



Communiqué

THEME

SOCIAL ENTREPRENEURSHIP: A PARADIGM FOR INCLUSIVE ECONOMIC RECOVERY & GROWTH

Hosted by Tangaza University College and Ashoka East Africa, 26th – 27th November, 2020

Preamble

More than 350 delegates - including senior government officials, leading social entrepreneurs, academicians, policymakers, international development players, multi-nationals, impact investors and other funders, business executives, and other leaders drawn from across Africa and beyond - joined the 2020 AACOSE. The conference championed social entrepreneurship in Africa and held thought leadership discussions on how to ensure their business sustainability even in the face of global challenges and pandemics. It also crafted practical solutions to address these challenges. The fourth AACOSE themed 'Social Entrepreneurship: A Paradigm for Inclusive Economic Recovery and Growth', was held virtually from 26 to 27 November 2020, necessitated by the COVID-19 pandemic. AACOSE is Africa's premier platform set in place to foster interactions between the key actors who contribute to creating favorable conditions for the growth of sustainable social enterprises in the continent. The summit was hosted under the leadership of Br. Dr. Jonas Yawovi Dzinekou, the Deputy Vice-Chancellor on Administration & Finance (Designate) of Tangaza University College, and Vincent Otieno Odhiambo, the Regional Director of Ashoka East Africa.

The program featured 13 sessions that ran over two full days (26-27 November), including 2 high-level panel sessions, 5 plenary sessions, and 6 brain trust sessions; all run on Zoom.

Key thematic areas of AACOSE IV

Discussion areas of the conference were aimed at answering critical questions that governments, social entrepreneurs, development, and private-sector stakeholders are grappling with, putting into consideration areas that have been hard hit by the pandemic including;

Health Systems: Social enterprises have proven to have creative and scalable models for strengthening local health ecosystems through innovation around; inclusive health care, micro-insurance, access to medicine, and technology-based health solutions.

Sustainable Food and Agriculture: Social entrepreneurs and development partners are contributing to addressing the challenge of food safety and security with innovations and models along with agriculture and the food supply chain, like increasing their reach to local farmers and productivity of agricultural yield.

Entrepreneurship/Impact Training and Education: Social entrepreneurs are democratizing and improving access to education by designing new models of education that are accessible to the poor, and exploring the untapped potential for technology in education.

Technology for humanity: For businesses in Africa to maintain continuity, they must be innovative to accommodate sudden shifts that are brought about by continental or global crises.

Impact Investing and Grantmaking: Investing and grantmaking have proved to create a great value on the people at the bottom of the pyramid, creating more opportunities for access by social enterprises, and building a model of social financing for communities and social enterprises.

The Big Debate: Is a new paradigm needed for economic recovery and growth?

This first session brought together a cross-sectoral panel of leaders who shed light on emerging and entrenched challenges, the key to the interplay of various intervention areas, and the potential for collaborative synergies that can get the African region back on track to implement the Sustainable Development Goals.

As part of the highlights, it was established that the pandemic will have a long-term devastating impact on developing countries. Besides direct socio-economic impacts of the health crisis, the pandemic will affect developing countries through global supply chain disruptions, tourism industry shocks, commodity price falls, falls in remittances by migrants, capital flights, and foreign investment decline.

The panel session explored several questions, including:

- I. How urgent is the need to embrace social impact-first business and economic models in the wake of the worsening fragility and inequality in Africa?
- II. How are governments and companies innovating their models and approaches to embrace social entrepreneurship?
- III. What is the role of education and research in innovation, scaling, and sustaining social entrepreneurship as an economic paradigm?
- IV. What new economic paradigm do we need in Africa?
- V. How can successes observed be scaled up and replicated?
- VI. What stakeholder synergies yield the best outcomes?

Challenges

- I. Approximately 80% of the unemployed are below 35 and this has raised major concerns as they make up 75% of the population.
- II. Social entrepreneurs are faced with difficulties when it comes to access to funding. Traditional investors may find investing in social entrepreneurship ventures a bit too risky while government investors and philanthropic actors might find social entrepreneurship ventures a bit too business-oriented.
- III. There is a strong culture coming from traditional finance which does not necessarily fit the needs of African enterprises.

Recommendations given

- I. There is need to create a dynamic means of demand where products or services that are locally engineered have a supply system that is also locally engineered.
- II. The impact investment movement must be connected with an entrepreneurial culture where the needs, timing, and needs of new competencies of entrepreneurs are followed.
- III. There should be preparation for the future of work and work environment by embracing technology. Technology has proven to be useful during the pandemic and governments have created enabling environments to thrive.
- IV. Policies that encourage entrepreneurship should also be backed up by incentives such as tax breaks or access to capital, etc. to encourage participation.
- V. It's time for mobility to be regarded as an economic currency as there has to be movement of goods, people, and services at any time. With the impairment of this mobility, our social fiber and economy become affected.
- VI. There is a need to take advantage of the proximity within the region where African countries can easily trade with each other as this will greatly impact economic recovery.

Health Systems: Is social innovation the cure for Africa's health?

COVID-19 has revealed the extent to which under-investment in health systems is fatal for the economic ecosystem. Social enterprises have proven to have creative and scalable models for strengthening local health ecosystems through innovation around; inclusive health care, micro-insurance, access to medicine, and technology-based solutions for health i.e., using drones to deliver medical supplies.

Challenges faced by the sector

- I. Health care is heavily underfunded by governments.
- II. There is unsustainable donor dependency despite Africa having a large portion of the disease burden globally.
- III. The continent is marked by failing health systems, which are characterized by poor structure and governance.
- IV. There is still a significant challenge of poor infrastructure. Part of this is a lack of technology or technological competence to make use of modern medical technology available.
- V. The existence of poor medical supplies such as medical equipment, drugs, and protective gear.

Recommendations given

- I. Research published by academia ought to be used for transformation. The publications can only be of impact upon the execution of the ideas. This gap is being addressed by social entrepreneurs who are tackling highlighted issues and implementing the recommendations.
- II. Innovation is key in tackling perennial issues in the health care system such as affordability, accessibility, efficiency, and ensuring patients are retained in the health system up until full recovery.
- III. Academia must collaborate with industry and government. This collaboration would fast track, as seen in this pandemic the creation of solutions, creation of youth's job opportunities, and the establishment of innovations by the youth. Collaboration would also enhance research and facilitate the cross-pollination of ideas. It would enable proper and maximum utilization of scarce resources available.
- IV. Collaboration with the government facilitates easier implementation at a national or regional scale. Governments play the role of regulation and certification which is critical for initiatives to abide by.

Universal Health Coverage (UHC) needs to be reinforced and implemented across African countries. It is still possible for nations to transform the crisis into an opportunity and reimagine the social construct, putting environmental sustainability, equity, and humanitarian solidarity at the heart of a program of reconstruction and renewal. If this fails, societal cohesion could give way under the strain.

Entrepreneurship/Impact training and education

According to UNESCO, 72.9 percent of total enrolled learners worldwide have been affected by the pandemic, leading to calls to embrace digital teaching tools to sustain learning, the majority of who do not have access to such tools. The session speakers were entrepreneurs in education and they discussed the diverse issues facing entrepreneurship education, giving recommendations that can be used to build back better beyond the pandemic.

Challenges highlighted

- I. Traditionally universities have been producing graduates to be employed but not to create jobs for themselves. Universities were not designed to produce people who would work in the blue-collar economy. The blue-collar jobs were left to the graduates of lower-level colleges. However, the world has now changed and very few companies give permanent jobs.
- II. Africa faces many challenges which include the fact the continent has lagged in technology. Investing in technology is not optional but is a necessity as seen in 2020 due to COVID-19. Access to education has been worsened by the pandemic due to a poor technology framework.

Recommendations

The higher education sector is better placed to leverage on the digital economy largely because there is less red tape in its operations compared to the lower levels of education. Institutions of higher education and governments can leverage the digital economy by:

- I. Reviewing curricula to produce graduates who create jobs
- II. Reviewing the curricula to support the digital economy through relevant skills such as digital literacy, financial, and embedding entrepreneurship culture.
- III. Teaching emotional intelligence and self-awareness where graduates can interrogate their skills, their weaknesses, and strengths. They need to teach self-regulation.
- IV. Imparting social skills. Graduates should be able to network and harness new opportunities as they come.
- V. Universities can encourage cooperation between the private sector and the public sector to build the digital economy.
- VI. African governments should design and put in place favorable macro-level policies and legal frameworks that encourage pertinent stakeholders to work towards the creation and development of technological frameworks and getting access.
- VII. Developing innovative schemes to get the technological divide to zero
- VIII. African governments must make short and long-term strategic investments in technology and harness it.
- IX. African governments should put in place strategies to significantly reduce the cost of high technologies and the internet to make them affordable to the population.
- X. Governments should put in place public-private partnerships to pull resources to drive access to technology in countries.
- XI. African governments should work with entrepreneurs to find new niches to empower them to achieve sustainable and inclusive growth.



Recommendations for adopting a comprehensive transformative academic model to ensure the sustainability of the higher education mission

- I. Revisiting the scope of entrepreneurship to make it more comprehensive to embrace behavioral and transferable skills that make it applicable to all programs.
- II. Involving University leadership to include impact entrepreneurship in their missions as a strategic theme in their strategic plans.
- III. Rethinking curriculum designs for undergraduate students to align the outcomes with entrepreneurial skills.
- IV. Use technology to educate in addition to human attributes in education.
- V. Implement impactful assessment to ensure that the process of learning has empowered learners to make a social impact.
- VI. Implement incubators within learning institutions to support business launches.
- VII. Invest in faculty development and encourage research development to enhance learning for impact.

Recommendations on how to position education and training for economic recovery beyond the COVID-19 pandemic

- I. Learn and document the interventions that worked for institutions that thrived and coped during the pandemic.
- II. Africa should ride on the digital economy and be strategically prepared to harness it.
- III. Learning for impact should be a priority for the higher education systems.
- IV. Invest in digitization while collaborating between governments and other actors in education.
- V. Prioritize mentorship programs for local communities.

Entrepreneurship educators in collaboration with governments should help in creating education systems that will reduce disparities in delivery. Africa is on the rise regarding digitalization and this presents a huge potential for learning in terms of innovations for solving real problems. There is also a need to promote comprehensive entrepreneurial learning and entrepreneurship should be embedded in lower levels of learning to help build an entrepreneurial culture in our youth.

Economic justice, impact investing and grantmaking

The transition to remote working and online activities has exposed the level of unpreparedness in many African enterprises to make such a shift. The disruption also magnified the disparities in nations. In countries with economic instability, lockdowns were imposed with little prior planning and this led to more socio-economic vulnerabilities.

The COVID-19 economic crisis is due to the closing of industries and the closing down of importation of intermediate products, with significant supply-side consequences. The resulting shock waves will have significant implications on what happens as we emerge from the pandemic. Normally, crises are associated with spikes in unemployment and excess productive capacity, making it relatively easy to restart economies by boosting demand. But now, industries cannot easily be restarted until the medical crisis is over or controlled. Post COVID-19, many industries will lack inputs and capital – most of which will need to be imported. Consequently, there is a need to plan very carefully for the post-pandemic recovery.

The session outlined the key role that investments and grants will play moving forward to support existing and upcoming enterprises. Highlight remarks for the sessions were that:

1. Alongside financial support, there is a need for business training and mentorships for new and upcoming enterprises.
2. There is a need to bridge the gap in financing. There should be more funding for young enterprises that are often overlooked by investors.
3. Social entrepreneurs play a key role in alleviating poverty and are engines of social change. Therefore, enterprises sharing the same vision must create alliances to become stronger.
4. To build back better post-COVID-19, there should be better partnerships between buyers and suppliers.
5. There needs to be policy shifts that allow big firms to sub-contract products and services.
6. Policy reforms should include the sustainable transformation agenda post-pandemic.
7. The recovery plan should include creating resilient production models that are bottom-up. Africa has to learn to use the locally available raw materials for manufacturing.
8. Financial models should be created that will be resilient to market volatility. The financial models have to be all-inclusive to ensure there is economic justice and that access to finance for SMEs is enhanced.

Technology for humanity

The technological revolution that began in the late twentieth century is generally accepted to have fundamentally transformed economies, societies, and even politics. Both the range and the speed of development of new technologies appear to be nearly unprecedented in human history, notwithstanding the many massive changes already brought about by technological advances, especially during the previous century. The development of Artificial Intelligence (AI) is a good example of this advancement. The development is at a high speed even when the adoption is more scattered, concentrated, and uneven. With the strict social distancing laws that have come about because of the ongoing pandemic, these technologies have a huge potential for developing countries that can enable speedy recoveries beyond it.

Challenges facing technology advancement and uptake in Africa

- I. Inequality in access to basic education. In regards to technology, the availability of modern or advanced devices, as well as technological technical skills training creates a gap among youth where some have access and some don't.
- II. There is a global technological skills gap but Africa has a great deficiency. Numerous challenges can be solved with technology but innovators may lack the capacity to advance from mere prototypes or to have mass production.
- III. Young African innovators may have copyright infringement or exploitation due to inequality and lack of knowledge of their digital and intellectual property rights.
- IV. Marginalization or ignorance of available opportunities may cause viable ideas to lack connection to funding.
- V. Innovators can lack business skills which may hinder the growth or chances of scalability of their brilliant ideas.

Opportunities during and beyond the pandemic

- I. Improved communication services enable not just more interaction, but also a much cheaper and more efficient transmission of crucial information that can benefit producers, distributors, and consumers, and, of course, citizens more generally.
- II. Production processes keep getting more efficient and result in newer and more affordable products which can open up possibilities for more equitable access to such products, especially among the poor in developing countries.
- III. Technologies can transform the provision of essential services such as health and education for example, by enabling cheaper, better, and more easily accessible methods of medical diagnosis and treatment, and enabling more effective and lifelong distance learning.

Post COVID-19 recovery recommendations

- I. Partnerships and policies are key when scaling social innovations. We need policies that support social innovation and enhance youth participation in the tackling of social issues.
- II. Knowledge of digital rights is important and there needs to be education and training around them.
- III. There needs to be a boost of technical skills to meet modern standards. This would facilitate the creation of more advanced innovations as well as make African innovators able to compete in the international space.

Second High Plenary Session – A call to action for resilient economic models

To address gaps and challenges facing economic development in Africa, Public-Private Partnerships (PPPs) have become a key strategy that allows for multi-sector collaboration. While forging these partnerships, however, it is important to ensure that the long term services and strategies being implemented have a vision of sustainability.

Increased collaboration among key players has been due to private corporations having a clearer understanding of getting profit with purpose. Corporations and innovators have now gained interest in having a distinct social impact rather than just the creation of wealth. Collaboration with community-level authorities has also proven to be just as paramount as ones made with regional authorities. Both partnerships can lead to better organizational structure and achievement.

For donors coming in to provide aid to social enterprises, there is a need to have a dialogue with the organizations to understand the challenges they are facing first. Donors also need to have an enabling environment to ensure that their regulations are supportive of social entrepreneurs.

Observed trends in strategic partnerships and collaborations:

- I. There is a need to shift from Sustainable Development Goals (SDGs) funding to financing
- II. There is a convergence between humanitarian and development activities making this another important nexus
- III. Profit and not for profit organizations are collaborating to provide development strategies and practices.
- IV. A lot of new consumers have a better understanding of issues such as climate change, race, and social responsibility, and this has mounted pressure on private sector companies to support the causes.
- V. Organizations are striving to be sustainable and are thus changing tactics and strategies to align with their long term service provision goal.

Recommendations

- I. Embrace co-creation between collaborators. This helps deliver a shared vision and goals that work together to provide sustainable solutions to community problems.
- II. Interventions should be framed to enhance and not ignore efforts. While partnering with social enterprises or communities, collaborators need to shift from rigid traditional models of providing aid or support to supporting existing models that have been working. This will not only provide sustainable collaboration but also ensure cost efficiency and acceptability by recipients.
- III. Collaborators should have the flexibility to deviate from original plans and provide support according to unfolding situations.
- IV. There is a need to ensure that there is a clear roadmap for public-private innovators to get the support and/or nurturing they require to grow and scale their innovations to get to some level of benchmarking and make sure its demand drive.
- V. Collaborators should plan to make a profit with a purpose and integrate SDGs into doing business. Such partnerships will help social entrepreneurs work with other sectors and cover complementary elements of achieving social change.