

# Diasporas and Transnational Entrepreneurship in Global Contexts

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## Chapter 13

# Social Entrepreneurship in Sub-Saharan Africa: A Critical Analysis of Diaspora Social Investments

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### **ABSTRACT**

*There has been a growing interest in “social entrepreneurship”, but very few analyses have attempted to go beyond definitional disagreements in capturing the role of the diaspora within a theoretical and evidence-based framework. It is in this context that this chapter systematises competing perspectives on social entrepreneurship, that is, the neo-liberal conception, the institutional/social organisation framework and the agenda of social transformation. On the basis, we proceed to analyse how far so-called “social impact investments” in Sub-Saharan Africa by the diaspora has contributed to poverty alleviation and a fundamental social transformation. Our study will not only clarify competing viewpoints, but also place the diaspora at the centre of this process. While great strides have been made in the institutional context by the African diaspora such as Mutombo and Akon in making the world a better place, there are limitations to what they can do. Indeed, our alternative social transformation conception of social entrepreneurship teases out these limitations, politically and socially.*

### **INTRODUCTION**

Despite the growing interest in “social entrepreneurship” and its seductive appeal to government officials, businesspeople and civil society organisations, it is surprising that relatively few studies have cast their net to capture the role of the diaspora within a theoretical and evidence-based framework. Indeed, ever since Bill Drayton, the founder of Ashoka Foundation (Newton, 2014a), and latterly the

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Schwab Foundation For Social Entrepreneurship (Newton, 2014b), assumed the concept, the debate has been largely confined to definitional disagreements. Other organising concepts such as “non-profit venture” (Surdna Foundation, undated) have also been proffered and used interchangeably with “social entrepreneurship”. In addition, some analysts have cited the practical experience of Muhammad Yunus’ Grameen Bank as illustrative of how loans can be used to lift poor women in, for example, Bangladesh out of poverty (also see Ndhlovu, forthcoming 2016).

Notwithstanding the difficulties in assessing the impact of “social impact investment”, this chapter attempts to tentatively gauge how far such investments by the diaspora in Sub-Saharan Africa can effect social change. Hayes (2010), Karmwar (2010) and Ojo (2012) trace the term “diaspora” from, initially, its reference to Jewish immigrants to, latterly, the involuntary or voluntary displacement of many other peoples (Africans included) from their homelands. Put in other words:

*The nature and composition of the African Diaspora have undergone significant changes over time from forced migration to the voluntary emigration of free, skilled Africans in search of economic opportunities from a Diaspora with little contact with the point of origin (Africa) to one that maintains active contact with the mother continent. - - - The term “African Diaspora” in its more modern usage emerged clearly in the 1950s and sixties. It served in scholarly debates both as a political term, with which to emphasise unifying experiences of African people dispersed by the slave trade, and also as an analytical term that enabled scholars to talk about black communities across national boundaries. Much of this scholarship examined the dispersal of people of African descent, their role in the transformation and creation of new cultures, institutions, and ideas outside Africa. - - - its [the Diaspora concept] conceptualizations came about as a result of the independence movements in Africa. - - - [Because of many “streams of the African Diaspora movement], there is no single African Diasporic community, or consciousness (Karmwar, 2010: 70-71).*

For example, Roberts (1999) contends that: “the concept of the motherland remains part of an imagined community, but one with only a weak capacity to sustain collective political action. - - - The motherland calls precisely because the real world so often requires constant and painful accommodations from a marginal position” (Roberts, 1999: 188). Espinosa (2012), on the other hand, views the gendered nature of diaspora philanthropy in the Philippines, that is, collection and distribution of donations that are specific to particular communities, as reflecting migration of women to Australia (“mail-order brides”), one that gives expression to the inequalities in the motherland. This is what Dr Jacqueline Copeland-Carson, the renowned social justice advocate, refers to as community-based social finance. Lewis (2011) and Singh (2004) base their analyses on Marcus Garvey’s work, Rastafarianism, anti-colonial and Black Power movements. Identity and culture are recast so that notions of “Africa”, “blackness” and “African diasporic identity” highlight the racism in which the diaspora operate. This is the basis of Pan-Africanism, the African version of nationalism, and post-apartheid notions of “diaspora return (physically and metaphorically) programmes”. Similarly, the edited volume on Igbo (of Nigeria) diasporic destinations focuses on their enslavement and experiences in America (Falola and Njoku, 2016). In addition, the volume covers issues of integration of the Igbo into the Atlantic World, the transformation of their identities, language and culture, how far they resisted this encroachment, and consequently the impact of returnees to Nigeria.

For his part, Ojo (2012) focuses on the Diaspora that maintains contact with countries of origin, those “who are rooted in at least two different social and economic arenas” (Ojo, 2012: 146). He adds that: “Transnational entrepreneurs are individuals who migrate from one country to another, simultaneously

maintaining business-oriented relationship [s] with their countries of origin and residence. By travelling both physically and virtually, transnational social entrepreneurs concurrently engage in cross-national business activities that enhance their economics (op. cit.) resources” (Ojo, 2012: 146-147).

Given these different views of the notion of the diaspora, our study will not only clarify and systematise competing perspectives on social entrepreneurship but also place the diaspora at the centre of this process. It is to this end that this chapter identifies three different theoretical viewpoints concerning social entrepreneurship. This is followed by a discussion of the role that is played by the diaspora in Sub-Saharan Africa. While there are difficulties in assessing the impact of social investments on poverty and social transformation, this discussion is organised in a way that corresponds to the three identified theoretical perspectives. What are the emerging patterns of social entrepreneurship in Africa? We tentatively chart these trends and attempt to establish whether the impact is positive, negative or mixed. Finally, the conclusion revisits our central theme, summarises the key outcomes and implications of our discussion, and sets an agenda for future research.

## **THEORETICAL FRAMEWORK**

In order to understand the implications of social entrepreneurship in Sub-Saharan Africa, it is important to couch the arguments within an organising theoretical framework. It is also important to recognise that there are different assumptions about the nature of “reality” on whose basis we can logically arrive at different conclusions about reality (Cameron and Ndhlovu, 2000; 2001; Cole, Cameron and Edwards, 1991). It is with this in mind that this section discusses three theoretical viewpoints that plausibly explain (economic) phenomenon that is social entrepreneurship: the neo-liberal conception, institutional/social organising frameworks and the agenda for social transformation.

### **Neo-Liberal Conceptions**

For the Ashoka and Schwab Foundations, a social entrepreneur is a visionary and risk-taking individual who seizes opportunities, and whose innovative ideas provide solutions to major societal problems (Newton, 2014a; 2014b); in other words, a change agent, to use neoclassical economics parlance, who also generates financial returns. For example, just as in the case of Richard Branson (the founder of Virgin Group), Strive Masiyiwe, the London-based Zimbabwean founder and chairman of Econet Wireless, is eulogised as a socially-conscious businessman who provides electricity and telecommunication services in Southern Africa (Econet, undated). His innovative ideas and philanthropic activities are highlighted and put in contrast to the paucity of mentors to guide and encourage those who are starting out. In addition, Bill and Melinda Gates, who established their (now global) Foundation in 2000, also attract similar accolades. Their specific objective is to find “solutions for people with the most urgent needs, wherever they live” (IntelligentHQ, 2016), particularly within the health and education areas.

Krige and Silber (2016) describe these “tales of daring” as fostering opportunity and ensuring that these “game-changers” play a role in fighting “social ills”. Similarly, Bornstein (2004) showcases social entrepreneurs as men and women who are driven, that is, “creative individuals [or heroes]” who “exploit new opportunities” and ultimately make a difference by changing the world. Bornstein and Davis (2010) go further in charting the historical background of social entrepreneurship, from humanitarian acts to business-orientated models, and project these change-makers as uniquely placed to solve local

problems (also see Kickul and Lyons, 2016; Paramasivan, 2016). Because of their locational advantages, the diaspora can also be more effective in transmitting technology and know-how to countries of origin, while also mitigating the impacts of foreign direct investment (FDI) “such as spillovers” and “the brain drain” (Wei & Balasubramanyam, 2006).

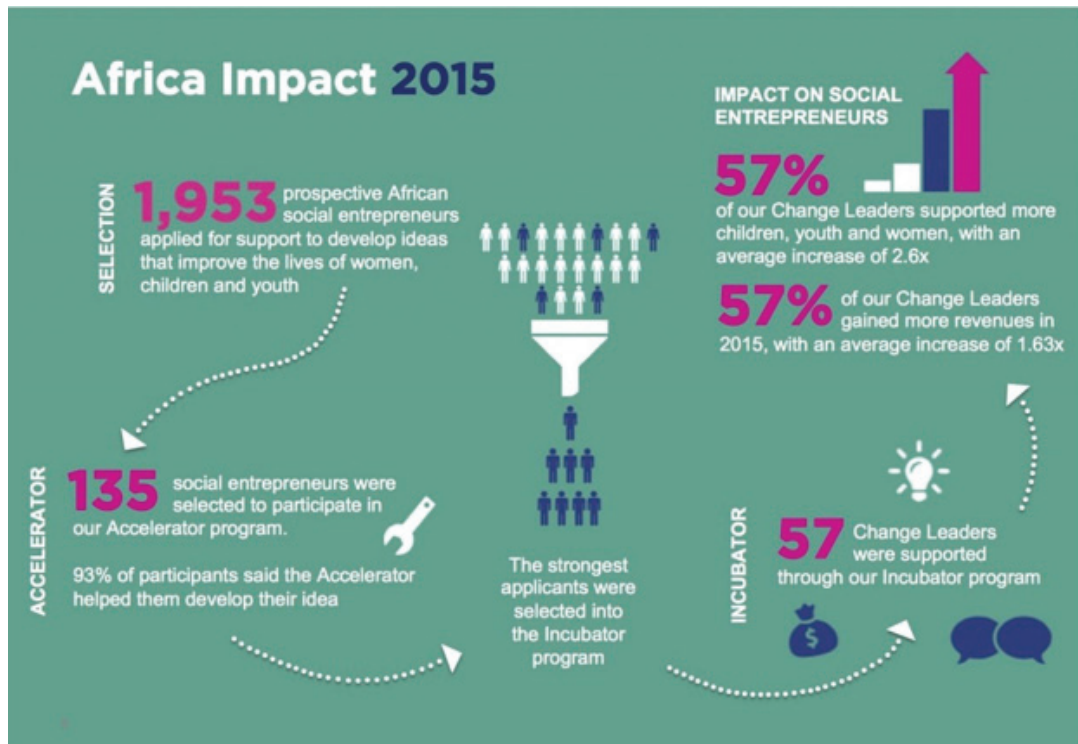
Arguably, these individuals have special talents for coordinating consumption and production (Ndhl-ovu and Spring, 2009), they are ambitious, innovative, and lessons can be learnt from their successful social entrepreneurship that involves resolution of community problems. In a word, such individuals are risk-takers who use their initiatives to instigate positive social change in many areas of the economy such as education, health, banking and microfinance that would otherwise not have been covered by commercial enterprises.

This is the context in which Herman and Smith (2009) explore the unique skills, psyche, drive, innovation and business acumen of immigrant entrepreneurs in America. Similarly, Reach for Change (2016) also catalogues some of the achievements of and purported solutions by these “change leaders” who are supported by the Accelerator and Incubator programmes (Figure 1).

### Institutional/Social Organisational Frameworks

By contrast, for Yunus (2010) and Sen (1992), social entrepreneurship is associated with social organisation, activism and enhancement of capabilities, arguably resulting in poverty alleviation. Kickul and

Figure 1. Impact of social entrepreneurship  
Source: Reach for Change (2016: 1)



## **Social Entrepreneurship in Sub-Saharan Africa**

Lyons (2016) contend that: “In essence, social entrepreneurs resolve the Free Rider problem by using innovative methods to bring the solution to the Tragedy (be it a product or service) to market *and* have the consumer pay for any social costs. Thus, the Tragedy itself provides the opportunity for social entrepreneurs to perform a necessary and socially/environmentally beneficial services at appropriate prices” (Kickul and Lyons, 2016: 265). Catalina (2013) adds that social entrepreneurs not only pursue a social mission that fills the gap that is left by commercial enterprises, but they can (in tandem with government and local institutions) also have a positive impact on service provision and enhancement of the image of recipients of social services. Moreover, “diaspora groups can be development partners [as in the case of Darfur] in efforts to address conflict and post-conflict reconstruction efforts” (Budabin, 2014: 177). Indeed, Kshetri (2013) contends that, through its networks, the diaspora in Sub-Saharan Africa play a crucial role as “institutional change agents” and (similarly to Budabin, 2014) can help with the “rebuilding [of] economic infrastructure” in countries such as Rwanda (as in the period after the 1994 Genocide). In fact, the diaspora can play a pivotal role in development via public administration, that is, national investment agencies (IPAs) (Riddle *et al*, 2008). For their part, Sikod and Tchoussi (2006) also cite diaspora remittances in French-speaking African countries as having contributed in financing “basic social services and infrastructures”. The “knowledge and skills of the diaspora population” are also likely to lessen “the effect of the brain drain”, and even turn it into a “brain gain” (Riddle, 2008; Shindo, 2012: 1698).

However, Hayes (2010) warns us against the dangers of the diaspora creating ethnic enclaves. In other words, while the activities of the diaspora can be conducive to economic development, the tendency to set up structures in “familiar grounds” such as one’s own village or town or where one’s family originates from can also accentuate regional differences and exacerbate mistrust, tensions and conflicts. Thus, “ethnic introversion of the diaspora” can have a negative effect; indeed, “create a schism” (Hayes, 2010: 300: 302). It must also be pointed out that, if the diaspora invest in other areas outside their “familiar grounds”, this may be interpreted by politicians as a bid for political power and thus a threat to the establishment (also see Cameron and Ndhlovu, 2001).

Notwithstanding this, Yunus (2010) insists that: “social business holds the potential to redeem the failed promise of free-market enterprise”. He presents a self-sustaining model that focuses on social, economic and environmental factors. While there is no grant support (“handouts”) in Yunus’ model, he nevertheless advocates a more nuanced taxation system that straddles the boundary between profit and non-profit considerations, and one that can aid in eradicating poverty, tackling inequalities and arguably “making the world a better place”. According to Nkongolo-Bakenda and Chrysostome’s (2013) eclectic analysis, the success of international diaspora entrepreneurship is thus dependent on a number of factors:

*such as dynamic personality, low psychic distance, less liability of foreignness, more social networks, and familiarity with foreign countries. - - - Furthermore, [it is] suggested that the determinants that are critical in the development of diaspora entrepreneurship are, in addition to traditional drivers of international entrepreneurship, altruistic motivations, the need for social recognition from the home country, identification of entrepreneurial opportunities in the home countries, the friendliness of the home country’s socioeconomic environment, the receptivity of the home country’s government, the integration of immigrants in the host countries, and the diaspora support programs in the host countries (Nkongolo-Bakenda and Chrysostome, 2013: 56).*



In its community projects, the Kuyasa Fund in South Africa falls within this compass. It is also in this light that the Industrial Development Corporation (IDC) in South Africa can be seen to be strengthening social capital and empowering communities so that they can address local problems (also see Cameron and Ndhlovu, 2000; Fine and Lapavitsas, 2004; Ndhlovu, forthcoming 2016). Using Italy as an example, Murat *et al* (2011) also argue that the country's transnational social capital (beliefs and values of emigrants abroad) has had a positive impact on Italy's bilateral FDI. In the circumstances, they advocate for the strengthening of institutional ties with the diaspora. For South Africa, the contention is that the IDC – in partnership with “social innovators”, “philanthropic ventures” or “social enterprises” – will enable communities to overcome problems of inadequate funding and social networking, and the inevitable technical obstacles. In the meantime, the driving force behind social enterprises is the government's Broad-Based Black Economic Empowerment (BBBEE), so the argument goes, while the IDC ensures the long-term sustainability of enterprises by improving access to capital and technology.

Despite difficulties in distinguishing “corporate philanthropy” from charities (Habib, *et al*, 2008), and controversies surrounding corporate social entrepreneurship, corporate social responsibility (CSR) and corporate social investment (CSI) (Kickul and Lyons, 2016; Ndhlovu, 2011; Ndhlovu and Spring, 2009; Ndinda and Okeke-Uzodike, 2012; Paramasivan, 2016), the term “social enterprise” seems to carry more currency than, for example, NGOs or charities. It conjures up images of better management and thus social enterprises can be portrayed as deserving of greater support in poverty reduction. What may be lost is the impact these social enterprises may have on local companies, outcompeting and displacing them.

## **Agenda for Social Transformation**

It is against this background that this chapter explores an alternative conception of social entrepreneurship. Such an approach factors in the possibility of social enterprises prioritising healthier balance sheets to tackling eradication of poverty. It combines critical analysis of social enterprises with praxis that is sensitive to place, cultural, political and historical context, and gives due consideration to gender and power relations (also see Falola and Njoku, 2016; Ndhlovu, forthcoming 2016; Ndinda and Okeke-Uzodike, 2012; Ridley-Duff and Bull, 2011). Premising his argument on the need for fundamental political change and reconfiguration of “power and authority”, Davies (2010) assesses the role of the diaspora entrepreneurs in development. For example, in situations where States are weak and/or failing (also see Ndhlovu, 2012), the diaspora is likely to play a bridging role in propping up the economic system and even contributing to the longevity of the regime such as the Mugabe government in Zimbabwe. It is thus not surprising that the Reserve Bank of Zimbabwe welcomed the support given to the exchequer by the diaspora in the form of remittances that (by September 2016) “had reached \$1-billion” (Diaspora Dispatch, 2016). Furthermore, Davies (2010) argues that the patrimonial networks/militarism in, for example, Rwanda and the Democratic Republic of Congo (DRC), can facilitate the gathering of external resources from rent seeking activities that, in turn, empower the homeland elites and ensure social cohesion.

It is in this light that diaspora investments in Sub-Saharan Africa are interrogated. Rather than base our conception of social entrepreneurship on a charismatic individual, a personality cult, or on capacitation and social organisation, our approach goes further than this. We cast social entrepreneurship within the dynamics of capitalist development where there are changing requirements for capital. In response to crises, capitals compete more fiercely, re-grouping, adapting to changing circumstances, and adopting new ways of survival and renewal that may also embrace CSR and CSI and/or “social entrepreneurship” (Fine and Lapavitsas, 2004; Ndhlovu, 2011; 2012). In other words, political and economic power are central to understanding social entrepreneurship and the role played by the diaspora in this dynamic process.



## **THE CASE OF SUB-SAHARAN AFRICA**

In line with these different theoretical perspectives for explaining economic phenomena, we shall link theory and practice. We shall attempt to tease out the impact of diaspora social investments on poverty alleviation and social transformation, whether the trend is positive, negative or mixed.

One word of caution. Most of the African social entrepreneurs in the diaspora remain largely unknown, and details of their activities are sketchy and/or scanty. For example, in South Africa, the majority of social entrepreneurs that are featured in the Forbes Magazine (Forbes, 2016) are not in the diaspora. They are based in the country itself where they continue to pursue their investments within their communities. Among those featured are individuals such as Nick Kaoma who is from Cape Town and is the founder of Head Honcho Clothing that produces streetwear clothing that is largely targeted at the youth who identify with the hip hop culture. For his part, Nceba Faku, the former Executive Mayor of Nelson Mandela Metropolitan Municipality in Port Elizabeth, was involved in the provision of solar panels to “childcare facilities, clinics and stadiums”. Notwithstanding this, we can still identify a number of African diaspora who are involved in social entrepreneurship. In line with our theoretical framework, we will organise these cases along the three identified theoretical perspectives.

### **Neo-Liberal Conceptions**

For those social entrepreneurs who prioritise financial returns, that is, invest in enterprises that bring returns to their social impact investments, Okendo Lewis-Gayle, who was born in Costa Rica, raised in Italy and educated in the USA and Taiwan, stands out. As founder and chairman of Harambe Entrepreneur Alliance (HEA) (Harambe being Swahili for “let’s work together”), he has targeted young Africans in elite schools for entrepreneurial development. HEA mentors them, provides them with scholarships and grants, and facilitates access to venture capital, that is, financial assistance to new emerging firms at their inception. There have also been instances in, for example, Ghana where there are claims that “brain gain” has taken place through highly educated and well-resourced returnees. Together with their extensive networks, these returnees are said to account for approximately 60% of all social entrepreneurial activities (also see the “Back To Africa” call by the African Union and others – Ankomah, 2016; Gyan-Apenteng, 2008).

Another social entrepreneur who made the Forbes Magazine list of 20 most promising young women in Africa is Yolanda Sangweni. Although she was born in South Africa, her upbringing was in the USA where her mother, a freedom fighter, had fled during apartheid. Yolanda worked as an editor, blogger and culture curator in magazines such as Oprah (South Africa), Harpes Bazaar, Glamour, Arise Magazine and Time Out New York. Sangweni is the co-founder of AfriPOP e-magazine that is described as “Afripolitan” and that focuses on music, fashion and culture, amongst other issues. There is yet another social entrepreneur who works within this space. Kahindo Mateere is a Congolese woman from the DRC who is also part of the African diaspora in the USA. As a 17-year old international business and economics student in 1995, Mateere was already showing great promise in designing and making her unique style of multi-cultural outfits known. By the time she attended and graduated in fashion from Illinois Institute of Art, it was clear that there was a demand for her particular style of clothing. In 2009, she launched her label, Modahnik, that showcased her designs that were African but essentially rooted in Congolese art and culture. In 2011, Mateera participated in Chicago’s incubator as a designer at Macy’s Residence Programme. Since then, her business has flourished, expanding beyond the USA and the

DRC, starting with the launching of her line in Kenya on the basis of “fair trade practices”. Meanwhile, she also launched her Clutch Handbag Initiative that was aimed at contributing to job creation among Congolese women. As demand increases for African designs, Mateera’s ultimate goal is to revitalise African textiles by concentrating on producing quality fabric for the global market.

Finally, Heshan de Silva is also a social entrepreneur in the African diaspora who was born in Kenya and raised in the USA by parents who were in the tea exporting business. Having started off by working in his parents’ firm, he later launched his own business that specialises in travel insurance for travellers on long-distance buses in Kenya. His company, Vencap, funds 17,000 businesses, while the De Silva Group of companies is involved in a range of sectors such as renewable energy, commodities, technology, insurance and agribusiness. In 2008, at the age of 25, de Silva was named by the US Congress as one of the brightest minds in Kenya.

### **Institutional/Social Organisational Frameworks**

This brings us to an alternative perspective of social entrepreneurship, that is, social organisation and activism in the development space. Here three cases are of significance. Firstly, the former Chelsea football star and captain of the Cote d’Ivoire (Ivory Coast) national team, Didier Drogba (Didier Yves Drogba Tebily), who now plies his trade with Montreal Impact of the Canadian Major League Soccer (MLS) invested in gold mining in Cote d’Ivoire (La Foundation, Didier Drogba, undated). Although the Didier Drogba Foundation (that was established in 2007) has recently been mired in controversy over its slow pace of disbursement of funds for projects, it is notable that Drogba played an important role in reconciling warring factions of the Northern rebels and government loyalists of the South. His Foundation is also involved in improving the quality of health and education of “vulnerable African populations” (ibid.).

Secondly, Dikembe Mutombo, a graduate of Georgetown University and now-retired basketball player from the DRC is among the notable African diaspora in the USA. Mutombo played in the National Basketball Association (NBA) with distinction for 18 seasons (Dikembe Mutombo Foundation, undated). While still a basketball player in the NBA, his Mutombo Foundation sought to impact on the lives of people in the DRC and elsewhere in Africa. In 1997, he donated \$3.5 million to build a modern 300-bed hospital in his hometown of Masina, just outside the DRC’s capital city, Kinshasa. Despite being bogged down with government red tape and difficulties in raising additional funding, he donated a further \$15 million in 2006 towards the completion of the \$29 million hospital that was opened in 2007 and was named after his mother, Biamba Marie Mutombo, who had died of a stroke in 1997. The modern health facility is the only such facility to be built in Masina for over 40 years and has arguably had the greatest humanitarian impact in the DRC. The hospital is located in a densely populated area that has 7.5 million poor people and is close to the airport and an open-air market.

Thirdly, by far the most famous social entrepreneur from the diaspora is Akon (real name Aliaume Damala Badara Thiam), the Artist and R&B singer who was born in the USA and also raised in Dakar, Senegal. In 2014, he set up a charity known as Akon Lighting Africa with a view to providing an affordable source of electricity to 600 million people living in rural communities in Africa. To this end, he launched the Solektra Solar Academy in Bamako, Mali in 2015. The Academy is not only the first such African Institute, but it is also designed to enable engineers to come up with new and innovative ways

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of producing solar power. This sustainable energy programme will ensure that solar-powered electricity systems are installed and maintained by local people, that job creation (skilled workers, technicians, engineers) and development take place, and participants in the project are empowered and also enabled to become social entrepreneurs in their own right. Currently, this project is operational in 18 African countries, with the ultimate aim of expanding it to urban areas and to 48 countries by 2020. Indeed, the Akon Lighting Africa project that is partnered by Generation Energy won the Global Good Award at the 2016 Black Entertainment Television (BET) Awards, as well as the Clean Energy Project of the Year at the Africa Utility Week in June 2016 (BET, 2016; Akon Lighting Africa, 2016). Akon believes that such a business model can also be developed beyond Africa into Latin America, India, Asia, etc.

In seeking to provide solar energy solutions to villages in rural areas, solar micro-grids/solar panels and solar domestic kits are provided to these communities, while street lamps have also been installed. To the extent that women can now sell their products at night without fearing for their safety, their vulnerability has thus been reduced. Apart from lighting enabling social activities to take place at night, shops can now open until midnight, while hospitals are not plunged into darkness. On the educational front, children can study at night. Moreover, the “pre-paid home service” ensures that people save around \$12 per week, are able to charge their mobile phones and even use them as flashlights if need be. As indicated earlier, other benefits of Akon’s Lighting Africa project are job creation and training, including indirect jobs, and the project’s main aim is “economic empowerment and inclusive growth”.

Apart from the cases pertaining to Mutombo and Akon, there is very little to suggest that many social impact investments by the diaspora contribute to fundamental social change (our suggested alternative conception of social entrepreneurship). It is to the latter that we will briefly turn our attention.

## **Agenda for Social Transformation**

While it is commendable that Mutombo and Akon should seek to address the problems pertaining to transforming people’s lives for the better, their business models (that incorporate “doing good” with “doing well”) are not far removed from Fabian (Keynesian) welfarist reforms. Indeed, it is praiseworthy that their approaches have provided the basis for a critique of neo-liberal conceptions of social entrepreneurship that “legitimised and glossed over commercial activities” (Cox, 2011a; 2011b). However, there still remains the issue of empowering workers and other oppressed groups in a way that ushers in fundamental social and political change. For Cox, our narrative should portray social enterprises as having to chart the waters of celebrity culture and commodification of human relations. In other words, social entrepreneurs must seek to “re-humanise” commodity fetishism (fetishizing social relations of production) by engaging in ethical social impact investments that prioritise social development rather than profit maximisation. This will also entail an advocacy of democratic and participatory socialist organisation. According to Cox, social enterprises can thus become a springboard for a more favourable atmosphere for socialist transformation, although some critics also warn against the danger of social enterprises hindering the route towards fundamental social change. It is in this context that Turner and Kleist (2013) suggest that the diaspora may indeed serve to “uphold state sovereignty” (as indicated earlier) and that there are limits to their role as “agents of change”.

## REPRISE

What is clear from these cases is that, although certain individuals have been identified as social entrepreneurs, conceptions of what constitutes social entrepreneurship are different. Moreover, the information on the enterprises' annual turnover is either missing or outdated (see Table 1).

Table 1. Impact of social investments by selected social entrepreneurs in the diaspora

Entrepreneur	Sector	Products	Turnover	Impact	Country
Nick Kaoma – 28 years from Cape Town	Manufacturing	Clothing	N/A	Targets the youth	South Africa
Heshan de Silva- 25 years Raised in the USA by parents who were involved in tea exporting business to the USA. Worked with parents and branched out	Financial Services	Travel insurance to long distance bus travellers; venture capital	Over \$1 million p.a.	Transport; Makes seed investment in tech media, agribusiness and consumer industries	Kenya
Julie Alex Fourie- 26 years Repaired smartphones for fellow students at Stellenbosch University. Expanded services through social networks	ICT	Repair of smartphones	No data	Employs over 40 workers	South Africa
Tebogo Ditshego – 29 years	Media	Media and public relations; reputation management; corporate communications	No data	N/A	South Africa
Dikembe Mutombo	Health	Donated \$15 million to build a hospital outside Kinshasa where he was born	N/A	He built the \$29 million Biamba Marie Mutombo Hospital, a modern health facility that has over 300 beds on a 12-acre site in the Masina area populated by about 7.5 million people living in abject poverty. The hospital is the first such facility built in the area for over 40 years	DRC
Didier Drogba	Gold mining, health and education	Raising money for financing improvements in health and education	N/A	N/A	Cote d'Ivoire (Ivory Coast)
Kahindo Mateere	Textiles	Launched Modahnik Designs	N/A	Contributes to non-profit initiatives in the USA, and the DRC. Launched designs in DRC and Kenya	DRC
Akon-	Renewable energy	Solektra Solar Academy in Bamako. Target is Job creation (skilled workers, technicians, engineers)	N/A	Operates in 18 African Countries (over 480 villages). Target is to provide clean energy to 600 million Africans in rural areas, and latterly in urban areas as well.	Senegal & Mali

**Sources:** Table created by authors through a compilation of data on African social entrepreneurs from the following sources: Akon Lighting Africa, 2016; BET, 2016; Dikembe Mutombo Foundation, undated; Dolan, 2016; Forbes, 2016; La Foundation, Didier Drogba, undated; Newton, 2014a; 2014b.

## **Social Entrepreneurship in Sub-Saharan Africa**

For the most part, the entrepreneurs were selected from the Forbes list (2014-2015) and the majority of them were under 35 years. Most of them also invested in ICT-related enterprises (Dolan, 2016; Forbes, 2016). Interestingly enough, the social entrepreneurs that are over 35 years (e.g. Mutombo and Akon) elected to invest in sectors such as health and energy, and these investments seem to have had the greatest impact in terms of social transformation and improving the quality of life of the targeted population. Despite this, and with the exception of social entrepreneurs such as Mutombo where the impact of investments can be evaluated with regards to the social services for a particular population group, it is difficult to establish and/or assess the impact of most enterprises.

In general, the trends appear to be mixed. For example, where the diaspora invests in their own community, other communities may perceive this as an ethnically-biased investment and may, therefore, not give credence to the contribution made by the investor/s. Arguably, the diaspora could spread their social investment beyond their own communities in order to have a greater societal impact. However, this is also problematic. Given what political commentators refer to as ‘the politics of the belly’ in Africa, politicians rightly or wrongly interpret this as reflecting a hidden political agenda that is packaged as social investments. Thus, in their anxiety to plough back into African communities, social entrepreneurs can correspondingly be misunderstood. Moreover, what an outsider might consider to be a valuable social investment might, in fact, be perceived differently by both the beneficiaries and the political elite of that particular country or region. In addition, although it might be possible to determine the impact of some social investment, how such investment is valued, who the beneficiaries are and why they benefit, is dependent on one’s particular conception of “reality”.

Indeed, when analysing the link between theory and practice, Duhs (1985) argues that, besides delineating the explanation of economic phenomena, “endorsement of one or another of these three theories duly reflects an understanding of who gains and who loses from the kind of political practice consequent upon acceptance of that theory” (Duhs, 1985: 253; also see Cameron and Ndhlovu. 2001; Cole, Cameron and Edwards, 1991). In their study of the role of South African women in championing change, Chitiga-Mabugu *et al* (2014) illustrate this point. They cite civil society organisations’ (CSO) best practice models as important in fighting “against poverty with special attention being given to women. - - - The main lessons drawn from the best practices - - - hinge on the poor themselves, particularly on women’s active participation in poverty eradication activities” Chitiga-Mabugu *et al* (2014: 7).

In the particular Sub-Saharan African context, this would entail that the diaspora is enmeshed into programmes and processes that are likely to bring about fundamental social transformation. Chitiga-Mabugu *et al* (2014: 8-10) suggest that this should involve: (i) infrastructural projects in which poor women in particular actively participate in the service delivery, and thus emancipate themselves (*Infrastructure provision model*) as illustrated by the Katosi Women Development Trust in Uganda; (ii) access to “financial assistance, skills and other support” (*Funding model*) as is the case in Bangladesh; and (iii) participatory development (*Community-based initiatives*) as illustrated by the development of people’s cooperatives in Orissa, India.

## **CONCLUSION**

Despite the alluring appeal of social entrepreneurship and the potential social impact of investments by the African diaspora, there is clearly no single notion of this concept. The neo-liberal perspective

focuses on the charismatic individual whose primary goal is profit, while also engaging in the resolution of social problems. For the gradualist welfarist or institutional/social organisation conception, diaspora investments can have a deep social impact, as exemplified by the Mutombo and Akon social investments, in enhancing capabilities, alleviating poverty, “making the world a better place”, and even facilitating “institutional change agents”.

The contribution of this chapter lies in unpacking the theoretical lenses through which social entrepreneurship can be understood and explicating the factors that underlie the concept in Sub-Saharan Africa. However, questions still remain as to how far these social entrepreneurs can change the structures of society and enable or empower the local beneficiaries to bring about fundamental social transformation. Very little attention has been paid to these concerns about the limitations of social entrepreneurship, that is, with regards to the agenda for social transformation. In other words, the more radical narrative places the diaspora within the processes of capitalist accumulation. This may lead to local enterprises being outcompeted by diaspora enterprises. Besides, there are limitations to their ability for triggering thorough-going social and political change. Indeed, diaspora resources can serve to strengthen weak and failing States. Arguably, the diaspora has “a weak capacity to sustain collective political action” (Roberts, 1999). It is important to develop a framework for addressing these challenges and bringing about fundamental social change.

Such a research agenda should start from the premise that the oppressed are pivotal to the transformational process. This requires an in-depth analysis of the way in which the capitalist system works, the complex and contradictory nature of its development and the accompanying survival strategies, the role played by the diaspora in effecting fundamental change, and for whom, as well as the recognition that poverty is a multidimensional concept (Chitiga-Mabugu *et al*, 2014; Ndhlovu, forthcoming 2016). When instigating social investments, does the diaspora take cognizant of the complex relationship between economic growth and development? When discussing the role of social entrepreneurship in “making the world a better place”, does this involve an analysis of collaborative strategies, cooperatives and/or participatory development? How can people be empowered, especially women, to participate and collaborate in the transformational process (sustainable business models and/or Action Research)? Given models of participatory development in for example Australia, what is the role of leadership in engaging communities in poverty alleviation programmes? And given the paucity of data on diasporic social investments in Africa, should studies correspondingly pay more attention to “philanthropic” investments by local African social entrepreneurs? It is these challenges that require further investigation.

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## **KEY TERMS AND DEFINITIONS**

**Diaspora:** Displaced people, either forced or voluntarily, outside their original homelands, but whose political beliefs, consciousness and objectives are shaped by their different historical circumstances.

**Institutionalism:** While Old Institutionalism was devoted to the analysis of government institutions and organised societies in the pursuit of welfare (the delivery of public services), New Institutionalism has gone further to take account of social norms in conjunction with individualism and competition within markets.

**Neo-Liberalism:** A philosophy that has come to be associated with free market policies that emphasise individualism, “enlightened” self-interest, making the most of opportunities, profit maximisation, free trade and/or the ideological superiority of private over state enterprises.

**Philanthropy:** Altruistic activities that support human/societal welfare and humanitarian goals.

**Social Entrepreneurship:** As a concept, social entrepreneurship can be viewed in a variety of ways. For the neo-liberal perspective, it refers to risk taking by charismatic individuals who seek to bring their innovative ideas to bear on societal problems; for the institutional conception, social organisation and enhancement of capabilities are seen to positively transform social capital, reduce inequality and alleviate poverty; while the transformation agenda projects the complex and contradictory workings of capitalist development as indicating the possibilities for fundamental social change.

**Social Investment:** Any outlay that leads to a financial return that is accompanied by solution to social problems; or, activities that primarily seek to organise society in a way that results in gradual improvements and/or social and environmental sustainability; or, alternatively, investment activities that are part and parcel of rising conflicts and tensions within society that may, in turn, open up the prospects for fundamental social change.

**Social Transformation Agenda:** Collective or collaborative activities that not only attempt to effect institutional and cultural changes, but also fundamental social and political change.