 2011b; 2011c).

New forms of finance are also gaining momentum. Government is currently working with the Industrial Finance Corporation (IFC) in setting up a fund especially dedicated to financing social enterprise initiatives. Impact investing is also attracting increasing interest by private investors who are looking for alternative options to achieve financial returns, diversify risk and align themselves with responsible investment policies. For the great majority of NPOs in South Africa, which are voluntary associations dedicated to the provision of social services, access to these new forms of finance is restricted unless they develop financially viable businesses to sustain their operations. Aligning their income generating strategy to their primary social mission might prove particularly challenging for organisations that are often providing services to vulnerable and poor groups in society, since people are unlikely to be able to afford the essential services they are currently receiving at no cost.

2.3 Higher education institutions and the shift to social entrepreneurship

Since teaching and learning and research are the most important focus areas of higher education institutions (HEIs), interventions related to these areas often take precedence over community engagement interventions. To our knowledge this is also the case as far as social entrepreneurship-related interventions in South Africa

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is concerned. The University of Cape Town (Bertha Centre for Social Innovation),³ the University of Pretoria (Gordon Institute for Business Science),⁴ the University of Johannesburg (Centre for Social Entrepreneurship and Social Economy)⁵ and the University of the Western Cape, through an advanced seminar at master's level, are taking the lead in setting up teaching and learning interventions aimed at strengthening the understanding of social entrepreneurship, especially in the business environment.

Visser (2011:245) noted that once HEIs invest in human and physical resources to accumulate a body of knowledge, awareness of new concepts such as social entrepreneurship is developed in the media as well as at policy level. This is the reason why the Centre for Development Support (CDS)⁶ at the University of the Free State has also initiated a Free State-based entry into this contested environment through research cooperation with the International Labour Organization (ILO) and GreaterCapital, culminating in a research report entitled *The potential of non-profit organisations in the Free State province to adopt a social enterprise approach* (Centre for Development Support and GreaterCapital 2013). As reflected in the title of the research report above, the purpose of this applied research project was to create awareness around the social entrepreneurship concept and to gauge the mentioned potential among NPOs. The research project did not intend to create a long term engagement with this sector but rather a once-off knowledge enablement exercise.

The CDS has taken the conscious decision to concentrate more on the problems of NPOs attempting to increase their financial viability by becoming more entrepreneurial in nature. This has led it to concentrate its research efforts on the NPO sector and to introduce a strong community engagement focus – going as far as advising NPOs on organisational change management interventions aimed at making the shift to social entrepreneurship.

3. THE RESEARCH PROCESS

The ultimate objective of the research was to determine the potential for NPOs in the Free State to take up a social enterprise approach. This research used triangulation as a social inquiry process of collecting and analysing both qualitative

3 <http://www.gsb.uct.ac.za/s.asp?p=389>

4 <http://www.gibs.co.za/programmes/certificate-programmes/social-entrepreneurship-certificate-programme-secp.aspx>

5 <http://www.uj.ac.za/EN/FACULTIES/MANAGEMENT/DEPARTMENTS/CSE/Pages/home.aspx>

6 <http://www.ufs.ac.za/cds>

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and quantitative data (Creswell 2003:210). According to Du Plooy (2001:39), the main reasons for applying both approaches are to test theoretical assumptions in more than one way, and to increase the reliability and validity of the observations, analysis and findings. Maree and Pietersen (2007:145) define quantitative research as a process that is systematic and objective in its ways of using numerical data from only a selected subgroup of a universe (or population) to generalise the findings to the universe that is being studied. In order to obtain the required information, CDS developed a survey instrument and conducted 115 telephonic interviews with NPOs that work in the Free State. Included in the broader questionnaire utilised for information gathering (as per Chapter 8) were two questions related to the ability of a sample of Free State NPOs to adopt a social entrepreneurial approach to rendering their specific services or products. The contact information of these NPOs was obtained from various sources such as the GreaterCapital network of NPOs (including Tshikululu Social Investments and GivenGain among others), the Free State Consultative Welfare Forum and Sangonet.

Kelly, Clark, Brown and Sitzia (2003:287) comment that qualitative researchers want to make sense of feelings, experiences, social situations, or phenomena as they occur in the real world, and therefore want to study them in their natural setting. CDS designed an interview guide to consult provincial officials from the Free State Departments of Health, Social Development, Economic Development, Tourism and Environmental Affairs, and Education to gain a public sector perspective concerning the need and potential for increased income/revenue generation. Officials in the Mangaung Metropolitan Municipality and Matjhabeng Local Municipality were also interviewed. Qualitative interviews often seek rich and detailed information (Neuman 1997) and can be seen as a two-way conversation (Nieuwenhuis 2008), probing for further clarification. Ideas, views and opinions observed through the eyes of the participant are valuable sources of information.

Similar questions were posed to managers and/or board members of a selection of NPOs during two focus group sessions held in Bloemfontein and in Welkom. Focus group sessions were used because this approach makes it possible to explore a topic in depth (Bryman & Bell 2007:512) and participants are able to build on each other's ideas (Nieuwenhuis 2008). It allows the researcher to determine how individuals collectively make sense of a phenomenon and construct meanings around it.

It was decided that organisations already involved in income-generating activities be invited. These turned out to be the larger, more stable organisations that were registered NPOs. The reason for this selection was that the governance structures and the financial management of these organisations are monitored and in place.

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Smaller community-based organisations probably still need to develop, without having to struggle with an entrepreneurial approach.

The findings from all information collected was also shared and verified at a roundtable of stakeholders in both municipalities.

4. FINDINGS

The findings of the study are presented below. They are broken down in two subsections: the anticipated move towards an enterprising NPO and the importance of sectoral relationships in effecting a move towards a social entrepreneurial approach.

4.1 Moving towards an enterprising non-profit organisation

Even though the non-profit sector can start making a profit from certain services they provide, and this money could be used to provide services in the disadvantaged communities, NPOs noted that government should still take responsibility for providing communities with essential (statutory) services. Income-generating activities and social enterprise development should be a means of independence and should allow an organisation to grow out of a *“survivalist mode”*⁷ and serve the community effectively, not having to depend on funding to be able to do the essential work they do.

Understandably, NPOs cannot be blamed for their reluctance to venture into untested waters, taking into consideration the number of challenges they face on a day-to-day basis. However, the financial challenges are continuously becoming more serious, and NPOs need to jump in at the deep end and *“try and try and try again”*. Entrepreneurs often fail a number of times before achieving success, and therefore social enterprises *“have to take the leap and just do it”*. Many NPOs have several ideas and ideals, but do not always know how to make the leap or do not have the financial investment to do so. A range of important issues needs to be addressed in their leap.

A *“mind shift”* should take place within the non-profit sector. This will allow them to devise plans that are more sustainable and not dependent on funding or grants. The initial difficulty would be to convince the staff and board members to all take the step together. The board members are often cautious for the NPO to move

⁷ All the words in double quotation marks and italics are an exact transcription of what was reported by the participants (either during interviews or focus-group sessions). The participants' utterances and comments form part of the text so that the context can be reflected. These comments do not reflect the opinions of the research team.

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into social enterprises as they are financially responsible for the NPO and may not be willing to take any risks. The governance of a social enterprise, if incorporated well, helps safeguard the mission of the enterprise while allowing the management team to meet the demands of various stakeholders such as investors, employees, clients and beneficiaries and to comply with public policies and regulations (Noble & Mayer 2012). Yet few social enterprises use governance as a means to reach their highest potential. No one governance mechanism fits all social enterprises. Rather, governance should be dynamic and adapt to the changing needs of the management team, the operating and regulatory environment and the larger goals and vision of the social enterprise throughout its lifespan. It is recommended that specific training be designed to educate NPO managers and board members about the implications of taking on income-generating activities and/or changing their legal structure to adopt a social enterprise approach, especially from the point of view of governance controls and financial liabilities.

Such an approach will also enable the public (beneficiaries and donors) to notice that the non-profit sector *"means business"* and will support their endeavours. A government official mentioned that *"the ideology of an NPO should be changed because people should start seeing a crèche as a business that can make money but still focuses on its main mission"*. The mind shift does not only have to take place within the organisation, but general awareness that NPOs are becoming more entrepreneurially inclined will have to be created.

The importance of NPOs is especially felt when they get into financial difficulty and are forced to cease operations, with the associated detrimental effect on those who benefited from their work and those who worked with the organisation (Conradie 1999:291). If funding and donations, which are not always consistent, are withdrawn the organisations that do not have reserves in place may not be able to continue. If there is proper diversification of funding and not reliance on a couple of funders (especially on government), organisations should not collapse. They might need to reorganise, shrink or put future programmes on hold (which is not ideal, but explains the aspiration to generate income), but for well-capacitated organisations this should not become a problem of survival. Information sharing regarding access to funds is essential. Government could incentivise income generation among NPOs through policies, training and support programmes.

Training and exposure are also critical. A government official from the Department of Social Development commented that the concept of social entrepreneurship should be introduced early, and that the *"youth are ready for fresh ideas"*. This 'ideology' or mindset should already be encouraged at school by promoting social enterprise

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days and not only entrepreneurship days. This could be done by providing skills training in terms of business modelling, project management, writing proposals and seeking funding; as well as ways to solve problems, but in entrepreneurial manner. NPOs could also learn from one another, and sharing examples and good practice experiences would show these organisations that there is hope and a way forward. Some of the NPOs suggested that social enterprise development should be promoted and that skills to move in this direction should be advocated and enhanced. By understanding this concept and allowing the format to be legally acceptable, more of the people working with this sector will acknowledge it as a *“way to approach the future”*.

“Starting small but thinking big” is the answer that came from the emerging social entrepreneurs within the NPO sector in the Free State. Social enterprises should be approached in the same way as an entrepreneur deciding on his/her next venture, in addition to solving the social problem. Research in a community is essential – if there is no unique need and relevance for a product or service, it will not sell (*“demand and supply”*). This can be seen as a feasibility study of what the organisation has available, what is needed in the community and what the organisation can then do to bridge this gap.

4.2 Sectoral relationships: Government versus non-profit organisations

The NPO managers in the focus groups commented that the *“re-engineering and reorganisation”* of the community and cooperation between government departments would be a step in the right direction. Municipalities should of course also become involved in this collaboration because they are closer to the people and networks on the ground as far as relationships with business and community are concerned. Government actors should not try to centralise power, but should make use of people that are on the ground – *“use the people that work in the communities like the NPOs”*. Municipalities should play a key role in the provision of services and access for large businesses to use their corporate social responsibility in order to strengthen the social enterprise approaches of NPOs.

In the Free State 98% of NPOs are registered as voluntary associations and most of them work in social services. While the sectoral focus of these organisations is an advantage to access partnership opportunities with government, the skills pool found among staff members of NPOs working in welfare often lacks the financial acumen needed to run a social enterprise. Business development and support services need to be made accessible to assist such organisations that wish to make the transition into an enterprising venture. It is also essential that NPOs be trained

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in those business skills that are truly lacking in this sector. Even though some NPOs may decide not to venture into becoming a social enterprise, they will all benefit from adopting some dimension of business management, such as strategic planning and funding strategies.

Only when the private sector has also been included in a triad of partners will the move towards a social enterprise approach be fully inclusive and effective. Adding the unique capabilities and approaches of HEIs to this effort multiplies the possibilities of successful reciprocal enablement.

5. PROCESS RECOMMENDATIONS

Recommendations are based on the findings above, with special reference to an anticipated move towards becoming an enterprising NPO and the importance of sectoral relationships in effecting a move towards a social entrepreneurial approach. Table 11.2 elaborates on the recommendations that can be made in assisting important role-players in order for NPOs to become more entrepreneurial in nature.

TABLE 11.2 Recommendations to improve the process of social entrepreneurship in the third sector

Public sector	Civil society sector	Private sector
Relationships and networks		
Government should oversee the accountability and functioning of NPOs, but respect and promote the independence of civil society.	NPOs should strengthen their transparency and accountability, especially in the area of financial compliance, by making this information more widely available to the public.	Business should build long-term relationships with local NPOs and social enterprises because they know what the real needs of the local community are and what complementary services/products can be provided by the business.
Set up a multi-stakeholder dialogue platform where all stakeholders in social entrepreneurship could iron out problems that everybody is experiencing.	Set up a multi-stakeholder dialogue platform where all stakeholders in social entrepreneurship could iron out problems that everybody is experiencing.	Set up a multi-stakeholder dialogue platform where all stakeholders in social entrepreneurship could iron out problems that everybody is experiencing.
Provide support and easy access to information for NPOs in the areas of economic opportunities, tendering processes, as well as training in relevant legal, governance and business management matters.	Build relationships and partnerships with government (especially the Department of Social Development and Department of Health).	Businesses and business development services need to understand the context in which NPOs work.

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Public sector	Civil society sector	Private sector
Nurture relationships and partnerships with NPOs who are extensions for the statutory work that needs to be undertaken by government.	Build an understanding of what is needed and what the NPO sector can provide to government.	
Make more use of NPOs venturing into social enterprise activities when procuring.	NPOs should ensure that their procurement status is up to date and that they adhere to all criteria in this regard.	Make more use of NPOs venturing into social enterprise activities when procuring.
Municipalities should build relationships with local NPOs and social enterprises to enable collaboration in the community and meet social needs more effectively.	NPOs and social enterprises should build relationships with local municipalities to enable collaboration in the community and meet social needs more effectively.	
	Partner and build networks with local businesses to build business skills and access business contracts that are not within the reach of NPOs.	The private sector could be enticed to 'adopt' NPOs in order to share their business acumen with them. NPOs should also join business forums in order to interact with businesses.
Towards enterprising NPOs		
Change the mindset regarding NPOs to encourage self-sustainability. Provide training on legal, governance and business management matters that empowers NPOs to explore income generation and social enterprise models.	Change the mindset regarding NPOs to encourage self-sustainability, not charity cases.	Change the mindset regarding NPOs to encourage self-sustainability so that they do not fall into the mindset of being charity cases. Teach them business acumen.
	NPOs should diversify and not only rely on funding from specific funders.	
A communication campaign should be co-developed by all sectors to enlighten government officials and the public about social entrepreneurship.	A communication campaign should be co-developed by all sectors to enlighten NPOs and the public about social entrepreneurship.	A communication campaign should be co-developed by all sectors to enlighten business and the public about social entrepreneurship.
Government officials need training to obtain a deeper understanding of what social entrepreneurship is and how the government can better assist these types of NPOs.	NPO managers and board members need training to obtain a deeper understanding of what social entrepreneurship is and how NPOs can become more enterprising in their current activities.	The business sector needs training to obtain a deeper understanding of what social entrepreneurship is and how they can better assist these types of NPOs.

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Public sector	Civil society sector	Private sector
Social entrepreneurship days should also be launched at schools, not only entrepreneurship days.	NPO managers and board members should be enabled to use business skills in enhancing the organisations' sustainability.	Social entrepreneurship should be encouraged among the youth – not only 'traditional' entrepreneurship.
Government should be encouraged to develop an infrastructure for service provision to support enterprising non-profit organisations.	NPOs should be encouraged to start small with enterprising ideas, but grow into more activities as their organisation becomes larger.	Initiate enabling interventions supporting social entrepreneurial NPOs from their Corporate Social Investment (CSI) or Corporate Responsibility (CSR) focus areas.
Government should make all relevant information available to NPOs that want to conduct feasibility studies for social enterprise development within their communities.	A feasibility study should be done by the NPO to research what the community needs are that they will be able to cover in terms of their enterprise – just as an entrepreneur will experiment with a new venture.	Businesses should make all relevant information available to NPOs that want to conduct feasibility studies within their communities for social enterprise development; not in competition with such businesses, but rather complementing them.
Relevant government departments should make all relevant information available to NPOs that want to initiate social enterprise development in the areas of waste management, tourism and agriculture.	In the Free State NPOs are encouraged to become involved in waste management, tourism and agriculture where the potential for social entrepreneurship is positive.	Businesses should make all relevant information available to NPOs that want to initiate social enterprise development in the areas of waste management, tourism and agriculture, where such enterprises are not in competition with these businesses.

6. CONCLUSION

Dees (2007:31) best summarises the above-mentioned challenges: "We need to provide the right support and we need to address fundamental questions". Taking into account the myriad of challenges facing the third sector in the Free State identified in the research, support for their endeavours to move towards social entrepreneurial approaches is crucial. Referring to the role of higher education institutions in facilitating the shift towards social entrepreneurial approaches by the third sector through future knowledge enablement, this statement could not be truer. Higher education institutions could contribute to this process in the following ways:

- Playing a leading role in sensitising all sectors involved (in affecting the "mindshift") regarding the possibilities of social entrepreneurship and the vital role of partnerships in its actualisation.
- Acting as hubs, facilitating communication and the optimal utilisation of multi-stakeholder dialogue platforms between partners (sectoral cooperation). Higher education institutions, in general, have the resources and legitimacy needed to broker and strengthen relationships between partners of different sectors.

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- Utilising their inherent research capacity to generate information utilised in knowledge enablement interventions.
- Applying the specialised capacity necessary to conduct training and other related skills development for partners from all sectors.
- Optimising their procurement policies to advantage non-profit organisations in their quest to follow social entrepreneurial approaches.

It is vital that higher education institutions grasp their potential as agents of change and enablers of all sectors in this regard. Higher education institutions who are already geared towards such endeavours through community engagement interventions should strive towards optimising their participation in the field, while those not yet actively engaged should take serious note of the findings and recommendations of this research. Efforts to address pertinent conceptual issues and practical implications of becoming involved in knowledge enablement exercises should be prioritised with special emphasis on the recommendations for higher education institutions provided above. Above all, it is critically important to pursue enablement through reciprocity among all partners.

In participating in this research project, the authors, stemming from the Centre for Development Support (CDS) at the University of the Free State, have endeavoured not only to generate knowledge, but to practically illustrate the possibilities of reciprocal relationships between relevant actors in the field of social entrepreneurship.⁸ In the case of CDS its collaboration with the International Labour Organization and GreaterCapital, both actors in the field, illustrates one of the many permutations of

8 Also refer to Chapter 8 in this book.

reciprocal relationships aimed at informing and capacitating decision makers and policy formulators.

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