

# **REPORT OF THE 2<sup>nd</sup> ANNUAL AFRICA CONFERENCE ON SOCIAL ENTREPRENEURSHIP OF TANGAZA UNIVERSITY COLLEGE, NAIROBI KENYA.**

## **“Contextualizing and shaping social Entrepreneurship in Africa”**

### **Introduction**

The Tangaza University College Second Annual Conference on Social Entrepreneurship 2018 was held between September 20 and 21 guided by the theme **“Contextualizing and shaping social Entrepreneurship in Africa.”** The conference brought together scholars and researchers from various academic institutions and enterprises, to discuss emerging concepts and explore topics in social enterprise, innovation, sustainability and how they apply to Africa.

There were Academic papers, case study presentations and discussions, which took place in both the plenary and breakaway sessions, to enable experts and thinkers present their views, research findings, as well as recommendations on how to move social entrepreneurs in Africa and beyond. Taking place simultaneously outside the conference hall were elaborate exhibitions and booths showcasing various products, services and entrepreneurial activities, by a variety of organizations and enterprises.

Preparatory meetings made up of committees and sub committees were held earlier under the guidance of various experts and committee chairs, in order to come up with one the most inclusive and intellectual presentations for the conference.

Some of the key partners and sponsors were The British Council, The Standard Media Group, Ashoka East Africa, Social Enterprise Society of Kenya (SESOK), Villgro Kenya and Mybizmarketer (MBM). Others were Africa Women Agribusiness Network (AWAN), Wadhani Foundation, National Environment Trust Fund (NETFUND), Transformational Business Network (TBN), Sinapis Entrepreneurship Academy and of course Tangaza University College as the main host and sponsor.

**Vision:** A Socially Transformed African Continent

**Mission:** To Foster interactions between all the key factors that contribute in creating favorable conditions for the growth of sustainable social enterprise in Africa.

**General Objectives:** A Paradigm shift. Moving focus from factors hindering the growth of Social Enterprise (Third Sector) in Africa to Sustainable Solutions.

All the delegates, speakers and guests were registered at the registration desk strategically situated at the main entrance, before getting their badges, writing materials and the Conference

programme. All these materials were branded with the logos and informational facts about the conference and the sponsors. The Conference was extensively covered by the press in the mainstream media – both Print and Electronic, Catholic news organizations, digital and on-line Catholic outlets, as well as AMECEA bulletins. It was also beamed live on social platforms.

### **Rev. Dr. Caramazza**

Opening Prayer was led by Rev. Dr. Joseph Caramazza, the Tangaza University DVC (Designate) Administration and Finance, reflecting on the Gospel of Mark 10:21-22 “go sell everything come and follow me”. He told the gathering that we are all called to minister to the poor and alleviate poverty. He noted that the young man mentioned in the above Scripture (which we have just read), was owned by his property but he lacked everything. Social entrepreneurship is about sharing.

### **Dr. Alloys Ojore**

The Acting Director of the Institute of Social Ministry in Mission ( ISMM), Dr Alloys Ojore, who is also acting Director and MST Program Leader, stood on behalf of the Director Br. Jonas, and gave a brief history of ISMM, stating that it was founded 1994 after the African synod in Rome which Rev Professor Francesco Pierli, the founder of ISMM attended. **ISMM** is deeply committed in social entrepreneurship because this is one way of transforming the world. He acknowledged the presence and participation of young entrepreneurs from Makueni County, whose Governor, Professor Kibutha Kibwana, was the guest speaker invited to close the two days conference. (see the Governor’s abridged remarks at the end of this report).

### **Dr. Stephen Gachie**

Dr. Stephen Gachie, the Conference Chair, then gave the purpose of the Conference, which he stated was basically to put a thrust on how we contextualize and shape social entrepreneurship in Africa. He summarized this into five thematic areas;

- > How do we train for social entrepreneurship in Africa?
- > How to identify entrepreneurial talents
- > How to measure and report social enterprise progress
- > Shared value of social entrepreneurship in Africa via social enterprises
- > And how to engage legislature in social entrepreneurship

### **Rev. Prof. Stephen Mbugua**

Rev Professor Stephen Mbugua, the outgoing Vice Chancellor Designate of Tangaza University, then delivered the opening speech to the congregation. Here below are his remarks:

It is my pleasure to welcome you all to Tangaza University. Welcome to this second annual Africa conference on Social Entrepreneurship, whose theme is: Contextualizing and Shaping Social Entrepreneurship in Africa. Last year Tangaza University held a very successful conference, which was opened by her Excellency Ms Susie Kitchens, the deputy British High Commissioner to Kenya and UNEP. We are very much honoured to have Ms Kitchens to Tangaza University again. It is a proof that the British High Commission values and supports the growth of social entrepreneurship in Africa.

This conference is organized by staff and students of the Institute of Social Ministry, Tangaza University College in collaboration with organizations that play major roles in shaping the social entrepreneurs eco-system in Kenya and Africa in general. We may not mention all, but we say thank you. The logos on the programme says it all. Tangaza University College is an academic institution that provides competence based on training to social entrepreneurs through our MBA Global Business and Sustainability Social Entrepreneurship Track. Since 2010, Tangaza University College has trained over 500 social entrepreneurs who are impacting and transforming the lives of people.

#### Goal of the Conference

This conference brings together scholars, researchers, SE eco-system players and practitioners from around the continent to discuss emerging concepts and explore topics in social enterprise, innovation, sustainability and impact through the lens of African continent.

#### Conference Objectives

- To provide a platform to promote and support social entrepreneurship by connecting, sharing and learning from one another
- To challenge our entrepreneurs, researchers, and academicians to translate education into technology, business, and services to society.
- To foster collaboration between social enterprises, organisations supporting social enterprises, governments and academia to build stronger ecosystems in Africa
- To provide an interdisciplinary platform for researchers, practitioners and educators to present and discuss the most recent innovations, trends and concerns as well as practical challenges encountered and solutions adopted in the field of Social Entrepreneurships and Innovation

Recently someone sent me a *WhatsApp* image of a grass hopper with all its parts rebelled and the message below read thus: “This is what we were learning when the Japanese were learning technology”.

It is therefore my urgent appeal that education should be translated into deliverables for the good of the society. It is about time that learners change from stating about what they want to be in white colour careers to what they want to invent. Such narrative should be changed due to the current

trends in global employment levels due to over-dependency on already established careers and technologies. Such initiatives should shape the social entrepreneurship not only in Africa as our theme states, but globally.

We have many opportunities of growth and poverty eradication if we use the right approaches to entrepreneurship. We need not end at the research findings, or concept incubations, to mass production of the same findings. When Archimedes discovered his theory on mass, he went out naked with his EUREKA statement that needs to be revived. We need many voices of EUREKA from academic and research world.

There is also for the government and other stakeholders to support the entrepreneurship as part of the actualization of both Millennium and Sustainable Development Goals. This is definitely a good investment and the key driver to even achievement of the big four agenda that focus on housing, food security, health and industrialization.

Therefore I wish to state that:

“A social enterprise is a cause-driven business whose primary reason for being is to improve social objectives and serve the common good. A social enterprise exists to achieve a social mission – such as providing healthcare or safe drinking water for the poor, introducing renewable energy, creating jobs for the unemployed, care for the environment or advancing education among other initiatives”.

“Sustainable revenue differentiates a social enterprise from a traditional charity that relies on outside funding in the form of donations or grants to achieve its social mission.

“Entrepreneurship should help reduce the tax burden on the society by creating alternative sources of wealth that generate income to government and workers. The current 16% increase in oil is an indication that there is need to look beyond what literally loads on inflation and poverty index as well as desperation on citizens because such increments are directly loaded on the society indiscriminately. Having limited sources of revenue means tax regime base, which translates to high taxation on the people. This problem can only be solved by entrepreneurs”.

In conclusion, I wish to call on this esteemed assembly of our entrepreneurs, supporters, and people of good will to engage into activities that translate to social good, happiness, and satisfaction among all.

I wish to thank all the organizers (mentioned and acknowledged from the logos of the programme) for making this event so successful. Now it is my honorable pleasure to welcome Ms. Susan Kitchens to address us and officially open the conference.

**Ms. Susan Kitchens**

Speech by the British Deputy High Commissioner to Kenya and UNEP.

**Contextualizing and Shaping Social Entrepreneurship in Africa:**

I am delighted to be invited back to Tangaza University and the Second Annual Africa's Conference on Social Entrepreneurship.

The African narrative is shifting from aid-led solutions to enterprise-led solutions to development problems. Development assistance has a vital role, but alone it cannot address social and economic problems fast enough, or at the scale required.

The private sector is part of the answer, but often it doesn't reach the most marginalised parts of society and geographies. As the brilliant development economist Paul Collier describes: private sector companies need the public sector to bear some of the risk in getting to the most challenging areas. Even CSR interventions are often not scalable nor sustainable given they are loss-making.

Social enterprise is the bridge between aid and enterprise. And it's not just us in this room who might think so: The latest report from the Global Impact Investing Network tracks \$355bn invested in social enterprises.

Social Enterprise is defined by the Global Impact Investing Network as: **building innovative sustainable businesses that are creating positive social change.**

**Social enterprises combine the best parts of what non-profits and regular companies have to offer by focusing on the triple bottom line: profits, environment and social impact.**

Let's unpack that triple bottom line:

**Profits** – profits are derived by creating a business that is more successful than its competitors, which often means it is innovative.

**Environmental** – this reflects the intrinsic value of sustainability to the social enterprise movement

And **Social impact**, which at its most basic level means creating jobs and do no harm.

It's pretty easy to tell if a business is **profitable**. Comparing money **in** to money **out** is a blunt but effective measuring tool. A business that is not profitable – no matter how environmentally sound or socially responsible it is - will fail. But what about the other components of a social enterprise? As the social enterprise business model is relatively new, there is a limited body of

evidence against which to test success. But there is a growing range of tools and instruments available to measure social enterprises.

These tools can help us to judge whether a business is innovative and environmentally sustainable, and whether it is creating positive social change through jobs or other means. I am pleased to see you will be **discussing Measuring and Reporting Social impact** later in the conference.

Last year at this conference, I spoke about the five (5) key elements of an entrepreneurship ecosystem: Universities, Entrepreneurs, Corporates, Risk Capital and Government. This year, I would like to build on that, and examine how this model of an ecosystem relates to social enterprise specifically. And I will provide examples of how the UK is working in partnership with Kenya along the way.

### **Entrepreneurs**

I make no secret of the fact that entrepreneurship was the reason I chose to live and work in Kenya. Not the elephants much as I love them, or the beautiful sunshine, though that helps. But after spending many years in the US and the UK immersed in cutting edge innovation-driven entrepreneurship, Silicon Savannah was my next frontier.

I have had the privilege to meet Kenyan entrepreneurs across the country now: notably here in the blooming number of hubs and incubator spaces across Nairobi; at *SwahiliBox* in Mombasa and *EldoHub* in the Rift Valley. The range of ideas, their ingenuity, their hustle - never fails to impress.

Entrepreneurs are vital to the social enterprise space. We need people who will question, disrupt, not accept the status quo. Who are determined to find solutions that make our world better as well as make money.

The UK is supporting entrepreneurs to work in Social Enterprise in a number of ways:

Through the British Council's **Social Enterprise Leadership Programme**, we are working with leading civil society organizations at the community level. The programme has reached 90 social enterprises through its business support services, they have worked with 43 CSOs, equipping 82 master trainers which have so far reached 1,343 community leaders.

Through the UK government's Science and Innovation network and the Kenya National Innovation Agency, we deliver an annual Leaders in Innovation Fellowship programme. The programme creates international networks of innovators and technology entrepreneurs, including an intensive study course in the UK mixing with innovators and enablers from around the world.

I would like to highlight a recent examples of social enterprises we have supported recently, with a particular focus on supporting Disabilities: People living with disabilities are often

marginalized from opportunities and face particular challenges not addressed by the mainstream services. This presents problems that social enterprises are well-placed to address.

Roy Allela from Sign IO has designed a special glove that translates sign language to speech. It was developed to address the language barrier between sign language users and the general public.

More than 30 million people in the world have speech impairments: this enterprise can help integrate them more widely into a society dominated by people who do not use sign language, thereby opening up the potential of these 30m people. That's a big market and a massive impact from something as simple as a wired up glove.

14 Kenyan innovators have participated in the Leadership Innovation Fellowship programme and the next call opens in late October.

Staying with Science, we also partner with the UK's Royal Academy of engineering to support their **Africa Prize for Engineering Innovation**

This prize aims to stimulate, celebrate and reward innovation and entrepreneurship in Sub-Saharan Africa. It encourages ambitious and talented engineers from all disciplines to apply their skills to develop scalable solutions to local challenges.

The programme started in 2015 and so far 39 entrepreneurs - mostly Kenyans - have participated in the programme.

A great example of a social enterprise supported through this programme is the **Mkononi Tank Monitoring System**. It monitors water levels, leaks, valves and pumps via a mobile phone app in order to quickly identify water wastage.

Limited access to water affects over 16 million people in Kenya, and 300 million people in sub-Saharan Africa. Better access to information within the water value chain will greatly alleviate this problem in the African water sector. A fine example of a social enterprise driven by environmental and social considerations, built on a fundamentally sound business model.

A third example of how the UK is supporting entrepreneurs working in social enterprise in Kenya, is through our department for International development (DFID) and the new Jobs programme we launched last month. Over the next 4 years, with £5m funding, we will be working in Kenya to test innovations that have the potential for large-scale job creation.

We are looking to support innovations that will unlock barriers in productive sectors and generate employment particularly amongst the most vulnerable. We will have a Lion's Den style competitive process to select ideas.

We will give funding and technical assistance to the selected ideas, in order to test their potential to create productive jobs. We will then find ways to link these enterprises with private or public investors and relevant enterprise support organizations to ensure their scale and sustainability.

So, tones going on with entrepreneurs, and I'll be happy to share details of how you can follow up on these opportunities.

### **Universities**

The second of the five key actors in an entrepreneurial ecosystem are the Universities. Universities are the perfect petri dish for developing social enterprises.

They bring together bright, inquisitive people, they combine multiple disciplines so scientists meet artists meet business people meet politicians and so on.

Universities also provide the infrastructure to help fledgling enterprises learn how to translate their dream into reality. And they can provide the machinery and expertise to turn concepts into something tangible

The UK is proud to partner with many Kenyan Universities, and their role in supporting Social enterprise.

The British Council's Social Enterprise programme has a core strand on **Capacity building and education systems**. This programme ensures that support for social entrepreneurs is embedded in their practice. We provide content, skills exchanges and best practice showcases, working with UK excellence in this field.

Through the UK's Department for International Development, we support an East Africa research hub. In relation to Social enterprise, the EARH supports African research leadership. It is helping to develop skills for world class research.

Effective, dynamic knowledge systems play a critical role in creating a culture of evidence-informed thinking, building human capital, supporting social change and contributing to economic development.

All of this helps to create the conditions in which social entrepreneurship is fostered.

We calculate there is at about £100m of **UK research funding** in Kenya, spent in partnership with Kenyan institutions, thereby supporting development of capacity to identify African solutions to African challenges.

### **Risk capital**



The third actor in the entrepreneurship ecosystem is risk capital. The need for appropriate capital across the risk-return spectrum is perhaps the most common challenge noted by social enterprises.

Where I work, at the British High Commission in Nairobi, we are rapidly increasing our understanding of, and ability to mobilize blended finance.

**Blended finance** is a strategy that combines capital with different levels of risk in order to catalyze risk-adjusted, market-rate seeking capital into impact investments.

The blend of **public grant financing**, by which I mean traditional donor money, which does not expect a return - no profit - with **private equity**, which is sustainable through market forces because it does expect to make a profit, is vital to social enterprise.

The public funding helps to de-risk: it takes the hit to open up a market that doesn't seem to be a profit maker. Once it has made that first move, the more risk-adverse private sector will see potential where before it saw none.

This then helps attract funding for large-scale high-impact investing, and the wider benefits that brings – such as a mix of skills and expertise from across different organizations.

I'd like to talk about Synergy as a great example of this. Synergy's founders saw a big problem in Kenya's informal settlements: Loo. The flying toilets of Kibera. Through some donor grants they researched the market: what solutions were practical, would be accepted by the community. How much money were local people ready to spend on a solution? How many toilet units were needed to make a viable business?

The initial research led to a pilot. The pilot led to a business and the business is now scaling through a mix of grants, investments, donations and government support. The risk capital made it happen: the result is a huge improvement in the lives of thousands and a step towards tackling some serious public health and well-being challenges.

### **Corporates**

The fourth actor in the entrepreneurial ecosystem is the corporates.

Social enterprises are generally pretty small. There are 44,000 active across Kenya, and many employ only a few people, working a local scale that feels a world away from the Corporate world. But the big corporates are crucial to the business model.

Many entrepreneurs dream of a start up that will disrupt the big corporates. Think how Amazon started out nibbling at the toes of the big brand shops. But the corporates need not be the enemy. Large corporations are a source of opportunity for the social entrepreneur.

**Firstly, they set the standards:**

The British Chamber of Commerce represents some of the biggest companies in Kenya. The UK is the largest cumulative investor in Kenya's private sector. 1 in 10 Kenyans with a formal job work for a UK company.

Amongst these are some familiar brands and they take their brand reputation seriously. Unilever for example, has been voted again the best employer in Kenya.

In order to continue their success they must look after their markets as well as their profits.

Nodor Darts, a small British company based in Athi River produces 65% of all the match quality dart boards worldwide. They use 90% of Kenya's sisal crop to produce these boards, so they invest heavily in their supply chain of sisal farmers, ensuring strict conduct of employer fairness, environmental controls, and safety standards.

**Second, the corporates create opportunities to commercialize innovations**

For example, take the BBC, the British Broadcasting Corporation. A household name. If the BBC puts its weight behind a social enterprise, it can be a huge boost. I recently went to an event showcasing a BBC Virtual reality film: an incredible experience highlighting some major environmental issues across Africa. The company that they used for the VR goggles was a local Kenyan enterprise: Black Rhino. That kind of partnership can be invaluable in establishing credibility and market awareness.

**Thirdly, big corporates represent blocks of talent, experience and business know-how.** It is a different skill set from the self-starting disrupter personality type you see in entrepreneurs. But diversity is a wonderful thing! Corporates know they must innovate or die, so they are keen to learn from entrepreneurs. In turn, entrepreneurs can benefit from the depth of knowledge and skills of the corporates. Member organizations of the British Chamber of Commerce in Kenya are very keen to support a two-way exchange of ideas and skills. We hope to formalize a mentoring system between the BCKK and young social entrepreneurs soon: watch this space!

**Governments**

Finally, we come to **Governments**, the fifth actor in the social enterprise space.

Often entrepreneurs think the best thing governments can do is get out of the way. I don't agree. Governments have a significant role to play in enabling Social enterprise.

Governments are responsible for **company law**. In the UK we have amended our laws so that business must demonstrate diligence to social and environmental responsibilities: this came about through evidence and advocacy from the UK's Social Enterprise organization – a partner and friend to SESOK.

Governments can also use the **tax revenue system** to incentivize social enterprise. They can reward businesses that protect the environment, and present incentives to businesses to offer services to marginalized markets.

And governments can also encourage **education** in the public school curriculum about social enterprise. Though I think the hustle is in the blood here in Kenya, so I'm not sure you need that! The British Council programme has been supporting governments and policy influencers to create an enabling environment for social enterprise and other inclusive economies innovation, working in collaboration with UK stakeholders.

This programme has inspired action towards developing social enterprise policies at the county level in Makueni, Embu, Bungoma and Kajiado.

I have talked through how the UK is partnering with Kenya to promote and support social enterprise:

- Through entrepreneurs who need skills, contacts and recognition
- Through universities via research grants, curricula and scholarships
- Through risk capital blending high risk public sector grants with risk averse but sustainable and scalable private money
- Through corporates who can share knowledge, supply chains and set industry standards
- And through governments who shape the business environment, and set incentives for socially and environmentally responsible behaviour.

Social enterprise is a great business model for the 21<sup>st</sup> century. The latest reporting from the UK shows Social Enterprises are contributing £60bn to the UK economy: that's 3%, three times as much as agriculture. Social enterprise provides employment for 2m people, 5% of all jobs.

Kenya is on a similar trajectory: keep up the good work.

Thank You.

## **CONFERENCE DISCUSSIONS**

### **Session 1**

#### **Training for Social Entrepreneurship Innovation**

By Joseph Sekiku, Ashoka Fellow, Tanzania.

He hails from Kagera area which is an economically potential area but yet the poorest in the region. Kagera has plenty in terms of resources yet characterized as the poorest with high levels of malnutrition. This opened his eyes to ask, why?

Sharing with the people, they discovered the solution to their problem lies in sustainable agriculture.

Agriculture – smallholder farmers and later developed into media to create access to agriculture information especially technology on after harvest storage. They people welcomed this idea, now their produce are sold both on the local and regional markets.

Due to limited access to information in 2006, our community established a community radio in 2007 to solve the issue and also there has been introduction of highly nutritious crops like soya beans.

### **Challenges faced**

There are many challenges, but it is also true that there are also many solutions that come to mind, yet only one solutions could really solve the issue.

There is no network of people around Joseph.

The program is sometimes misunderstood by politicians and they sometimes take Joseph as somebody with loose nuts upstairs.

### **SESSION SPEAKER**

#### **Charlotte De Ridder, Co-Founder Yusudi**

Youth Education and development

Focus on problems rather solutions

She challenged the participants to think about what they experienced in the conference, which they think could be a source of social enterprise? Some participants said they observed many people walking to work, some were caught in traffic jams. The temptation is to think of a quick fix, but the task really is to find out what is the root causes of these social problems.

She talked about human centre design that is used as tool to get solutions to people's problems, it looks at people's habits and value systems.

Second point was to focus on training people to have emotional distance – detachment from social enterprises so as to be able to change them and modify them.

The program prepares students for jobs as interns and Yusudi gets part of refund from salaries of the interns. This targets mostly young and inexperienced graduates.

What matters after all is what social impact that enterprise creates

### **Panel discussions**

How to do training for social entrepreneurship or how to teach to do business

Panelists had their own answers for training:

People have inherent capacity to be change makers – so training brings out of individuals these capacities

Training should be need-tailored or need-based

Training should target people's problems from the perspective of getting sustainable solutions to them. Those undergoing training should be asking themselves, what will I contribute to society?

There are types of training: classroom training, on-job training, observation, etc.

How should we do training of the four big agenda? Manufacturing, housing, healthcare and food security

It should be more inclusive in developing curriculum to create synergy between education and market

Be innovative

Favorable policies (wastes management and environmental protection)

Put in place trash cans or dust-bins to collect wastes.

Learn how to deal with the problem of influencing policy – there are numerous papers but they are only filled not like Rwanda and Tanzania that have taken steps on waste management.

The question that needs to be answered is how conference discussions get to government and millions of citizens over the country.

People should not only complain about trash and wastes but take initiative to do something about wastes.

The question of how we can understand social problems came out

How to train the 90% of the people who live in the rural areas since most of the training or social enterprises target urban areas.

The panelists were in agreement that we train entrepreneurs to see problems from the perspective of the people who experience such problems (not prescribed solutions or perceived problems). Young people should be targeted for training to enhance their talent and government and civil societies to provide opportunity for social entrepreneurs to develop (incubation, finance and policy)

## SESSION 2

### TALENT IDENTIFICATION, INCUBATION AND SCALE-UP FOR SOCIAL ENTERPRISE

#### Entrepreneur's showcase

##### Digital Hands Africa

Is an organization that promotes business skills. It also collaborates with government. It encourages entrepreneurs to look for social problems that they can see and try to transform it into business idea, then money is awarded to create business. It looks for partners to collaborate with mentors. It carries out e-learning training and the presenter quoted Barack Obama former US president who emphatically stated that “entrepreneurship is a spark of prosperity”

##### Jacqueline Atieno, Standard Media Group

The Standard Media Group is concerned about growing business and customer satisfaction as well as retention especially for SMEs (Small and Micro Enterprises).

The media helps entrepreneurs to show where they are, what they offer and show why they are the best for their customers.

However, there are common mistakes done: only advertise sales this devalues brand, set expectations and constrain retention, sometimes starting too late for awareness stage, consideration state and decision state. Some entrepreneurs spend too little especially in publicity. Some advice to entrepreneurs: get to know your customers as to whether they are corporate, graduate or *mama Mboga*. Consistency is important – keep publicity on and running and choose your channel for advertisement wisely in this case, Jacqueline suggested Standard Media is the best option for adverts.

##### Speaker

##### Reuben Coulter TBN (Transformational business network)

The presenter gave an example of poor people who walked long distances to Florida on foot for a new opportunity that had been noticed there. On the way, people died as they pursued the opportunity. However, some reached and started from zero but today are among the millionaires of the world. How did they succeed? They must have been supportive, collaborative and encouraging one another on the way. Entrepreneurship is a group work where winners are separated from losers by:

##### Determination

Thinking big, think long term

Have values known and appreciated

Members have to team up around each other so as to help you succeed

Visionary people, crazy with ideas and skills

Are interested to change people and have strategies of doing so

They go out of their way to find growth partners (media, banks, NGOs etc.)

Focus on skills, find something that relies not on you but which can grow without you (emotional detachment)

### **Panel discussion**

How to cross the valley along the journey of entrepreneurship?

How can we do incubation to grow local investor or entrepreneur capacity?

### **Panelists' answers:**

Collaboration with everything in the ecosystem

Start-up – investors – understanding and capacity to use the available funding

How to attract and retain global talents?

Be interested in the talent and train the talent via experts and consultants, mapping out talents needs before seeking assistance for training (identification of training needs)

How to help entrepreneurs who rush for investors' money. Learn to create values for your social enterprise then you can seek external support. Also depending on the products with different capital injection needs, so you can decide at what point you need capital.

Audience asked for clear distinction between social and economic entrepreneurship (pure profit making versus social impact and some profits).

Incubation refers to support given to entrepreneurs and favorable conditions for growing their businesses

Accelerators refer to metrics used to stimulate entrepreneurs' businesses

Social entrepreneurship creates social impact, solves social problems, focus is not really profit but the impact it creates in society.

## **SESSION 3**

### **MEASURING AND REPORTING SOCIAL IMPACT IN AFRICA**

**Linda Makatiani and Dr. Nicholas Hitimana, SESOK**

Addresses issues of poverty in rural Rwanda by creating jobs through improved livelihoods

ANDE provides non-financial support to entrepreneurs e.g. accelerators and incubators. They also do research and/or advisory service providers through academic institutions for Small and Growing Businesses (SGBs) that is too large for micro finance and too small for traditional commercial capital.

#### **Panel discussion**

SGBs create job growth, wage, revenue and innovation.

Metrics:

- Accountability
- Standards
- Values

Measuring and reporting social impact in Africa. What tools are used to measure impact? One tool that was mentioned is the PPI that is probability index.

Some of the challenges faced by social enterprises include sustainability of businesses.

Why measure and disseminate impact?

The reason is to brand your organization and for how to understand what needs to be done more to improve the operations of the social enterprise.

The people themselves come to tell their success stories in impact measurement and dissemination of impact. They celebrate the changes that have taken place in the lives of people. Measuring and disseminating impact adds value for money.



## **BREAKOUT SESSION**

### **INDUSTRY AND PAPER PRESENTATIONS**

Sub Theme 1: Training for Social Entrepreneurship Innovation

#### **Towards an entrepreneurial innovation system for small-holder farmers in sub-Saharan Africa**

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#### **Abstract**

Growing population pressure, climate change and urbanization necessitate the increase of agricultural production and innovation. Horticulture by means of protected cultivation primarily for vegetables production seems promising by creating a controlled environment for light, temperature and moisture and against diseases. But there is a gap between the high-tech precision horticulture as practiced in the Netherlands and the context and capacities of African smallholder farmers. On the one side high-tech large-scale greenhouse cultivation is introduced by foreign companies, management and capital, while on the other side many smallholders grapple with lack of quality inputs, lack of funding, lack of frugal small-scale technical solutions (greenhouses, irrigation systems, water provision, disease and residue treatment, monitoring soil fertility etc.), lack of infrastructure and lack of capacity. Over and above an analysis of the situation the paper proposes a way forward consisting of three elements: entrepreneurship and capacity training (1), a strategy of gradual growth (2), and finally a comprehensive business innovation system (3). The paper is based on long-term student involvement by internships and master thesis studies from the Delft University of Technology and includes the experiences of a Dutch consortium of entrepreneurs and researchers (greenhouse constructors, seed companies, pest control, financial institutions, entrepreneurship). This consortium tries to raise the capacities of smallholder farmers and take them to a higher level. Findings show that in principle there is a business case for introducing existing smallholder farmers and young entrepreneurs to protected cultivation under the leadership of more experienced farmers, supported by a network of stakeholders (retailers, banks, Dutch and African companies, academic partners, NGOs, government agencies). Cooperation of many stakeholders, the creation of an enabling environment and training of capacity appear to be crucial conditions for success.

**Keywords: entrepreneurship, smallholder farmers, business culture, business innovation system**

### **Introduction: The gap between high-tech horticulture and low income entrepreneurship**

Dutch greenhouse constructors and greenhouse entrepreneurs are highly reputed around the world with greenhouse technology that has become high-tech. The aluminium used is sharply calculated and designed, the glass is on the millimetre disposed to let in as much light as possible, the height maintains the temperature lower or warmer for a longer period according to need. The use of artificial substrate prevents diseases, the glass and the nets keep insects out. A sophisticated irrigation system, of course computerized, provides the crops with exactly the right food and fertilizer in the right time sequence, the CO<sub>2</sub> added artificially inside the greenhouses stimulates the growth of the plants, and the last invention, artificial led lights of specific colours contributes to that same result. Then comes all the plant knowledge, the precision of the work, strict planning and calculated use of water and heat. And to combat diseases specific insects are released into the greenhouse to counter disease germs.

All of this explains the typical graphic presentation of the production power of these greenhouses in Figure 1. Although it is a rough approximation, the increase in production is quite in line with the increase in investment. A greenhouse that costs €40 per square meter delivers 40 kg of tomatoes, and an investment of €70 per square meter goes to an amount of 70 kg of tomatoes per square meter. These greenhouses are also most frugal in the use of water and therefore they are environmentally friendly, and they last more than 20 years. They are the best solution anywhere in the world, as confirmed by the successful production by Dutch greenhouse farmers in developing countries on big farms producing flowers and other crops for the international market. Governments often support this large-scale approach and are inclined to provide the companies with large tracts of land and the privileged use of water resources, because of the foreign currency it brings in and because of the necessity to feed their metropolises. Research shows that agriculture has a promising future in Africa (UNDP 2012). Modern agriculture with the support of technology is indispensable for feeding a growing population, especially of the big metropolises in Africa and it may prove to be the future export product for Africa, since Africa is the continent with the highest percentage of land that is suitable for agriculture, but not yet in use (Jayaram 2010).

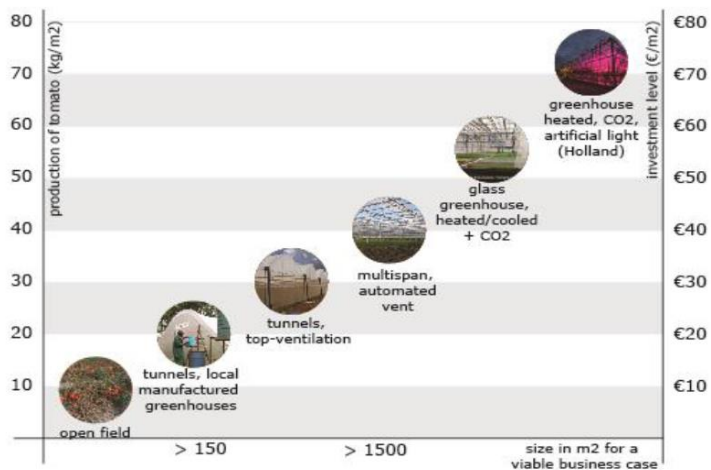


Figure 1 Relationship investments and production (Delphy Report 2017)

Of course, even in this high-tech approach, there are still many problems such as the availability of the right inputs, like seeds and seedlings, fertilizers and pesticides, irrigation equipment and greenhouse equipment in general. Often knowledge and skills of vegetable production is lagging behind, the judicious use of pesticides is at a low level as is also the awareness of consumer demand. In the value chain all sorts of problems need to be solved, like reaching out to the right markets, supermarkets and customers, and finally there are issues like packaging and cooling to avoid losses (Gonzales e.a. 2016).

The bigger problem though is the human (f)actor, as expressed in the sentence “Farming takes place predominantly on a smallholder base in Ghana” (Gonzales e.a. 2016, 10). This sentence can be applied to all of Africa. Worldwide there are now 500 million smallholder farmers. They produce 80% of the food consumed in Africa and Asia (UNEP, 2013), which means 2 billion people, nearly 1/3 of the population (Vorley e. a. 2012). They are often considered as the weak link in the food chain and not as an asset for increasing food production. Often their property rights are not well secured (Wiggins e. a. 2010). Many of them already lost their land due to the introduction of large-scale mechanized farming (Cotula e. a. 2012). The insecurity of their properties, especially if they are not land owners, is a further obstacle for development and investment (Besley 1995). Often in the past their economic welfare has been sacrificed to industrial development, by transferring revenues from agriculture to industrialization and keeping food prices artificially low (Johnston e. a. 1961, Bryceson 2002). Neoliberal economic and agricultural policies on top of that have led to a widespread reorientation of rural livelihoods. Roughly 40% of the African rural households’ income is now derived from non-farming sources. Indeed, a landless agrarian class is emerging because many turned to income diversification, finding or trying to find other sources of income besides agriculture (Bryceson 2002). Many farmers are survivor farmers (Berner 2012) and many of them women for whom agriculture provides a side income (Fox e.a. 2013, Berner 2012). Research in Kenya shows that the great majority of smallholder farmers does not have sufficiently access to supermarket channels due to lack of financial and human capital. An emerging group of middle-class farmers dominates the supermarket chains (Neven e.a. 2009). Smallholder farmers could organize themselves in cooperatives in order to enter these supermarket chains, but this can only be effective on condition that they have the capacity to meet the

requirements of those supermarkets: year-round supplies, quality and easy procurement. But again the lack of access to financial and lack of organizational capital as well as infrastructure and financial services stand in their way (Neven e.a. 2009).

This brings us to an awkward situation where on the one side, we have high-tech greenhouse technologies lying ready on the shelves. On the other side, there is lack of infrastructure, inputs and enabling environment. This is compounded by lack of capacity, training in skills and knowledge, and a conservative mindset among the majority of smallholder farmers. This leads to a further set of questions: How can this gap be bridged? Can it be done? What social and institutional strategies for change are available? How is technology included and possibly refurbished to meet those challenges? Is there a way forward by means of frugal innovation? And what does that mean in this case?

In order to answer these questions the paper will make a detour by first exposing the approach towards entrepreneurship training by the Delft University of technology, more specifically the Delft Center for Entrepreneurship. The Delft Center for Entrepreneurship runs an education program on International Entrepreneurship and Development. Each year 60 students are enrolled in this program and all of them go abroad for an internship assignment to the benefit of an NGO, a small enterprise or university. This means that 20 teams spread all over the world, primarily African countries, and many of those students assignments are related to rural development, often in support of smallholder farmers. Next the application of this entrepreneurship program to rural development in Africa will be described. In particular, a **approach towards growth of smallholder farmers will be proposed** and experiences on the ground will be reported. The growth strategy for smallholder farmers proposed here, takes into account the approach towards entrepreneurship teaching from the Delft University of Technology and takes into account the African business culture and regulatory environment. It puts forward a specific approach towards entrepreneurship that focuses on capacity building and its includes ideas about a comprehensive business innovation system in order to take agriculture in general and especially horticulture to a next level.

### **The entrepreneurship training program from the Delft University of Technology**

Recently many types of courses and training modules are offered to meet the growing demand of entrepreneurship teaching in low income economies. But in cases where teaching in entrepreneurship is present it doesn't always go beyond mere theory. Teaching entrepreneurship in full classrooms with high number of participants doesn't have a big impact in terms of creating an entrepreneurial mindset either. The entrepreneurship training program developed by the Delft University of Technology constitutes an attempt to do so. The training consists in step-by-step making a business plan that is realistic and could be put to practice immediately after the course.

Whereas for Western students it is often their dream to start an enterprise of their own and be independent, Asian and African students preferably try to find a job at a company or state agency. However, since there is lack of jobs, and since unemployment often rises to 40% or more, there is serious need of an entrepreneurial attitude, in order to create new initiatives, new markets, new products and services. At the Delft University of Technology a straightforward

training module in entrepreneurship has been developed. It functions as a hands-on tool that doesn't spend too much thought to theory, but teaches the essentials of entrepreneurship in a learning by doing approach. Actually the training consists in making a realistic business plan. The training consists of the following 10 steps:

1. *Focus:* in order to get focused on business cases that are promising, the team members need to distinguish important challenges from less important and urgent problems from less urgent ones. The question here is: by listing all the important and urgent problems of society, can one find the one point on which you can and want to make a difference?
2. *Chose a challenge:* the team members chose a relevant issue to take as point of departure for their further work. Besides important and urgent it should also be realistic.
3. *Exploration of revenue model:* is it realistic to expect in some way that it would be possible to make a living from this challenge? And if so; what is the product/service, who is the customer, who is going to pay and for what? Suppose somebody would like to start a fishery and grow fish in large quantities to meet the demand for cheap and healthy food. In a context where people are completely not used to eating fish, that might not be realistic. Or, maybe it still is, but not without a proper advertisement campaign.
4. *Chose concepts:* the basic idea should be outlined and different options compared. What do you want to do? Who is going to do it? For whom? The best option should be chosen to be further elaborated.
5. *Design a business model:* the business canvas model from Osterwalder (Osterwalder & Pigneur 2009) is used to make a first draft of all the elements that need to be addressed in a complete business plan. What is the value proposition? With whom will the product be made? What are the supposed customers and how are they reached?
6. *Market mapping:* how can a market be identified and what may be different market segments and target groups?
7. *Know your customer:* a more precise idea of the customer should be established. What may a customer think about the project? What advantages may he or she see? What disadvantages?
8. *Validate assumptions:* the business plan has been developed to such an extent that it is possible for the course participants to go out and interview people in the street or to interview experts or colleagues etc. in order to get feedback on the business proposition. At first sight this may seem superfluous, because the course participants will have thought it well over already, and supposedly they are much more knowledgeable than their proposed target groups or stakeholders. Experience shows that often the opposite is true. Just because one may be more knowledgeable one may as easily have skipped one important step in the complete business idea, which is indispensable. Example: a household size water purification device for desalination was once designed and developed. It seemed to be a good business option to sell these devices to individual households. The device can turn brackish water into purified drinking water. One thing the developers did not consider, however, is the question: Where do individual households get their brackish water from? For individual households that may not be so easy. The example illustrates that it is easy to overlook some essential elements, which may be obvious for the first layperson interviewed.
9. *Resources inventory:* where do all the people necessary to produce the service or product come from? Where does the investment come from? Etc. etc.

10. *Make a roadmap*: the roadmap should specify the road ahead when this business plan is turned into a real functioning business. Which steps are to be taken? What are different milestones in the growth of the business as foreseen? Etc. etc.

At the end of the course the participants are also trained in pitching their business plans for a group of potential investors. Can they convey their message in very clear words in a very short time and still be very concrete and convincing? It is one thing to have complete oversight and deep insight into the subject matter, it is quite another thing to explain it in simple and clear language to people who do not share that knowledge and expertise and nevertheless provide a very clear picture.

### **Issues in internal management and external environment**

This training module has been applied in a number of African and Arab countries. It has been adapted to the context of emerging economies by adding two important themes: how to deal with possible obstacles in the (internal) business culture? And how to surmount possible obstacles in the (external) institutional environment? These problems count for all SMEs to a higher or lesser degree, in Africa as well as Asia and Latin America. They are also relevant to the Western situation, although naturally there are gradual differences.

As far as the internal management style is concerned the following issues need attention:

1. The level of *hierarchy*: even in small companies the dealings of management with employees tend to be quite hierarchical, with a strict culture of command and obedience, albeit to different degrees in different businesses. If the command structure is too strict, the employees do not internalize responsibility. As a consequence they do not professionalize. They may be very obedient, but as soon as the manager turns his back (mostly his) the speed of the work is slowing down. For modern businesses which often are supported by sophisticated technology a more professional attitude is required, responsible, independent, which in turn requires more *egalitarian* and open relationship between management and workforce. There should also be a feedback loop from the bottom to the top.
2. A culture of closed *in-groups* within the company between different departments, possibly different ethnic groups of languages, may be an obstacle for good cooperation. Mutual *trust and cooperation* cannot be taken for granted but needs to be fostered and explicitly exercised and cultivated with the aim to create internal cohesion and cooperation. Otherwise the business cannot be successful.
3. *Commitment* is important: features of committed work are a combination of *initiative*, *adequate planning* and a positive attitude to *labor and achievement*. These are indispensable elements in the management of complicated technology in fast changing environments. Decisions relating to fine-tuning of the equipment and monitoring of the production process should be taken care of right at the shopfloor in order to keep the production going. If a problem shows up, do the employees then consider themselves as responsible and as turning points of change? Or will they wait for the manager and not take initiative? Do they adhere to the planning and are they inventive in doing so in case of setbacks? Does the management value that the workforce has a judgment of its own in solving issues, or does that involve risks? Is the management itself also characterized by

a positive attitude towards labor? If the manager leaves the office early and doesn't set a good example, the employees will not be motivated either.

4. Is there a culture of *equal treatment*, and equal access, or are some groups or employees more *privileged* within the company than others? If some individuals or groups are more privileged it affects the commitment of all the employees.

Any company that performs badly on one or more (mostly more) of these items, will feel the consequences in the long-term in the quality of the production and the targets met (or not met). The cultural capital of a company in the long-term defines its economic capital (Harrison 2000, Jackson 2004, 2011, Kroesen & Ndegwah 2017).

Actually often the internal problems of the company mirror social-cultural problems of the institutional environment. Without being repetitive two important issues stand out in relation to the institutional environment of doing business in many African contexts in different degrees:

1. *Cooperation* or lack thereof with other companies and with civil society groups and government agencies. Often between competitors there is lack of trust, and this creates obstacles for cooperation that could be for the mutual benefit. For instance, solar energy companies could benefit from a shared market strategy in the form of an advertisement campaign for solar energy (Tack 2010), if they would be willing to pay for it together. Or they could set specific market standards to ensure good quality of the products and make solar energy more attractive. In the case of farmers and vegetable producers, it can be challenging to create shared facilities for chain management and infrastructure or transport, from which they could benefit while at the same time being competitors.
2. *Access to the bureaucracy*: if it is necessary to pay an extra allowance for the clearance of imports or for a license, and if having friends within the government agencies is a condition for the success of the company, a less equal playing field is available. Small or medium-sized companies that do not have the required networks of reciprocity and solidarity face many difficulties in their operations. Such solidarity networks may also become costly for an enterprise considering the claims for support from family or friends in the network. It is difficult and sometimes impossible to refuse, the more so because at another time one may need support from these family members in turn if insurance facilities are lacking (Hyden 2006, 2008).

In the case of smallholder farmers the majority of them are not formally organized, and there is a lot that can be done on their behalf by investments in physical infrastructures, local processing, cool storage and warehousing, market formation and transparency (Vorley e.a. 2012). But these opportunities can only be taken by cooperation and trust between the different stakeholders (who may be at the same time competitors) and with the support of reliable government regulations and institutions.

Training in entrepreneurship should include these issues which are part of the local codes of doing business. It is not sufficient to limit entrepreneurship training to individual businesses. In order to make SMEs resilient to internal and external threats, would-be entrepreneurs need to be prepared for the demands put on them to survive in this environment. They need to be capable of managing their companies and their external relationships through the labyrinth of trust and distrust, building the external environment required for doing business at the same time as building their business itself (Faustino & Booth 2014, London e.a. 2014). In the case of smallholder farmers improvement of their lot requires many policies, institutionally and

economically, to be adapted, like land tenure regimes, license policies, taxation regimes that do not only favour large land deals but also include small-scale producers (Vorley e.a. 2012).

An important issue in fostering entrepreneurship in this regard, not often considered in the literature, is capacity building, in the sense of changing the local narratives and mindsets (Kroesen, Darson, Ndegwah 2015). The group of smallholder farmers is the most conservative part of rural Africa, often still governed by patriarchal sociocultural norms and practices. Key to these are the gender roles, and the tradition of extensive low risk strategies towards farming (Tshikuku 2001, 2015). Generally (subsistence) farming is considered as a last resort and not as a respectable and honourable profession. By the use of more modern technology, which is an indispensable requirement in order to increase productivity, this imago can be changed. Young and jobless people might take the lead in this transition. The older generation often doesn't even know of bookkeeping and may not even have a savings account. They always did agriculture without such support systems. In addition, the business environment for agriculture is changing also in emerging economies especially by ICT applications. These are accessible through mobile phone or iPhone, are increasingly available and in use, such as for the transfer of money, access of market prices, analytic tools for disease control, weather information, growth monitoring and monitoring of water provisions etc.

### **The SURE approach**

After this detour on entrepreneurship and local context we return to the question: how does this apply to smallholder farmers? Through many years within the minor program International Entrepreneurship and Development many experiments and initiatives have been deployed on agricultural entrepreneurship, especially horticulture. Different types of greenhouses in different climatic circumstances have been tried, as well as a number of different technologies and business options. Students participating in the program (by a three months internship abroad) attempted different designs and different prototypes, conducted market explorations, devised business plans, even courses on farming and manuals. Other students did research on related activities like carpentry, e-bikes (for local cheap transport), different types and sizes of solar systems for productive use, the potential of biogas etc. *The central question around which these activities revolve is: How can smallholder farmers increase their production, enter the market, become entrepreneurial and grow?* This question counts for smallholder farmers, but also for related activities like building greenhouses, water provisions, biogas, solar energy solutions, small-scale machinery for food processing and packaging, etc. etc. These as well offer business opportunities for Sustainable Rural Development (SURE). This SURE approach takes its point of departure from the business opportunities, and the power and motivation of local people. Their initiative is supported in order to create value on the basis of the opportunities they have. In this way they grow in power, ability and capacity. It is the explicit objective of this approach to empower their capacity and promote the development of the countryside on that basis. Another objective is to make the countryside more attractive as a place to live and work instead of suffocating metropolises.

How can smallholder farmers in rural areas, who until now only produce for the subsistence of their own families increase their production and enter the market? Often we are dealing with people who only are involved in agriculture out of necessity, because of the lack of any other



resources, job or income. Many housewives do some agriculture as a side job, while their husbands provide the main income, as a support for the family, but not for commercial reasons (Berner e.a. 2012). But even commercial farmers often specialize in staple foods like rice and maize. Their capacities for running an enterprise should not be overestimated. Besides such “soft constraints” there may as well be some hard constraints like high population density (small plots of land), low soil quality, low rainfall and high temperatures and locations with underdeveloped infrastructure, resulting in little market access (Fredriksson e.a. 2016, Fan e.a. 2008). These conditions may have a higher impact on the chances of commercialization and agricultural transformation than the “soft constraints” like household resources, risk propensity and entrepreneurial capacity (Chirwa & Martita 2012, Fan e.a. 2008).

Nevertheless often the land that is available offers the possibility to increase the production, at least if water is available. To begin with the farmers could make better use of seeds and fertilizer. A farmer should then buy high quality seeds at the beginning of the season instead of using the seeds left over from the harvest of last year. But already at this stage a change of mindset is required (Tshikuku 2015): it is a big step to take care that some money is left at the beginning of the new season in order to be able to buy those better seeds. It requires anticipation and planning and self-restraint in view of other urgent matters that need money. Protected cultivation may be promising, but the farmers need to break with existing cropping systems and need capacity, technical support and skills to do so (Nordey e.a. 2017). Here as well some “hard constraints” make their influence felt. Many commercial farmers have to sell their produce due to economic need at a time of low prices, during harvest time, while later they have to buy food, when prices are high. High input prices may in such circumstances become serious obstacles (Ongeri 2014). Such “hard constraints” should be surmounted in one stroke with “soft constraints” such as knowledge, skills, mindset and entrepreneurial values in order to make any progress. For instance, the farmers should know or learn simple facts like that high-quality seeds perform better if they are not just put into the ground, but first grow in a nursery, so that they are not flushed away by the rain. They will also have to learn bookkeeping and keeping track of the produce. They will also have to learn to grow crops in view of customer demand and not based on farmers traditions. For the farmers involved these are big steps, because they are not only learning new things, but they also learn to learn in a new way. This new way of learning itself needs to be learned in the first place. In the former days they would learn from tradition and example and now they have to internalize new knowledge in a more self-conscious way and that often means also to look at oneself from a different perspective: not as a person who goes with the flow, but as an “agent of change”. Considering the traditional way of learning, on-the-job learning may be more successful than learning in the classroom. In the SURE approach it is more suitable to prepare would-be horticultural farmers during a short time in class and start the production with protected cultivation as soon as possible, but do so with a long-term provision for monitoring and supporting them in their learning curve. All this is involved in the building up of capacity. People who have learned to work in this way can also find another job later, if that turns out to be necessary.

The SURE approach starts small while thinking big. Three steps specifically lead from small to big.

**1. Step-by-step improvement of the production.** Some examples have already been mentioned. Better seeds, fertilizers, breeding practices, integrated pest management / spraying, bookkeeping,

also water provisions. Horticulture provides a relevant option also for farmers with small parcels of land, by the use of tropical greenhouses. The big advantage of the step-by-step SURE approach is that no big financial investments are required, which are supposed to lead to immediate results, but to require a high degree of professionalism. The costs of a tropical greenhouse, depending on size, can be recovered already within one or two years, if the produce is chosen strategically. Step-by-step in this way growth takes place at three levels: (1) by means of small *investments* (and small risks), (2) by learning new skills and *expertise*, (3) by growth in capacity and *entrepreneurial mindset* to deal with these innovations effectively. It may be commendable to start with only a small greenhouse, say 8 x 15 m, and become familiar with horticulture in this way, without being fully dependent on it yet. But that takes provisions for marketing the produce cooperatively. Also women groups could in this way cooperatively go beyond subsistence farming.

**2. Cooperatives or small enterprises.** If a number of farmers are involved in these processes, new steps become possible in as much as the produce increases. Even if only 10 or 20 farmers go along with this approach at a certain moment it will be feasible to cooperate and do something on processing and packaging. This adds value and again leads to an increase in income. Especially in the beginning it can be helpful to share particular facilities. This can be a machine to process cassava and make flour or a machine to produce juice, or simply improving the quality of packaging so that the produce can be transported over larger distances and reach new markets. If other farmers see the good example and the advantage they will follow. First farmers can cooperatively buy inputs. Cooperatives for credit may be more challenging, but the Sacco model of group lending under the supervision of the bank may be a typical African solution. A cooperative for market outreach brings new challenges in the sense of standard quality, certification, constant delivery etc.

**3. Chain management,** infrastructure and regulation. Even in order to reach out effectively to the local market some form of chain management may be necessary. The products need to be transported and delivered elsewhere, mostly in the cities, preferably cool and well packed. That takes good logistics, technology and infrastructure. It requires mapping how offer and demand can be brought together per product in order to guarantee a market. In the case of exports good cooperation with customs needs to be established and the produce needs to be certified. That is also important for access to supermarkets. The state authorities are indispensable in doing their part by devising enabling policies and regulations for the increase of agricultural production.

In the SURE approach these three issues – investments, skills/technology, capacity – dovetail into each other in a comprehensive process of growth, step-by-step, bit by bit, in order to keep pace with the learning curve of the smallholder farmers (Vorley e.a. 2012, Kroesen & Darson 2013). Which steps should and can be taken often depends on the local context. Precisely through growth in small steps the smallholder farmers will be able to keep pace. The transfer of new knowledge can easily result in shooting over one's head. Overwhelmed by too much information the farmers involved will not get to grips with the knowledge provided. Everything went too fast. Often people only learn by turning new information into habit and routine. That's the way farmers mostly learned their profession, from the former generation in a process of learning by doing. The same SURE approach can also be applied to other areas, where not only new knowledge and skills are required, but also a change of mindset.

## **Research for a viable business plan Nairobi**

One of the student teams from the Delft University of Technology has worked on a business plan for a group of farmers organized in the neighborhood of Nairobi (Seed2Feed, Alberts e.a. 2018). This is meant to prepare the ground for a training program for a group of 40 to 50 farmers tutored by 3 or 4 lead farmers who are already more experienced in horticulture. Such a training program should adopt the principles put forward in the SURE approach. This is not an easy way to profitable business, but the Dutch initiators considered it important to create an entrance to modern farming for smallholder farmers who are not yet on that level, in response to the challenge mentioned before, to bridge the gap between modern technology and traditional smallholder farming. A straightforward business approach without taking into account the social environment doesn't work for this target group, not even for traditional commercial farmers (Rivera-Santos & Rufin 2010).

A Dutch consortium is coordinating efforts in that regard. A pilot, initiated by three business partners, Koppert Biological Systems, Rabobank and Rijk Zwaan is taking place in Kenya. These parties are founding fathers of the Seed2Feed Foundation which coordinates the pilot project. The foundation started in 2017 as a result of the Rabo Seed2Feed conference, an international conference about the question how the Dutch horticulture industry could contribute more in addressing food security issues, especially in Africa. The pilot aims to set up a business initiative to help Kenyan commercial smallholder farmers expanding from open field farming to protected farming in tropical greenhouses and nethouses and to provide access to finance and markets.

In the pilot a number of Dutch and African institutions in horticulture and related areas cooperate. Consortium members, apart from the above-mentioned Dutch partners, SNV, a Dutch development organization, Kenya Highland Seeds, which sells seeds, but also supports farmers with extension services, Ojay Green limited, a social venture to which the future horticulture farmers will become suppliers. It supplies local supermarkets, hospitals and hotels and also educates and advises smallholder farmers, and furthermore Holland Greentech, an East African based horticulture enterprise involved in supplying horticulture inputs and greenhouse related equipment and related services. In addition also the Delft University of Technology contributes to this initiative with students internship trajectories from the minor program International Entrepreneurship and Development. The students from the Delft University of technology participating this year (2017/2018) studied food safety, greenhouse options, irrigation solutions, access to finance and dealing with diseases and residues. They also reviewed the level of capacity of the farmers. On the basis of that information they devised a flexible business plan that allows for different inputs and processes these inputs, resulting in an economically viable business case in the end. Many different types of information are relevant in that regard. Prices were taken into account also of water pumps, irrigation systems, tanks, fertilizers, insurance and labor costs etc. The final business plan (including an Excel sheet, allowing different inputs and calculation procedures) shows a positive outcome on the intended experiment. That means: a positive outcome for a business plan that includes training of farmers in the way proposed, and suitable financial schemes provided by banks, and finally cooperative marketing of the produce by Ojay Green.

The students observed two risks related to the project which required more intensive attention. One is the seasonal lack of water, an increasing problem in Kenya in general. At some locations farmers were without water for more than three months, making it impossible to use any greenhouse or apply any form of agriculture whatsoever during that time. Of course that affects the business case. The other major issue is the capacity of the farmers. The farmers that were selected for the program appeared to be less experienced than initially assumed. That makes capacity training an even more important issue. It also shows that capacity training shouldn't only be on the shoulders of commercial partners. NGOs need to participate in it as well as development donors and government agencies as well as educational institutions. As in many other cases capacity training and the social responsibilities it entails cannot always be included in a realistic cost recovery model (Rivera-Santos & Rufin 2010). It should be kept in mind that capacity building includes both entrepreneurial skills and an entrepreneurial mindset and attitude as exposed in the Delft approach towards cross-cultural entrepreneurship described above. That may entail quite a social transformation.

### **A business innovation system**

The comprehensive approach of the Dutch/Kenyan consortium referred to above is a good example of what one can call a business innovation system. Innovation and entrepreneurship and market growth cannot be achieved by means of separate and individual business plans. In order to have real impact a more systematic approach is required. This is especially the case if increase of production is targeted by means of value addition and sophisticated technology. Innovation should take place along the whole chain from production to markets, including all the infrastructure required (Fisher & Qaim 2012). If a number of stakeholders puts such an innovation system in place a lot of small entrepreneurs or would-be entrepreneurs can tap into and make use of the different aspects of it. Seemingly that runs contrary to the Delft approach to entrepreneurship as described above, which may apply to enterprises of all sorts and occupations. The sector of profession that an individual entrepreneur wants to step into often depends on the individual choice of the entrepreneur participating in the program. A business innovation system, however, has the objective of innovating a complete sector and offers a number of opportunities for individual entrepreneurs from which to choose. This more comprehensive approach has the advantage that it becomes more easy to provide all sorts of support from professional to financial etc. to all the business activities included in the system. Along the whole chain there is room for many different initiatives, providing all sorts of business opportunities. Greenhouse constructors, irrigation provisions, cooling and storing, equipment and businesses to measure the level and source of nutrients the soil contains, disease management, packaging, manifold ways of processing and packaging the food, transportation, etc. etc. they offer as many business opportunities for small and medium-sized enterprises.

More partners and agencies need to come in. It is not sufficient that just one consortium of Kenyan/Dutch business partners is investing time and money to improve the activities along the chain. Many similar initiatives are required. In addition, Kenyan government agencies should also be involved, in the form of extension officers, infrastructure improvement, agricultural policies that are conducive to an entrepreneurial growth of smallholder farmers, financial provisions for growth of the sector (tax regime etc.). System changes cannot be brought about only by individual enterprises. A policy and regulatory framework should be in place to prevent

that individual initiatives suffocate under the pressure of a malfunctioning institutional environment (Vorley e.a. 2012).

There is a role also for institutions of higher education. The business innovation system that is required offers opportunities for both teaching and research. The business innovation system for agriculture offers a local research agenda for home grown research by universities and research institutes in Kenya and throughout Africa. It will not be a rocket technology, but it provides an important opportunity for innovation and also for cooperation with institutions of higher education elsewhere in the world, like the Delft University of Technology in the Netherlands. No large amounts of money and investment are required to do the research and the research is immediately relevant to put to practice. Especially there is frugal innovation agenda, both on the level of technology and institutions. A lot of small machinery for food processing (irrigation, cassava flour, making juice) is not available, because the same gap mentioned at the beginning of this article in greenhouses also turns up when it comes to processing machinery. Mostly everything that is available is designed for large-scale application by big businesses, which excludes smallholder farmers or small cooperatives of farmers and related activities by default. In addition, agricultural technologies are changing and becoming more sophisticated. As already mentioned, ICT technology increases in importance, providing monitoring systems, weather information, information (systems) on plant diseases and treatment and many more, from which all the businesses in the innovation chain can benefit. This type of innovation is not only interesting for African universities that have to deal with small budgets, but increasingly also for high-tech research institutions in well-developed economies. Agriculture is changing and more technology and more sophisticated technology as well will enter the scene.

## **Conclusion**

It has become clear that there are no straightforward easy solutions for rural entrepreneurship. The problem for smallholder farmers is a multi-faceted and complicated one. Many projects initiated with all good intentions failed nevertheless. It is important to learn the lessons from these failures. This paper tried to do so by pointing out first that many entrepreneurial initiatives from the bottom up are required. It also shows that there are many options, not only by focusing on horticulture, but also taking into account value propositions related to agriculture, the building of greenhouses, irrigation systems, producing of fertilizers, seeds, small machinery for food processing, ICT monitoring, information systems, etc. etc. Two important issues are put forward that are often overlooked, the quality of the internal management style and the external business operations, that is, dealing with other actors in civil society and their relationships to the government. Often the challenges posed by the external environment are severe and not easy to deal with. But the quality of the internal management style, if it builds solidarity, motivation, commitment for professional work, can make all the difference for survival in a harsh environment. A strategy for step-by-step growth is proposed in that regard. *Especially smallholders, even commercial smallholders, should better not immediately start with high-tech and big business.* The farmers need to grow into it and become familiar with new procedures, new attitudes, a new repertoire of professionalism and social relations. They can grow step-by-step by investing time and again in new frugal and affordable technology, by capacity training in dealing with the technology, with the business and with its external environment. Also the institutions that support (commercial) smallholders should understand that, although the final

objective is a complete transformation and modernization of agriculture, especially horticulture, *the first steps are very small and need a strong commitment and spiritual resilience and endurance to turn it into a success.*

Finally it should be underlined, that such a strategy can only work if it is supported by conducive government regulations, building trust and cooperation with many partners and stakeholders along the chain, and that entails an inclusive business innovation system. By inclusive we mean: many initiatives along the chain are required to reach the desired effects. All these businesses and initiatives are co-dependent on each other and therefore they should cooperate as much as compete with each other. *This can only work if also the government place its role by proper regulation and policy setting.* All of this taken together shows a way forward, more than that: it can turn a negative into a positive. Africa is the continent with the most land that is suitable for agriculture, but still not in use, even if the areas available for wildlife are respected. While African countries in general at the moment need food imports, the export of food could as well prove to be the great opportunity that is waiting for Africa.

Small is beautiful, but big is powerful, goes the saying. But for the purpose of the problem which is the focus of this paper, the question how smallholder farmers can grow and enter the market as entrepreneurs, another motto may be required. Something like “many times small is big”. Many small initiatives that multiply and add to each other along the whole chain of activities can lead to a system change. Africa has the potential to become a big exporter and a big player in a field that throughout the succession of development fashions and policies has been neglected: the field of agriculture. This can only succeed if these initiatives are well coordinated along the whole chain of activities and by a host of local and international stakeholders. It has always been the case that entrepreneurship is not only a matter of individual initiative, but also and foremost a matter of large-scale cooperation reaching out through large networks.

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## **Sub theme 2: TALENT IDENTIFICATION, INCUBATION AND SCALE-UP FOR THE SOCIAL ENTERPRISE**

Industry presentation made by **Liza Maikweki** from TBN (**Transformational Business network**)

### **TBN**

- Works to alleviate poverty through networking
- Does scale for success as an accelerator where they carryout 6-months training especially for:
  - Enhancing business skills
  - Business structure
  - Investment advisory support
  - Connect with mentors

### **Incubation Centres:**

**A Panacea for Talent Identification and Social Entrepreneurial Scale-up in Institutions of Higher Learning in Zimbabwe.**

**By N. Mshipa, M. Tukuta, H. Madibaya, Ngrora – Madzimure, W. Muchaendepi, and N.E. Marima, of Chinhoyi University of Technology, Zimbabwe.**

### **INTRODUCTION**

- **Institutions of higher learning are more concerned with producing graduates in terms of quantity without matching the quality of graduates produced and societal problems.**
- **In this era of technology and innovation, universities and colleges should strive to produce graduates who are innovative to create enterprises that lead to employment creation and solving social problems.**

**In this view the establishment of incubation centres would go a long way in nurturing and identifying talent within graduates.**

- **Incubation centres are the pillars of business development whose main function is to nurture and groom young firms, refining and perfecting new products and development of new ventures and technologies;**
- **Due to globalization innovation and creativity have become one key source towards developing vibrant entrepreneurs who could fit well in any competitive environment**

- **The Government of Zimbabwe (GoZ) should emphasize the need to create platforms through supporting institutions of higher learning for nurturing SMEs who are slowly becoming the backbone of the economy.**
- **Zimbabwe's unemployment rate which is estimated to be above 90%; and most graduates are venturing into some form of entrepreneurship which does not have much social and economic impact.**
- **Hence there is need to go back and check whether universities can play a significant role in tapping or identifying the talent within these young ones whilst still under training.**

#### **Definition of key terms**

- **Incubation is a process of taking an idea from ideation through to development.**
- **Lose and Tengeh (2016) in (Bergek and Norman, 2008, p. 20) indicated that incubation is derived from "nurturing" and likened to hatching a chicken's egg.**
- **The concept suggests providing guidance to new organizations, the main aim of which is hatching.**
- **According to Shukla, Sharma, and Joshi, (2015) the term 'Incubation' is referred to a practice by the ancient Romans of carrying rudimentary ideas with them for developing them into visionary dreams over a period of time.**
- **Some people are born entrepreneurs yet some need to be created.**
- **Even those born with enterprising passion need to be nurtured so that when they pursue their enterprises they do it to their best.**
- **Talent identification is a process of identifying young firms or business ideas with potential to grow and solve societal problems.**
- **This would then go through a process of ensuring that they are redirected and fine tuned to suit the market needs Khalil and Olafsen (2010).**

#### **Talent identification**

- **Talent identification should be done at an early age in order to provide for the required 10 years of opportunity development (Ericsson, Krampe, & Tesch-Romer, 1993; Starkes, 2000 cited by Abbott1, is Button, Pepping, 2002,).**
- **Institutions should therefore introduce practical courses that enable them to identify those students with creative and innovative skills at an early stage who then form part of the incubates.**

- Since not all students or graduates may need to pass through incubation centres hence talent identification helps in selecting those graduates whose ideas have a social impact or can be spruced up for economic development
- It is therefore the mandate of institutions of higher education through establishment of incubation centres to cultivate an entrepreneurial mindset geared towards economic development.
- Dahleez, (2009) concur that Business Incubators help SMEs access resources of innovation and entrepreneurs, and enhance their abilities in R&D and starting up new business, in order to facilitate more competitive SMEs and promote economic development.

#### **Incubation centres and universities as drivers for social entrepreneurship scale-ups**

In order to have a suitable environment for business coaching, perfection of ideas and nurturing services institutions/universities should give the required support to ensure the centres are well resourced to provide effective and efficient services to the graduates

- Essentially, the incubation programme is to assist and support the transformation of selected, early stage businesses with high potentials, into self-sufficient, growing and profitable enterprises (Lewis et al., 2001, cited in Ndagi 2018).
- The primary role and objective of incubators is to promote new venture creation and their survival by providing them with the essential support (Lalkaka and Shaffer, 1999 also cited by Lose and Tenenge 2016)
- Incubation centres can help Social enterprises produce products that has a social impact to the community by producing goods and services which are also more affordable.
- Asian Development Bank (2012) highlighted that, this can improve wellbeing and contribute to economic development, particularly in rural areas.
- They can also create jobs or micro-entrepreneurship opportunities for people in low-income communities (Asian Development Bank 2012)

#### **Impact of incubation centres in promoting social enterprises activities**

- Incubation centres can help Social enterprises produce products that has a social impact to the community by producing goods and services which are also more affordable.
- Asian Development Bank (2012) highlighted that, this can improve wellbeing and contribute to economic development, particularly in rural areas.

- They can also create jobs or micro-entrepreneurship opportunities for people in low-income communities (Asian Development Bank 2012)
- According to Gabriel, Engasser, and Bound (2016) there is empirical evidence in India where studies often showed increased firm survival rates, fast entrepreneurial learning and increased job creation,
- This is evidenced for example, in 2015 where a large longitudinal study found that social entrepreneurs in developing countries who took part in incubation programmes, grew revenues and employees at three times the rate of ventures that had applied unsuccessfully to the same programmes.

#### **Impact of incubation centres in promoting social enterprises activities**

- This shows that business incubation centres have a significant role they play in economies as compared to existing SMEs.
- According to the Office for National Statistics (ONS) Labour Market Statistics for the period between September 2011 and February 2012, the number of self-employed has increased to 413,200.
- Lack of stable environment has an impact on the successful implementation of incubation centre

**Chandra (2009) as cited in Fourie (2015) stated that mostly incubators in developing economies are being run as non-profit making centres which result in them having trouble to meeting self-sustainability goals**

#### **Challenges faced by institutions of higher learning in establishing successful incubation centres in Zimbabwe**

- At times, incubators lack the fundamental skills to fully contribute to the development of SMEs(Akcomak, 2009, cited in Lose and Tengeh 2016).
- They struggle to provide adequate support to SMEs (Lalkaka, 2002, p. 174;Aernoudt, 2004, p. 127;
- Institutions may not have people with the requisite skills to run the incubation centres making the whole goal and objective of their creation a complete failure.
- Failure to produce SMEs who can have a far reaching social impact maybe one of the challenges affecting incubators.

- Most incubators lack proper measurement/assessment tools/mechanisms to check on whether incubatees are growing or benefiting from the coaching or mentoring they are receiving.
- The links between education and business were also shown to be lacking.
- Universities in most cases do not consult industry on the current market trends to include in the curriculum which further leads to a mismatch between incubatees' ideas and societal needs.
- Another challenge affecting graduate entrepreneurship is lack of government funding to support the creation of incubation centres in institutions of higher learning
- For every endeavour to be successful the right climate should be created in institutions of higher learning;

**Gabriel, Engasser, and Bound (2016) indicated that in India there are government-funded university incubators focused on commercializing research and developing a culture of student entrepreneurship**

#### **Strengthening incubation centres towards a vibrant entrepreneurship**

- Developing countries such as Zimbabwe may need to benchmark with such countries to understand how they have managed to establish successful incubation centres and promote graduate entrepreneurship
- Furthermore Gabriel et al (2016) emphasise that institutions can achieve best results by promoting further peer learning between incubators to help them develop better support offers and to encourage collaboration so that entrepreneurs are better served
- Alsheikh (2009) proposed that; more effort should be exerted on softer services such as networking; academics business links (closer interactions between academic research and industry) relative to the provision of physical space and hard infrastructure.

**Culture also plays an important role in a country where the entrepreneurial culture is inculcated it cascades downwards the graduates**

#### **Strengthening incubation centres towards a vibrant entrepreneurship**

- Academic entrepreneurship should be also fostered so that lecturers preach the gospel they are following

- It becomes a challenge affecting the establishment of incubation centres where academics in the departments may not understand the importance of emphasizing entrepreneurship as they conduct their lectures

### **Strengthening incubation centres towards a vibrant entrepreneurship**

- A supportive learning community should be in place where incubates receive relevant information in an atmosphere of trust
- Institutions of higher learning cannot achieve it alone they need to understand their weaknesses and create an ecosystem with various players like investors and donors to strengthen the purpose of their incubation centres

### **Methodology**

- 40 Questionnaires were distributed to lecturers in State Owned universities and 100 to students and interview guides were distributed to the Ministry of Small to Medium Enterprises.
- Data was analysed using SPSS version 20 to check on the impact of incubation centres on social enterprises development, the role of incubators as well as the challenges encountered in establishing successful incubation centres.

### **Findings**

- The study found out that universities were promoting entrepreneurship, innovation, creativity and wealth creation
- Students were involved in identifying real life situations and try to solve them with new products
- Universities lacked proper collaboration with industry to get the necessary support to finance incubation centres.
- Students' talents could be unveiled and perfected through incubation centres,
- Curriculum in place lacks practicality in institutions of higher learning in Zimbabwe.
- Incubation centres lack appropriate skills to nurture entrepreneurs.
- Difficult to identify talent due to lack of appropriate structures to motivate students to showcase their talent
- The issue of incubation centres was still in theory and no action being taken to establish one in institutions

## **RECOMMENDATIONS**

- **Universities and industry should work together in the development of a suitable curriculum,**
- **Institutions to help students to identify problems in community addressing the gap between society and industry,**
- **curriculum development should emphasise on practical entrepreneurship,**
- **Government should also support creation of incubation centres to enhance economic development.**
- **Institutional leaders to emphasise on an appropriate culture**
- **Creation of platforms where students suggest improvements on programmes**

### **Problem:**

Universities produce quantity other than quality graduates

Instead, universities should produce creative and innovative graduates who are job creators – solving social problems

So establishment of incubation centres would go a long way.

**Incubation** is developing an idea from ideation through to development. It means creating conducive environment for learning. It is nurturing – like hatching a chicken's egg.

Incubation centres are pillars of business development, centres to nurture and groom firms.

### **Identification of talents.**

Some people are born entrepreneurs, while others need training.

Universities should identify talents in young people while they are undergoing training. Identification is a process.

Incubation helps in selecting graduates whose ideas have social impact.

Education is therefore key to cultivating future entrepreneurs.

### **Challenges**

- Unstable environment
- Lack of skills in incubation centres
- Lack of assessment tools to check whether incubates are growing from training

- Lack of government funding

### **Recommendations**

- Universities and industries to work together
- Help students identify problems in society and industry
- Develop practical curriculum
- Create an ecosystem to build rapport of government, donor and private sector
- Government support to incubation.

### **Sub Theme 3: MEASURING AND REPORTING SOCIAL IMPACT IN AFRICA.**

#### **How to measure social impact**

1. By understanding your clients, by knowing the state they are before and after starting working with them.
2. By accompanying them to understand what is of the value for them
3. Believing that social groups are the catalyst for social transformation
4. Being able to create jobs and reduce poverty.
5. Contributing towards Sustainable development goals especially goal 8 that is creating decent work and economic growth, goal 12 which is about responsible production and consumption.
6. Training people for change of mind to the focus on entrepreneurship
7. Domesticating to what entrepreneurs understand and work from their perspective

#### **How to sustain social groups we are working with**

1. Before you start a group you need to insert yourself to the group and learn what they do
2. Identifying the capabilities within the group is very helpful by use of codes and map out.
3. Keep on innovating from what you have around
4. Come up with partners and work together
5. Visit different places to source for knowledge
6. Have vision for the groups
7. Enable the groups by offering different trainings

#### **Managing Risk among the social group**

1. By keeping in touch with the group and building a trust with them
2. Logical model that is visiting each individual and responding to their cases as individuals

#### **Final remarks on social entrepreneurship**

- Social entrepreneurship is the way to future and sustainability, taking care of the environment



- Social entrepreneurship is the way to go for holistic development
- Social entrepreneurship is the new paradigm that we have to measure and document in order to have knowledge to share.

## **INDUSTRY PRESENTATION BY AMOSE MUTIGA. Bi Lab East Africa**

Bi lab is a nonprofit that serves a global movement of people using business as a force for good. Bi Lab's initiatives include B corp certification, administration of the Bimpact management programs and software and advocacy for governance structures like benefit corporation.

[www.bimpactassessment.net](http://www.bimpactassessment.net)

[www.b-labeastafrica.net](http://www.b-labeastafrica.net)

## **Day Two**

### **CONTEXTUALIZING AND SHAPING SOCIAL ENTREPRENEURSHIP IN AFRICA**

The opening prayer for day two was led by Prof. Robert White and read from the Gospel of Luke 4:18-19 "the spirit of the Lord is upon me to bring glad tidings to the poor..." and asked God that our mission to bring good tidings to the poor may be realized.

### **DR. MWALIMU MUSHESHE ASHOKA FELLOW & VICE CHANCELLOR AFRICA RURAL UNIVERSITY**

#### **RURAL TRANSFORMATION SPECIALISTS**

- What do we teach in school about social enterprise
- Social entrepreneurship if you want to learn about it you have to ask yourself who is teaching it
- A Muslim cannot correctly teach Christianity neither do Christians teach Koran
- Let us be radically in thinking on the Africa we need

#### **How did we do social entrepreneurship culturally and traditionally ?**

- The modern understanding of social entrepreneurship is all about having options
- Have you asked people how they were entrepreneurs before you met them

## **PANEL DISCUSSION**

### **Creating Shared Values**

**ALI** : From the Islamic perspective .God has prohibited interest but allowed enterprise

- Do business with all people and they believe God almighty has permitted
- Man has to use resources to create prosperity of humanity that you don't start business for your own benefit but for the society

**Cecilia** - UON No way we can achieve massive change if you work alone

**Nelia** - students who have started their own business have given opportunity for other students to have attachment at their places

**Catherine** : work with young people who have been having problem in getting jobs

Creating value as an enterprise they are able to encourage students come on board and offer skills that they have and in the process they learn new skills and they are developed

### **Session 4**

#### **CREATING SHARED VALUE THROUGH SOCIAL ENTERPRISE**

Professor Dominic Mwenja, CEO Mater Hospital

(A summary of the presentation)

- Philanthropy – altruism – do good to local community
- Through strategic corporate social responsibility
- Shared value concept

Solving societal problems

Creating value in the society where organization operates.

Some organizations commit 5% of resources to philanthropy and 85% to shared value.

Making choice

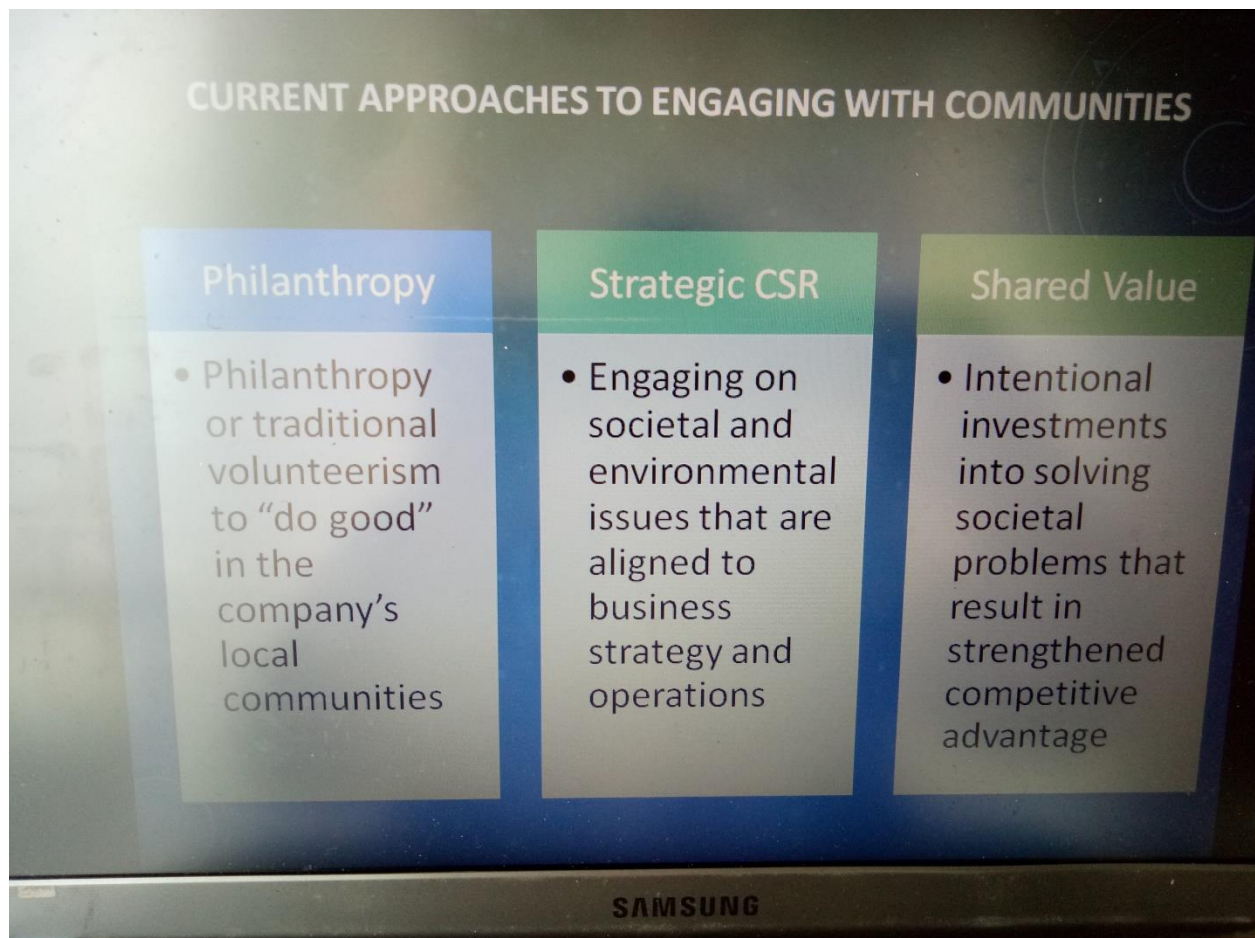
Philanthropy looks at community needs – voluntary – this does not create long term values

Strategic corporate social responsibility – stakeholders values, core set up resources for the society where they live and work. For instance strategic corporate social responsibility may invest in health services, human capital resources.

The concept of share value is put into practice via hydroponic farming – where skills are imparted to young people who may not get jobs to apply learned/acquired skills. Young people are trained in social science skills, then go to bank to provide money and then find market for their produce this is shared value. In Kenya, it is operating in arid areas – among refugees the question we are asking is why buy food for refugees when they can grow enough food in the area using technology and science of hydrophone

Shared value is a selfish competitive position for the community that we serve.

**Slides presentation by Prof Mwenja**



	Philanthropy	Strategic CSR	Shared Value
<b>Motivation</b>	Be generous	Be responsive	Be competitive
<b>Issue Selection</b>	Community Needs	Stakeholder wants	Strategic positioning
<b>Resources</b>	Funding; Volunteer time	CSR Budget, Staff skills	Corporate Budget
<b>Corporate Home</b>	Foundations	Cross functional	Cross functional
<b>Look and Feel</b>	Projects	Programs/Initiatives	New Business model
<b>Social Value</b>	More resources	Better resources	Enduring solution
<b>Business Value</b>	Goodwill	Reputation	Long term profitability

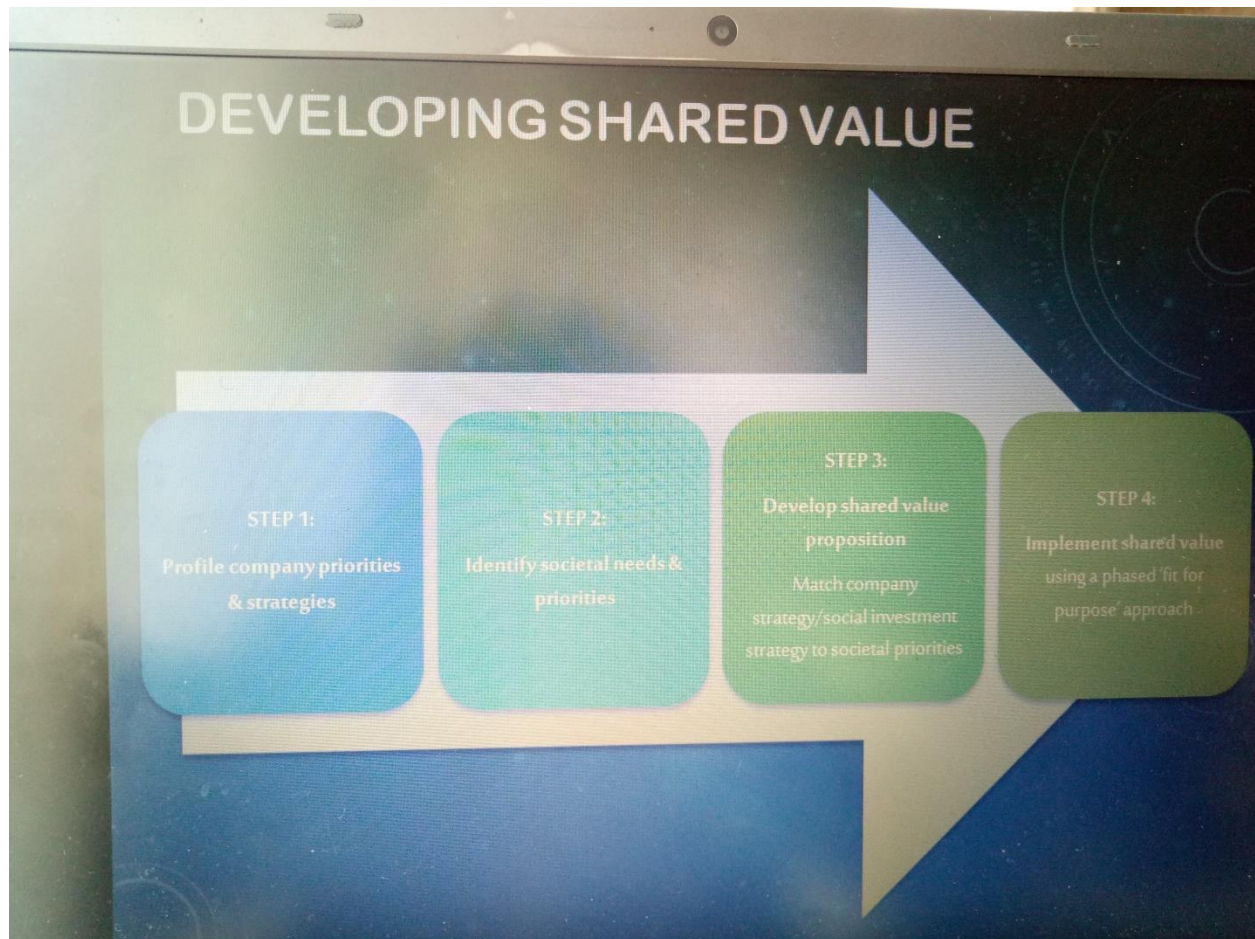
# SHARED VALUE OVERLAP





Stakeholder	Driver	Shared Value Proposition as expressed through Real World Examples
Finance	<ul style="list-style-type: none"> <li>• Cost-Cutting</li> <li>• Saving Money</li> </ul>	<ul style="list-style-type: none"> <li>• In 2011, Johnson &amp; Johnson saved USD 250 Million in lost man hours by investing in an employee wellness programme</li> </ul>
Human Capital/ Resources	<ul style="list-style-type: none"> <li>• Maximizing Employee Productivity</li> <li>• Inspire a sense of purpose</li> <li>• Developing &amp; Transmitting Corporate Culture/ Values</li> </ul>	<ul style="list-style-type: none"> <li>• 68% of employees do not feel companies do enough to inspire a sense of purpose</li> <li>• Socially responsible companies record up to 13% improved productivity and 50% reduction in staff turnover</li> </ul>
Marketing	<ul style="list-style-type: none"> <li>• Client Acquisition</li> <li>• Improving Brand Value</li> <li>• Premium Pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Up to 43% of all new clients are influenced by the corporate citizenship profile of a firm</li> </ul>
Corporate Communications	<ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Reputation Enhancement</li> <li>• Investor Relations</li> </ul>	<ul style="list-style-type: none"> <li>• 50% of new investors will not consider companies that lack a reputation for social responsibility</li> </ul>
Board/ CEO	<ul style="list-style-type: none"> <li>• Company Value</li> <li>• Legacy</li> </ul>	<ul style="list-style-type: none"> <li>• Brands associated with social responsibility are recording up to 50% faster growth</li> </ul>

SAMSUNG



## **Panel Discussion**

### **Megan White ASHOKA FELLOW**

Sanitary pads for girls' retention in school especially among girls who are poor. The program involved teaching street children on how to make sanitary pads. More focus on women and girls' empowerment.

### **Dr. Musheshe – Vice Chancellor Africa Rural University**

Social entrepreneurship. An African is a social entrepreneur, he/she has done social work since time immemorial. Allow African traditional wisdom fellows to be co-authors alongside those who use them as informants. Africans have killed innovativeness by replacing hard work by ready made

things in the supermarket, we used to make cars, animals, pots etc now we buy toys for our kids making them less innovative

Rethink our teaching – social entails sharing.

### **Panel discussion on creating shared value through social enterprise**

Social entrepreneurship according to Islam means service to humanity, trade with one another charging no interest

Environmental management is not a standalone venture/activity we have to share the responsibility of protecting the environment, water quality that demands behaviour change and avoid dumping wastes into water.

My Career identity is an organization that helps by training young people to get skills to be used in work place. Adding value involves investing in students so they deliver outside in the workplace.

We need to inculcate African values and standards for business

And how to harness our diversity to be our strength

How to work with policies?

How to influence policy is really a group work, where people get together and articulate their issues and then sell it to MCAs, MPs, and others who hold positions of influence

At UMMA university, the following are done in meeting the aspirations of people in as far as social entrepreneurship is concerned: healthcare, clean water provision, food grown in green houses especially tomatoes and vegetables and encouraging people to grow bambos as income generating activity.

## **Session 5**

### **ENGAGING LEGISLATURE FOR POLICY AND LEGAL FRAMEWORK FOR SOCIAL ENTERPRISE**

Hon. Engineer Peter Mositet

Formerly the Senator for Kajiado County and a member for the Senate's Budget and Finance Committee, as well as the Speaker's panel.

He noted that currently, there are no specific laws guiding Social Entrepreneurship, hence any application of the same is based on other pieces of legislation found under the business laws or clauses. There is a need to develop specific laws guiding Social Entrepreneurship.



He said that profits accrued from Social Entrepreneurship, should not be used to enrich self, but rather for the communities around and for the care of the environments. Profits so generated should be ploughed back to the society and the community we serve.

## **Way Forward**

There is a need to develop a specific law dealing with Social Entrepreneurship. These laws should be unique and sector specific to apply to individual groups and organizations serving people at different levels and societal needs.

SESOK (Social Enterprise Society of Kenya ) should take the lead in this area, since it is already a registered organization, and has the legal capacity to drive the exercise. It should draft a policy paper for discussion by all Stakeholders, and use its lobbying and advocacy strategies to petition Parliament, namely The National Assembly and the Senate.

## **Entrepreneur's showcase by Patrick Kimazi – Mui Kings Academy**

Cocogrow: grows cocoa about 7 million cocoa trees planted by 150,000 households and earning 13 billion shillings per year. It has 6 employees and has created 20 jobs

How much is policy a priority?

What happens is social enterprises are registered not as social enterprises because there is no legal framework for social enterprises yet in Kenya but they are registered as NGOs or any other form in the absence of such legislation.

Social enterprises should really focus on the social impact rather than the profit. Then people create associations that help them run social enterprises

Social entrepreneurship should be given priority and protected by a legal framework so as to make housing, industrialization, food security and health incorporate social impact not profit driven individuals

## **Challenges**

Registration as a company

KRA – taxes on company

Social enterprises should demonstrate both social and economic values/outcomes

Session 6: shaping the social entrepreneurship ecosystem for investor readiness in Africa

Entrepreneur's showcase by Stellamaris Mwende, Mrembo Empowerment Centre

This centre runs a salon or beauty training. They focus on training and capacity building and also do charity works. [www.mrembo.foundation](http://www.mrembo.foundation)

## **Speaker**

### **Dr. George Mwaniki, Netfund**

Emphatically mentioned ecosystem as a system of interaction of various elements.

Mentioned the three phases or stages of industrial revolution. Faced with: GDP slowing down, unemployment increasing, productivity decreasing and in a world where there are only 3.5 billion richest people and 40% of the population is worse off and rising environmental crisis exhibited in climate change and pollution

We should have compelling cognizant of the current challenges of this century and ready to deploy strategies quickly.

#### **1<sup>st</sup> industrial revolution features**

- Communication – telegraph
- Energy – coal and steam engine
- Transport – train and carts pulled by animals

#### **2<sup>nd</sup> industrial revolution characterized by**

- Communication – telephone
- Energy – oil discovered in Texas
- Transport – automobile

#### **3<sup>rd</sup> industrial revolution**

- Communication – digital
- Energy – renewable – digital renewable
- Transport – automated; GPS

This will be further characterized by internet of things where several things are talking to everything at home for instance: Television talk shows, to computer, kitchen, etc.

Napster involves peer to peer file sharing, sharing goods at no cost, sharing music online 1998, this has induced a total change in music industry today. Some companies affected are like The Postal Corporation, and Telkom. In the future where technology is foreseeing the possibility of

electric car, that has electric power and self-driving there is likely to be no need to own a car and online shopping is becoming a reality e.g. Jumia online selling.

## **Panel Discussion**

### **What to do with SMEs?**

They need diversification of business, proper documentation – based in E.A region healthcare

The process involves application and documents are reviewed and then successful enterprises are prepared for investment process.

SANABIS is based in Ghana, Uganda and Kenya. At WEZA there are 3 technocrats who prepare business owners for investment for 3 months in whatever social enterprise they undertake but with specific focus on school and clinic.

Environment interacts with everything, so social entrepreneurs need to locate themselves in position to interact with environment sustainably.

Investors look at the risk of your business – compliance with loan repayment, taxes payment and legal requirements like licenses.

Entrepreneurs need to sharpen and define their business model. None of us can solve a social problem alone, we need collaboration that is ecosystem- sharing the knowledge and resources we have

## **Session 6**

### **SHAPING THE SOCIAL ENTREPRENEURSHIP ECOSYSTEM FOR INVESTOR READINESS IN AFRICA.**

#### **Industry Presentation by Brenda Kiema**

Presented on the inception of Institute of Social Ministry in Mission (ISMM) and traced its origins to 1994 founded by Fr. Francesco Pierli. Prompted by alarming statistics that state that out of the 6 billion people only 2 billion live a dignified life. To bridge this gap, institutions of higher learning can embark on a type of education that teaches minds, touching lives and transforming life. This

is also the motto of ISMM. So Fr. Pierli started this program at TUC for that purpose namely transformation of lives.

Through its program, TUC under ISMM focuses on entrepreneurship, innovation and market approaches to create social value and change, mainly targeting poverty alleviation and market based solutions. This is done using pastoral cycle (insertion, theological reflection, implementation and evaluation) to create shared value not as standalone but through networking and trusting for instance KICABA i.e. Kitui Integrated Creative Arts and Business Appraisal which is a micro-credit institution; awarding soko-loans led by Patrick Kutu

### **Shared values:**

- Access to credit
- Small loans are reduced risks
- High return rates
- Many clients can access loans
- Interest earned on loans is re-lent to clients

### **Challenges**

There is an increasing demand like 400 new clients

15% is the chargeable interest rate on borrowed soko loan to some it is high

The interest charged was a concern to the members present for being high and suggested that in the interest of shared values, interest should be lowered to 8%. Some compared some cheapest interest rates around the world the cheapest being 4%. But 15% is relatively cheaper than what commercial finance institutions are charging that ranges from 18%, 20% and 30%

### **Paper presentations by Nelia**

Focused on nurturing and identifying entrepreneurship talent across institutions of higher learners through business incubation activities in Zimbabwe. This movement was prompted principally by a vast majority of university graduates come out of school but without jobs. This initiative targets incubation for fresh university graduates to acquire relevant skills and then secure jobs. This was informed by the fact that life after university for students was characterized by few getting formal employment but most join informal employment.

Strategy: creating incubation centres so as to nurture talents for employment and jobs through broking, micro-finance and contracting on campus for student entrepreneurs to supply like new text books, benches, food and whatever the university wants to purchase through competitive tendering process.

### **DR.George Mwaniki, CEO Net fund**

- Entrepreneur Ecosystem.

- Panel on Ecosystem

### **How do you make sure that enterprises are paid?**

- The relationship between social enterprise& environment.
- Incubation starts from where and ends where?-a programme starts 2 to 3 years.
- There is available capital but very few people who know how to go about it.

### **Closing remarks by Professor Kibutha Kibwana, Governor of Makueni County.**

#### **H.E. Prof. Kivutha Kibwana, Governor, Makueni County**

#### **Prof. Kivutha has been instrumental in:**

- Mfungamano movement that ousted Moi from power in Kenya.
- Governor of a County that is prosperous and down to the people
- Pro-poor, women and youth
- Humble
- Provider of general healthcare in Makueni

Prof. Kivutha expressed gratitude for being honoured to the conference for yet another time and immediately alluded to the great number of participants from Makueni County in attendance and urged them to put into practice what was learned.

Social entrepreneurship is a new idea dating back to the 80s. It is not merely a venture for profit but on maximum social impact especially amidst despair and mushrooming poverty among people. So social enterprise is a solution among the youth.

He stressed the fact that the central Government, as well as the county governments, need to support social enterprises which must be contextualized, concretized, legitimized and entrenched in African context.

There is need to offer guidance to the would-be new entrants into social enterprises so they may create changes in society, and there is need to alter a mind-set towards support for social enterprises.

Vivid examples abound on Kenyan territory: Prof. Wangari Mathai grew trees, helping people, helping women, established merry-go-rounds. Another set of help for social enterprises are in

numerous micro-credit facilities in the country that lend loans for farmers to buy manure for increasing farm productivity, buy seeds and pay school fees.

Another is agro-phonics – that does 3 months training, establishes green houses, adapt a market, create more employment and in so doing introduce others into the economy and also get social profit. Companies that do social corporate responsibility is only a one-off act of support. So social enterprises keep doing the good in local communities.

He noted that Bishop Masika in Makueni is another good example. He uses the model that focuses on agriculture especially horticulture and growing maize and beans in arid areas. This has changed the lives of people in northern Kenya. They are no longer brewing and drinking alcohol because they have no time for that.

The governor emphasized that it is crucial for policy makers and the legislature to intervene in the area of social enterprises. He also pointed out that the proceedings of this conference will be socialized especially for institutions for helping young people.

There is need to increase support to innovators – entrepreneurs just like ASHOKA (3,600 members) and what Mohammed Yunus ( in Bangladesh), did for the poor who were entangled with poverty

**Dr. Daniel M. Kitonga)**

#### **Word from the directorate of post – graduate studies and research**

- Way forward:
- As academic Institutions, how can we involve government in our research, enlighten the initiatives that the county of Makueni is taking even though it is a much challenged county.
- Try to incorporate the publication of the material of this conference, and to involve the government, especially the county governments.
- We should all initiate, or follow what Makueni County is doing.

#### **Way forward from Dr. Stephen Gachie**

- Social enterprising is now called the 3<sup>rd</sup> sector.
- Grateful to the governor of Makueni County for allowing Tangaza University to journey with the people of that county. This was evident with the large number of participants, particularly the youth, from Makueni County, who attended the conference.

#### **How do we institutionalize what we are talking about**

- We train, coach and mentor entrepreneurs as a college. A shoka came up with institute that is teaching about social entrepreneurship

### **How we can incubate**

- Tangaza University College should be able to measure social impact. Social responsibility are not sustainable – show how we can share our values for sustainability. KCB Foundation youth are trained for employment shared values

### **In collaboration with differing partners to incubate talents**

- Policy – lobby to have legal framework that recognize social enterprise

### **Next Conference:**

**Next conference is proposed to be held on 19 & 20 September 2019**

**Vote of thanks by Rev Prof. S. Sahaya - DVC (Designate) Academic**

**On behalf of Tangaza Management, he recognized the good work by ISMM, PSYCHOLOGOLY and Social Entrepreneurship Departments**

### **What is purpose in life?**

Purpose is desire to achieve something beyond yourself .Social entrepreneurs are likely to be happier than capitalists

**Cutting of the cake and closing of the conference.**

### **CUTTING OF THE CAKE**

**Conference ended by cutting of the cake led by the Conference Secretarial staff under the leadership of Ms. Damaris Muthusi. Networking and Departure.**

**Report by :**

**Francis Muroki (Chief Reportour)**

**Mathew Zaume**

**Juliana Syengo**

**Edited by Francis Muroki**

**ENDS**