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ENTREPRENEURSHIP IN AFRICA: SOCIAL WORK CHALLENGES FOR HUMAN, SOCIAL AND ECONOMIC DEVELOPMENT¹

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INTRODUCTION

In Africa a new understanding and thinking of entrepreneurship needs to be contextualised as part of the challenge to alleviate poverty. This challenge was confirmed when most of the heads of state committed themselves to addressing poverty as the top priority for their countries' agendas when they signed the Declaration at the World Summit on Social Development (1995) and adopted Agenda 21, the agenda for sustainable development in the 21st century, during the United Nations Conference on Environment and Development (Rio de Janeiro, 1992). Whilst there is consensus amongst world leaders that they want to reduce global poverty by half by 2015, the policies and strategies to achieve this were still being negotiated during the follow up to the World Summit for Sustainable Development in South Africa in August/September, 2002.

In Africa initiatives such as the African Renaissance, the African Union, the New Partnership for Africa's Development (NEPAD) and Southern African Development Community (SADC) are indicators of African countries' commitment to build a new continent of democracy, peace and economic stability. To achieve this the alleviation of poverty is at the top of the agenda. There is a close relationship between employment and poverty reduction at the micro- and macro-economic levels. At the macro-economic level the relationship between employment and poverty is more complex as it is mediated through a third variable – economic growth. Fast economic growth may help both to reduce poverty and to increase employment. Similarly, employment is important not only because of its relationship to poverty, but also because unemployment leads to social exclusion since it lowers self-esteem, is de-motivating and results in social degradation (Singh, 2000:9).

In the African context the urgent need to develop a new understanding of entrepreneurship starts with the challenge to harmonise economic and social policies and intervention strategies in a sustainable manner. Sustainability takes into consideration environmental, political, social and economic concerns (Dixon & Pretorius, 2002:13). On the road towards African entrepreneurship this implies the building of human, social and economic capital, something which can only be achieved within a viable political context. In South Africa macro-policies such as the Reconstruction and Development Programme (RDP) and the Growth, Employment and Redistribution (GEAR) strategy, are attempts to integrate social and economic development. Whether this is achieved remains open to debate. What is of importance is that these policies provide a policy framework to stimulate micro-, small and medium enterprises (SMMEs) in South Africa.

The Canadian International Development Agency (1995:1) confirms that micro- and small businesses are crucial for developing countries and that they generate up to 40 percent of rural and half or even more of urban employment. The Agency continues by stating that micro-enterprises meet basic human needs (e.g. food and clothing), provide skill and entrepreneurial

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training, and act as a vital link with formal sector businesses and “more important, they are the main avenue for poverty alleviation”. The European Commission (2001) defines micro- (very small) and small enterprises according to criteria such as number of employees, annual turnover and independence, and regards them as a source of employment, innovation and entrepreneurship.

Poverty, however, has many faces and due to its multifaceted nature, it cannot be measured by income alone. Nor can an anti-poverty programme solely address income-enhancing measures (White Paper for Social Welfare, 1997:10). To address poverty through entrepreneurial interventions requires an integrated multi-sectoral approach. The Minister of Trade and Industry in South Africa, Trevor Manuel, regards SMMEs as an important vehicle to address the challenges of job creation – where entrepreneurship flourishes – economic growth and equity (White Paper for Promotion of Small Business in South Africa, 1995).

Of the various role players required for an integrated entrepreneurial strategy to stimulate SMMEs, the social welfare sector is probably the closest to the poor. Historically, the social work profession has a commitment to eradicate poverty (Midgley, 1996:14). Unemployment has increased the vulnerability of many households and because people do not have secure and sustainable livelihoods, many turn to the welfare system for food security, income maintenance and social support. In a caring and enabling society there should always be provision for support of this kind. However, social grants are regarded as providing temporary relief and not as a permanent solution to alleviate poverty.

The 1995 World Summit on Social Development helped to popularise the need for a renewed commitment by the social work profession to social development, implying the harmonising of human and economic policies and interventions. The origins of the developmental approach can be traced back to colonial times when social workers in West Africa first identified forms of social work practice that were compatible with economic development efforts (Midgley, 1995:54). In accordance with the United Nations World Summit for Social Development (held in Copenhagen in 1995), the White Paper for Social Welfare (1997) charted a new path for social welfare policy in South Africa in the promotion of national social development through integrated human and economic development.

Social workers can and already do play a major role in poor communities with regard to micro- and small enterprises. However, social workers will always be responsible for delivering social services to the vulnerable in society and, whilst the profession’s traditional association with food security and social grants remains, social workers are challenged to promote social development actively. The fact that the South African government regards the social grant system as “...the most effective tool in alleviating poverty” (Skweyiya, 2002 and 2002 Budget Speech) is also not helpful in making this shift.

Although the social grant system protects vulnerable individuals and families, its long-term sustainability needs to be questioned. Social grants cannot be a permanent option for unemployed families, neither from an economic burden viewpoint, nor from the perspective of the beneficiaries’ self-esteem. In fact, long-term receipt of social grants will only contribute to the further social exclusion of the poor.

Although the government recognises that social grants on their own are inadequate to address the huge socio-economic challenges facing families and communities and that poverty alleviation requires more than just allocating money (Skweyiya, 2002:2), the 2004/2005 budget for social grants for old age pensions and grants for child support, foster care, care dependency, disability and war veterans will rise to R34.3 billion as opposed to the R20 billion in the

previous financial year (Skweyiya, 2002:1). In this regard the Minister of Trade and Industry, Trevor Manuel, said the following during the 2002 budget speech: "This [increase] is good news for our people and will assist in improving the daily life of poor families". In addition, the Department of Social Development will manage R100 million in poverty relief funds for the 2002/2003 financial years. This money, however, is not only earmarked for strengthening and empowerment of communities so that they become self-reliant and income projects become sustainable. It also has to cover programmes such as the Community and Home Based Care for HIV/AIDS support (Skweyiya, 2002:3).

This paper was stimulated by the first international conference on Entrepreneurship in Africa: *The road to freedom*, held in Pretoria on 3-4 October 2002. Knowing that the focus of the conference was on an economic perspective, the author accepted the challenge of presenting a paper on the topic from a social work perspective. This opportunity created a platform to contribute to the debate on the role of social work in economic development and to make other sectors, in particular the economic sector, aware of the role that social work can play in addressing poverty from a social development perspective. The author aligns herself with the definition of Midgley (1995:25) of social development "...as a process of planned social change designed to promote the well-being of the population as a whole in conjunction with a dynamic process of economic development". Within the social work context, this implies that economic development cannot be separated from human and social development. Within a developmental approach the challenge for social work is to contribute to economic development by building human and social capital. Midgley (1995:159) concurs that policies and programmes that mobilise human capital should be given priority and that investments in human and social capital are urgently needed, if people are to acquire the necessary educational levels and skills to utilise the opportunities created through economic development.

Against this background, this paper's premise is that, within a developmental paradigm, the social work profession can dispel the belief that social work is only concerned with the provision of benefits to the "dropouts and misfits" of society. In addition, it can refute this negative image by making a tangible contribution to economic growth (Midgley, 1996:16). This premise is founded on the commitment of social work to alleviate poverty through social development. There are three strategies that may be applied by social work to achieve social development, i.e. individualist, communitarian and government strategies (Midgley, 1995). In this paper these strategies will be utilised to discuss the integration of human, social and economic capital development in embarking on a process of developing entrepreneurship. However, in order to set out on this entrepreneurial route, it is important that social work first understands who the poor are within an African context.

CONTEXT OF AFRICAN POVERTY

The Copenhagen Social Development Summit (1995) signalled the fact that development needed to address the needs of the poorest of the poor and to include them, not only among the priority beneficiaries of development programmes, but also as full participants in the twin processes of socio-economic development design and delivery and political decision-making (United Nations, 1999:3). Africa realises that investing in its people is one of the most important building blocks to achieve sustainable development (Dixon & Pretorius, 2002:1).

According to the Poverty and Inequality Report (PIR) (1998), South Africa is an upper-middle-income country in per capita terms, but despite this relative wealth, many households experience outright poverty or are vulnerable to being poor. In addition, the distribution of income and wealth in South Africa is among the most unequal in the world, which means that

many households still have unsatisfactory access to education, health care, energy and clean water (May, 1998:1).

In order to understand the multifaceted nature of poverty, it is essential to listen to the poor themselves (Chambers, 1997; Oakley, 1995 in United Nations, 1999:6). When the poor are given the opportunity to express their experience of poverty, the concept of poverty that emerges is clearer and starker than the one espoused by development professionals (United Nations, 1999:6). According to the United Nations (1999:8), the poor themselves defined their needs as follows: a lack of food, water, land, productive resources and equipment, income-generating skills valued by the market, limited access to markets (local and more distant), lack of economically useful information (e.g. prices), lack of bargaining and market power in those markets, low incomes and low consumption from self-production, lack of economic security or of back-up resources for emergencies, poor health, low resistance to illness and disease, lack of local health facilities and medicines, lack of basic health information and practices, lack of political power (often even at the local level), and lack of access to power centres to initiate, correct or improve political decisions. In addition, poverty is often accompanied by social problems, such as family disintegration, adults and children in trouble with the law, and substance abuse. It is the combination of economic, social and emotional deprivation that heightens the vulnerability of poor individuals and families (White Paper for Social Welfare, 1997:15).

However, despite the needs and possible feelings of powerlessness that poor people face, it does not mean that they do not have the will, hope and strength to initiate and/or actively participate in interventions that could improve their lives. The United Nations (1999:8) refers to the strengths of the poor as "... their existing mental and physical skills, their culture, social structures and information networks, their knowledge of the rural physical, agronomic and meteorological environment, and their inherent good sense of what is most important for surviving in a difficult and unpredictable environment".

To understand the needs and the strengths of the poor and the role they should play in their own development on the entrepreneurial road towards integrated and sustainable human, social and economic development, a definition is required for an *entrepreneur* within an African context.

ENTREPRENEURSHIP DEFINED IN AN AFRICAN CONTEXT

In the past, according to Pippin, (2001:1), words like "rebel", "driven", "controlling", "risk taker" and "lone ranger" were routinely used to describe entrepreneurs, implying that entrepreneurs were rare individuals who ventured out on their own and were ruthless business owners completely caught up in amassing wealth, sometimes to the detriment of a personal life. Within this traditional perspective specific attributes, especially innovation and risk-taking, were the dominant factors that defined those who chose to become entrepreneurs (Fawkner, 2002:2).

Today the socio-economic climate has introduced another dimension to what an entrepreneur is. With retrenchment packages and corporate downsizing being facts of life, many entrepreneurs find themselves thrust into the role by default. Money from retrenchment packages is often used to start entrepreneurial activities. However, it is not only those who lost their jobs who find themselves in the entrepreneurial role by default. In Africa specifically there are socially excluded people who have no jobs or income simply because they have no access to job opportunities. They too are entrepreneurs by default, since they simply have no

other choice but to find a way to make ends meet. Nevertheless, this does not mean that, measured against the traditional definition of an entrepreneur, they do not possess the potential to be entrepreneurs. It means that they simply do not have access to credit, knowledge and skills to put an entrepreneurial idea into action.

The poverty alleviation paradigm of entrepreneurship goes beyond the historical perspective of entrepreneurship as a major contributing factor towards economic well-being through economic growth and job creation. Adam Smith assumed the economic motive to be “a drive to better one’s own condition” in contrast to Henry Ford, who not only sought profit, but hoped to provide transportation at low cost for the people of America (Gresham, 1985:1). Although income generation and profit making are the primary destination, the entrepreneur within an African context has a much wider vision of entrepreneurship.

A definition of an entrepreneur in an African context fits perfectly with Pippin’s (2001) new model of an “Authentic Entrepreneur”. Authentic Entrepreneurs are successful because “they have discovered that real security is not financial; it is when they tap into their inner power to live purposefully and to create a meaningful lifestyle, not just a business”.

Authentic Entrepreneurs have five major traits in common, as outlined by Pippin (2001:1-2):

- *Visionary* – They see the big picture, are prophetic, and have a broad view of the life and business they are creating. An entrepreneur, though, must also be able to share his vision with others. A true entrepreneur can take someone who is not an entrepreneur and turn him or her into one (Wellness International Network, 1998). Stacey Willey agrees that an entrepreneur is someone with a vision: “Although that vision may become blurred at times, an entrepreneur knows when to re-focus and get back to basics. Even when outside influences doubt, the entrepreneur knows there is always a way – and they will stick with their vision until it is realized” (Idea Café, 2001).
- *Creator of destiny* – The authentic entrepreneur is moving toward a destiny. They’re inspired by something more expansive than they could possibly create on their own. They tap into their inner power and step confidently forward. They are able to keep going in spite of seemingly insurmountable obstacles and the right people, places and opportunities appear out of nowhere to help the authentic entrepreneur achieve his or her destiny. Matt regards an entrepreneur as someone who realises that “if there is a will, there is a way”. To be really successful, they need to know what markets are growing, generate patentable ideas and have a business plan for carrying out this vision (Idea Café, 2001).
- *Attractor* – All entrepreneurs have a dream. Some have the desire to reach a clearly defined goal, while others simply want to be an entrepreneur first and foremost. These people are driven and are magnetised by their strong focus on their destiny.
- *Fulfilled* – Authentic entrepreneurs create their business from the inside out as self-aware individuals. They have taken the time to truly know what is important to them. They understand the importance of aligning core values with their beliefs and dreams, fulfil their destiny and themselves. Iria Vasquez regards an entrepreneur as someone “ who is not held back from anything, because this individual has faith in his or her heart. Faith that drives them to continue to succeed, even though exhaustion will claim you sooner or later...” (Idea Café, 2001).

- *Inspirational* - The authentic entrepreneur knows the importance of team spirit and how to inspire people to blossom into their most creative and meaningful life expression. If the authentic entrepreneur is not adept at managing people, s/he knows when to let go of that area of responsibility and bring in someone who has outstanding people skills. An authentic entrepreneur understands that fulfilled people are more accommodating to clients and prospects, and happier in general.

This authentic entrepreneur paradigm is applicable in an African and South African context because it removes the traditional stigmas attached to entrepreneurs, allows more room for growth and negates the belief that entrepreneurs are born and not made. According to Pippin (2001:1), anyone can become an authentic entrepreneur – it is all a matter of perspective. Fawcner (2002:2) affirms that, although some people might be natural-born entrepreneurs, the qualities of entrepreneurs can definitely be acquired by hard work and application.

RESEARCH STRATEGY

In this paper the theoretical argument that social work can facilitate human, social and economic development through a process of developing entrepreneurship by way of utilising individual and community strategies was strengthened through the findings of a qualitative study by using a case study as research strategy (Fouché, 2002:275). The respondents were purposefully selected to meet the criteria of an authentic entrepreneur, as argued above, applicable to an African and thus South African context. Contact was made with community leaders in the Soshanguve community through Lindiwe Ngwenya, an entrepreneur whom the author met a few months before the research was undertaken. Ngenwya was introduced to the researcher by the community development facilitator and social work manager of the Soshanguve office of the Christian Social Council (CSC). Through Ngwenya the author gained access to 11 community leaders involved in various income-generating community projects in Soshanguve.

The Soshanguve community, a semi-urban area, consists of 35 wards or sections where approximately 3000-4000 families live per ward. Data were gathered through documentation and a focus group. Ngwenya, who is regarded as an entrepreneurial leader in the community because of her entrepreneurial vision and skills, was requested to document her story on how she perceives herself as an entrepreneur within an individual, family and community context. These data were integrated with data gathered from a focus group (13 August 2002) with the 11 community leaders, representing 14 wards in Soshanguve. A semi-structured interview schedule was utilised to obtain their views on entrepreneurship and small enterprises in an African context. The projects that these community leaders represented ranged from plumbing, storm-water drainage and sewerage, food gardening, sewing and washing detergents. The respondents received a copy of the documented interview as well as a copy of the paper presented at the international conference mentioned above. In addition, Lindiwe Ngwenya accompanied the author to the two-day conference and also had an opportunity to present her story in a few minutes during the author's time slot.

ENTREPRENEURIAL ROUTE IN AFRICA

Within a poverty-alleviation framework, various routes can be followed on an entrepreneurial road to establish micro- and small enterprises including individual, family or community businesses. The premise is that entrepreneurship can be developed. In this regard a community leader said during the focus group discussion: "Yes, anyone can be an entrepreneur by finding an idea. Sometimes people do not even realise that they have an idea and that they are

entrepreneurs". These entrepreneurial routes are in line with a social development approach. As already indicated, social work can utilise individualist, communitarian and government strategies to achieve social development goals.

Individual and Family

The individual or enterprise approach to social development is embedded in the belief that the welfare of the whole society is enhanced when individuals strive to promote their own welfare (Midgley, 1995:103). Within this strategy the social worker can facilitate a process whereby individuals and families can become self-reliant and participate effectively in the market (Midgley, 1995:107). One of the underlying assumptions of the Poverty and Inequality Report (1998:1) to address poverty is that economic growth and human development are linked and that this could best be achieved through advancing the capabilities of disadvantaged communities, households and individuals by improving their access to assets, both physical and social.

The entrepreneurial route through an individual thus refers to a person who takes up the challenge to start a micro-enterprise, either through his or her own initiative or after training. An individual can then provide an income for him/herself and for his/her family and the enterprise may expand into a family business. The European Commission (2001:1) initiated changes to the definition of micro-enterprises to include family businesses and individual artisans. These changes fit an authentic entrepreneurial approach in which individuals and families can alleviate poverty. However, to really make an impact on poverty alleviation, communities need entrepreneurs who will not only generate income for themselves and their families, but also for the community. The families are the basic units of society (White Paper for Social Welfare, 1997:20) and the building blocks of communities.

In Soshanguve Lindiwe Ngwenya is such an entrepreneur. For a family income she owns a telecommunication mobile unit offering telephone, faxing and photocopying services to the community and employs somebody from the community to operate the unit. In addition, she took her sewing skills to the community and engaged twenty-six women in a school contract where they earn a monthly income for themselves. For this small-business she has the following vision: "Within ten years time I want to see this business developed into an industry; supplying the product to all schools in Soshanguve" (Ngwenya, 2002:1). She envisages profit making as the goal as opposed to dependence on donors. For the community she visualises the alleviation of poverty in the area by employing thousands of members and "...having [a] skills development training centre".

Community

The underlying principle for a communitarian strategy to social development is that social development can best be promoted by people themselves working together harmoniously within their local community (Midgley, 1995:114). Although there are various approaches within this strategy, in this paper the focus is on community development as a strategy to integrate human, social and economic development.

The African entrepreneurial route to micro- and small enterprises in a community is achieved through a project. The project premises can be established through determining the boundaries of entrepreneurship. According to Carton, Hofer and Meeks (1998:5), the question regarding the boundaries of entrepreneurship can only be answered by first deciding when entrepreneurship begins, when it ends and when management begins.

Drucker (1985) states that entrepreneurship is a “practice”, which means that entrepreneurship is not a state of being, nor is it characterised by making plans that are not acted upon (Carton *et al.*, 1998:5). The latter authors argue that entrepreneurship begins with action, the creation of a new organisation (project). This project may or may not become self-sustaining and in fact may never earn significant revenues. But when individuals create a new organisation by starting a project, they have entered the entrepreneurship paradigm. This entrepreneurial paradigm fits the experience of the community leaders in Soshanguve. The strong community focus of the projects is evident in the fact that project members were uncomfortable when members from other wards joined the project (Ngwenya, 2002:3). Within this paradigm Carton *et al.* (1998:5) distinguish between *pre-entrepreneurial* activity, *entrepreneurial* activity and *sustainability* through management, which is in line with a community route, because it allows for a process where projects can grow into SMMEs.

The link between a community project and a small enterprise was summarised as follows by one of the community leaders: “In times of unemployment, a project is an alternative – it is a resource to be utilised for employment”. Within the Soshanguve community context Ngwenya (2002:3) defines a project and small business as follows: “Project is a non-profit organization which started from zero to a small income. Community-based organization whereby every member has a right to account and the right to ownership. It may consist from seven members to twenty members, with the non-profit constitution under the Department of Welfare guidance”. A small business, on the other hand, is a “... business that generates an income into profit making. It started from families selling sweets, tomatoes, etc. and employed one or two employees with basic salaries. It can register into small medium enterprise”. Kitching, a community development facilitator from the Christian Social Council (CSC), reports his experience of a project and small business in the Soshanguve community as follows: “Both involve an individual or family or a group of volunteers from a community who take the initiative to change a much-felt need situation” (personal interview, 20 August 2002). On an entrepreneurial road, it appears to be common that the shift from *project* to *small enterprise* occurs when a project moves from being a survivalist (poverty alleviation) to being an income-generating and profit-making enterprise. Within Pippin’s (2001) entrepreneurial paradigm a project can be regarded as the pre-entrepreneurial phase.

PRE-ENTREPRENEURIAL PHASE: COMMUNITY PROJECT

From a pre-entrepreneurial point of departure, entrepreneurship begins with action – the creation of a new venture. Within this context a community project needs to have the potential of building economic capital. This is what distinguishes a community project from a traditional community development project, which can have any developmental focus as long as the principle and process of people-centred participation, and capacity building and empowerment are adhered to. Social workers are well trained in these community development practices. It is therefore not difficult, although it remains a challenge, to shift community work practice to community economic development (CED).

Community economic development tends to be project-focused (Freedland & Zedenek, 1998:5) and is relevant for entrepreneurship in an African context, since it is not primarily about economic development in the conventional sense of stimulating the growth of private enterprise. In CED there is a link between social and economic development, the traditions of mobilisation and advocacy for social change, and the building of alternative community institutions. The central argument is that if CED is to become a strategy for social change, it will have to build on community organisation practices and integrate economic development

into these rich traditions (Shragge, 1997:1). This author states that, if CED is to develop as an alternative to traditional development, it must have a vision of what it wants to accomplish independent of its funders; it must forge links with the real needs of the local community; and it must root itself in that milieu politically and socially. A CED approach must therefore be understood as part of a range of strategies and struggles with the common goal of building power and promoting economic and social change (Shragge, 1997:5)

The entrepreneurial route of CED is evident in the constitution of a Women's Forum in Soshanguve involved in washing-detergent products. The main objectives of the project are documented as follows: "(1) Fight poverty, (2) Creating employment, (3) To initiate a micro-factory that will improve the economy of the township, and (4) To create awareness about community and individual empowerment". One of the secondary objectives is: "To make a better living". It is clear from these objectives that entrepreneurship in a community such as Soshanguve, is not just about income generation. It is also about developing people and their environment, alleviating poverty and creating a better life for all in the community. Lindiwe Ngwenya affirms the impact of economic development on the community by saying that, through employing a few families as part of the African economy, the high crime rate can be reduced (2002:2).

As a project the community economic development process starts *by getting people involved*. The question is who gets the community involved and how. In an African context it is easier if an indigenous person from the community can facilitate the process. This person can either be an entrepreneur and/or have the skills to facilitate the process of community economic development. However, an intermediary welfare organisation such as the CSC can play a facilitating role in the community with regard to economic development. Community leaders in Soshanguve gave very specific views and guidelines regarding the expectations they have of such an intermediary facilitator:

Sometimes I feel it as a threat when people raise hopes and then disappear.

Sometimes they just come to take ideas from the people to work on it further on their own.

People make promises and you know nothing is going to happen when they leave.

"Outsiders" can raise hopes as being perceived as somebody that will bring money for the project.

The value of external facilitators lies therein that they might have information on a project and can come in to share this information in order to facilitate empowerment of the people. (Clarke (1996:21) confirms that information is an essential property in the empowerment process.) The facilitator must clearly state what he/she wants to achieve. What are his/her objectives? The goals and objectives of the facilitator should be in line with what the community wants.

The "how" of getting people involved includes outreach programmes and giving people a reason to join and maintain their involvement (Homan, 1999:194). To the question as to why community members in Soshanguve join projects, the community leaders reflected as follows:

Because of hunger

Suffering of African families since retrenchments started in South Africa. Many people lost their jobs and became unemployed. Even though people have skills, they became unemployed. As a result, drop outs from school and higher tertiary institutions started. People also do not have money to pay for electricity.

To care for their families. It is not only women that can think of families. It was usually the women that empowered themselves to develop their families. Now, men also need to be empowered to look after their families which is currently happening in the community.

People will, however, not remain involved if they do not develop a *vision* for the project. As already indicated, if CED is to develop as an alternative to traditional development, it must have a vision of what it wants to accomplish (Shragge, 1997:5). In this regard a community leader remarked: "A vision takes you to a start. If you don't have a vision, you are going nowhere".

Throughout the planning and organising phase this vision must stand the test of confronting the realities of an African context such as a lack of resources and no access to credit. Having and maintaining hope is an extreme challenge against these realities and the destination may become blurred if visible results are not evident quickly. The sustainability of the process at this stage of the project can be measured by the participation of the community in capacity-building and empowerment activities. However, a vision can only be realised if it is followed by action. A community leader remarked: "One should do whatever it takes to put your vision on paper by means of a business proposal". However, to achieve this "one needs skills, finances and facilities to succeed", which corresponds with the need for the integration of human, social and economic development.

After the business plan is in place, obtaining *finances* is the next major challenge. According to Ngwenya (2002:2), one of the difficulties in initiating a project is the process of waiting for a donor to approve a funding application. Community economic development is essentially dependent upon external funding to start (Freedland & Zdenek, 1998:6). Financial support is required on a scale that cannot be mobilised in the local community alone. Despite the fact that the assumptions about the poor as high credit risks have been proved to be wrong (Canadian International Development Agency, 1995:1), the lack of access to credit for the poor remains a severe problem to address on the road of entrepreneurship in Africa.

Unfortunately when people are out of work, they first approach government for a solution. In this regard Gresham (1985:4) holds the opinion that the greatest enemy of the entrepreneur is government: "The daring, innovating entrepreneur is well-equipped for the struggle, but the government holds a frightening advantage: it has a monopoly on violent force!" Poor communities, in accessing poverty alleviation funds, experience this reality.

Finding funds is difficult and the community might be forced into a direction of accepting funding with conditions that are not in line with their own vision and outcome for a project. With regard to the role of funders/donors, the Soshanguve community leaders responded as follows: "You have nothing when you start. A business will need funds to get from nothing to something. When it comes to projects, one should stick with the main objective(s) of the project, i.e. to alleviate poverty. Decline money when sponsors want their own agenda to be achieved". In this context the relevance of a government strategy to social development is appropriate. Ngwenya had the courage to turn down money from the Department of Social Development because of the restrictive guidelines.

According to Midgley (1995:125), advocates of the statist (government) strategy believe that the state embodies the interests of society as a whole and that it has a responsibility to promote the well being of all citizens. The government is supposed to create an enabling environment for social development through social planning, economic growth and development, meeting basic needs and facilitating sustainable development. Within this context it is clear that in the

case of the Soshanguve case study the community leaders did not experience support from government in creating an enabling environment.

In order to obtain resources and subsequently control them, it is necessary for the community to have a strong political voice. It is thus important that the community develop capacity to take a strong stand on what they believe should be the purpose of the funding and not what the funder dictates it to be. Shragge (1997:11) emphasises that without a vision for community economic development, the organisation [project] "... will likely be absorbed by the State through both the processes of funding and partnership".

Finances that are not well managed can cause a project to fail. Due to the fact that people usually start participating in a project because they do not have any income, money can easily be mismanaged or lead to conflict if the management of finances and responsibilities of the project participants are not discussed and agreed upon at the outset of the project. Tom Asacker (Sandbox Wisdom) is of the opinion that to a micro-enterprise owner, the enterprise's financial plans are the same thing as his/her personal financial plans. This causes conflict in a community project, since participants do not understand the principle of saving in order to keep the enterprise running. Control over finances, their management and project assets is one of the greatest challenges in turning a project into a sustainable small enterprise. The community leaders in Soshanguve voiced their concern about the mismanagement of finances of projects. In addition, they also expressed concern about accountability for assets when people leave a project without any notice (Ngwenya, 2002:2).

Whilst securing funding or when in the process of awaiting a response, the project can focus on the development of human and social capital. With regard to skills development, capacity can be built through human and social capital. The development of *human capital* entails the building of personal capacity through skills training in areas such as writing a business plan, preparing funding proposals, bookkeeping, business principles, marketing, advertising, finances, human relations, conflict management and negotiation (Fawcner, 2002:3). The phase of the project will determine the priorities for skills training. However, it is not necessary for everyone involved in a project to undergo the same training. The interests and strengths of those involved should guide the process. With regard to the Soshanguve community, Ngwenya (2002:1) identified skills training in communication, marketing and management as important.

Through human development, project members build up esteem, hope and personal empowerment. Nevertheless, it is through their connections with others that they become more powerful. Community empowerment helps people within a particular geographical area to develop their resources and lay claim to their right to control their own destinies. When people feel a greater sense of worth and personal control, they recognise that they can participate with others to influence conditions that affect them (Homan, 1999:9). Social bonding in a community is important for economic development and can be achieved through building *social capital*. For community economic development purposes, the building of social capital entails skills training in participation, networking and how to access resources (Carton *et al.*, 1998:5). Finding or building infrastructure is also regarded as social capital. In an African context this is a huge problem in the process of shifting a project to becoming a small enterprise. Finding a venue can be an enormous stumbling block, especially if the project requires electricity. Even if such a venue is found, like a church hall, the participants must be prepared to pay for the electricity from the project's income. If the project is still in a *survivalist phase*, community leaders should negotiate with the local authority for special rates. Also with regard to infrastructure, it is important that the assets of a project be secure, since many projects go under due to losses from burglaries. Project participants should understand

insurance as a necessity and not a luxury and take responsibility in this regard. Since security and safety can be problems in an insecure community, and insurance costs money, in Soshanguve some women take their sewing machines home as a measure of security. Although this can be beneficial to the women in that they can use their machines at home, it also raises the problem of accountability for a project's assets. The lack of infrastructure such as telephones and fax machines can also be a stumbling block in running a small business successfully in an African entrepreneurial context (Kitching, personal interview, 20 August 2002).

In terms of the bonding and building of social capital in a community, participation in decision-making and project activities are of crucial importance if a project is to be successful. Some of the challenges of the Soshanguve community leaders with regard to participation include how to keep people active in the project and what measures can be taken to protect the project's sustainability, if people pull out. The experience of the community leaders in the Soshanguve projects is that people abuse the project for their own purposes. If a person is, for example, the treasurer or in charge of marketing and then leaves the project unannounced, the whole project becomes unstable. The community leaders in Soshanguve proposed preventive measures in this regard; for example, more than one person should be involved in a position such as marketing so that the project does not rely on one person, but can grow and expand if the person leaves or withdraws. They were also of the opinion that there should be a clause in the constitution about people's participation – a policy that people should also be required to give notice so that new people can be trained. People could be bound by the constitution to give a month's notice before leaving the project. They also regarded it as important that the project should keep participants "at home" through good management. To encourage participation, they proposed that somebody who went through the same experience of starting a small business by a project be invited to share ideas. Lastly, a key piece of advice by the community leaders on the long entrepreneurial road: "You have to be patient".

It is human and social development that empowers individuals and the community to collectively take ownership and control of their destiny on route to economic development. When the community is empowered on a personal, social and political level (claiming control over their resources), they are prepared to move into the next phase of the entrepreneurial paradigm.

NEW VENTURE PERFORMANCE: ENTREPRENEURIAL ACTIVITIES

It is in the phase of *new venture performance* that a project enters the entrepreneurial sphere. At this stage in an economic development project the community has accumulated resources, built an organisation, including developing distinctive competencies, established strategic networks, captured customers or potential customers, and established an organisational culture and values (Carton *et al.*, 1998:6).

For the purpose of marketing products in Soshanguve, this phase entails having a clear sense of who the buyer of the product(s) will be in terms of the following criteria outlined by Ngwenya (2002:1): age group, cultural background, qualifications and work, life style in terms of rich or poor, personal preferences, self-concept and buying style (e.g., in the morning or evenings). During this phase there are specific challenges facing the project with regard to "... competition of the products we are making in the area, pricing of our products and selling and members leaving the project just after training" (Ngwenya, 2002:2). It is the competition and finding of a market that is the watershed elements for the success of a project. This is when options such as a forming a co-operative should be investigated. Paul Hazen, CEO and

president of the National Cooperative Business Association, observed that "... one of the biggest benefits of a co-op is that they aggregate small-business activity. They're viable and competitive in the marketplace" (Torres, 2002:1). In an African context small enterprises in a community should investigate how they can unite to become more competitive and grow.

This second phase also requires continuous human and social development to enhance skill levels and deal with the business and product demands ensuing from this phase. Ngwneya (2002:2) affirms the attendance at workshops and skills training in, for example, product design. She also points out that this phase requires dealing with people with special needs, for example, problems that are linked to issues of equity and human rights in the work place. The value of human and social development within an economic context was also demonstrated during the international conference mentioned above. Ngwenya not only addressed an international conference for the first time, but it was also the first time that she shared her story of experiences with a group of professionals from various sectors. As a result of this sharing she received responses from institutions such as the Soshanguve Technicon for further training opportunities. Through this participation her vision to continue with what she is doing in the community has been strengthened and her level of empowerment was raised, enabling her to take up new challenges to facilitate integrated and sustainable human, social and economic development in the community.

Self-sustaining: small enterprises

Carton *et al.* (1998:6) state that entrepreneurship ends when the new venture becomes self-sustaining. A community economic development project will thus shift away from the entrepreneurship paradigm and become a small enterprise once it has achieved self-sustainability. To claim sustainability status a small enterprise will reflect an organisational structure and networks, accumulated resources and control over them, a customer base and the creation of competitive advantage (Carton *et al.*, 1998:6). In addition, it would have achieved sufficient financial success to fund ongoing growth. However, to maintain sustainability it is important not to give up when problems are encountered. Gresham (1985:3) argues that the entrepreneur must be able to face failure and be resourceful enough to learn from it.

In Soshanguve not one of the discussed projects has reached sustainability as a small enterprise, despite the fact that some of the projects do generate an income. However, the community leaders are very clear on when they will regard their small businesses as sustainable:

If income is generated...

If the family can be sustained...

Studies can be pursued through the income generated from the project...

When crime in the community becomes less.

When project funds (not the sponsor's funds) are put aside so when funding stops, the project can go on by itself.

Projects are public/community property. They should benefit the community and must be accountable to and managed by a community structure. All members of the project must be accountable – not only management.

Responsibility should be everyone's and not that of one person, e.g. the chair or secretary. Donors give instructions for spending of funds, but all should know what the aim and objectives of the project are. All take ownership.

If everyone has a vision and responds to the project accordingly.

Trust is very important. To trust each other in a project is a core element of success. New people must feel free to ask and should not be influenced by others views. Without trust any conflict within the project will not be solved.

It is evident from the above-mentioned views that the entrepreneurial road in Africa has a strong poverty linkage and community focus. It is only when the community has been empowered through human and social development that they can take control over their own resources, shift to sustainable small enterprises, can reach their destination of economic development and, in so doing, alleviate their poverty.

CONCLUSION

It has been argued in this paper that the entrepreneurial road in an African context cannot be isolated from the context of poverty. It has been proposed that a definition of an authentic entrepreneur and an entrepreneurial paradigm that make provision for individual, family and community roadmaps to achieve human, social and economic development, can bring a new understanding of entrepreneurship in Africa. The African entrepreneurial road, however, is tough and challenging since the multifaceted nature of poverty implies integrated strategies that require the involvement of various role players, of whom the poor themselves are not the least. Within this integrative perspective, innovative and creative entrepreneurial approaches in Africa cannot be divorced from participatory and empowerment approaches. This implies that professionals, as facilitators, should learn from the poor with regard to how they utilise human and social capacity in their families and communities for entrepreneurship opportunities and economic development.

As opposed to being beneficiaries of social grants, community economic development projects and micro- and small enterprises can facilitate productive self-employment for the poor, which will restore self-respect, facilitate self-reliance and above all transform a condition of dependency to one of self-sufficiency. At the same time, the poor will no longer be regarded as consuming scarce public resources, but instead contributing positively to their own and the community's well-being (Raheim, 1996:69). Social workers are faced with the daily challenge to alleviate poverty. Within an integrated sustainable entrepreneurial strategy to alleviate poverty, the social welfare sector can embark on the entrepreneurial road by facilitating community economic development (CED). In support of social workers' capacity to facilitate CED, current social work training programmes provide training in entrepreneurship and business management.

The entrepreneurship challenge in Africa to alleviate the poverty of this continent is for all sectors involved to join hands in building human, social and economic capital in an integrated, sustainable manner. To achieve this, we need to change our perception of who the poor in Africa actually are and what strengths they have to take control of their own destiny when embarking on a road of entrepreneurship. We need to believe that we will find the same kind of entrepreneurs amongst the poor as those whom Gilder refers to in his book *The Spirit of Enterprise*: "...the movers and shakers, doers and givers, brimming with visions of creation and opportunity... the optimists who see in every patch of sand a potential garden, in every man a potential worker, in every problem a possible profit. They struggle, flounder, work day

and night, sometimes succeed and often fail; but they are resilient and keep coming on” (Gresham, 1985:3).

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