An Investigation of Capacity Development in a Social Enterprise Ecosystem within the Context of International Development.

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Abstract

Despite progress toward the sustainable development goals, the international donor community and governments in aid recipient countries cannot meet the basic needs of their citizens. New solutions and partners are required. Social enterprises have the potential to be such a partner, but in South Africa they are not selected as partners of choice to deliver development interventions. Some of the reasons for this are because they are generally small in terms of their size and turnover. Most do not make a surplus and they currently do not have the credibility or sustainability to become a partner of choice. To do so, they need to develop their capacity (Heierli, 2011; Myres et al., 2018; Ridley-Duff and Bull, 2011; Richardson et al., 2020).

But what actually constitutes capacity development? There is no agreement on the definition of capacity development, and it continues to be a vague, catch-all description of the processes of increasing self-reliance, sustainability and choice. With little clear definition it is difficult to agree what type of interventions actually constitute capacity development and measure the results of capacity development activities. (Brinkerhoff and Morgan, 2010; Morgan, 2003; Potter and Brough, 2004; Ubels et.al., 2011)

This research was conceived to expose the variations in the conception of capacity development within the social enterprise ecosystem in South Africa. In doing so, identify what types of capacity development interventions would enable social enterprises to become more credible and sustainable partners in international development.

The research method chosen is phenomenography which is strongly associated with variation theory and is used to explore the qualitatively different ways experience a given phenomenon. Unlike phenomenology, phenomenographical research does not consider description and interpretation to be the end result of the inquiry. It is centred upon a critical factor; capturing the variance in the ways people experience a conception, with a particular emphasis on collective rather than individual meaning.

From this research capacity development was conceived in five distinct ways, as individual development, organisational development, community development, government and public sector development and human development. Combined these five concepts form a synonym for capacity development in the social enterprise ecosystem.

From the research emerged a new model: The Five Domains of Capacity Development, which is intended to engage stakeholders in more explicit conversations about what capacities need to be developed and how best to develop them.

One significant feature of this research is the inclusion of donors and funders of capacity development interventions within the research. In other studies on capacity development, the donor community are generally not recognised as part of the ecosystem and have therefore remained outside of the research process.

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Declaration

This thesis is the work of the author, Lenni M. George. It has not previously been submitted to any university or educational Institution for the award of a degree.

Statement of Copyright

Acknowledgements

Contents

Chapter One: Capacity Development in International Development.

List of Figures

List of Tables

Chapter One

Capacity Development in International Development.

Give a man a fish and he will eat for a day, teach a man to fish and you do him a good turn"

<div align="right">Ritchie (1886:342)</div>

1.1 Introduction

The interventions funded by the international development community today are often conceived as capacity development. It is often synonymous with the term international development and the broad concept is captured in the well-known proverb 'give a man a fish…'commonly attributed to Ritchie (1886). However, there is no agreement on the definition of capacity development, and it continues to be a vague, catch-all description of the processes of increasing self-reliance, sustainability and choice. With little clear definition it is difficult to agree what type of interventions actually constitute capacity development and measure the results of capacity development activities.

This thesis elucidates the research undertaken to examine how social enterprises may become credible and sustainable partners in international development activities, underpinning this is the notion of a range of capacity development interventions. The research is based on social enterprises in South Africa and in the context of international development.

The modern concept of international development emerged in the middle of the last century; driven by the need for reconstruction after the second world war. The global politics of the time, resulting in the Cold War and a response to colonialism, shaped the policy approaches to international development. These policies were initially directed at previously colonised countries, with the intention of creating states that could graduate to self-reliance and in the process support the eradication of poverty, hunger and insecurity. (Allen and Thomas, 2000; Escobar, 1995; Sachs, 2005; Salehi Nejad, 2011).

1.2 Some of the Problems with Capacity Development

The definitions of capacity development are numerous, reflecting the interest in the subject, particularly from the international development community. It is apparent that most of the definitions are produced as a result of desk research, and as Brown et al., (2001) point out, the definitions often draw on indicators, literature and indices. The European Centre for Development Policy (ECDPM) draw their definition of capacity development from the analysis of case studies (Ubels et al., 2011). There is little evidence to show that the range of definitions of capacity development are drawn from the actual stakeholders involved in either providing or receiving capacity development.

One generally accepted idea is that capacity and therefore capacity development is linked to performance; (Brown, et al., 2001). What is less clear is what is an acceptable and measurable level of performance and does that level change dependent on the stage of development of the individual, organisation or system being developed? How does a capacity development intervention change for start-up social enterprises as opposed to mature social enterprises and does size matter in designing and implementing capacity development interventions?

Another problem encountered is that capacity development is often defined as both a process and an outcome. The methodologies for measuring processes and outcomes differ. A lack of clarity as to whether the nature of a capacity development intervention is a process, or an outcome hinders the selection of appropriate tools for measurement and reporting the results of the interventions (Brown et al., 2000; Kah and Akenroye 2020; Tsotsotso, 2021).

Donors have long experience in developing methodologies for measuring outcomes, they are still most often written as a document known as a logical framework. This is produced at the beginning of a project and reflects supply side driven results, with donors determining the priorities and the nature of the interventions. In this situation, it is easier to measure the outputs and outcomes of an intervention, but it is more difficult to take into account unplanned capacity development results. With the advent of the Sustainable Development Goals (SDGs) capacity development is repositioned as a demand side issue. A number of international fora; such as Paris 2005 and Accra 2008 concluded that development is more appropriate when donors and development agencies supporting not driving the development interventions. However, development projects continue to utilise the log frame which reflects pre-determined results generated to meet the donors' priorities in providing aid. (Watson in Ubels et al., 2011).

Aid effectiveness is important for both donors and recipient countries alike. Increasingly, amidst the criticisms of wasted and ineffective use of funds there is more consideration given to demonstrating value for money. Both donors and recipients find it hard to ask for funds if they cannot demonstrate results. This is true of both exogenous and endogenous stakeholders in development.

Currently the most common approach used in accounting for impact of the investment of funds in development interventions is the project evaluation. Project evaluation can be problematical for example, scheduling when to undertake an evaluation can result in being completed too soon after the end of the project. If the evaluation is too close to the end of the project many of the potential results remain unseen and if it is too late, often the institutional memory and people involved in the original project are no longer present. Additionally, evaluation is usually based on pre-determined objectives as expressed in the logical framework and cannot always account for unplanned impacts.

Attribution, or the relationship between cause and effect, remains a difficulty in capacity development interventions, given the already stated multidimensional and dynamic characteristics of capacity development, it is difficult to attribute a single intervention as bringing results.

The intention of this study is to understand from the perspectives of different stakeholders the variations in the experience of capacity development and in doing so, identify what types of capacity development interventions would enable social enterprises to become more credible and sustainable partners in international development. This discussion regarding the development of the concept of capacity development is discussed in chapter two, where it will become apparent that the lack of clarity regarding

the concept is hampering the capacity to design, plan, implement and measure the results of capacity development interventions.

1.3 Contextual Background: International Development

Concurrent with countries taking new policy approaches to colonialism, and the end of the second world war, was the establishment of the United Nations, which took place in 1945 under the Bretton Woods agreement. Today, the United Nations and its agencies continue to design and implement programmes and activities funded in the main by donors, most of whom are government agencies from wealthier countries often geographically located in the northern hemisphere.

Since its inception in 1960, The Development Assistance Committee (DAC) has been the main forum for the Organisation for Economic Co-operation and Development (OECD) members to consider issues relating to aid, development and poverty reduction in developing countries. It describes itself as the "venue and voice" (OECD n.d.) of the world's major donor countries. Aid is often provided bi-laterally through donors such as previously named Department for International development (Dfid) in the United Kingdom, GIZ in Germany, Danida in Denmark, CIDA in Canada or USAID in the United States of America or through development agencies such as the United Nations or the World Bank or African Development Bank. A rationale of development aid is progress or 'graduation' from foreign assistance to sustainable economic independence, the latter being one of the main goals of development intervention. Countries in receipt of aid are seen as moving from exogenous to endogenous functioning markets, where wealth may be created, and social provision is made for the poorest and most vulnerable.

During the 1960s, The World Bank took a conservative stance and the loans provided were mainly for construction and infrastructure projects. The US based agencies were criticised for interfering in national political decisions because of the stringent conditions they set when providing loans to countries. For example, insisting that communist party members were removed from the French coalition government before a loan was sanctioned. From the early 1970's, The World Bank and International Monetary Fund (IMF) directed their operations away from Europe and toward poorer countries, where the number and value of the loans provided increased and as a result of their lending policies and conditions many poor countries became severely indebted. In addition to increased indebtedness, the structural adjustment programmes imposed by the World Bank had negatively impacted on health and education in some of the poorest countries in the world. In response to these criticisms of the nature of the economic interventions led by the World Bank has adopted more environment and development-friendly policies and protocols. (Clemens and Kremer, 2016; Mosely et al., 1995). Simultaneously, some of the UN agencies advancing a new approach, changing the focus from international development as economic development, measured in GDP, to a model of Human Development as conceived and advocated by Nobel peace prize winner Amartya Sen and Mahboub ul Haq. Human Development places human needs and capabilities at the centre of the development agenda and redefines development as freedom (Sen, 1999; ul Haq, 1996).

In the last two decades, the interventions designed to address human development challenges are also not without criticism, such as development aid continues to create dependency from recipient countries, there continues to be a lack of real ownership of the solutions and the solutions that are developed and implemented are not sustainable.

Without a clear and agreed definition, capacity development is an ambiguous phrase used to describe a wide variety of interventions. According to the European Union briefing for parliament, the term is often used as a synonym for international development itself. (European Union, 2017). Some of the main criticisms of capacity development derive from this ambiguity, in its vagueness it is difficult to identify and measure the results of capacity development interventions, or to provide operational advice for those responsible for the implementation of capacity development strategies and interventions. Additionally, the methodologies used and the understanding of what constitutes capacity development is not explicit or shared. A better understanding of what actually constitutes capacity development would facilitate a better agreement of what methodologies could be employed, the range and role of actors and what results may be expected. (Eade, 1997; Moyo, 2009; OECD, 2011; Sowell, 2015; UNDP, 2009; World Bank, 2005; Zamfir, 2017).

1.3.1 Contextual Background: The Phenomenon of Social Enterprise

The climate of privatisation and the contracting out of public services of the 1980s saw a distinct move by the development community away from government-to-government aid and towards delivering development through Non-Governmental Organisations (NGOs) (Eade, 1997; German and Randel, 1996; Riddell, 2008). It is estimated that there are over 1 million NGOs (Lewis and Kanji, 2009) whose historic role has been mainly to provide basic services to people in need or advocacy for change to improve the lives of the most poor and vulnerable in the world. These third sector organisations have grown over time, winning contracts to address development issues such as healthcare, education training and organisational and management consulting and animated debate has recently taken place within the NGO sector (Bebbington and Riddell, 1995; Zetter, 1996,) regarding the legitimacy, dangers and implications of a paradigm change in the roles and relationships NGOs have, with donors now becoming 'clients' and governments and the poor becoming 'beneficiaries'.

Alongside the engagement of NGOs as implementing and delivery partners, there has been a growing donor fatigue (Thorbecke, 2000) with falling contributions made by the main governments and donors. In 2012, the international humanitarian response fell by 8% from US$19.4 billion to US$17.9 billion. Simultaneously, assistance given by governments decreased by 6% from US$13.8 billion to US$12.9 billion (Global Humanitarian Assistance, 2013). The reduction in humanitarian assistance was most noticeable for members of the OECD Development Assistance Committee (DAC), with a fall of 11% from 2011 figures. At a time when grants, donations and funding are becoming more difficult to secure, many third sector organisations are turning toward alternative business models to develop and secure funding streams.

Alcock and Mohan (2013) conclude that many charities have found that grants have been replaced with contracts for delivering public services. Whilst this may provide some comfort from losing all funding, having to bid for contracts, compete with the private sector and operate in a 'business-like' manner is a challenge for some organisations. As a result, some not for profit organisations will have to rethink their third sector status in favour of a more business-like model, based on trading rather than grants and donations. The reductions in funding have also contributed to the discussion about how to ensure international development is sustainable, as it is not just the short fall in funding but also the very nature of project-based interventions that create unsustainable projects and unmet expectations (Moyo, 2009).

Despite advances in standards of living, today the alleviation of poverty remains one of the greatest challenges for the international community of donors and of governments who manage and disperse billions of dollars in the name of international development (Department for International Development, 2014; Global Humanitarian Assistance 2013; Kanbur, et al., 1999).

The concept of social enterprise has no clear definition; they are essentially businesses with a social or environmental mission and mandate. From the studies that have taken place in South Africa (Littlewood and Holt, 2015; Myres et al., 2018), it is apparent that social enterprises are often home-grown and are based in low-income communities. Social enterprises are working in, amongst others, the health and education sectors, providing critical services and working to ameliorate social problems. Despite the similarities with the wider international development community in South Africa, social enterprises are not the current local partner of choice for the international development community. Social enterprises have the potential to become important partners in development, but as yet in South Africa there are questions about their capacity.

South African social enterprises tend to be relatively young, with 45 per cent of them existing for less than three years. They are generally small organisations, employing between one and 50 people and providing services to fewer than 100 people each month. Only 12 per cent of social enterprises generate an income of more than 1 million Rand, which, at the time of publication is approximately 60,000 USD. Currently around 20 per cent of South African social enterprises make a profit or surplus, which is commonly reinvested into developing their enterprises or addressing the social issue they are mandated to address. (Littlewood and Holt, 2015; Myres et al., 2018; World Bank, 2017a).

As yet, social enterprises in South Africa have not demonstrated they have the capacity to be the first choice as a partner in development, despite working on social development issues such as education and health, which fit within the broader remit of the development agenda. This is for several reasons, social enterprise is a broad catch-all term and can describe those which are well-developed, large and with a global outreach, such as the Self Employed Women's Association (SEWA) in India. In South Africa, social enterprises are often characterised as being small, homespun enterprises working on single issues and lacking the capacity to provide leadership on the development issue they are addressing. Further to this, the Gordon Institute

of Business Science (GIBS) survey of social enterprises in South Africa concluded that few social enterprises make a profit and that given that around two per cent of the working population engage with social enterprises, they are a relatively well-kept secret. In addition, many of them are relatively young organisations which have not yet demonstrated they are sustainable and, given their size and turnover, whether they are large enough to handle the type of contracts provided to local implementing partners. For social enterprises to become partners of choice of the international development community they must demonstrate they are both credible and sustainable as enterprises and potential partners. (Bosma et al., 2015; Myres et al., 2018)

There are three strong arguments for why social enterprises are potentially a good partner in development, the first is that the current local partners of choice, non-governmental organisations (NGOs) have become dependent on donors and this has undermined their role in society as challenging injustices and advocating for social change. (Fowler, 2000; Hulme and Edwards, 2015). The second is that social enterprises operate within their local community, they are not established for the duration of a three-year development project and when the project ends the social enterprise does not close the operation. A third argument is that with its own financial independence the nature of the partnership between development agencies and social enterprises as local implementing partners is not one of dependence and there is the opportunity for better agreement and discussion about the nature of the interventions, the timescales and the measurement of results.

Social enterprises cannot and do not exist in isolation. They are a part of a broader ecosystem, where at the macro level, government institutions establish the environment, conditions and legal framework in which social enterprises exist. At a meso level, government policies are implemented, and a range of direct services may or may not be provided by local and regional government, professional associations, universities and business development organisations. At a micro level, the social enterprise that has a stake in its capacity to perform and sustain itself, but also, importantly, so do its suppliers, customers and staff.

It is not enough that one part of the ecosystem functions well, excellent social enterprises operating in a highly hostile environment will not succeed, and nor would badly led and managed social enterprises in a supportive environment. To consider only the capacity of social enterprises and not the capacity of other key actors would only address some of the issues contributing to capacity to be credible and sustainable partners in development. But what actually is capacity development? Who provides it and how does it work? With a lack of clarity as to what capacity development is, the discussions and interventions that develop capacity of social enterprises are hampered.

1.3.2   Contextual Background: International Development in South Africa

Despite the global presences of social enterprises today, the qualitative nature of this research required a limited context in which to research and apply the conception of capacity development. Therefore, the decision to choose one country was a more manageable and viable option. The choice was based on a number of criteria, the first being a country that was engaged in development with the presence of the international development community. The second criteria related to the presence and state of social enterprises. When this research was initiated South Africa was one of the few English-speaking African countries that had more than a nascent social emprise ecosystem. Kenya would also have been an option and was considered, mainly for pragmatic reasons of a lack of contacts and network within the social enterprise ecosystem. Botswana, Tanzania and Zambia were also considered but the stage of development of social enterprises was not as advanced as South Africa and Kenya. Finally, and somewhat pragmatically, the decision also included access to social enterprises and actors within the social enterprise ecosystem. Having worked in South Africa on a variety of international development projects since 1994 and with a great deal of respect for the people and the first democratically elected government it became the obvious choice for the context of this research.

In South Africa, there are more than 16.5 million people, 28 per cent of the population, living on less than USD 1.90 per day, which is traditionally accepted as the poverty line. (Navarrette et al., 2017; World Data Lab, 2020). Although much progress has been made over the past two decades, driven largely by the South African government and public sector, the continued population growth ensures increased pressure on the public sector to provide and deliver services, for which demand will continue to grow in the coming years. To date, the current actors in development, such as the UN agencies, government, third sector, and even the private sector have been unable to solve the problem of ensuring the availability of basic essential services, such as education and health care, water and sanitation.

In this context, social enterprises have emerged as a new type of development actor with the potential to help solve the service delivery gap. South Africa provides a useful setting for researching the development of social enterprises in the context of international development

1.4 Focus and Rationale

This research centres on examining the concept of capacity development as it is experienced by the actors in the social enterprise ecosystem in South Africa. The aim being to surface the variations in the conception of capacity development, in order to identify what capacity development is. It also considers what would support social enterprises in becoming credible and sustainable partners which would enable a scale up of their activities and the people they serve.

According to research carried out in 2018 on behalf of Gordon Institute Business School of the University of Pretoria in South Africa social enterprises are small, with 93% employing 50 people or less. With the average being around 30 employees and the median number of employees being eight. Given that social enterprises most often employ people from the communities they serve a significant growth in the number

of employees would benefit the service users, the social enterprises and the local community. Of the social enterprises surveyed, 64% reflected no to slow growth in the previous year. In terms of annual income, 70% of the social enterprises surveyed reported an income of less than R300,00 (approximately $65,000 USD) and reports of the sources of funding finds none of the social enterprises surveyed identified international organisations such as UN agencies or donors as providing funds or contracts to them (Myres et al., 2018). The demand for basic education, health and social services in South Africa far exceeds the governments capacity to supply. There is great potential for social enterprises in South Africa to grow, provide more services, create jobs and contribute to the development of their communities. To do this, they need to be able to access contracts and funds provided by the international donor community, but to achieve this, they need to grow and to be perceived as organised, effective, credible and sustainable development partners. Research carried out on capacity development to date tends to focus on capacity development as organisational development.

The United Nations Development Programme's (UNDP) technical advisory paper on capacity assessment and development situated capacity development as central to the creation of sustainable capacity. (UNDP, 1998). This document was one of the foundations for further development of the concept within the UN system. What it fails to address is the role of the donors and development agencies within the intervention, they are always perceived as external to the capacity development process. Whilst capacity development is perceived as an important factor in sustainability it does not address at an individual or organisational level the requirement for credibility.

In South Africa most social enterprises are small, local and not growing. It could be argued that they currently lack the credibility to be taken seriously as a partner in development, even if they have the potential, they do not have the capacity. This is a key driver in this research, if social enterprises do have the potential to become partners in development it is an implicit and unobvious criterion of the process of selecting local implementation partners in development interventions. Credibility is not discussed in the various toolkits and not carefully defined, although clearly recognised when absent.

1.4.1 Credibility

The concept of credibility dates back to Aristotle and his theory of rhetoric (Whitehead 1968). As one component of persuasion, Ethos, is the perception of a person's credibility, which is further divided into two factors: trustworthiness and expertise. In his theory of communicative action, Habermas (1984) identified four traits that contribute to credibility as being truth, sincerity, appropriateness and understandability. When assessing credibility there are both truth-independent and subjective considerations to take into account.

Today, there is a renewed interest in the concept of credibility that is primarily associated with the media and in particular the internet. This new attention is generated in response to the emergence of fake news, a perceived lowering of standards of journalism and press reporting and a lack of surety regarding the

sources of funding of reports and news items (Fogg, 2003). Yet there is little published research that examines credibility from the perspective of capacity development for social enterprises.

For owners and managers of social enterprises having credibility has an impact on their personal status, but also that of the enterprise they lead. To be credible, social enterprises need to demonstrate they are trustworthy. Maister, Green and Galford (2000) define trust as credibility, reliability and intimacy over the drive for self-orientation. Where trust does not exist, it may often be found in either the lack of credibility, reliability or intimacy or in an abundance of self-orientated, or self-interested motives.

The concept of expertise in this context is the capacity to demonstrate that the wider issues relating to social development and the social economy are understood and can be discussed. The capacity to provide advocacy for social change and perceive how the contributions of one social enterprise can contribute to the wider development agenda is not only requisite for operating as a local implementing partner, but also in contributing to the wider agenda for social change. For social enterprises, it is not enough to be trustworthy and expert in their field. The issue of sustainability is also an important consideration.

1.4.2 Sustainability

The proverb *Give a man a fish and he will eat for a day, teach a man to fish and you do him a good turn"* (Ritchie 1886:342) captures the concept of sustainable development, almost the 'holy grail' of the international development community, which has strived over the last fifty years to find more sustainable approaches to international development.

In the 1980s the United Nations commissioned the report Our Common Future, (Brundtland, 1987) which opened the discussion as to what is meant by sustainable development and who contributes. This document sets the agenda for the following three decades and led to the development of the Sustainable Development Goals (SDGs). In seeking to become more sustainable in development interventions the UN is committed to working with other actors, including the private sector, to bring about further advancements in the reduction of poverty, hunger, inequality, negative environmental impacts and other targets, as defined in the 17 sustainable development goals and 230 indicators. The work undertaken by social enterprises is reflected in many of the goals. In South Africa there are examples of social enterprises contributing to the achievement of goals one and five, with women's entrepreneurship and business start-up projects. Examples of goals two and three are activities such as foodbanks and nutritional education activities, as well as those contributing to improved education, from providing inexpensive mentoring for children from poorer families to inexpensive sanitary wear to keep girls and young women in school and university. Environmental actions also contribute, and new employment provisions contribute to goal eight. Without even being aware, social enterprises are contributing to the achievement of the Sustainable Development Goals through their projects, programmes and advocacy work. However, sustainable development is not the only aspect of sustainability relevant to social enterprises. As relatively young organisations they have to prove they are also sustainable as going concerns.

According to Vallejo and Wehn (2016) research into sustainability of donor funded projects is scant and the general conclusion is that the results of interventions are rarely sustainable. This is in part due to the fact that when the project and programmes end also most of the implementing partners leave. This is one of the key benefits for engaging with social enterprises as development partners because they are already present in their communities and not only there for the duration of the assignment.

1.4.2.1 People, Profit, Planet

Elkington (1998) coined the term Triple Bottom Line (TBL), also known as the 3Ps; People, Profit and Planet, as a challenge to the private sector to consider their performance not only in financial terms but also to address and report on their social and environmental performance and impact. For social enterprises, this aspect of sustainability means creating a balance between the decisions made in relation to people; the way they employ people, work with volunteers and are mandated to address social issues. Social enterprises often employ people who find it difficult to find and keep employment. In doing so, they have to invest more into developing the capacity of their employees, as well as maintaining levels of service or quality of production to keep their service users.
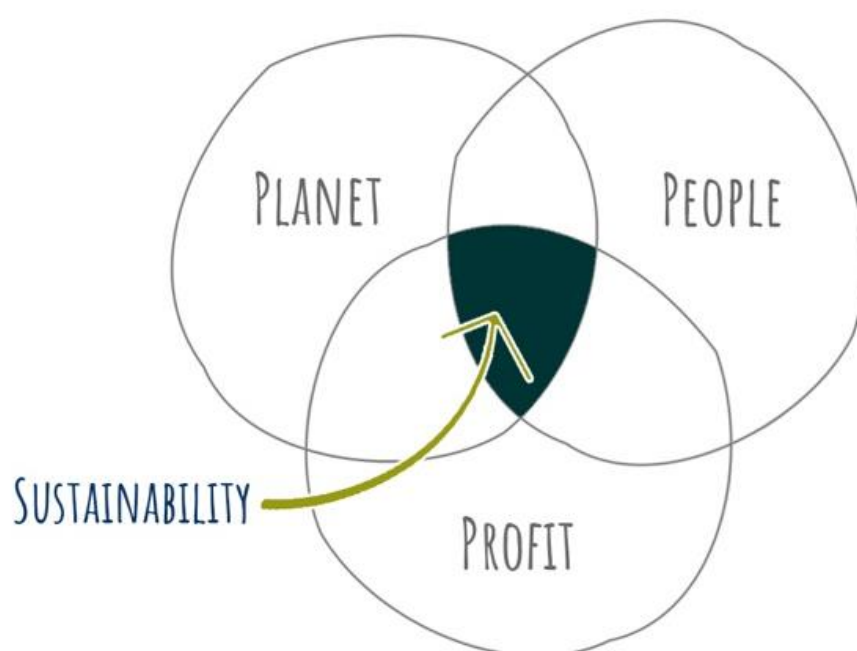
Figure 1:1 The Triple Bottom Line, Source: Elkington 1998

Unlike other civil society organisations, social enterprises fund their activities by trading; selling products or services which either directly address their social mandate or provide funds for them to continue to work on their social mission. They are tasked with the challenge of both making a profit and providing affordable services and products. If balancing the two were not difficult enough, social enterprises also have to role model how they perform in terms of environmental actions and cannot be found to have negative impacts on the environment. This would seriously affect their credibility as being a socially responsible enterprise.

The challenge of being sustainable and demonstrating they are present in the longer term requires the capacity to manage the financial bottom line, raise the social bottom line and be active in how they contribute to a better environment (Silber and Krige, 2016).

There are intrinsic management decisions which impact on the degree of sustainability of a social enterprise in South Africa, but there are also extrinsic impacts of which they have no control. These include the business environment, policies and laws enabling them to flourish or whither, depending on the decisions made and implemented by government, potential investors, the banking and financial institutions and the donors and UN agencies in a position to collaborate with social enterprise. Addressing only the capacity development of social enterprises would address half of the equation, with the other ecosystem actors being the other part. Therefore, the capacity development of the actors in the ecosystem is a central theme within this research. By understanding what capacity development is, and what capacities are required by different actors, it is possible to engage in better conversations about how to support social enterprises in South Africa so they might develop and grow into credible and sustainable partners, addressing the deficits that today leaves more than 16.5 million people in extreme poverty.

1.5 Research Aims and Questions

Given the potential of social enterprises contributing to the alleviation of poverty, the overall aim of this research is to inquire into the capacity development needs of social enterprises and the social enterprise ecosystem in South Africa in order for them to become more credible and sustainable partners in international development. This line of inquiry has not thus far been researched and there is no established view on what is required for social enterprises to become credible and sustainable partners in the context of international development. The research and literature that exists places a focus on the development of social entrepreneurs rather than the entities and organisations that exist within the social enterprise ecosystem (Littlewood and Holt 2015).

Social enterprises exist within an ecosystem of organisations and institutions within the social economy. The ecosystem consists of endogenous and exogenous stakeholders, each having their own, different interpretations of capacity development and each having their own priorities in terms of which capacities to develop. Most research that takes into account the capacity development needs of ecosystems have established boundaries at the point of the individual or organisation, with some extending as far as institutional. There is scant evidence of research that includes the donors and sponsors within the ecosystem. In this research, the capacity development needs of the donors and UN agencies that play a role in the social enterprise ecosystem are also considered.

To date, what is not known is the different ways in which the stakeholders in the social enterprise ecosystem in South Africa perceive capacity development. This research examines them within their ecosystem in South Africa to understand not just what capacity needs to be developed, but firstly to comprehend what is understood as capacity development. This is an important starting point as the concept is still unclear and

signifies different things for different stakeholders. As John Dewey's example and description of a horse from different perspectives; a farmer, jockey, veterinarian and timid person will all perceive a horse in different ways and from different perspectives, but still believe they are talking about the same conception. (Dewey, 1905:393) So it is with capacity development; perceived as individual training, organisational/institutional development or a sectoral initiative, it becomes impossible to plan or measure results if the conception is perceived in entirely different manners.

Also, as Dewey would reflect, the differing perspectives do not define a right or wrong way of perceiving, but in bringing together the variations of the experience of capacity development it may be possible to create model or approach that assists the planning agreement and measure of capacity development interventions and in doing so, create an opportunity to adopt and adapt more appropriate capacity development interventions.

Prior to this research there is currently no accepted model of capacity development in the context of international development. A model would enable different stakeholders in the ecosystem to share and plan capacity development interventions. As most of the definitions of capacity development are developed by donors and agencies, for recipient governments engaged in development, the definitions do not envisage the donors and agencies themselves engaging in capacity development activities. A model describing what capacity development is would enable all the stakeholders to participate in the process and converge their understanding of the conception.

Therefore, in addition to the research question, three further lines of inquiry were developed:

- How do actors in the social enterprise ecosystem perceive capacity development?
- What are the variations in the experience of capacity development?
- Is there a new approach or model that can assist in assessing and developing capacity?

1.6 Organisation of the Study

This thesis is divided into seven chapters. Chapter two discusses some of the critical ideas underpinning the conceptions. Initially, it examines the world of development, the main actors and the paradigm shifts which have taken place in the last 50 years. Part two focuses on South Africa and examines some of the particular features of the development challenges that face South Africa today and in doing so lays the foundation for the specific conditions in which social enterprises currently operate. Following this, it turns to the subject of social enterprise and the ecosystem within which social enterprises function and examines the potential for social enterprises to contribute to development. The chapter concludes by exploring the concept of capacity development and learning as a foundation for exploring capacity development within the social enterprise ecosystem in South Africa.

Chapter three considers the methods employed in the study and the philosophical rationale underpinning them. The research is conceived as qualitative and the method selected is phenomenography, although Grounded Theory and Interpretive Phenomenological Analysis (IPA) were also considered.

Phenomenography has its roots in pedagogy and as discussed in chapter two, this is a central theme for this research and therefore seen as a fitting choice in purposefully aligning a research method that is associated with learning and development. After discussing the relationship, this chapter continues with the application of philosophical choices in the selection of the methodology and how that applies and determines the selection of participants, the choices and processes involved in the data collection methods, and data analysis are provided. Finally, the aspects of the research rigour, reliability and validity of the study are considered.

Chapter four is the first of two chapters in which the research findings are presented. In choosing a phenomenographical research process there are two key concepts: the categories of description and the 6outcome space. In this research, they also broadly align to considerations of content and process. With chapter four surfacing the findings in relation to the content or the notion of capacity development as learning and is introduced as five categories of description which surfaced from the analysis of the data and which reflect the participants variations in the conception of capacity development are presented. The categories of description reflect the participants conception of capacity development and the variation in their experience.

Chapter five is the second of the two chapters that reports the findings and in this chapter the outcome space, which is a representation of the categories of description. It also reflects on the relationships between the categories of description and largely contends with the process issues and discovery relating to the application of the phenomenographic approach in this research. The outcome space is developed as a model named the Five Domains of Capacity Development and reflects capacity development in the social enterprise ecosystem in South Africa. The iterations required to reach a final outcome space and the concept of fuzzy space, and the relationships between the five categories, are also reported in this chapter.

Chapter six discusses the findings that are surfaced in the previous two chapters and relates the findings to some of the more relevant literature and bodies of knowledge.

Chapter Seven concludes this thesis. It begins by proposing seven conclusions that emerge from the findings. The conclusions relate to the capacity development interventions which would support the development of the dimensions of credibility and sustainability of social enterprises in South Africa. The chapter also discusses the potential of the five domains model to be adapted or adopted the in other development contexts it reflects on a more personal learning journey in completing this research and thesis. A final postscript is added to draw attention to some of the key issues that have emerged since the data was collected and analysed, namely the global health pandemic that emerged in 2020.

1.7 Conclusion

This chapter has introduced some contextual background in which this research resides and the more specific focus of the research. Which is an examination of the variation in the understanding of the

conception of capacity development in the social enterprise ecosystem. The aim being to support social enterprises in becoming credible and sustainable partners in international development interventions in South Africa.   Two critical ideas have been exposed; the first being the lack of clarity surrounding what capacity development is, and who is consulted in the development of the concept and the second being the perception that social enterprises' lack credibility and sustainability.   The lack of clarity of capacity development results in problems in planning, implementing and measuring capacity development interventions in a meaningful way. The issues of credibility and sustainability that are currently lacking in the eyes of the donor community is an obstacle to social enterprises in taking their place as partners in development.

This research is located the fields of international development, capacity development and learning, and social enterprise development that are discussed in chapter two. It provides new insights in the variety of ways in which capacity development, in the context of international development is experienced. In doing so, it contributes new knowledge as there is no current research or literature that addresses the capacity development of social enterprises in the context of international development.

South Africa, which, as a country actively supported by the international development community with post-nascent social enterprises is a valuable context for examining the conception of capacity development. With high unemployment and critical poverty, the government is currently unable to meet the demand for basic services.   If social enterprises were both credible and sustainable, they would be in a better position to fill some of the gaps in the provision of basic health, education and social services in South Africa.

The intended research outcomes will be of value to for the international development community and the social enterprise ecosystem in the creating new approaches to policy and planning to address the gap in the provision of basic social, health and education needs in poor communities. Reporting on the research process will contribute to the body of knowledge regarding the research method. It will also provide insights for the academic community on the issues of how to develop and organise categories of descriptions and a new type of outcome space.

Chapter Two

Contextualising the Research within the Literature

2.1. Introduction

This purpose of this chapter is to examine the thinking in the three contexts within which this research is situated. The search for clarification of the context of capacity development begins with the international development community's quest for the holy grail of sustainability. With the launch of the Sustainable Development Goals in 2015 the international development community made an inextricable link between capacity development and the pursuit of international development objectives. To comprehend part of the rationale for this move, this chapter begins by examining some of the most significant characteristics in international development in the last 50 years and how they are manifest in South Africa today.

When talking about South Africa today, it is difficult not to reflect on the legacy of colonialism and the apartheid regime and how they have impacted on the lives of South Africans and shaped development priorities. The current democratically elected government in South Africa is working toward measures to alleviate poverty and redistribute wealth. These priorities are rooted in the disenfranchisement and disparity perpetrated by the apartheid regime and are reflected today in legislation and the South African National Development Plan.

The second part of this chapter reflects on the concept of the social enterprise, examining what it is and the current status in South Africa. It has been relatively demanding to define the concept of social enterprise for a number of reasons, including different global perspectives, practices and criteria.

The third section of this chapter addresses the capacity development needs of social enterprises and others within the social enterprise ecosystem so that social enterprises may become credible and sustainable partners in development. The section examines what is understood by the term capacity development and how capacity development may contribute to both the sustainability and credibility of social enterprises. With a strong association between capacity development and learning, this chapter also considers some aspects of learning, including perspectives on the politics of learning disseminated through the work of Paolo Freire (1972). In South Africa this is reflected in the work of the Black Consciousness Movement and was a critical component in challenging the apartheid regime and the links between learning and freedom.

2.2. International Development

International development is complex, contested and ambiguous. At best it is generally considered to be the interventions which focus on the alleviation of poverty and inequality. It is also understood as advancements in technology, industrialisation, globalisation, improved social conditions and standards in poorer countries. (Allen and Thomas, 2000; Escobar, 1995; Sachs, 2005; Si et al.,2020; Salehi Nejad, 2011). In this study international development denotes distinct interventions, programmes and projects designed to address economic and social change, particularly in poorer countries.

Modern development aid is provided to poorer countries by the international donor community made up of governments from other nation states. (Chang, 2003; Collier, 2007; George, 2018; Riddell, 2007; Sachs, 2005). Development aid is often provided as a mixture of grants or loans and can include structural adjustment plans provided by the International Monetary Fund (IMF), technical assistance, and capacity development. Around three quarters of all overseas development is provided by just ten of the international development agencies (OECD statistics, 2018). Most of the funds are dispersed through projects and programmes delivered by international development organisations such as the United Nations agencies who have offices either in the country or in the region being developed.

For UN agencies, governments, and Non-Governmental Organisations (NGOs) implementing international development projects on behalf of donors, the alleviation of poverty remains as one of the greatest challenges and annually more than 152 billion US dollars are raised, managed and dispersed in the name of International Development (OECD, 2020). These funds are generally referred to as Development Aid or Official Development Aid (ODA), depending on the source. They are directed toward poorer countries, often referred to as developing countries. (Department for International Development 2014; Global Humanitarian Assistance 2013; Kanbur Sandler and Morrison, 1999; OECD, 2020; Otoo et al., 2009).

There are criticisms of the term 'developing', as it implies a hierarchy between countries and suggests that Western and Northern hemisphere countries are the standard to work toward. This distinction also masks the many problems existing in the so-called developed countries and also perpetuates negative stereotypes of the citizens and countries outside of this label. In addition, since the introduction of the Sustainable Development Goals (SDGs) in 2015, there has been a paradigm shift reflecting the global need to develop; in this sense, every country becomes a developing country. Perhaps a less pejorative term for countries receiving development aid is recipient country (Horner, 2016; Kessi and Boonzaier, 2017).

2.2.1. International Development conceived as Economic Development

The development history of the self-professed advanced countries was studied by development economists in order to derive lessons for development in poorer countries. Development economists and economic historians extrapolated generalisations and the donor community drew on these lessons to inform policy and programme interventions. One of the main goals of international development interventions is progression from foreign assistance to sustainable economic independence. The intention is to move from market systems mainly supported and controlled by external interventions (exogenous) to nationally (endogenous) functioning markets, where wealth may be created, and social provision is made for the poorest and most vulnerable. (King and McGrath, 1999).

There are vigorous debates about the impact of international aid. Whilst its critics are rarely against humanitarian assistance, many argue that aid is not effective for several reasons: it is not adequately planned or targeted, and consequently does not reach those who most need it, and that aid is concentrated

on the needs of governments and does not effectively address the needs of the poorest people in a society. In addition, corruption and the misappropriation of funds is also a common concern. (Eade, 1997; Easterley, 2007; Moyo, 2009).

Moyo (2009) argues that aid is not a part of the solution but is actually a large part of the problem and asserts that Africa could trade its way out of poverty rather than rely on handouts in the form of development aid. Despite the billions of dollars of development aid pouring into Africa, more than a quarter of the countries in sub-Saharan Africa are poorer now than in 1960 (Acemoglu and Robinson, 2012). It is partly in response to this that the international development community has sought to change the approaches to development and development aid.

Research, commissioned by the IMF, drew the conclusion that the benefits of aid do not trickle down to the poorest citizens. They conclude an increase in the income share of the bottom 20 per cent, the poorest, in an economy is linked with higher GDP growth (Dabla-Norris et. al., 2015; George, 2018:61). Consequently, they suggest it is the poor and the middle class who matter the most for economic growth, and therefore investing in micro-level rather than macro level activities, such as enterprise development rather than macro level tax cuts for the wealthiest, would ultimately prove more beneficial.

Heierli (2011) provides examples of successful market approaches to poverty reduction in Bangladesh, Nicaragua and India, where some of the poorer population moved from being beneficiaries or consumers, to being producers and retailers. These examples create blueprints for different approaches to international development and enable the potential for the international development community to engage in developing the private sector. When it comes to private sector development, there are stories of both success and failure. In terms of successes, Ribiero-Soriano (2017) draws on several studies that suggest long term economic growth in a poor country requires the engagement of private business and entrepreneurs to innovate, create jobs, resulting in poverty reduction.

One weakness of private sector development (PSD) is the private sector's first commitment is to their owners and shareholders and to making a profit rather than the amelioration of poverty and social problems. The consequence being the number of successful businesses does not always mean that wealth is shared. A second problem is donor-funded activities are often directed through government departments and NGOs. These providers often have little or no credibility to offer support and advice to entrepreneurs, given their lack of experience of the private sector (Kraus et. al., 2021). A third problem is that even in wealthy countries the success rate of new businesses is often low. Business failure of a new private business may result in increasing a burden of debt on an already poor family. There are currently a number of programmes and projects focussing on these issues. The International Labour Organization (ILO) offers several programmes on Start and Improve Your Business (SIYB) and Women's Entrepreneurship Development (Simpson, 2011). The aim of the programmes is to develop entrepreneurial qualities in poor women and men, so they are not just financially better off, but to increase agency so they are able to make choices about their lives. It is

this aspect of making choices that marks a significant shift in the thinking about the role and purpose of international development in the last two decades. Previously, the metrics for international development were mostly associated with macro level economic performance, usually measured in Gross Domestic Product (GDP). However, this single dimension of economic development is not universally considered to be the only metric worth examining.

2.2.2. International Development Conceived as Human Development

The emphasis on the economic paradigm of international development has many critics. Nussbaum (2011) points out that despite economic growth in many countries, the GDP ranking of countries does not take into consideration the enormous inequalities which exist between peoples. Sen (1999) argues that social and economic developments are means to expanding human freedoms. He contends that international development requires both the advancement of freedoms and the removal of 'unfreedoms' such as poverty, social deprivation and repressive State actions. His work on freedom as development forms the foundation of the rights-based approach known as Human Development. This approach has been adopted by UN agencies involved in international development.

In progressing his concept of development as freedom, Sen perceives commodity control as the means rather than the end, in that it can help to attain what is desired. Sen's assertion is that quality of life is understood in what people can be or achieve. This is captured in Nussbaum's development of Sen's initial thinking, by posing the question "what are people able to do or to be?". (Nussbaum, 2011:4). This challenges the idea that development is only measured in industrial development and commodity control and adopts Sen's assertion that real freedom is based on the ability to make choices about how to live one's life. Abject poverty is one of the things that removes even the idea of choice and freedom.

There are several criticisms of Sen's approach, one contention often raised is Sen's refusal to list what he considers the capabilities to be (Clark, 2005). This is a point of departure for Nussbaum who created a list of core capabilities. Sen argued that creating a list would not reflect the different contextual circumstances, is challenging to weigh and also would not remain fixed over time, preferring that the types of capabilities derive from open to public discussion rather than from theory (Sen, 2004). Utilising Sen's idea of human development, Mahbub ul Haq, whilst working as a special advisor for the United Nations system, led on the development of the Human Development Index (HDI) (ul Haq, 1996; United Nations Development Programme, 1990). The HDI is used to measure each countries development in terms of a blend of social and economic metrics. These include health, education, life expectancy and standard of living. Annually the United Nations Development Programme (UNDP) gathers the statistics and produces the Human Development Report, where the metrics are combined and each country is ranked (ul Haq, 1996). This work provided the necessary paradigm shift to take international development out of the economic arena and address poverty alleviation not just as an economic issue, but a social or human development issue that

engages a wider range of development actors. In the next section more of the actors are presented to help expose the myriad of stakes and perspectives existing within the scope of international development.

2.2.3 The Actors in International Development

The Lowy Institute (2016) identified the range of actors in international development from international agencies, governments, private donors, the military to the community, the latter including corporate donors, individuals and family all playing a role in bringing aid to the recipients.
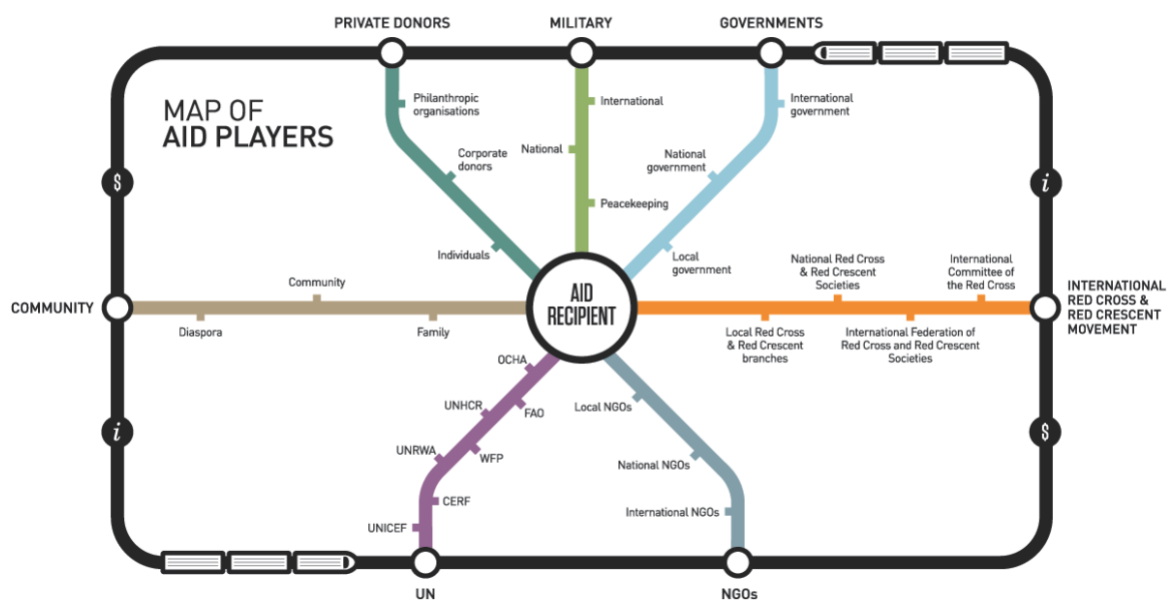
Figure 2:1 Map of Aid Actors   Lowy Institute 2016

The Lowy map identifies some of these actors and it is possible to see some of the main branches such as the UN, the NGOs, Governments, Military, Community, the International Red Cross and Red Crescent movement and private donors. In South Africa, the actors engaged in development vary from the outline provided by Lowy. Some of the key actors in South Africa, along with their issues and territories, are examined in the following pages.

2.2.3.1 The Organisation for Economic Cooperation and Development (OECD)

The map does not explicitly mention the OECD, however, with its mandate to promote economic and social well-being, (OECD, 2006a) it provides an arena where governments of its member states collaborate to understand what drives economic, social and environmental change. Since its inception in 1960, The Development Assistance Committee (DAC) is the main forum for the OECD which gathers, analyses and shares data forecasting future economic and development trends to OECD members, for them to consider issues relating to aid, development and poverty reduction in developing countries. It describes itself as the "venue and voice" of the world's major donor countries (OECD, n.d.). Some of the recent trends in administration of development aid include the short term and humanitarian issues cause by global

pandemics, natural disasters and terrorism being prioritised over longer-term development initiatives. There are concerns that short term development assistance detracts from supporting countries in becoming resilient to the many challenges, which is what will Improve governance, security and enable them to graduate from needing external assistance (Chang, 2018; Ingram and Lord, 2019)

2.2.3.2 The United Nations

Founded in 1945, the United Nations is currently made up of 193 Member States. (George, 2018; O'Sullivan, 2005; United Nations, 2020). There are 70 UN agencies, each having a specific mission. The United Nations Development Programme plays a role in coordinating the UN interventions in each country (George, 2018:60). Inevitably, each agency considers the root of their mission to be their own territory. The demarcation of the development space has over time led to silo thinking and at worst duplication of efforts and budget allocations in programming.

Two of the key drivers for UN agencies are to ensure impact and outreach of their programmes, so results may be measured at a macro level. Two of the other key considerations of the UN agencies is how to ensure there is sustainability in their interventions, so they do not perpetuate a dependency of poorer countries seeking support and development assistance and how to ensure aid effectiveness is ameliorating poverty and disenfranchisement.

The Sustainable Development Goals, (SDGs) launched in 2015, aim to coordinate and focusing the contributions of the international development community under 17 specific themes (George, 2018:60). Each UN agency does not only address the main theme relating to its own mission, but also reviews and contributes to other SDGs, with the aim of creating a more strategic and "One UN" approach to development.

Figure 2:2 The Sustainable Development Goals   Source: United Nations Department of Economic and Social Affairs 2015

The aim of the SDGs is to take the development agenda beyond the remit of the traditional development actors and engage all aspects of society in working toward a more equitable and fairer world. One such initiative is the UN Principles for Responsible Management, a voluntary network of providers of management education signing up to the sustainable development goals and reporting how they map the SDGs against their curriculum and institutional development. for example, in South Africa, the Gordon Institute of Business Science (GIBS) renewed it's commitment to the Principles of Responsible Management, the Global compact and the furtherance of the SDGs and is working in partnership with UN agencies to provide management education (GIBS, 2021; Haertle et al., 2017).

In South Africa the United Nations has a presence with 17 agencies, working on a range of thematic areas and programmes including addressing hunger, the worst forms of child labour, employment and entrepreneurship, migration and human trafficking, human rights, support for people living with HIV and AIDS, maternity and family health, supporting refugees, and the providing financial and technical assistance in poverty reduction. Given the multidimensional nature of poverty and a call from the UN agencies to work in better harmony, the focus of the UN Resident Coordinator is to take a more holistic view of poverty by considering four broad metrics: health, education, standards of living and engagement in economic activity such as livelihoods, employment or business ownership.

2.2.3.3 Humanitarian and Development Interventions

Humanitarian aid is exemplified by international organisations such as the International Red Cross and Red Crescent movement, where assistance is provided as a response to humanitarian crises. These crises may be caused by natural phenomenon, as a result of war and armed conflict and are often emergency response situations, even if the need for assistance is protracted. Development interventions are conceived as longer-term planning and often addresses a wider range of issues, not in emergency or humanitarian crises. The government in a country will produce, usually with support, a national development plan to address such issues. These plans outline the governments priorities and are the basis in which international agencies and donors offer support and technical assistance.

Increasingly, there is a nexus point between humanitarian and development interventions and as a consequence, organisations with a humanitarian mandate and those with a development mandate seek to collaborate, so that humanitarian interventions do not have a longer-term negative impact, whilst trying to ameliorate a shorter-term crisis.

2.2.3.4 Military

In humanitarian and conflict situations, where security is fragile, the military play a number of different roles; aside from general peace keeping, there are other functions summarised as DDR; disarmament, demobilisation and reintegration. Military presences can also be involved in data gathering, monitoring and reporting (Chretien, Blazes and Coldrun et al., 2007). Military missions may also include expertise in

disarmament, opening routes so humanitarian aid can reach the targeted populations, keeping the peace between fighting factions and groups and implementing law. In states where the law has broken down there may be international peace keeping forces and training provided for the military, local police and judiciary and agencies.

2.2.3.5 Government

On the Lowy map, government actors are reflected on three levels; the first is international government, which is generally part of the donor community, either providing official development aid as members of the OECD or bi-lateral support from other governments. The second level is the national government and the third level local government.

The Republic of South Africa's government is a constitutional democracy led by the president and as of a cabinet reshuffle in 2019 there are 28 ministers, each responsible for one or two departments. There are three tiers of government. Below the National level there are the provincial and local levels of government, both of which have legislative and executive authority. National parliament is made up of the National Assembly and 90 delegates from the provinces form the National Council of Provinces. The largest metropolitan areas are administered by metropolitan municipalities, of which there are eight. The remainder of the country is divided into 44 district municipalities, and a total of 226 smaller local municipalities (Republic of South Africa, 2020).

How aid reaches communities and individuals is determined by government legislation and priorities at a national or macro level and is often delivered locally through the second and third tiers of government. The government provides some direct services to communities and citizens, but also contracts local Non-Governmental Organisations (NGOs) to deliver services to communities.

2.2.3.6 Non-Governmental Organisations

The third sector is made up of organisations such as charities, voluntary and community groups and cooperatives. The organisations making up the third sector are generally characterised as 'not for profit' and are often referred to as non-governmental organisations or NGOs. (Stervinou et al.,2021)

Since the 1980s, third sector organisations have grown, winning contracts to address development issues such as healthcare, education, training and organisational and management consulting. This opened an animated debate within the NGO sector regarding the legitimacy, dangers and implications of a paradigm change in the roles and relationships NGOs have with donors now become clients and governments and donors (Banks et al., 2015; Bebbington, 2004; Bebbington and Riddell, 1995; Eade, 1997; Zetter, 1996).

Whilst International NGOs are able to raise significant resources to address a wide range of issues, local NGOs are often resource poor, however, they do bring knowledge of the communities in which they are located and are often are able to build trust and bridges between the local communities and other actors (Eade, 2000).

2.2.3.7 Community

Community is represented on the Lowy map as the diaspora who often send remittances home and provide a source of income to their families. In the case of South Africa after the 1994 election it was mainly wealthier and white South Africans who left and today it is generally younger white South Africans who continue to leave Statistics South Africa 2000).

In South Africa, the experience of rural communities is different from that of the urban and metropolitan communities. Two of the major challenges facing rural communities are a lack of investment and lack of infrastructure, alongside these is an over-reliance on agriculture. There are inadequate employment and livelihood opportunities and concerns regarding unsustainable uses of natural resources, resulting in environmental degradation. There is a lack of access to water for both homes and businesses and with agriculture being the dominant sector, failing crops and in particular failing cash crops has dire consequences. There are also comparably lower literacy and education skills levels compared to urban settings (Kennedy, 2021; Van Schalkwyk, 2015). Compounding the challenges facing rural and remote communities is the high prevalence of HIV and AIDS and a lack of healthcare and social services to support what are already vulnerable families and households. Fox and Van Rooyen (2004) assert that whilst there have been development initiatives and projects in rural and remote areas, they have generally been unsuccessful.

2.2.3.8 The Private Sector

On the Lowy map, the private sector is represented as philanthropic foundations, corporate donors and individuals. The notion is mainly perceiving the private sector as sources of funding and this was certainly true up to the end of the last century. However, the private sector has an increasing role beyond financing interventions and is now accepted as having a legitimate role in international development.

The private sector is recognised as an important partner in development due to the ability to contribute to poverty reduction by establishing new enterprises, creating jobs, providing goods and services, generating income and profits (International Labour Organization, 2019). There is an assumption that increasing the number of private sector entities in developing countries will have a positive impact on macro and micro-economics and wealth creation.

Engaging with the private sector as a development partner is not without its critics. There are concerns about private sector participation in development is only guaranteed as long as it is profitable. Therefore, there can be no assurance of the long-term commitment that international development requires.

The profit motive is perceived as the primary driver for private sector decision-making and inevitably leaves some development practitioners uncomfortable. It is the antithesis of the public sector ethos from which international development was born (George, 2018) as many practitioners working in international development made a conscious choice to work in public service rather than for private gain. Consequently,

they assume a lack of shared values and differing belief systems between those that work in public service and those that chose a career in the private sector. Deloitte, in their 2018 reflection on Global Human Capital Trends, reflect that the private sector is also changing. Their report asserts that since the global economic downturn of 2008/9 traditional businesses face growing pressures by staff and consumers to be more socially and environmentally minded and they report that chief executives are citing inclusive growth as one of their three most important strategic objectives (Deloitte, 2018).

Despite some positive changes perceived in the orientation of the private sector, there remains 'dis-ease' with the idea that corporations and private companies can take a role in determining the objectives and priorities for international development. This is especially when history has shown that some large corporations have actively contributed to health and development issues by prioritising trade and profits over health and welfare. Famously, the role of Nestlé in Africa, convincing new mothers to use their powdered baby milk instead of breast milk in the 1970s and dressing sales representatives as nurses to promote powdered baby milk as a healthy alternative, is in living memory of many development workers (Muller, 1974).

A third approach, known as private sector development, is perceived as a longer-term initiative involving creating the environment for small businesses to flourish and grow, developing entrepreneurship and business support activities to create and support micro and small businesses. This involves working at the macro level for legislation to be in place to favour small businesses, such as the speed and cost of opening a business, at a meta level where institutions and local government can provide a wide range of business support, and at a micro level, training for individuals to develop their entrepreneurial qualities, write business plans and develop their business network.

Whilst the Lowy map is useful in identifying some of the key actors in the development and aid processes, it does not reveal the power dynamics, relationships and connectors amongst the actors. The relationships are multiple rather than bi-lateral, the government works directly with UN agencies and programmes may be funded by the donors. The UN may receive funds from donors and contract the services of International, national, or local NGOs, who may also be a part of the local community they are serving. It would be misleading to imagine that all the different actors have a direct line to aid recipients or that all aid reaches the intended recipients, who are often called beneficiaries. There are more layers, interdependencies and relationships than the map reveals, and the reality is more appropriately distinguished as an ecosystem rather than a map; social enterprises, certainly a part of the entanglement, are not registered at all. According to the Global Entrepreneurship Monitor report 2019/2020, entrepreneurial success is largely reliant on the national context and ecosystem in which entrepreneurs can identify and take opportunities. This is true for social entrepreneurs who also require an enabling environment (Bosma et al., 2020; Kennedy, 2021).

2.2.3.9 Social Enterprises

Social enterprises are not featured on the Lowy map or with the business chamber or the community chamber in South Africa. Consequently, they are not well known and do not have the opportunity to influence or raise awareness of the potential of the role of social enterprises in South Africa. This is evidenced in South Africa's National Economic Development and Labour Council (NEDLAC), who commissioned the Futures of work in South Africa report (2019), which examines and predicts the changes to the future of work in South Africa. Social enterprises and the social economy are not mentioned or considered within this report, despite the Social Economy bill being advanced through the stages of becoming enacted in law contemporaneously. Myres et al., (2018) identified that less than two per cent of adults in South Africa engage with social enterprise as employees, volunteers, or service users (Bosma et al., 2015; Littlewood and Holt, 2015; Myres et al.; Visser, 2011).

Given that social enterprises combine the amelioration of social problems alongside the provision of employment opportunities, paying taxes and contributing to economic growth, it is evident that social enterprises in South Africa have the potential to both provide services that the government cannot provide and jobs. Littlewood and Holt (2015) assert that social enterprises in South Africa have an essential role in providing the social and health services that government is unable to meet.

2.2.4. International Development in South Africa

Despite being characterised as a middle-income country, in terms of progress against the Human Development Index (HDI), South Africa is currently jointly ranked 111 out of the 189 countries reported.

-	Rank ▼	Country	Human Development Index (HDI) (value)	Life expectancy at birth (years) SDG3	Expected years of schooling (years) SDG 4.3	Mean years of schooling (years) SDG 4.6	Gross national income (GNI) per capita (PPP $) SDG 8.5
🇮🇩	111	Indonesia	0.707	71.5	12.9	8.0	11,256
🇼🇸	111	Samoa	0.707	73.2	12.5	10.6	5,885
🇿🇦	113	South Africa	0.705	63.9	13.7	10.2	11,756

Table 2:1 South Africa's ranking in the HDI 2019   UNDP 2020

In post-apartheid South Africa, there was talk of an African renaissance and opportunities arising from the emerging globalisation of world trade and from 1994 to 2011 there were clear signs of economic growth and poverty reduction (Mosala, et al. 2017). However, by 2016, the African Development Bank (AfDB) revealed that whilst there was economic growth on the continent up to 2011, it was in sectors that had no significant effect on the incomes and welfare of the poor (African Development Bank, 2016). South Africa has an abundance of natural resources and established automotive assembly, metal-working and textile industries, as well as a wide range of established service industries including legal and financial services. Despite these established product and service sectors, unemployment, poverty, and inequality are amongst the highest in the world. The most recent results available from the South African statistics office reveal

that in quarter two of 2020, the South African economy contracted by 51 percent (Republic of South Africa Department of Statistics, 2020).

In South Africa today over 30 million people, more than half of the population, are living in poverty, with almost 14 million people living with food poverty meaning they do not have enough resources to eat the baseline nutritional needs each day. (Oxford Poverty and Human Development Initiative, 2020) According to the New World Wealth survey (Capgemini, 2020) there are currently more than 38,000 millionaires or high net worth individuals (HNWIs) in South Africa, making it the largest wealth market in Africa and the 20th largest wealth market in the world. Due to the global health pandemic, it is expected that increases in extreme poverty in South Africa will rise by approximately 9 or 10 per cent by the end of 2020 (Republic of South Africa Department of Statistics 2020).

The gap between the poorest and wealthiest in a country is measured by the Gini coefficient. When applied to income distribution in South Africa the measure reveals a high of 0.60 - 0.66, reflecting one of the highest levels of income inequality recorded and making it one of the most unequal countries in the world in terms of income disparity. Today the South African government has two key targets of poverty reduction and a reduction of the inequality in terms of income disparity. These two targets are reflected in the South African Government's National Development Plan (NDP) but are rooted in South Africa's history of oppression and disenfranchisement of the majority of the population which is the legacy of the apartheid system (Leach, et al., 2016).

2.2.4.1 The Legacy of the Apartheid System

The brutal and barbaric system of racially based segregation and law was rooted in a Dutch colonial system of stratification dating back to before the 1700s. The system derived from the slave trade and the colonisation of South and South West Africa, which today South Africa and Namibia by, amongst others, the British and Dutch (Lodge, 2011; Mandela, 1995). Racially based laws were introduced which systematically oppressed black people, forcibly removing them from their homes, prohibiting attendance at church and participation in affairs of State. In 1949 state law prohibited mixed racial marriages. Segregation was stratified with the highest status afforded to the white minority, followed by people termed Asian and Coloured and finally Black Africans, who, despite being by far the majority, were at the bottom of the system and subject to the most brutal forms of oppression, both institutional and personal (Brits, 2007). Between 1949 and 1960, 3.5 million black people were forcibly removed from their homes and land into segregated neighbourhoods. A motivation driving these removals was the creation of Bantustans, large and notionally independent states, with the white minority government declaring that anyone residing in a Bantustan would lose their South African citizenship (Lodge, 2011).

Although apartheid ignited reactions globally, the United Nations was slow to respond and it was not until 1962 that the United Nations General Assembly voted on Resolution 1761 condemning apartheid and a year later that the United Nations Security Council (UNSC) passed Resolution 181, demanding an arms embargo

against South Africa, although this was voluntary not made mandatory until 1977. In 1960 the British Prime Minister, Harold Macmillan at the end of a month-long tour of South Africa delivered his Wind of Change speech to the South African parliament, where he reflected "*The wind of change is blowing through this continent and whether we like it or not, this growth of national consciousness is a political fact.* (Macmillan, 1960). It was one month later, on the 21st of March 1960, that the world was shocked by the reporting and images of the South African police, in Sharpeville, opening fire into a crowd of anti-apartheid demonstrators.

It was the arrest and imprisonment of many of the leaders of the African National Congress (ANC) and Pan Africanist Congress (PAC) which caused the vacuum that resulted in the emergence of the Black Consciousness Movement (BCM). A central tenet of the Black Consciousness Movement was the rejection of traditional white values and apartheid, which was referred to as 'the system' (Naidoo, 2015). The idea of black consciousness is founded on a recognition that one of the consequences of oppression is the inability for many of the oppressed to recognise and identify with the racial injustices they experience, because of the systematic and one-way direction of oppression. The indignities allow for no respect and no recovery and consequently the oppressed have no sight of the nature of their oppression or idea that they can rise against it. In addition, history is rewritten to reflect the glory of those in power and negative stereotypes are employed to dehumanise the oppressed, often reducing their identity to that of animals with additional negative traits such as being ignorant, stupid and childlike; all perpetuated to maintain the status quo and what white supremacists would call the natural order (Biko, 1984; Gerhart, 1999).

Education was one of the key strategies employed by the BCM, who provided classes reflecting on the position of black women and men and challenging injustice and inequality. The BCM leaders such as Steve Biko understood that the false consciousness of many black people existing under apartheid would only be eradicated through educational and self-awareness, arising from a historical analysis of oppression not only from a social perspective, but also a psychological perspective, enabling each person to awaken her or his own consciousness. The critical education project, which was later replaced with the political education project, encouraged community-based actions to solve social problems and awaken people to actively resist apartheid (Naidoo, 2015).

This was not the first time that learning and education were strongly linked to politics and emancipation and the Black Consciousness Movement drew inspiration from the pedagogist Paulo Freire. After his visits to South Africa his book Pedagogy of Oppression, banned by the South Africa government, was circulated illicitly in education centres. Reflecting on his own experience he argued that education is highly political, and contextual and consequently is not neutral. Following this line of thought, Freire determined that pedagogy is political and in positioning pedagogy as political, he recognised that learning and education is contextualised in particular socio-political and historical conditions. In South Africa this meant an inferior education system for black people, which continually reinforced the white supremacist message of subordination and perpetuated the dynamic of power lying in hands of the white minority.

The BCM led a relentless campaign challenging the apartheid system, which culminated in the Soweto Uprising in 1976, when at least 176 people were killed by the security forces as school students came onto the streets to protest against being forced to use Afrikaans in school. Within three days, 123 of BCMs cadre were arrested, confined or forcibly removed to remote areas. In September 1977, Steve Biko died from injuries he sustained during interrogation by the South African police after being arrested by security forces for breaking a banning order prohibiting him to travel.

2.2.4.2 The Fall of Apartheid and the Rise of International Development in South Africa.

Under president Botha the 1980s saw the first repeals of some of the apartheid legislation. However, it was under the presidency of FW de Klerk, in 1990, that the ban on the ANC and other anti-apartheid groups was lifted and Nelson Mandela was finally released from his 29 years of imprisonment. The repeal of the apartheid system took a further four years to complete, with the election of Nelson Mandela as the first democratically elected President of the Republic of South Africa in 1994. Mandela's government of national unity prioritised economic transformation as a key factor in creating its vision of a country that would be democratic, egalitarian and united. The transformation process was based on two different perspectives; the first being that transformation would be achieved through processes such as nationalisation and the second, through the promotion of macro-economic development and the growth of the private sector (Brits, 2014).

The South African government implemented and adapted a great deal of legislation from 1994. But it was not until 2013 that the first National Development Plan was produced, with targets for change to be achieved by 2030. The plan is built on the premise that democracy cannot survive if most people continue to endure poverty and hold no assets, such as land. The plan draws directly from the capabilities approach as described by Nussbaum (2011), adopting the approach of addressing the unfreedoms that exist within society and working toward a society where everyone can achieve their full potential. The NDP specifically identifies human and political rights and freedoms and access to public services such as education, health, public transport as a means to providing social opportunities as well as economic opportunities as employment, consumption and business ownership.

The agencies are supporting the South African government in the achievement of its National Development Plan and are working to address multidimensional poverty through coordinated efforts around the SDGs. The multidimensional aspects of poverty are measured across four main factors: health, education standard of living and economic activity (UNITED NATIONS DEVELOPMENT PROGRAMME and Oxford Poverty and Human Development Initiative, 2020). Within these three areas there are specific indicators such as nutrition and child mortality, access and attendance in education and several metrics relating to access to solid fuel, drinking water, sanitation, housing and assets. Table 2:2 reveals the intensity of poverty in South Africa's nine provinces. Since the collection of data for this assessment, economic activity has

fallen, joblessness has increased. According to the South African National Statistics Office (2020) the global pandemic of 2020 has increased levels of South African poverty to around 51%.

Multidimensional Poverty in the Nine Provinces			
Province	Households	Households in Poverty	Intensity of Poverty
Eastern Cape	1,773,395	12.7%	43.3%
Free State	946,639	5.5%	47.1%
Gauteng	4,951,137	4.6%	44.1%
Kwazulu-Natal	2,875,843	7.7%	42.5%
Limpopo	1,601,083	11.5%	42.3%
Mpumalanga	1,238,861	7.8%	42.7%
Northern Cape	353,709	8.8%	42.5%
North West	1,248,766	6.6%	42.0%
Western Cape	1,993,876	2.7%	40.1%

Table 2: 2 Multidimensional Poverty in South Africa   Source: The South Africa Gateway 2020

2.2.5 Reflections

The literature illustrates that in the last 50 years international development has evolved from being a mechanism to develop economic self-reliance, targeted at colonialised countries, to an approach that places people and freedom, or human development as the central tenet and aspiration. Poverty is understood as being multidimensional and includes metrics on health, education, standard of living and economic activity to ascertain the degree of poverty intensity.

The Sustainable Development Goals are one indication of the development community seeking new ways of working and require the engagement of different actors; donors, the UN agencies, NGOs, communities and the private sector to support South Africa, which, despite being characterised as a middle-income economy, faces profound challenges in achieving its vision of the eradication of poverty and inequality.

The South African government is still dealing with the impact of its colonialised past and the system of apartheid and despite poverty performances in the first decade after the election of a democratic government has seen economic performance fall since 2016. The government has two clear priorities expressed in the National Development Plan: the alleviation of poverty and a reduction in the inequalities between the wealthiest and poorest citizens.

The mechanisms for addressing poverty have come under heavy criticism with the traditional three-year development projects, often locally managed by NGOs on behalf of donors, perceived as unsustainable and not having adequate impact (Moyo, 2009; OECD, 2005; Riddel, 2008; World Bank, 2006a). In seeking alternatives, new partners in development are identified, such as the private sector. Whilst the private sector is perceived as a relatively new and important actor in international development, its contribution

leaves some international development actors with a degree of discomfort, mainly due to the lack of a pro-poor shared value base. This leads to mistrust of the motivation of the traditional private sector. Also, a factor in creating mistrust is the history and track record of some businesses, particularly multinationals, in taking advantage of the poorest and perpetrating unethical business practices (Therien and Pouliot, 2006). International development practitioners may feel more comfortable working with local partners to deliver their projects and programmes, but where do they find alternatives to NGOs or ethically based local businesses?

2.3 What are Social Enterprises?

In the last three decades, there has been a global renaissance, a repackaging and rebranding of the concept of social enterprise. (George, 2018). It is an emerging international phenomenon, with examples of social enterprises and social enterprise networks evolving on each continent (Littlewood and Khan 2018). Ashoka is one of the major foundations for social entrepreneurship and has members in 92 countries.

The concept of social enterprise was born from the Italian tradition of civic humanism in the 15th and 16th centuries. The phrase "social economy" first appeared in Europe in the 18th century and was initially used by social reformers and later economists and sociologists (Dees, 2001; Kannampuzha and Hockerts, 2019; Kerlin, 2006; Pearce, 2003; Restakis, 2006; Ridley-Duff and Bull, 2011).

Despite significant interest from academic and practitioner communities alike, an agreed definition of social enterprise remains elusive. One contributing factor is that the expressions 'social enterprise', 'social entrepreneur' and 'social entrepreneurship' are often used interchangeably (Visser, 2011, Smith, 2010 Baumol, 1990). The concept of entrepreneurship has developed and in the last 50 years, the idea of entrepreneurship has moved from a set of activities undertaken to launch a small business, including identifying opportunities and being prepared to take associated risks, to becoming a process undertaken by people in both start-up businesses but also in larger companies. Through the transition of the meaning, other associated terms were developed, such as corporate entrepreneurship which translated into the term intrapreneurship, reflecting the qualities and traits of a person regardless of the nature of the entity within which they operate. It is a small step from this idea to the emergence of the concept of social entrepreneurship, which is commonly used to describe people motivated to have a positive social impact rather than seek success measured in financial terms (Antoncic and Hisrich, 2003; Diochon and Anderson, 2011; Olaison, 2014; Steyaert and Hjorth, 2006).

2.3.1 The Challenges of Definition

Mair and Marti (2006) promote three different perspectives of social entrepreneurship; as a not-for-profit organisation creating social value, as a form of corporate social responsibility provided by large enterprises and as a method for reducing social problems. Dees (2001) reflects that social entrepreneurship has different connotations for different individuals; although this broad-brush reflection might be true, it does

not help to further the understanding although it does acknowledge, as Bosma et al., (2020) found that launching an enterprise is inextricably linked to the social and political context within which an entrepreneur operates. Jarrodi et al. (2019) characterise modern social enterprises in terms of their political perspective and identify a framework of social enterprises political lens being anti-statist, reformist or neo-liberal (Jarrodi, Byrne and Bureau, 2019).

I concur with Borstein (2004) Martin and Osberg (2007) and make the distinction that social entrepreneurship is the combination of traits associated with individuals motivated to apply their entrepreneurial skills and qualities to the advancement of social good and the amelioration of social challenges. I do however challenge the contention that all business owners are entrepreneurial either in the arena of social enterprise or traditional business enterprise. Entrepreneurial traits and competences are specific qualities, and the term business owners reflects a function or status and does not mean that because someone owns a business, they automatically have the traits and qualities attributed to entrepreneurs. This issue is worth further examination to understand if owners and managers of social businesses in South Africa are in fact also entrepreneurial.

Adding to the ambiguity regarding the definition of social enterprise, there are also traditional businesses that have adopted the term social enterprise and Deloitte's insight report of 2018 argues that traditional private sector businesses are increasingly concerned about the nature of the relationships with their employees, customers and society and this newfound interest in social capital is the basis of a transformation for traditional private sector organisations becoming social enterprises (Deloitte, 2018; Kilpatrick et al., 2021; Littlewood and Holt, 2015; Myres et al., 2018).

Another contributing factor to the ambiguity of the definition of social enterprise is that the phenomenon may be understood from different perspectives; from its organisational structure or business model, its social mission, or the purpose of the activities with which it is engaged. Disagreements about the definition of social enterprise are not only based on the differing experiences of the academics and researchers examining the phenomenon, but also, at least in part, due to the varied routes that organisations have taken in order to be defined or self-define as a social enterprise (George, 2018; Kah and Akenroye, 2020).

Three criteria used for determining if an entity is a social enterprise emerged from a report provided by ECOTEC Research and Consulting for the British Government's Social Enterprise Unit. The report accepted the European Union studies and used the definition of CMAF (Co-operatives, Mutuals, Associations and Foundations) as the definition of organisations active in the social economy. The ECOTEC report recommended that the core data for defining social enterprises for future mapping exercises should be based on the three tests: registration, trading, and pursuit of social objectives. The first test, registration, refers to the type of business enterprise, structure and registration. This is not always easy, as in many countries social enterprises do not have a legal status or recognition and consequently, self-determination is often accepted in place of legal registration. In South Africa there is no legal definition for social

enterprises, and they emerge and operate as both profit and not for profit organisations (Myres et al., 2018).

The second test, trading, also appears on the surface to be clear, however the water is muddied, particularly when increasing numbers of charity and non-governmental organisations are working toward social enterprise status. It is unclear at what point can they be considered to be social enterprises. One criterion could be when they no longer receive grants. Another when they have a majority of income from trading, but this requires more clarity in what type of trading is appropriate? What is more, can membership fees be considered to be a trading activity?

The final criteria proposed by the ECOTEC report is that of having a social mission or mandate. This too proves challenging; immediately the caveat of 'or environmental' has been added and readily accepted as a valid mandate for social enterprise activity. What is understood as 'social' is more challenging. There is an on-going debate in South Africa between business investors and social enterprises, with business investors arguing that by investing in business enterprises they are creating jobs and wealth and so can be considered to be social enterprises. Social enterprises and some of the international development actors challenged this view and suggest this to be a sleight of hand, where the investors are rebranding their business without making any changes in their practice.

The challenge is to understand when the adoption of the social enterprise tag really means a mission and mandate to ameliorate social challenges and when it is little more than a marketing campaign. A solution in some countries is the kite mark, where social enterprise associations validate a company's claim to be a social enterprise, using set and transparent criteria. This idea is not universally supported and for as long as the definition of social enterprise is ambiguous, some traditional businesses will take advantage of some of the opportunities they perceive the label brings.

2.3.2 On Becoming a Social Enterprise

How an entity becomes a social enterprise is almost as ambiguous as the defintion itself. There are generally four starting points for any entity that becomes a social enterprise; some entities are born as social enterprises and have a clear social mission and mandate and a business model to generate the resources to address the issues for which they are mandated. Similarly, many social enterprises emanate from the third sector and charities and cooperative movement. Other social enterprises start life as traditional businesses and finally a small number of social enterprises have started life in the public sector.

Figure 2:3 Potential starting points for social enterprises   **Source** George 2016

Depending on where a social enterprise begins and the experience it has developed can provide some clues to the experience and capacity that it has acquired. Whilst this is speculative ground, it is an interesting starting point in testing what capacities these social businesses have and what else they may need.

2.3.2.1 From the Third Sector and Charities

Friendly and mutual societies in the secular voluntary sector were often born from a desire to ameliorate a social problem. They are purposefully secular in their constitutions and often grew as a reaction to religious charities. Charities, on the other hand, grew from religious traditions (Luxton 2001; Meakin 2008; Morgan 2008), where tending the needs of the poor, sick or vulnerable developed into systems of charitable giving and eventually led to the charitable trusts. The similarity between friendly/mutual societies and charities is the focus on social good and fund raising through contributions and gifts. They are defined as 'not for profit' and generally funded through donations and grants and include crowd funding initiatives.   However, in the current global economic climate, where there are fewer grants and donations available, these third sector organisations no longer enjoy levels of funding and financial support as they did in the past (Sepulveda, et al., 2010). Consequently, some third sector organisations have adopted a more business-like model of trading.

2.3.2.2 The Public Sector

In South Africa, some social enterprises provide services to the public sector such as health and education and provide many basic services once provided directly by government agencies. The Department for Social Development (DSD) is tasked with providing social assistance and welfare to ameliorate poverty and declares that it works with NGOs, Community and faith- based organisations in the delivery of its mandate. The DSD does work with social enterprises mainly through the provision of contracts and grants to provide

local services.   In some countries, the adoption of social value legislation has provided new opportunities for social enterprises to tender for the delivery of public services, and whilst some of these contracts are small, others have a multi-million-dollar values.   According to Sinclair et al., (2018) social enterprises win less than ten percent of public sector contracts. To successfully compete for contracts requires a particular skill set and this capacity is not always found in the management team of a small or even medium-sized social enterprise. This limits opportunities to participate in international development initiatives, as usually there is a requirement to compete for these contracts.

2.3.2.3 The Private Sector

There are examples of some traditional private sector organisations moving in the direction of becoming social enterprises with entrepreneurial ecosystems having some impact not just on their own enterprise but also positive impact at locality or community level (Giovannoni, 2012; Iacobucci and Perugini, 2021). Here too, there is a type of spectrum that starts with corporate social responsibility and larger traditional enterprises committing resources to a range of social impact projects. Others establish foundations and structural methods for moving their profits into projects and activities for social good, some elected to become social enterprises through becoming a cooperative, executing management and staff buyouts, and making changes to their articles of incorporation (Silber and Krige, 2016). In terms of capacity, social enterprises that emerge from a traditional business can be expected to have the capacity and infrastructure relating to their business model and operations; however, it is not clear if they have the capacity to fulfil a social mission and engage a wider range of stakeholders and actors in the process. They may not have strong roots in the local community nor have experience in managing and decision-making in a more participatory or transparent manner.

2.3.2.4 Launched as a Social Enterprise

There are globally business entities that start with both a social mandate and a business model. These organisations are not homogenous. They vary in size, mandate, turnover, business model, value base, operating principles, legal status and ownership. According to Kleinhans et al., (2020) there is evidence of community based social enterprises struggling with issues of accountability and business decision-making. Another challenge in developing social enterprises is to recognise that they are so very different and consequently their capacity needs must also vary.

Many social enterprises are micro enterprises, employing less than ten people. There are however also examples of large social enterprises with more than 200 employees and a national and international presence. According to research undertaken on behalf of the British Council in Sub-Saharan Africa, social enterprises tend to employ more women compared to the private sector equivalents, and 41% of social enterprises are led by a woman, compared with 27% women-led businesses in the private sector in

respective countries. More than 70% of the enterprises surveyed said that as an operating principle they employed people from poor communities (Richardson et al., 2020).

2.3.3 Social Enterprises in South Africa

To date, the government along, with its civil society partners, and the private sector have been unable to sufficiently supply essential quality services in education, and health care to the poorest and most vulnerable in their society (King and McGrath, 1999; Littlewood and Holt, 2015; Pralahad, 2006; World Bank).

Social enterprises are already present in South Africa. Due to a lack of legal definition and registration, it is difficult to assess exactly how many social enterprises there are, though according to recent surveys in South Africa, around two per cent of the total population engage with social enterprises (Bosma, et al., 2015; Myres et al., 2018). In terms of the sectors within which South African social enterprises operate, over 60 percent of them provide health, education and housing or food services and activities. Given these enterprises are generally small, and over 70 per cent of them define themselves as serving their local community or within one province and they employ on average eight employees or less, social enterprises in South Africa are most likely to be providing basic services within their communities, either filling gaps that the public sector cannot reach or contracted on behalf of the public sector and international agencies to provide those services in pursuit of addressing the most basic needs of the poorest in South African society.

Bosma et al., (2020) point out that more than seven out of ten owners of new start-up businesses in South Africa were motivated to launch their business so they could make a difference, such examples are also identified by Kennedy (2021) in examples of civic wealth building brought about by community entrepreneurs. The subject of social enterprise intention is gathering wider interest and Tan et al. (2020) in their review of 36 research papers conclude that community benefit and civic wealth are key drivers for emerging social entrepreneurs. According to Myres et al., (2018) in their survey of South African social enterprises 68 per cent cited achieving a social mission as their main motivation, only one per cent of their respondents identified making a profit as their main driver and the remaining 38 per cent sought to create a balance between achieving their social goals and making a profit.

In South Africa, social enterprises are generally privately owned and may be for profit, not for profit, or a hybrid of the two. The term "social enterprise" does not exist in South African legislation, although the government is currently developing a new policy that considers the growth of social enterprises. In South Africa, economic entities are divided into the broad categories of for profit or not for profit. The System of National Accounts defines not for profit institutions (NPIs) as *"legal or social entities created for the purpose of producing goods and services whose status do not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them" (Statistics South Africa 2017a:3).*

Usually, social enterprises write into their constitution that a majority of the profit made is used to develop the enterprise or to fund the social mandate and activities, thus clearly defining themselves within the parameters of a non-profit. However, some social enterprises constitute themselves as a for-profit business, even if they have a social mission and plough back the profits made into the growth of the enterprise or their social mission. For many social enterprises this a moot point, as the idea of making enough profit to reinvest is an idea rather than a reality, which often results in a 'make do and mend' approach to their own development and growth (Ladstaetter, Plank and Hemetsberger 2018).

Social enterprises have the potential to contribute to addressing the gap in the provision of a broad range of services for the poorest, and provide employment opportunities to people that have been so far marginalised from education and consequently job opportunities. Social enterprises often have a strong presence in the communities they serve, which are frequently underserved by government or traditional businesses. However, they are hampered by, amongst other things, a lack of size and track record to be considered as an effective local implementing partner.

Social enterprises have not reached their potential in South Africa. Many struggle to scale-up and develop sustainable business practices (Silber and Krige, 2016). Common challenges include the lack of recognition, challenging financing solutions, poor business models, and an under-development of their human capital. There is also a lack of information, of networks, and of organised policy advocates for the social enterprise movement. In addition, it is not clear if social enterprises are third sector or private organisations and this lack of clarity creates confusion regarding the nature of social enterprises and consequently which criteria apply to social enterprises when contracting, procuring, registering and paying taxes (Heierli, 2011; Ridley-Duff and Bull, 2011; Richardson et al., 2020). Social enterprises are not reliant solely on their own ability to successfully launch and manage their enterprise, they are a part of a larger equation with a wide range of actors who may influence their potential to scale-up.

2.3.4 Social Enterprise Ecosystems

The social enterprise ecosystem is the networks, actors, systems and processes which create the environment in which social enterprises exist and operate (Bloom and Dees, 2008). The ecosystem may be healthy, in which case there is a presence of supportive actors and processes, but it may also be a barren ecosystem within which even the strongest social enterprises would wither and eventually die (Bloom and Dees, 2008; Spigel and Harrison, 2017). In order to address the capacity development needs of social enterprises it is also necessary to understand the environment within which they exist and the dynamics of the ecosystem, which includes the perceptions of time and relationships (Audretsch et al., 2021).

Therefore, the development of the capacity of social enterprises as an actor in international development requires a consideration of the wider ecosystem. Myres et al., (2018) concluded from their survey of 463 social enterprise owners that the ecosystem for social enterprises in South Africa will have an important

bearing on the potential for the growth and sustainability of social enterprises. They were not specific about who the actors are in the social enterprise ecosystem and this is explored in the next section.

An ecosystem consists of meta, macro, meso and micro level relationships which are living and dynamic systems (Ubels et al., 2011). The different layers have the opportunity to either influence or directly control the context and actions of others from the outer level to the inner. Influencing from the micro level outward is not impossible but requires concerted efforts and begins with influencing and building layers of support.
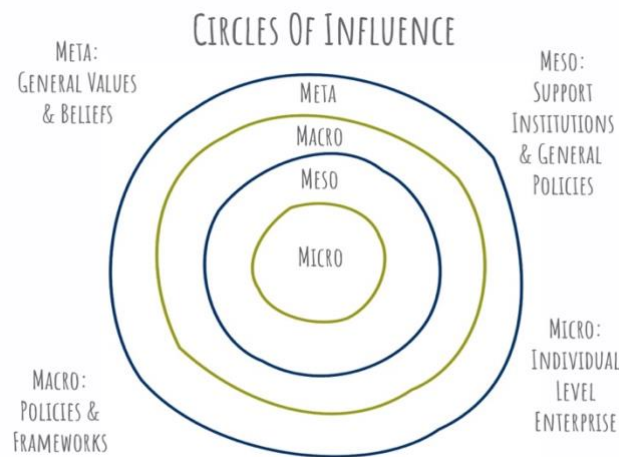
Figure 2:4 The social enterprise ecosystem

If a government does not recognise and cater for social enterprises in its legislation, there is little room for their sustainable growth and development. Likewise, at the provincial or regional level where social enterprises directly engage with the public sector administration, universities and associations, if they are recognised, their needs can be catered for. The sustainability of a social enterprise is not based solely on its own capacity, but also on the influences of the other actors within their ecosystem. Developing the capacity of social enterprises without taking into consideration the wider environment would hinder their sustainability and potential.

The meta level is the space for historical and traditional cultural values and societal norms and beliefs which have developed over long periods of time. These are often taken for granted and are so embedded they are even difficult for one to see, as Richard Lewis so aptly put it in his assertion that fish cannot see water (Lewis, 2013). This is where deeply held perspectives and beliefs are filtered down and propagated through language, culture and the media. For social enterprises this would certainly include society-wide beliefs regarding reciprocity, the role of civil society and the social economy. It is in these cultural nuances in the motivation and influence of tradition and family which influence people into choosing appropriate

normative behaviours and making decisions that consider the views of others within the family and community.

The macro level is the space where policies are developed. This is usually recognised at national government level, but often includes the relationship with the international development community and can be considered as the enabling environment (or not, dependent on the policy in question). For social enterprises an accepted recognition of their status, a supportive policy and business environment and opportunities to influence through established national fora all contribute to an enabling environment.

The next level, meso, consists of support institutions and specific policies which directly impact on the social enterprises. This may include local offices of government ministries and agencies, universities and local educational institutions and business or social enterprise associations. The meso level actors can be considered the bridge that relates directly to the macro actors and the social enterprises operating at the micro level. The latter is composed of the individuals, economic entities and the parts of the local community with which they inter-relate. It is an ecosystem because one level does not survive in isolation from the others: sometimes the links might appear tenuous, but they exist, nonetheless.

At a micro level there are the social enterprises themselves. Their owners and managers, employees and people that use and benefit from their services. It may also include family members and close friends and relatives that may support the social enterprise activities and, in many cases, includes volunteers that can be relied upon to give a helping hand.

2.3.5 Can Social Enterprises Contribute to International Development?

In examining the concept and practice of social enterprises in Europe and the Commonwealth of Independent States, Borzaga, et al., (2008) reflected on the potential of social enterprises play a role in international development. From the analysis of a range of case studies, they conclude that social enterprises offer an innovative approach and are successful in contributing to poverty reduction. They also reflect the added value in supporting the development of more unified communities (Borzaga, et al., 2008). Silber and Krige (2016) conclude that social enterprises have the potential to innovate and are potentially effective actors in contributing to the amelioration of social problems. They identify some of the ways in which this is possible; by encouraging innovation and creativity, providing employment opportunities and generating awareness of social issues. They also suggest social enterprises have a role in supporting individuals become more resilient and contribute to longer-term wealth creation in a community. Many social enterprises provide employment for people traditionally excluded from the labour market, such as people with physical and learning disabilities and ex-offenders (Doherty et al., 2012). It could be argued that very often the mission and mandate of a social enterprise falls in line with those of the international development community, in that they are created not to make a profit, unlike the traditional sector, but to

address or ameliorate a social problem and can contribute to employing local people and directly to alleviating poverty which is a more sustainable approach than providing charity or short-term aid.

2.3.6 A Question of Sustainability

To address the issue of sustainability, other actors in the social enterprise ecosystem have a significant influence on the environment in which social enterprises operate (Goodluck, 2021). Myres et al., (2018) found that in South Africa most social enterprises operate with financial losses, even if they are on average over five years old. This severely affects their credibility as a viable partner. UN agencies working with local implementation partners, be they public, private or third sector, would need to confirm the partner has financial stability, adequate years of existence, is results oriented, has good standing/reputation and specific technical competencies, depending on the nature of the assignment. In meeting the first criteria, the enterprise would most likely need to demonstrate at least three years of business activity.

When publishing requests for proposals, UN agencies specify criteria relating to the financial viability of the tenderer. These criteria, depending on the size of the contract, can include the requirement to have a turnover of 100,000 US dollar equivalent, be able to provide auditable trading accounts for the last three years of trading and have enough liquidity to be convincing of the ability to manage the budget identified for the delivery of the project.

The survival rate of new businesses is usually determined by how many businesses remain operational by their 3rd birthday. Depending on the country and the accounting mechanism, business survival rates are reported somewhere around 33% - 70% (OECD, 2015; Singer et al., 2014; United States Department of Labour Statistics, 2015). Even with legislation in place and business development organisations, chambers of commerce and universities all offering business support, it is apparent that establishing and running a business is precarious at the best of times; adding to that the complications of establishing a social enterprise, it is clear that there are challenges to the chances of survival. If social enterprises are to become a partner of choice for the international development community, they must prove they are sustainable and viable in their own right. That requires the development of their capacity to manage the enterprise and become financially viable.

2.3.7 A Question of Credibility

Whilst social enterprises may not have complete control or influence over their sustainability and are, as any other business entity, prey to the wider economic situation, access to finance and having good people on board, the issue of credibility is one where they do have more internal control.

Much of the literature relating to credibility of social enterprises addresses a relatively narrow field of certification attesting that the entity is operating as a social enterprise. Sørensen and Neville (2014)

examine the issue of certification and draw from examples in the UK, Denmark and the USA. This approach is concerned with proving an enterprise is working toward a social mission and has a social mandate, rather than the sleight of hand observed by some traditional businesses trying to broaden access to markets and improve their reputation. Other considerations address credibility gained by measuring results and impact or social return on investment (Syrjä et al., 2015).

There is scant literature published on aspects of credibility that explicitly relate to the aspects of trustworthiness and expertise beyond proving a social mission or mandate. When scientific or academic evidence is insufficient it is necessary to identify and critically evaluate other types of evidence to support reaching a conclusion. Barends et al., (2014) suggest four potential sources of evidence: scientific, organisational, experiential and stakeholder. In relation to what constitutes credibility for social enterprises, if there is inadequate scientific evidence the research may continue to the best available evidence. From an organisational perspective it is possible to draw on both hard and soft data; metrics and performance indicators representing the former and attitudes and perceptions the latter. This leads to a number of questions; Are social enterprises gaining income from the development agencies? Are they achieving satisfactory levels of performance in terms of their own metrics and including data from their clients? And how are they perceived by others?

Donor and UN agencies undertake a due diligence process when selecting local partners. There are many objective factors taken into consideration such as the capacity to financially manage the contract and previous experience of the sector or issue. However, it would be misleading to think that subjective criteria relating to perceived lack of credibility are not factored into the decisions. This is evidenced by the use of closed invitations to tender, where preferred and proven organisations are invited to tender for an assignment either without going through an open call for proposals first, or when the open call does not elicit proposals that meet the technical and financial criteria.

To be perceived as both personally and organisationally credible there are several aspects to consider; the first being *consistency,* this relates to quality and performance management, whether within the social enterprise staff can deliver outputs to the same quality level and what degree of supervision is required to maintain established quality standards. For social enterprises, this is having a clearly defined mandate or mission and using it as the basis for both decision-making and communication both within the enterprise and externally with a wider range of stakeholders, with collaboration being an imperative for social enterprises within their ecosystem (de Bruin, Shaw and Lewis, 2017). Another dimension impacting on credibility is the capacity *to integrate learning* and create an environment of continuous improvement, so that operations remain up-to-date, and systems and processes evolve in line with best practices. This includes a wide range of things, from language to technology and internal processes. Learning also relates to the aspect of expertise, gaining new insights, qualifications, exchanging and developing ideas; these all contribute to building the body of knowledge that becomes expertise. According to Richardson, et al.,

(2020), social enterprises provide on average, five days training per year for their staff, which in comparison to the respective private sector is around double. A further consideration for those providing learning is choosing what to teach and what is relevant for a curriculum for entrepreneurs and social entrepreneurs, particularly when their reason for being is to challenge existing paradigms and ways of working (Biru, Gilbert and Arenius, 2020; Henry, 2020).

The UN Principles of Responsible Management Education calls upon academic institutions to integrate six principles of responsible management education into both their curricula and their own operating principles in a move to ensure that more management education is grounded in universally accepted principles rather than less sustainable short-term quick profit orientated approaches to management and entrepreneurship education (Parkes, Buono and Howaidy, 2017)

A further dimension of credibility particularly important to social enterprises is the capacity to *engage* with stakeholders and employ governance mechanisms which enable active participation. This is a challenge for many social enterprises, who may have to balance making quick and difficult business decisions with processes of consultation and empowerment of a wide number of people, with degrees of vested interest. The notion of vested interest is another aspect of credibility that social enterprises need to address. To maintain credibility, it is necessary that *conflicts of interest* are minimised, and they will require a higher degree of *transparency* when compared with traditional businesses. Closely related to transparency is the aspect of *truthfulness*; honest reporting and communication is critical to credibility and when dishonesty is exposed, credibility is undoubtedly lost. Another consideration is that *of efficiency;* social enterprises need to demonstrate their expertise in both the subject for which they are mandated to address and expertise in managing their operations and business activities. This includes the language they use, their presence in social media and how they present their ideas verbally and in written form. Finally, credibility is often assessed in terms of *effectiveness,* this relates to the capacity to report positive impact and demonstrate results relating to their inputs.

A final aspect of best available evidence is to draw on the experiences and perceptions of other stakeholders, including the actors in the social enterprise ecosystem as it is these people that will use their judgement to conclude if social enterprises have adequate credibility.

2.3.8 Reflections on Social Enterprises

Social enterprises exist on every continent. Despite a growing interest and research into the phenomenon, there is no single accepted definition. There are several reasons for this; the criteria used to determine if an entity is a social enterprise is not globally accepted, the perspective from which an enterprise is examined differs, sometimes relating to the degree of social mission and on other occasions its operating structure, business model and even governance system. This is further exacerbated by traditional businesses adopting the term social enterprise to describe their business activity, not because of a social

mandate, but due to a newer focus on the social relationships. This may reflect an opportunity to connect and market to those consumers and employees who want relationships with enterprises that have a social mission. Some NGOs are making the transition toward becoming social enterprises as are some private sector businesses, on rarer occasions social enterprises emerge from the public sector.

The government and current providers of social and health care services in South Africa have failed to meet the demand for basic services. With the onset of the global pandemic the situation in South Africa is difficult and there is a rise in demand for basic services. In South Africa, social enterprises tend to be small, mainly serving local communities and providing basic social and health care needs.

Social enterprises could play a bigger role in working toward the amelioration of these challenges; however, this is only possible if they are able to demonstrate they are sustainable and credible. This requires a track record in terms of existence and performance and a good reputation and standing. To realise the potential of social enterprises, they require the development of their capacity, so they may demonstrate their fitness for purpose as long-term, preferred, partners in international development.

In order for social enterprises to become long-term partners in international development, they need to be successful businesses able to maintain good relationships and demonstrate leadership with their local stakeholders and community. They also need to deliver results on their mission of ameliorating social or environmental problems and to attract the attention and interest of the UN agencies and donors that seek implementing partners at the level of the community, where they can demonstrate a capacity to contribute toward civic wealth as well as their own enterprise's sustainability. (Kennedy, 2021). This requires the development of the capacity of social enterprises. To date, social enterprises experience a large degree of variance in their experience of capacity development, in part because 'capacity development' is a broad catch-all term; it is not clear what it is, nor how it is delivered.

2.4 What is Capacity Development?

This next section examines what is understood by the conception of capacity development, for which there is no one accepted definition. In his analysis of the concept of capacity development, Morgan reflected that the concept of capacity "seems to exist somewhere in a nether world between individual training and national development" (Morgan, 2003:1). The OECD describes capacity as the "*ability* of people, organisations and society to manage their affairs", and capacity development as the process by which capacity is strengthened and maintained (OECD, 2010:1). This definition assumes that capacity development takes place on macro, meso and micro levels. According to the World Bank (2009), one of the main problems with capacity development is a lack of agreement in defining the concept. The World Bank continued to reflect that without a clear definition the results from capacity development interventions can are difficult to quantify or measure.

2.4.1 The Development of Capacity Development

From the 1970s, the United Nations Development Programme (UNDP) was charged with providing support and guidance to the UN system and governments on building capacity. By 1999, the term capacity building had been adopted and Kaplan, produced one of the seminal pieces of literature on capacity development within the UN system: Organisational Capacity: A Different Perspective, UNDP (Kaplan, 1999a). In this piece he challenged some of the foundations of development as it was conceived at that time, in that it was designed and delivered with little reference to the people at the centre of the interventions. Kaplan argued that development interventions did not consider culture or context and they were often something done to someone rather than with someone.

One of the motivations for capacity development in international development is the notion of self-reliance. This is an underpinning principle of sustainability. Self-reliance derives not only from having the capacity to learn and apply the learning, but also the capacity and confidence to experiment, learn from mistakes and apply the learning into different arenas. Kaplan's reflections as a practitioner are that development needs to be a process that supports transformation, is facilitated not prescribed and the principle of development is to enable people, communities and nations to govern their own lives.

This single principle has changed the paradigm for development, with donors and technical experts no longer prescribing what development should be in a given situation and now playing the role of facilitators and supporters of governments and their aspirations.

With the changing undercurrents to development, many of the definitions that currently exist within the UN system reflect some of the key features raised in Kaplan's paper. They are developed from the experiences of practitioners working in their differing disciplines in the field. According to Matachi (2006) capacity building is aimed at both developing individuals and organisations within their wider environmental context. The wider context is usually perceived as an organisational development intervention. Of which the main strategy is the application of a person's learning to the organisation. Rahman (2006) proposes that the growth of interest in the concept of capacity development acknowledges the deficiencies in the approaches to development assistance. In his view, capacity relates to a wider range of considerations than skills, and includes policy, processes, staffing, organisations, and the 'enabling environment' required to effectively deliver development outcomes. Hope (2011) asserts that the attainment of international development objectives centres on the development of the capacity of individuals, organisations, and societies at large.

This approach to capacity development moves away from the traditional view of capacity development equating to one-off training events. It links the effectiveness of individuals and organisations to the environment within which they exist. The Paris Declaration on Aid Effectiveness, signed by members of the international development community and developing countries, strongly encourages that the capacity to plan, manage, implement, and report on results is central in achieving development objectives. The

declaration signalled a change in the power-dynamics by placing national governments at the centre of aid assistance and enshrined capacity development as a central component of a country's national development strategies (OECD, 2005).

The Paris Declaration adopted five principles to improve development assistance. The intention was to improve technical assistance and donor funded projects and to provide guidance for the approach to supporting developing and transitional economy countries in moving toward self-reliance.

Ownership	Developing countries set their own development strategies, Improve their institutions and tackle corruption
Alignment	Developing countries and organisations bring their support in line with these strategies and use local systems
Harmonisation	Developing countries and organisations co-ordinate their actions, simplify procedures and share information to avoid duplication
Managing for Results	Developing countries and donors focus on producing and measuring results
Mutual Accountability	Donors and developing countries are accountable for development results

Figure 2:5 The Five Principles of the Paris Declaration   Source OECD (2005:2)

Building on the Paris Declaration was the Accra Agenda for Action, which specifically referred to capacity development as "the ability of countries to manage their own futures" (OECD, 2010:1) and acknowledged that the results in capacity development interventions have not realised the expectations of the development community (Chen and Ravallion, 2007; OECD, 2006b; OECD, 2005).

2.4.2 Give a Man a Fish: The problems with Capacity Development

The variant of the proverb "Give a man a fish and he will eat for a day, teach a man to fish and he will feed himself for a lifetime", is often attributed to Ritchie (1886:342) and has also been used to summarise the benefits of capacity development (Eade, 1997; Morgan, 2006a). Capacity development is generally considered to be above criticism. However, by deconstructing the proverb, some of the fundamental problems inherent in international capacity development are exposed. The first and most obvious is the issue of gender and how to ensure that women may equally access and benefit from development interventions. In terms of the metrics on development, women are still demonstrably less likely to own land, have a bank account, have a job, have access to secondary education and whilst today more women are graduating with degrees, conversely, women make up more than two thirds of the world's illiterate adult population (OECD, 2020b; UN Women, 2015; World Bank, 2006).

There are cultural and customary traditions which make access to capacity development difficult; restrictions to women travelling or meeting with groups that include men may result in women in some countries not being able to take up the opportunities available. The development community is not unaware or immune to these problems and they are well discussed and documented (OECD, 2008; Otoo et al., 2009)

yet still gender equality is often not adequately reflected in development objectives. In 2016-17, the DAC allocated almost 45 billion US dollars to interventions that had a primary or secondary gender objectives. This reflected both support for research that clearly outlines the benefits of improving gender equality, the use of female capital and family friendly policies on the wider economy and the lack of gender balance in the use and impact of development aid (Jutting et al., 2008; OECD, 2020b; UN Women, 2015).

The question of access to capacity development is not just the question of disadvantage by gender, but also by age and linguistic ability. Capacity development activities conceived as three-year projects or programmes are often managed in English or French, two of the seven official UN languages, so preference is given to the people who already have additional language capacities (Eade, 1997; Mitlin, et al., 2006).

Another question emerging from the proverb is whether the development agency actually has the capacity to teach how to fish? A central tenet of development aid has been 'technical know-how'. When provided, technical know-how is usually offered by international companies sending ex-patriots to recipient countries to implement a project or programme under the term technical assistance. Historically, this was done through seconding staff to undertake work activities. More recently, it has been suggested that technical know-how is replaced with a newer emphasis on developing the capacity of national staff (UNDP, 2015).

In the last decade the United Nations Development Programme (UNDP) reflected that it is a mistake to assume that capacities do not already exist in a recipient country or community and that too many capacity development interventions were based on the importation of exogenous solutions, technologies and approaches (United Nations Development Programme, 2015). This point was illustrated by Sirolli, when, as a young development worker in Zambia, he worked on an Italian-funded project growing tomatoes on the banks of the Zambezi. He was horrified to see that two days before the harvest the hippopotami came in from the river, rampaged and ate the crops. The local Zambians of course knew this would happen and it was probably the very reason crops were not grown in the fertile banks of the Zambezi, however when asked why they did not tell the development workers about this, the local community replied they had never been asked; evidence that their existing capacity had not been acknowledged or understood (Sirolli, 1999).

Reflecting on such examples as this, the term capacity building later changed, becoming capacity development, which, according to the one of the UN agencies, the International Labour Organization (ILO) is preferable as it implies capacity already exists, whereas the term capacity building suggests that no capacity yet exists and it is required to be built, rather than developed. (International Labour Organization, 2012a). This contention is also supported by the UNDP, who reflected that it is a fundamental flaw to import external know how and solutions and it is more constructive to recognise and build on existing capacities and nationally or community-based priorities.

Another consideration of our fishing proverb is context; what kind of fishing methods are suitable to that particular man? Is a fishing trawler bought and provided for a community who fish from a river or pool?

This reflects criticisms of some development projects which have imported expensive equipment but do not provide adequate training and staffing for the maintenance of the equipment, which consequently becomes defunct (Carter et al., 2010).

A final issue, less reported, is the requirement of local programme staff to learn the systems and reporting mechanisms which have little or no relevance to the internal needs of the institutions being developed but are entirely imposed to meet the accountability requirements established by donors on their implementing partners. In 2018 research into the partnership arrangements between UNICEF and their local implementing partners in South Sudan revealed that failing to use UNICEFs reporting system caused conflict and resentment between parties (George, 2018). Some capacity development interventions are only provided to build the capacity to utilise the reporting tools of the donors and development agencies (Eade, 1997).

2.4.3 Two approaches to Capacity Development

According to Ubels et al., (2011) practitioner-based approaches to capacity development are broadly based on one of the two approaches; the first was developed by Kaplan and the Community Development Resource Association (CDRA). The second approach, taken by the European Centre for Development Policy (ECDPM), is known as the 5 capabilities model or partnership approach, and emerged in the early 2000s (George 2018). In the 1990s Kaplan's work resulted in the United Nations publication "Organisational Capacity: A Different perspective" (Kaplan, 1999b) which promoted the following requisite elements for capacity development: Context and conceptual framework, Vision, Strategy, Culture, Structure, Skills, and Material resources. Kaplan's approach works at enterprise level and, to some degree, resembles Mintzberg's work; A Structure in Fives in that it addresses organisational development from the micro level and can map out the potential of an enterprise and form the basis of an action plan for the capacity development of an enterprise (Mintzberg, 1992).

In developing the capacity of social enterprises, the dimensions identified by Kaplan may provide a useful starting point at the micro level. Where they are less useful is at the macro level in developing the capacity of national governments. The seven dimensions do not address the power dynamics or the potential to act as a facilitator or examine the relationship between the Institutions at the macro level, such as ministries and the social enterprises themselves. The Kaplan model provides the basis for discussions about where an enterprise is and where it aspires to be. It is individual and personalised to each enterprise and can help understand the priorities and challenges faced by an enterprise. However, if applied mechanically, there is a possibility the synergistic qualities of an enterprise will be missed, not seeing that the sum of the whole is in effect greater than the sum of the parts and that the parts are a fragment of a greater ecosystem in which social enterprises may or may not thrive (Kaplan, 1999a).

The five capabilities approach, originally developed by Morgan in 2006 was elaborated from an analysis of sixteen case studies of large scale, national capacity development interventions (George, 2018; Morgan

2006). The five capacities are identified as empowerment and identity, collective ability, capacity as a state, capacity is a potential state and capacity as the creative of public value (Morgan, 2006a). The capabilities tend to be vague and difficult to define and subsequently, they provide a set of categories rather than a blueprint for action. The ECDPM approach is critical of Kaplan's logic and structure (Land et. al., 2009) reflecting that the 'logic' within Kaplan's approach underestimates the role of culture, politics and the operating context. This reflects both a weakness in the Kaplan approach, but also an inherent weakness in the ECDPM model: whilst the lack of structure and logic allows for emergent learning and organisational development, it is difficult to measure in a meaningful way because of this apparent lack of structure and logic. This leaves a vacuum, as no one explanation of capacity development currently satisfies the strategic and political demands of operating in particular contexts alongside a more operational approach that takes a pragmatic and more concrete attitude to identifying capacity development needs.

2.4.4 Some of the Challenges

From examining some of the literature, it is apparent that much of the writing on capacity development is contextualised within sector-specific analyses of what capacity development is and how it should be implemented. Examples include health sectors (Paul, 1995; Potter and Brough, 2004), Education (De Milito, 2020; Stoll, 2010) and in public finance (Boesen, 2004; Fass and Desloovre, 2004; Ubels et. al., 2011). The problem with the highly contextualised sector-specific approaches to capacity development is that it is difficult to extrapolate and transfer learning about how to apply a broader framework for capacity development or develop any kind of rigorous approach to evaluate capacity development interventions. Consequently, the outputs of this approach tend to be technical case studies which are difficult to scale up, adopt or adapt to different sectors. A result of this is that each new capacity development initiative begins with a collection of principles rather than any route map or blueprint, and therefore the 'wheel' of capacity development is continually reinvented.

In response to a lack of agreement concerning the definition of capacity development and the results deriving from capacity development interventions, the World Bank commissioned a capacity development framework (Otoo, et al., 2009). The framework attempts to link learning activities and outcomes to a change process that addresses macro, meso and micro level approaches and interventions. As a framework, it provides some useful reminders and tools for analysis and stakeholder engagement; where it may suffer a weakness is the procrustean attempt to fit all the strata of the ecosystem into one framework, without acknowledging the diverse needs that may be present at each level.

UNDP followed up with their capacity development primer (2015) in an attempt to link more directly the concept of capacity development as the key strategy for human development interventions and to reflect the ideas that emerged from the Paris Declaration and Accra Agenda for Action, empowering national governments to determine their own development priorities.

In the primer, UNDP identify four key differences between the traditional approach to development and a capacity development approach. The capacity development approach essentially requires a transfer of knowledge, not the engagement of technical experts to complete duties and tasks. The overarching aim is that capacity development becomes sustainable as it is integrated into existing national processes and systems. (UNDP, 2015). It emphasises the importance of developing agency in individuals and organisations.

The conception of individual agency takes on different meanings depending on the philosophical standpoint. In this research it utilises a more sociological perspective, building on the reflections provided by Sen (1999). Sen reflects on the relationship between individual agency and social influences, which he, and later Nussbaum (2011) understood to require the removal of certain unfreedoms, such as the social, political and economic unfreedoms that have prevented people from achieving their full potential (Sen 1999). Illeris (2009) reflects upon the relationship between the individual and environment in relation to learning and in figure 2:6 captures the relationship between the internal and external, which relates to the environment in which each person has the capacity to grow and develop. This environment can be reflected on several levels, at the level of organisation or workplace, within community, and society as a whole. In this study, the context for individual development exists within the ecosystem of social enterprises in South Africa.
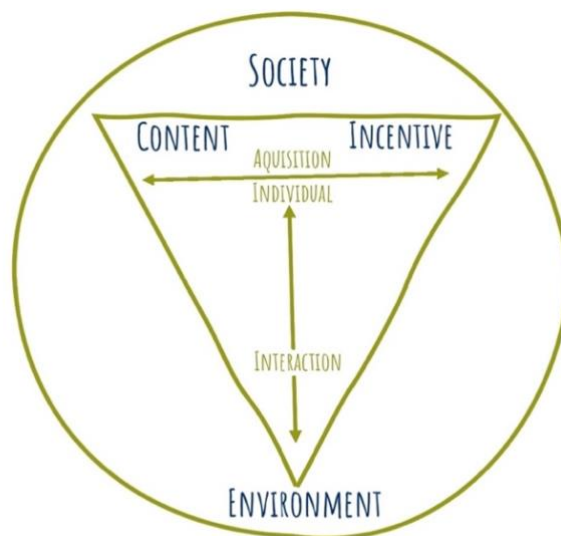
Figure 2:6 Internal and external conditions for learning, Illeris 2009:7

For developing the capacity at an organisational level, the work of Alan Kaplan (1999a) is often cited, drawing attention to the need for developing the vision, mission strategy and resources, which include people and management processes. At an environmental level the reference is to both macro and meta levels of activity and policy frameworks, and at a meta level in terms of cultural norms. (JICA, 2004). There

are some accepted principles, such as effective capacity development is a *process* and this process (or set of processes) is most effective when it is done *with* the beneficiary rather than *to* them (OECD, 2011; UNDP, 2009).

It is apparent that capacity development is described in many ways and takes many forms. In reviewing the tools and frameworks available to assess and deliver capacity development interventions, the link between capacity development and the concept of learning becomes apparent, but therein lie other questions: what is the relationship between capacity development and learning? And what is learning?

2.4.5 Capacity Development and Learning

For millennia, the question of "what is learning" has exercised some of the greatest minds, from Socrates and Plato to Ebbinghaus, Piaget, Chomsky and Vygotsky, Kolb, Freire, and Mezirow and many more could be mentioned. However, the results of their labours have not produced one single accepted definition of learning (Illeris, 2009; Jarvis, et al., 2003; Marton and Booth, 1997).

The vast number of definitions available reflect both the complexity of the question and the diverse fields of study which recognise learning as a part of their domain, beginning with philosophy and moving into disciplines such as pedagogy, life-long learning, theology, computer science, botany, genetics, neurology, psychology and sociology. In each discipline, the intention is to define not only "what is learning" but also "how does it happen". One definition, developed by Illeris, is: "*learning is any process that in living organisms leads to permanent capacity to change and which is not solely due to biological maturation or ageing*" (Illeris, 2009:7).

The work of David Kolb and Ron Fry (1975) on experiential learning explored adult learning processes and concluded that experiential learning as a process that relates to the conception of the learner and the learning context. Kolb's further development of the concept of experiential learning is heavily influenced by the body of work dating back to Aristotle, who in Nicomachean Ethics argued that for the things we have to learn before we can do them, we learn by doing them (Aristotle in Aufderheide, 2020). More recently, the thinking of Dewey, Lewin, and Piaget extend the idea of learning from experience (Kolb, 1984).

Experiential learning is an active approach to learning that draws on the experience, and the reflection of the experience and through that process makes sense of the experience by identifying plausible patterns and explanations that can be applied and tested. Kolb argues that learning is a process, and his experiential learning model charts four distinct stages; concrete experience, reflection, theorise and active experimentation. In their study, Thomsen, Muurlink and Best (2020) found experiential learning, when linked to classroom discussions and personal reflection to be an optimal approach for social entrepreneurs, in that students were able learn rapidly when they personally assigned real, but manageable responsibilities.
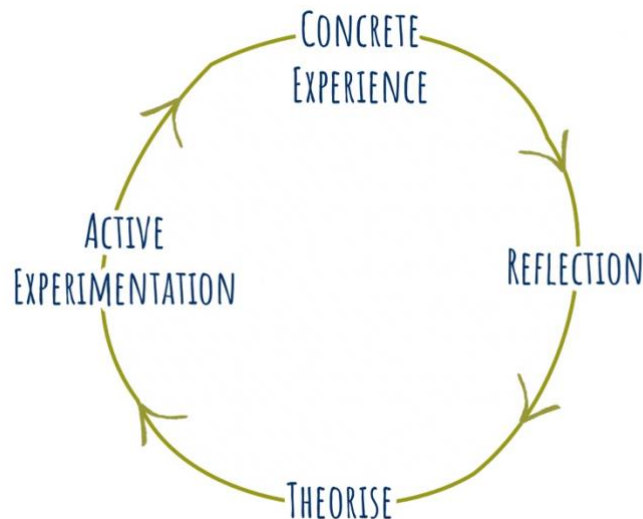
Figure 2:7 Kolb's Experiential Learning Cycle   Source: adapted from Kolb (1984)

Kolb proposed that the cycle of experiential learning does not need to begin with concrete experience, the process can start at any stage, but the cycle must complete in order for learning to take place, or as Illeris would put it; leading to a capacity to change. Often learning activities in the training or classroom begin with a presentation of a model, theory or approach, in terms of experiential learning this is the 'theorise' stage, however learning does not take place just with the introduction of a new model or theory, for learning to take place the learner is required to actively experiment, using 'what if' type questions or applying the theory or model to one or more diverse contexts or situations. From this experimentation arises new concrete experience, which is reflected upon, these reflections aid an understanding of what took place, and the final stage of theorising helps to clarify the relationship between cause and effect and develops patterns or models to make sense of the learning and be in a position to apply the learning to future situations, with some estimation of the potential for success.

In 1986, Peter Honey and Alan Mumford published the result of their research into learning styles and preferences. They identified four key individual learning preferences as activists, reflectors, theorists and pragmatists. A co-relation between their four preferences and Kolb's experiential learning cycle is evident. Activists are those with a preference to learn by doing, they are happy to dive into games and activities and as extrovert learners are most willing to speak up about their experience, although they are less inclined to give any significant time to reflection, preferring to move onto other activities to avoid their often-low boredom threshold. Reflectors, on the other hand, are much more comfortable thinking about

and observing, rather than doing.
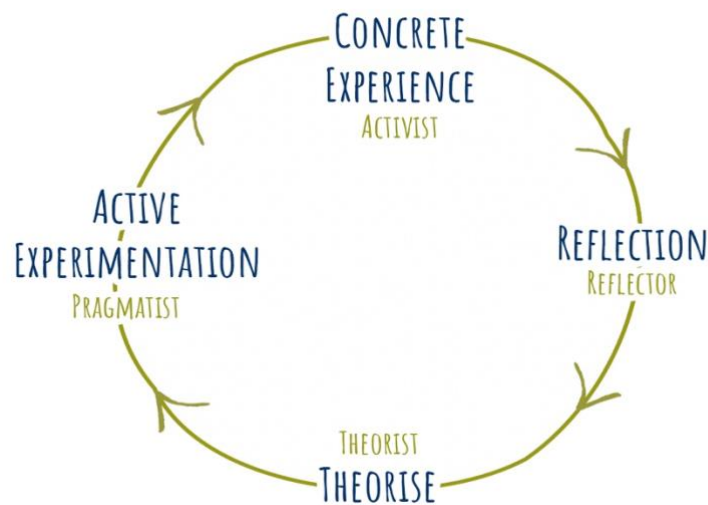
Figure 2:8: Kolb's Experiential Learning Cycle, overlaid with Honey and Mumford's Learning Preferences

Their learning tends to be more introverted, and they prefer not to be put on the spot but have time to consider their thoughts, ideas and response. A telling sign in any training room is that the reflectors tend to be the last to complete any quiz or test; this has nothing to do with their9
 intelligence or capacity to understand the questions and everything to do with their concern to consider the range of options and select the most appropriate responses before committing a tick or mark to a box.

Theorists also tend to be introverted learners, and the label theorist does not make a judgement about intelligence. Theorists enjoy logical approaches, models and theories that can be tested and validated and identifying the patterns that emerge in the learning. Theorists can join the dots and see the emerging pattern and have a deeper interest in it, certainly more than the activists. Pragmatists can often behave like activists, they are happy doing practical things, but unlike activists they need to be convinced of the value of doing something, before engaging whole-heartedly. Often pragmatists arrive at a learning event with a problem to solve and consequently they like a learning environment to simulate, as near as possible to their real organisational contexts. Pragmatists will often ask questions to clarify if a model or approach can be applied to their specific situation and they are less interested in generalities. For pragmatists, a practical hands on problem-solving approach is most appreciated. Business Incubators are one example of how learning can be integrated with enterprise development to help small and start up enterprises learn how to run their enterprise with support from the moment it is launched, rather than pre-experience learning provided by universities and colleges where learning how to be an entrepreneur or business owner is generally taught prior to the launch of an enterprise (Daniel, 2021; Haugh, 2020; Henry, 2020)

Honey and Mumford concluded that having a learning preference does not mean that people cannot learn using different learning styles, but like signing your name with your least preferred hand, it may require more conscious effort and the result might not be as good. This poses a challenge for those involved in the

design and delivery of adult learning, especially if the learning is designed using one preferred medium, that is based on their own university education, such as lectures, which may result in more extrovert learners and learners that have not completed primary or secondary education feeling bored, disengaged or disadvantaged.   There are few people, who show an even balance of preferences, but most people have one or two stronger preferences compared to the others. The types of learning activities that suit activists are engaging and involving, they require participation and the opportunity to try things out and talk out loud. Reflectors are generally much more content to observe, reflect, read and think they do not need simulations or group activities. Theorists are also generally more introverted than activists and prefer in their learning and well-structured and logical with validated learning materials, self-study and up to date information is appreciated. Whereas the pragmatists prefer their learning to be highly practical, personalised, and fitting their context and situation. In group learning events, pragmatists like very specific clear answers to their questions so they may apply them immediately. Often case studies reflecting adequate reality of the pragmatist's situation are valued. Catering for different learning preferences when designing individual learning strategies may be relatively straightforward, however, when providing group learning or training the design and delivery modes require some additional considerations, and it is here that by using the Kolb model as the basis for learning design it is possible to cater for all four learning preferences and creating a balance between inputting new information and validating the experiences adult learners bring.

Coaching is a set of purposeful conversations between a client and a coach that aim to support the client towards their future aspirations (Whitmore, 2002). There is not one fixed way of coaching, it usually depends on a structure for a conversation to take place and decisions or actions to be identified.   For example, the GROW model is often cited as the basis for a coaching conversation. The GROW model, attributed to Graham Alexander, Alan Fine, and John Whitmore proposes the identification of the client's Goal, a recognition of the client's Reality, an exploration of their Options, which includes opportunities and obstacles and an agreement on the actions to be taken, describes as Will and often referring to the five 'W' questions captured in Kipling's poem I Keep Six Honest Serving Men (Alexander, 2006; Kipling, 1902). Whitmore (2002) described coaching as a process of helping a client maximise their potential, with the emphasis being on the role of the coach as supporting or guiding rather than leading the process.
In essence, coaching contributes to greater agency and self-efficacy. Coaching works on the basis of unlocking the latent potential that exists within each person. Essentially it is often a journey of exploration, reflection, decision making and a call to action to change or transform something in the clients professional or personal life.

Although mentoring uses a similar skill set to coaching; good listening, questioning and reflecting back both what is said and unsaid, it differs in several important ways. The etymology of the word mentor can be traced back to Homer's Odyssey, (Cairns, 2014). Where Telemachus was placed in the care of Mentor who was given the responsibility to school and guide the young Telemachus.   The essence of that special

relationship can still be traced today, in organisations where mentoring operates, an older, or more senior member of staff is invited to guide one individual, offer them advice, based on their years of experience. Where possible, it is expected that the mentor will open doors for their protégés to ensure they meet the right people and may be exposed to new ideas and opportunities. Mentors are partisan, whereas a coach operates more as a critical friend than an older family member. The duration of the mentoring relationship is often much longer than that of a coaching relationship and it would be extremely unusual and maybe impossible for a person to mentor more than one person from the same organisation. Whilst there are differences in coaching and mentoring, they are both potentially valuable approaches to individual learning.

Whilst the work of Kolb and Honey and Mumford focused on learning as individual development, and would be associated with an individual constructivist philosophy, in the last century there were equally important developments of learning and a social constructivist philosophy with examples community-based learning activities. The importance of the Black Consciousness Movement in politicising Black South Africans was not the first time that learning had been a vehicle for social change. Paulo Freire, reflecting on education recognised that education as a system of learning is not a neutral process. His experience of creating cultural circles as a vehicle for teaching illiterate workers to read in six weeks, gave them the right to vote. This intervention was based on his particular methodology for group learning and paved the way in Brazil for the development not only of education for the poorest and disenfranchised, but also the theory of critical pedagogy (Freire, 1972; Giroux, 2020). Which was also studied an applied in many different countries, including South Africa.

2.4.6 Reflections on Capacity Development

The concept of capacity development has evolved over the last three decades and although there is now a broad understanding of what is meant by capacity development, in precise terms it is still not clearly defined. As a consequence, the nature of capacity development interventions and the measurement of the results are hampered by the lack of explicit agreement and understanding. Capacity development is envisaged as something that is provided to recipient countries and communities through donor funded programmes and projects, with the aim of increasing self-reliance and supporting the notion of sustainable and effective development interventions.

The research and reflections by the donor community, concludes that capacity development is generally the development of individuals and organisations. Although there are occasionally references to capacity development having an impact at a societal level how this is achieved is not explicitly determined. There are references the development of the national government and this is generally reconceived as a form of organisational development. Much of the research on capacity development takes a sectoral approach examining capacity from the perspectives such as health or education.

Capacity development is mainly conceived as something external to the international development community. It is generally not described or imagined as something that donors engage in for themselves, even if they are a part of an ecosystem that requires development. The implication of this is that whilst institutions in recipient countries are being developed, the donors are not.

There is an inextricable link between capacity development and learning. As capacity development, the concept of learning also eludes an agreed definition. In part due to the range of different perspectives; philosophical, methodological and practice-based approaches to comprehending what learning is. In the last 50 years, both individual and social constructivist perspectives have been in the ascendence. Learner centred approaches have informed the development of pedagogy and provided examples of how individuals learning and learning preferences have provided the vehicle for community and political action. At the forefront of this is the work of the Black Consciousness Movement and Paolo Freire. Built on the principle that through education power may be taken back and with new confidence the voices of the oppressed may be heard. In a less dramatic way, the voices of the owners and managers of social enterprises need to be heard better, as do the voices of the people using their services. Through this, people can articulate the choices they make for their life. These actions are the basis of the Human Development approach.

2.5 Conclusions

This research resides in the fields of international development, social enterprises and capacity development. The literature relating to international development exposes a range of criticisms and weaknesses and in response, international development has evolved from the provision of technical inputs and resources to a capacity development approach. This is based on the notion of creating capacity in governments and institutions to determine and address their own priorities with support of donor funding and inputs from the development agencies. The launch of the Sustainable Development Goals in 2015 is one example of capacity development being central to development interventions, with target 17.9 specifically referring to capacity building. Yet for practitioners at operational levels, the old tools and mechanisms have not changed to reflect the paradigm shift in thinking. Three-year funded projects implemented locally by NGOs are still the main method of delivering development interventions. The Logical Framework, which today is often referred to as the Theory of Change, is still the primary tool used to delineate the nature of the interventions and their anticipated outcomes. This is counter to the ideal set by the international development community who are driving for ownership and leadership from within the recipient country and its institutions. There is scant literature from the academic community regarding the lack of change in the operating practices, and consequently, this has influenced the design of this study to include:

- Those operating at the policy level such as donors and UN agencies
- Practitioners operating in the field, including UN and international development agencies,
- The owners and managers of social enterprises,
- Staff and people using services provided by social enterprises

- People who work for NGOs that may take a step toward becoming social enterprises.

The literature also refers to the change in the role of NGOs, acknowledging they have lost some of their independence and their original mandate by accepting contracts to respond to the demands for basic services that were once the purview of government. The literature also confirms when projects end, it is not just the international community that leaves, but also the NGOs that have been responsible for the implementation of the projects. The few studies that exist illustrate that there is little sustainability in current projects. These factors lead to a conclusion that in order for international development to change how it operates in the field, there needs to be new approaches in how they intervene. This makes a stronger case for identifying and developing new local implementing partners, such as social enterprises.   It also legitimises the building of their capacity so they may be effective and sustainable entities and partners, remaining in their localities and continuing their work when the international development agents have left.

It is apparent that in South Africa, the government cannot meet the growing demand for basic health, social care and education services alone. It relies heavily on the NGO sector to contribute to the provision of basic services. If development agencies, government and NGOs continue to work together in the same manner, the status quo will be maintained and the vision of the transfer of ownership and the ability to reach the most vulnerable will not be realised.

This study contends that in South Africa, social enterprises could be an alternative or additional partner to NGOs in international development, but the current research undertaken by Myres et al., (2018) reveals that even if social enterprises are well established, they do not receive funding and contracts from the international agencies. It is a contention, and the basis of this research that social enterprises could be excellent partners, they are already operating in the space by providing health, education and social services and they reflect a value base more closely aligned with the international development agencies than the private sector. However, social enterprises in South Africa are small in terms of their turnover, number of staff and numbers of people served. To become partners, they must grow and improve their performance and establish their credibility as the new partner of choice.

In the last three decades, the first wave of literature on social enterprise mainly discussed the problem with the lack of definition and there are many different variations each offering a new and distinct perspective. A second wave of social enterprise literature examines how to manage a social enterprise and draws heavily on techniques of organisational development in the private sector. A key assertion of this research that is not enough to be financially sound organisations, as partners, they must also be credible in the eyes of those awarding the contracts to local implementing partners. This requires the development of their capacity, not just to operate and manage effective social businesses but also to establish themselves as trustworthy and reliable with expertise on the subjects they are mandated to address.

Capacity development is not solely about equipping social enterprises to perform better, but also to, as in the tradition of Paulo Freire and the Black Consciousness Movement, use learning to change the power-dynamic between the different actors, potentially elevating social enterprises from being another form of recipient of donor funds to a partner with voice and empowered to act. In this context, sustainability, capacity development and human development become inextricably entwined and replicated at different levels within the context of international development.

In relation to capacity development, the literature reveals ambiguity. It is considered to be both a process and a performance outcome of the development interventions although is not always apparent when it is one or the other. Most of the research defining capacity development is based on desk research, the analysis of case studies and literature reviews and conference type events. There is no published research that draws on the variations in how a range of people operating in a particular ecosystem experience capacity development. This research places the variation in peoples experience of capacity development as a central tenet. As a better understanding of the variations will reveal different facets of capacity development and affords the opportunity to bring them together in one model to support the design, implementation and measurement of capacity development interventions.

To date, many of the studies of capacity development are based on specific sectors such as a health or education sectors. This research intends to widen the base by working within a cross cutting context; social enterprises are not active within one sector but are transversal, thus making their development less sector specific and potentially more generalisable, within the wider, yet still specific, context of international development.

Much of the current literature on capacity development acknowledges that capacity development is more than a euphemism for training, however it is repeatedly understood as little else. Within the available literature, capacity development has been described as individual and organisational development sometimes including community or institutions and even occasionally mentioning the ecosystem, but there is no evidence that studies have included the donors or development agencies themselves in the equation. A significant factor in this research, is that donors and the development agencies are considered an active part of the ecosystem and as such their capacity development needs are also valid. They are not mere observers standing outside the window looking in. Their own capacity to change is significant if the desired paradigm changes are to take place.

The motivation to expose the variation in what the actors understand capacity development to be is a driver for this study and in doing so, bring voice to a wider range of actors. As such, the most obvious choice, in epistemological terms, is toward an interpretivist study. In as much as the focus is on the experience of the participants in relation to the conception of capacity development. However, it is the variation in their experiences that is key and will bring to light new information about how capacity development may be conceived. In the following chapter the chosen methodology for this study is discussed. The choice is

rooted in the notion that there is variation in the understanding of the concept of capacity development that so far has not been investigated. By revealing the variations, this study will contribute to the existing body of work relating capacity development by examining the variations including the donor and commissioning agents that work in international development in South Africa. The issue of the potential for generalisability of the research is also considered and a diagrammatical representation of the concept of capacity development that can be created, shared and discussed amongst members of the ecosystem sought.

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Chapter Three

Research Methodology and Methods

3.1 Overview of the Chapter

This purpose of this chapter is to explain and justify the considerations and choices underpinning the selection of the research methodology used for this study. The research method chosen, phenomenography, is based on variation theory. It is a relatively new approach but has been increasingly used in higher education settings for the purposes of research relating to learning. There is no evidence of research published using phenomenography to examine the variations in the conception of capacity development or within a social enterprise ecosystem. Phenomenography has been used more extensively in Sweden, the UK, Australia and Hong Kong, but is relatively new in the South African context.

The object of phenomenographic research is to expose variation in the ways in which individuals experience a phenomenon (Marton and Booth, 1997:124). The variation in question does not relate to one individual but capturing the variation that exists within the target group, which in this study, is people operating within the social enterprise ecosystem in South Africa.

This is highly significant, as the variation of the experience of capacity development is central to ascribing meaning to capacity development in the social enterprise ecosystem. As discussed in chapter two, to date, most definitions of capacity development do not emerge from experiences of the stakeholders engaged in capacity development. Therefore, the meaning, implementation and measurement of the results remain at best, vague.

The application of this research method to the context of capacity development is original. Therefore, it is not only the findings of this study that aim to contribute to the body of knowledge, but also reflections on the processes adopted and adapted also reveal new knowledge of value to the academic community.

To have validity and thus confidence in the results, a study needs to demonstrate consistency between the assumptions the researcher holds and her or his theoretical perspective. This informs the choices made regarding research philosophy and methods. Therefore, this chapter addresses the consistency between philosophy and theoretical perspective and the decisions made regarding methodology and methods. The chapter concludes in addressing the concepts of reliability and validity as they apply to this study.

3.2 Philosophical Perspectives and Choices

Crotty (1998) suggests the justification of a chosen methodology relates to assumptions about the nature of reality, which is inextricably bound to ontology, or the theory of being. This can be captured in the question "What is", and the response set out by Ferrier (1854:46), "What is, is what is known". Whilst ontology is the theory of being, according to Ferrier this cannot be addressed until the questions "What is known? And "What is knowing?" are addressed.

Epistemology does not refer to *what* we know, but rather our *way* of knowing. Gray (2013), concludes that epistemology aims to understand what it means to know and provides a philosophical context for selecting appropriate processes to gather data to add to existing bodies of knowledge. In terms of undertaking

research and this line of inquiry this then leads to further questions regarding the methodology proposed to find the answers to the research question and the justification of the choices.

Crotty (1998) provides a framework delineating how the epistemological stance informs the decisions regarding the theoretical perspective, methodology and methods selected. This is valuable, as a clear framework reveals the assumptions about knowledge and in turn, the nature of knowledge that will surface from the research and the validity of what is found.

The framework enables consideration of the epistemology, or philosophical stance, which informs the theoretical perspective, which in turn offers clarity on the appropriateness of the methodology. The research strategy which flows from this links the choice of methods and the processes utilised to achieve the desired outcome. This results in the selection of appropriate techniques to gather and analyse the data allied to the research question.

Figure 3.1 A framework for From Philosophical choices

Crotty (1998:4)

A motivation in this research is to find and surface the variations in the experience of the phenomenon of capacity development in the social enterprise ecosystem in South Africa. It is the first time the concept is considered from the perspectives of a wider range of stakeholders in the ecosystem. That intention aligns with the interpretivist view of the world, with a philosophical stance is rooted in the notion that there is no one objective truth. People participate in individual and social constructions and in doing so, construct their own versions of their truth.

3.2.1 Selecting a Methodology

The phenomenographical research paradigm places an emphasis on the relationship between the participant and the phenomenon in question. According to Ference Marton, a leading exponent of phenomenography, inquiry is not directed at the phenomenon, but at the variation in the ways people experience and understand the phenomenon. This is referred to as a second-order perspective (Marton 1981). Before selecting phenomenography as the research method, considerations were made about other approaches that would assist in achieving the research objectives. Clearly the research questions seek qualitative responses and therefore positivist approaches were deemed inappropriate. Of the qualitative approaches two were considered more closely, these were Grounded Theory and Interpretative phenomenological analysis (IPA).

3.2.1.1 Grounded Theory

Barney Glaser and Anselm Strauss first introduced the research methodology known as grounded theory in 1967. It generates theory from a collection of data that contains the logical analysis and reasoning of the facts found from an experience, including the surrounding factors that influenced the actual event of the experience (Glaser and Strauss, 1967; Licquirish and Seibold, 2011). Grounded theory aims to conceptualise experience by using empirical data from a wide range of sources and types of media, which contribute to the researcher's field notes. In doing so, it provides a rigorous approach to qualitative research. Grounded theory as a methodology, places emphasis on theory development. It was created from a blend of positivist philosophy and symbolic interactionist sociology, reflecting respectively Glaser and Strauss's backgrounds.

As in phenomenography, the purpose of grounded theory is to reveal and organise conceptions into categories. Grounded theory uses a rigorous coding system to categorise and label the data that is mostly gathered through the recording and analysis of multiple critical incidents.

Grounded theory was considered as the methodology for this inquiry because it is based on a specific, planned set of procedures for producing theoretical ideas about social phenomena. It is particularly useful for developing theories where little is known about the phenomenon (Birks and Mills, 2015). Whilst there is a plethora of practitioner-based writing on the phenomenon of capacity development, there is less academic research into the subject and grounded theory may have been a useful approach in constructing or building such a model or theory. Yet, the aim of grounded theory is to develop concepts of the way in which people address specific themes of concerns, and the analysis is based on critical incidents. This differs from phenomenography, which as a methodology seeks to capture the variance in experience and the basic unit of analysis is the conception not a set of critical incidents. I concluded that phenomenography was a more appropriate approach than grounded theory. However, before reaching the final decision as to the most appropriate research method, one other qualitative methodology was also considered.

3.2.1.2 Interpretive Phenomenological Analysis

Interpretive phenomenological analysis (IPA) was developed in 1996 by Jonathan Smith, Professor of Psychology at Birkbeck University of London. Originally rooted in psychology, IPA is also used by researchers in the human, social and health sciences (Charlick et al., 2016). It is qualitative research method that has an idiographic focus, providing insights into how an individual, in a particular context, makes sense of a specific phenomenon. Most often the phenomenon relates to experiences of some personal importance. This might include a significant life event, or an aspect of an important relationship. It has its theoretical roots in phenomenology and hermeneutics and draws from the work of Husserl and Heidegger (Giorgi, 2007; Smith et al., 2009).

The aim of IPA is to capture an individual's personal perception or account rather than producing an objective record of the experience itself. IPA adopts the position that it is not possible to produce a research

participant's account directly or completely and the role of the researcher and her or his own notions are required to make sense of that other personal world through a process of interpretative activity. The approach used in IPA is intentionally idiographic, concerned with detailed analysis of the case, either as an end in itself, or before moving to similarly detailed analyses of other cases.

IPA is recognisably different from other qualitative methods because of its combination of psychological, interpretative, and highly idiographic components. This method is often selected because it enables participants to provide fuller and richer accounts than would be possible with standard quantitative instruments. As with grounded theory, the findings in IPA are allowed to emerge, rather than being imposed by the researcher. In IPA, the participants are treated as experts in their in their own experiences and this offers a richer understanding to the idiographic study (Cone, 1986; Reid et al., 2005).

IPA was not selected as the research methodology because of its highly idiographic nature and individualistic nature. This study is within the context of an ecosystem and it is the relational aspects and variations that hold more interest than highly personalised accounts using IPA.

Whist both grounded theory and IPA have their clear merits in inquiring into the conceptions of individuals, neither adequately address the variation in conceptions or issues of discernment. Within this research, the aim is to understand the variation in the conceptions of capacity development as this, rather than a rich description of experiences of individuals, may contribute more effectively to an understanding of capacity development within the ecosystem. Therefore, phenomenography is selected as the research methodology.

3.2.2.3 Phenomenography and Phenomenology

Marton and Booth (1997) explain that the aim of phenomenography is to describe the variety of different ways in which individuals conceptualise a particular phenomenon, reflecting on the relationship between phenomenology and phenomenography as "no more than a cousin by marriage" (ibid 1997:117). Phenomenology is grounded in a dualistic ontology, where the subject and object are regarded and treated as separate. This differs from phenomenography, where a fundamental principle is that the nature of reality is non-dualistic, and the subject and object are inseparable. The work of a phenomenographer is in investigating a person's consciousness and awareness of reality, which is an ontological issue and the persons expression of reality, which in essence is an epistemological issue. Consequently, the epistemological stance reflects that reality is dependent upon how it is conceived by a person and the emphasis is on the content of description revealed by individuals in the way they have experienced a phenomenon.

Some of the other key differences between phenomenology and phenomenography are summarised by Barnard et al., (1999) and take into consideration the approaches to pre-reflective experience and conceptual thought, variety or singular essence of experience, the perspective of the description of the

experience of the phenomenon, (first or second order descriptions) and the conceptions of experience and the nature or focus of the analysis of the data.

3.3 Phenomenography

Originally developed in the Department of Education, University of Gothenburg, Sweden; by Marton and his co-workers in the 1970s, the term phenomenography was first used in 1979 and has since evolved into several approaches, each of which focuses on the variation of human experience relating to a phenomenon (Hajar, 2020; Han and Ellis, 2019; Marton and Booth, 1997; Svensson, 1997).

The etymology of phenomenography is offered by Kroksmark and reported in Marton and Booth (1997) as being the compound of two Greek words, the first being "phenomenon" from the Greek verb "fainesthai" (εμφανιστεί) meaning to appear or manifest and the second being "graph" (γραφικός) signifying the idea of describing in words or pictures. Combined, they become "an act of representing an object of study as qualitatively distinct phenomena" (Marton and Booth, 1997:110). Phenomenography and phenomenology share the etymological root "phenomenon", as already noted from the Greek, meaning "to make manifest" or more literally, "to bring to light", whereas phenomenology, with the suffix -logos, aims to clarify the structure and meaning of a phenomenon (Giorgi, 1999).

From a phenomenographical perspective, the attention is the relationship between the participants or subject and a phenomenon. Bowden (2005) captures this in the following diagram, indicating the object of the inquiry is the relationship between the subject and the phenomenon in question. This differs from contemporary phenomenology, as developed by Husserl at the turn of the last century, originally deriving from a mode of descriptive psychology but evolving to inquire and describe phenomena as they are experienced consciously (Giorgi, 1999).
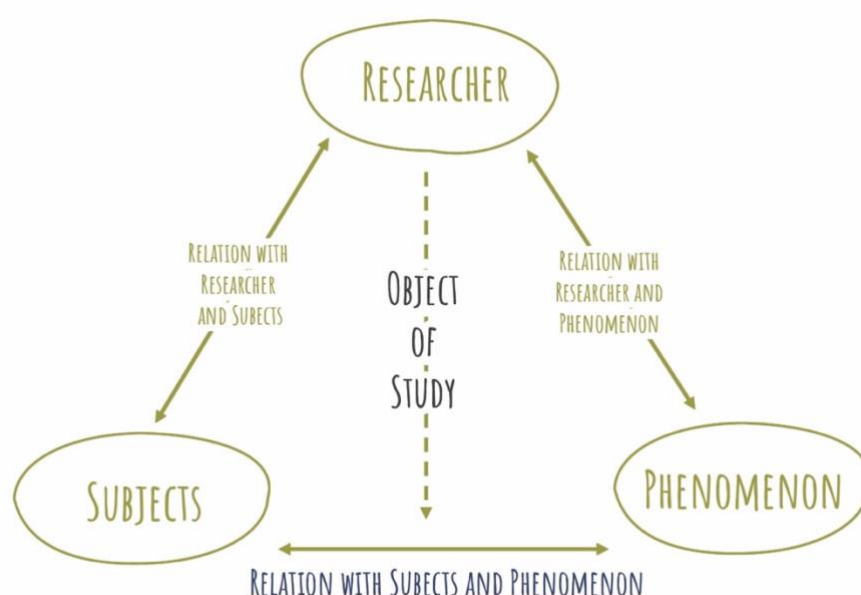
Figure 3:2 Object of Study Source: Adapted from Bowden (2005:13)

3.3.1 A Relational Epistemology

This research is centred on the variation of experience in the participants phenomenon of capacity development. As such, it derives from an ontological perspective that is non-dualist, in that the participants in the research are not separate from the research object, capacity development.

There are not two worlds: a real, object world, on the one hand, and a subjective world of mental representations, on the other. There is only one world, a really existing world, which is experienced and understood in different ways by human beings. It is simultaneously objective and subjective.

Marton (2000:105:)

The essence of this research is relational, in that it addresses the relation between a person and the phenomenon of capacity development. The motivation is not to describe capacity development as it is, but as it appears to the participants operating in the social enterprise ecosystem in South Africa. With that starting point the choices build on Crotty's four elements, and the framework for this research can be characterised thus.
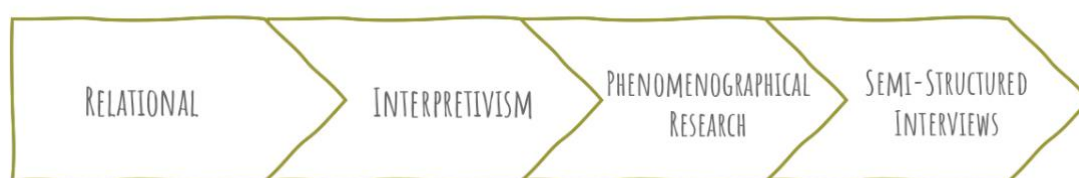
Figure 3.3 The four elements in the framework of this research

A relational epistemology is based on the assumption that we are social beings. This is apparent from the moment of our birth, and some would argue even before. Building on this idea, if we are social beings, it is also true that we live within different contexts; be that countries, communities, family groups, and beyond the geographical context, there are the time and cultural aspects of that context that also affect how we understand the world within which we live. If these two premises are true, the conclusion is that knowledge is socially dependent. We are taught what we believe through the relationships we have and the contexts within which they exist. This is one of the main distinctions between a relational epistemology and a social epistemology, with social epistemology based on the assumption that true beliefs can be found solely through cognitive processes (Dewey, 1938; Thayer- Bacon, 1997).

3.3.2 Interpretivism

Interpretivists deem that social phenomena are created in the minds of people who endeavour to understand phenomena through a range of ascribed meanings. Interpretivists assert that social phenomena are defined subjectively, through "inner" and "outer" landscapes (Bryman, 2004; Marton and Booth, 1997; Silverman, 2010). It would be incorrect to give the impression that all Interpretivists operate from the same school of thought. The debate regarding "inner" and "outer" landscapes for attaining knowledge has been further developed in the last 50 years, where, for example, cognitivism has been the

prevailing model in educational research, with constructivism being considered one of its branches (Berger and Luckmann, 1966; Marton and Booth, 1997).

A constructivist perspective is that knowledge is developed through the meanings attached to the phenomenon studied; researchers interact with the subjects of study to acquire data; and that the process of investigation changes both researcher and subject. Within constructivism there are two perspectives: individual constructivism and social constructivism (Marton and Booth, 1997). Both of which essentially, focus on the relationship between a person and their surrounding environment, other individuals, groups, communities and society.

3.3.3 Phenomenographical Research

Phenomenography is strongly associated with variation theory and is used to explore the qualitatively different ways people experience a given phenomenon (Åkerlind, 2005; Pang, 2003). The value Phenomenographical researchers add is their concern with the nature of awareness and discernment, one of the key goals being the collection of the experiences of people relating to a phenomenon. Discernment is revealed in phenomenography by exploring the qualitatively different ways in which the research participants experience the phenomenon in question. Drawing on the work of Marton and Booth (1997), Han and Ellis (2019) reflect on two aspects of awareness of experience, described as the referential and structural aspects, this line of inquiry in phenomenographical research results in distinctions and variations in how the phenomenon is experienced.

Unlike phenomenology, phenomenographical research does not consider description and interpretation to be the end result of the inquiry. It is centred upon a critical factor; capturing the variance in the ways people experience, with a particular emphasis on collective rather than individual meaning. To achieve this, empirical methods are required to classify the data, develop the categories of description and achieve the desired, which is known as the outcome space. This is usually a diagrammatical representation of the relationship between the varying ways in which people have experienced the phenomenon in question (Hasselgren and Beach, 1997).

In this research, the qualitatively different ways in which people within the social enterprise ecosystem is central to the research aim of understanding how capacity development is conceived and what forms of capacity development are deemed acceptable and appropriate in enabling social enterprises to be more credible and sustainable. Phenomenography is based on variation theory and adds particular value to the achievement of the research aims of this study by bringing into focus a variety of ways in which capacity development is understood and experienced by the participants. By drawing together those experiences, like Dewey's horse, (Dewey 1905:393) a more complete understanding of the phenomenon within the context of the social enterprise ecosystem may be achieved.

The aim of this research is not to discern what is capacity development, if that were the research aim, a phenomenological approach could be an appropriate choice. In this research, how is capacity development understood or experienced by the actors in the social enterprise ecosystem is central. Therefore, phenomenography is a more appropriate choice as the intention of this research is to draw out the different ways in which capacity development is experienced. By representing those differences in a diagrammatical outcome space, there is the potential to create a better shared understanding of the conception of capacity development. There is also the potential to create a new model that may be adopted or further adapted to assess, design and deliver appropriate capacity development strategies. This ambition is best achieved through employing a research method, such as phenomenography that addresses second order, rather than first order thinking and moves the focus from describing the phenomenon to surfacing the variations in the experience and relationship of the participants with the phenomenon.

Marton and Booth (1997) reflect that when combined, the variations that constitute individual facets of a conception can actually be considered a synonym of the conception. Hence, by surfacing the variations in the experience of the participants, a new and wider definition and common understanding of capacity development in this specific context emerges. This is captured in the categories of description and reflected in the outcome space. This definition, as discussed in chapter five is not a formulation of words, but a diagrammatic representation. By representing the definition in such a way, the stakeholders may use the model to discuss, plan and measure learning and development activities aimed at building the capacity of social enterprises and other stakeholders in the ecosystem.

As suggested, this nuance demands an approach that draws on a second order perspective, rather than a first order perspective offered by more traditional phenomenologically orientated research methods. Finally, phenomenography, being grounded in higher education is an appropriate method for researching the capacity development needs of groups of adults. This research was never conceived as an investigation to redefine the concept of capacity development, but to understand the variations in the way it is conceived by the target population so that a common language within this specific context may be developed.

3.3.3.1 A Second Order Perspective

Phenomenology adopts a first order perspective; that is with the researcher describing the world as it is. From a phenomenographical standpoint the researcher takes a second order perspective. This enables the researcher to "find out the different ways in which people experience, interpret, understand, apprehend, perceive or conceptualise various aspects of reality" (Marton, 1981:178). In order to achieve this, the researcher is selects a research tool that affords the opportunity to explore the variety of ways in which a phenomenon is conceptualised and in addition, the researcher is required to suspend their own views, values and judgements. This process is known as bracketing and is essential if the phenomenographer is to be successful in capturing the different ways in which people conceive the phenomenon in question.

Essentially phenomenography explores the variation of experiences of a particular phenomenon. In this research it is the phenomenon of capacity development. The inquiry aims to uncover the variation that exists amongst actors in the social enterprise ecosystem. The ultimate goal is to articulate the variety of ways in which the concept of capacity development may be understood across the ecosystem. This will enable strategies to support social enterprises in becoming more credible and sustainable partners in development to be employed. In doing so there is an opportunity for social enterprises to further contribute to poverty reduction and eradicating inequality in South Africa.

3.3.3.2 Conception as the Unit of Analysis

The unit of analysis used in phenomenography is understood as a conception. Different synonyms have been adopted to describe conception, such as ways of seeing, or understanding or ways of experiencing (Sandberg 1997). A part of the problem is that none of the synonyms capture perfectly the idea of the conception and consequently a variety of synonyms such as understanding, and experience are employed to capture the meaning (Marton and Pong, 2005).

The conceptions of the participants are influenced by considerations such as past experience, identity, beliefs, values and at nine different layers of culture. This includes amongst others national, professional, educational, religious, gender and personal (Lewis, 2013). For example, experiences of capacity development for traditional businesses may differ from the experiences of owners and managers of social enterprises. Marton (1981) reflected that it is the beliefs, cultural experiences and time that determine the variations in the number, types, and limits of each category of description. The categories of description can each be considered facets or fragments of the conception. As Marton et al., (1993) reflected, it would be unusual for one participant to convey a conception in its complete form, but by taking each contribution the conception of the phenomenon is formed as a whole, and this is presented as the outcome space.

3.3.3.3. Referential and Structural Aspects of Phenomenographical Analysis

A significant feature of phenomenography are the two components that together reveal the way in which a person experiences a phenomenon. They are known as referential and structural aspects. (Han and Ellis 2019; Marton and Booth, 1997). The referential aspect relates to the universal meaning and signifies the meaning of the object. The structural aspect represents the features that have been distinguished or discerned. It is within the quality of discernment that variation is found. The structural aspect is further divided in two; the first being classified as an external horizon and the second, an internal horizon (Marton and Booth, 1997). The external horizon is considered to be the contextual background with the internal horizon relating to the relationship of the different parts of the object.

Considering the design of the areas for the semi-structured interviews, attention was given to the referential and structural aspects of the interview areas. The aim being to ensure that the responses not only revealed what people considered capacity development to be, but also the variations in how they discerned it. For example, the question "What do you understand by the term Capacity Development?" addresses the

referential aspect of the participants awareness and discernment. Their responses define and discern what it means to them. By following up with a probing question such as "What kind of capacity development have you been engaged in?" the participant begins to address the structural aspect of the conception, going beyond an external definition and introducing their thoughts and feelings about the conception. In identifying both referential and structural aspects of the conception, many more facets of, in this instance, capacity development can be identified and drawn together.

3.3.3.4. Categories of Description

There are two distinctive parts to a phenomenographic analysis of data. The first is the formation of categories of description and the second is the development of the outcome space, which diagrammatically illustrates the relationship and any hierarchy that exists between the categories.

The Categories of Description form an abstract tool used to characterise understanding of the phenomenon (Dahlgren and Fallsberg, 1991). The categories are identified from an analysis of the data drawn from interview transcripts. They reflect the experiences of the participants in relation to the phenomenon in question, in this instance, the capacity development within the social enterprise ecosystem in South Africa. Marton and Booth (1997) offer advice for the creation of the categories of description in that they should be distinctive from each other and that the approach to creating the categories should be parsimonious, in this instance there is the idea that less is more and as common practice the number of categories of description is often between four and six. The discussion regarding categories of description continues in chapter four, where the first set of findings are presented and organised into categories of description. Also, in chapter six, there is a discussion about the nature and typology of the categories which concludes with a new typology for the categories.

3.3.3.5 The Outcome Space

The outcome space is a graphic illustration of the relationships between categories of description. Similarities and differences from the experience and understanding of a phenomenon can be viewed as a collective intellect that forms a structured pool of the ideas, beliefs, and facts that underlie a reflection and construction of reality Marton (1986).

The outcome space as described by Säljö (1988) is a map of a territory. In a similar vein, Bruce (1997) described the outcome space as a diagrammatic representation. Marton (2000) emphasises the logical structure of a representation of the relationships between the different conceptions of a phenomenon. In the last 40 years of phenomenography, the outcome space has been presented in a variety of formats including diagrams, prose and tables (Åkerlind, et al., 2005; Yates et al., 2012).

The outcome space emerging from this research is presented in chapter five. Along with the diagrammatical reflection of the categories, there is a further discussion revealing the development of the

outcome space and the concept of fuzzy space, which to date has not been a feature of the development of the outcome space in phenomenographic research.

3.3.3.6 Semi-structured Interviews

In phenomenographical research, there is evidence of many diverse data collections employed, including open-ended questionnaires, observations, drawings, focus groups and interviews, and commonly, semi-structured interviews (Åkerlind, 2005; Han and Ellis, 2019). One of the reasons interviews are often chosen is the opportunity to delve into the aspects of awareness and discernment. Bruce, (1997) reflected that the interactive manner of the semi-structured interview enables the participants to more opportunities to fully express themselves and the interviewer to clarify and probe the data being surfaced to reach the referential and structural ways in which a phenomenon is experienced, which would result in a distinctly phenomenographic research process.

For this research, other research tools were considered, such as focus groups, however they were ruled out for two main reasons; the first being the potential of participants to influence each other's thinking and therefore some participants may adapt their own experiences and understandings of a conception in order to either fit in, or gain approval from others (Willmett and Lidstone, 2003; Wilson, 1997). Whilst this can be managed to some degree in a one-to-one interview, with the interviewer taking care not to appear judgemental or ask leading questions, in a focus group there are less controls of these dynamics (Peek, 2010). This power dynamic is potentially an issue in investigating within this ecosystem, as there are perceptions regarding who has more or less legitimate power and voice.

The individual interview allows the researcher to gather data regarding the relationship between the individual participant and the phenomenon. In taking this second order perspective, it is possible to identify the variations in the manner in which the phenomenon is conceived. Theoretically the phenomenon could be experienced in an infinite number of ways, it is by identifying the variations from individuals, based on their experience and then combining the variations into recognisable categories that a wider perspective or understanding of the phenomenon may be provided.

The semi structured interviews were designed around the two main themes of this research that was capacity development in the context of social enterprise development. The questions were designed to elicit discernment and the two aspects of referential and structural discernment, as previously discussed. The first general question asked to each of the participants asked, "Can you tell me a little about yourself, job and organisation?". There were several reasons for this as the opening question. The first was to help record the specific context of the individual participants, to capture what role they had in the social enterprise ecosystem. The second reason was to put the participants at ease by asking them to talk about something that they had expert knowledge of – themselves. This was a strategy employed to build rapport through creating trust, demonstrate respect and consider any power dynamics that might prevail between the researcher and the participants (Kvale and Brinkman, 2009)

Below in figure 3.4 the questions designed for the interviews are listed, with examples of the follow-up questions that were elicit both referential and structural discernment.

Question Areas for the Phenomenographic Interviews (Second revision)	
1	**Can you tell me a little about yourself, and organisation?**
2	**What is your understanding of the concept social enterprise? (Referential aspect)**
	Where does your understanding/definition come from?
	How do social enterprises differ from traditional enterprises? (Structural aspect)
	How do they differ from NGOs, and third sector organisations?
3.	**What is the role of social enterprises in national and/or international development? (structural)**
	Can you give me some examples?
	Why do you think that?
4	**What do you understand by the term Capacity Development? (Referential aspect)**
	Why do you define it in that way?
	What different things constitute capacity development to you (structural aspect)
	Can you give me some examples of that?
	How is Capacity Develop manifest in your work?
	Does your organisation more often provide capacity development or receive capacity development?
	5. What are the capacity development needs of social enterprises (referential and structural aspects)
	Do you think the capacity development needs of SE differ from other types of organisation
	Why do you think that?
	Can you expand on that?
	Who is best placed to build the capacity of SE's……Why do you think that?
6	**Reflecting on the areas we have discussed is there anything else you would like to add about the capacity development of social enterprises.**

Figure 3.4: The Semi-Structured questions

As the main aim of a phenomenographic interview is to reveal the variations in how the participants experience a phenomenon a semi-structured approach enables the researcher to adopt a more conversational approach that can result in the participants revealing more about their relationship with the phenomenon (Ashworth and Lucas, 2000). Marton (1994) suggests that regardless of the phenomenon

people encounter, it is possible to identify a limited number of qualitatively different, interrelated ways in which the phenomenon is experienced and understood. So, phenomenographic research outcomes will reveal themselves as a limited number of categories. According to Marton (1994) these categories are logically and hierarchically organised and referred to as categories of description. The categories of description are not a reference to individual experience, but to the different ways in which a phenomenon is experienced. Categories of description portray different ways of experiencing a phenomenon collectively which represent a 'structured set'. (Åkerlind, 2005). (Åkerlind, Bowden et al. 2005)

Nor do the categories of description do not represent researcher's own understanding, but the research subjects' conceptions. Collier-Reed, Ingerman, & Berglund (2009) posit that individuals will not be able to recognise 'their' contribution to the categories of description. The categories of description contain adequate variation that discriminates one category from others.

As Trem (2017) asserts, in phenomenographic research, the ideas of individual participants are not the focus of interest. It is the variances in the data are the focus, and when analysed, no data or conclusions can be traced back to any specific individual. This is a significant variation from the expectations and outcomes of phenomenological research methods.

As the categories of description may not be recognisable to individuals, triangulating the data gathered with a focus group type activity would not be useful. Also, Participants were offered copies of the transcription of their interviews, but not for validation purposes. As Reber (1993) reflects, the interview process provides an opportunity for the participants to reflect on their understanding of their experience and form and reform new meaning. Therefore, a focus group or follow-up interview, does not necessarily facilitate the validation of the first data set, but could equally gather new experiences formed, with the orginal interview becoming a learning experience in it's own right.

Semi structured interviews were chosen because they facilitate data collection from an individual source and allow the flexibility to explore and delve deeper into the participants experience of the phenomenon. In this research, even if the researcher is highly experienced in designing and facilitating focus groups, they not deemed as a useful alternative. There are several reasons for this, the first being that in a focus group setting there is the potential for one participant to introduce influence the thinking of others and in doing so, others may decide to delete or distort their own relationship with the phenomenon. In addition, another reason for not selecting focus groups as a method of data collection is the challeng in delving deeper into a wider range of ideas is challenging within the time permitted or allocated for the focus group, this usually being limited to a maximum of three hours, whereas one to one semi-structured interviews often have a duration of up to 90 minutes with one individual. A third reason, for not selecting focus groups is more pragmatic as getting all the participants in one room or meeting at the same time would have been highly challenging. Whilst focus groups can be highly valuable methods of data collection and giving voice, in this instance are not deemed fit for purpose.

Observations and focus groups have been used to triangulate and verify data collected from other sources (Han and Ellis 2019). For this research, neither of these techniques were employed. What could have been lost in this decision not to triangulate the data is additional data that could either challenge or confirm the data collected through semi-structured interviews. This decision may also impact on the generalisability of the findings, which in this research are clearly and specifically related to the context of the social enterprise ecosystem in South Africa in the period between 2017 and 2020. To mitigate this, further research in different contexts and time periods would be welcomed and valuable.

Whilst triangulation of the data collected was not undertaken through engaging the participants in further focus groups two other verification processes were adopted. The first was a peer research conference to compare the initial pools of meaning that informed the initial categories of description and the second was sharing in one to one interviews with practitioners working in international development and employing capacity development strategies the outcome space. The summaries of their feedback are shared in chapter five and the summaries may be found in appendix two.

3.4 Considerations and Preparation for Data Collection

Phenomenography utilises method-specific approaches to data gathering, analysis and representation of results (Bowden and Walsh, 2000; Marton and Booth, 1997). As already mentioned, semi-structured interviews are often the preferred method of data collection and were employed for this inquiry. Twenty semi-structured interviews took place with people operating within the social enterprise ecosystem in South Africa. The interviews took place between late 2017 and the late 2018. The interviews lasted between one and one and a half hours and were based on a set of question areas used as an entry point for a wider discussion. Prior to organising and executing the interviews there were several considerations and decisions to make. These included explicit ethical considerations, the piloting and testing of the research questions and the size, scope and criteria for the selection of the participants.

3.4.1 Ethical Considerations

Ethical considerations are always important in research. They establish a moral compass for the researcher and ensure the safety and dignity of the participants and surety in the research findings. Ethical considerations relate to both the conduct of the researcher in terms of their care and concern for the participants but also of the data, design of the research process and reporting and publication of findings. This includes honesty in reporting the data, results and methods employed. It also includes respect for intellectual property, and requires appropriate recognition, citing and sourcing of other people's ideas and work (Mauthner et al., 2002; Cohen et al., 2000).

In terms of care in the treatment of the participants, physical and mental well-being of the participant and the reputation of the individuals and their organisations are considered. It is not the intention of this research to bring about any type of damage or harm to individuals or organisations, be that physically, to

their well-being, or to their reputation. This was reflected upon and considered at different stages of the research process with appropriate actions taken. For example, with respect to openness in this research, participants were provided with a letter in advance of the interviews explaining the purpose and scope of the research and interviews. At the beginning of each interview the scope and purpose were re-iterated to ensure participants were aware of their rights. Participants were informed they had the right to withdraw from the interview at any point, including after the completion of the interview. It was made explicit that the data provided by individuals would not be shared beyond the purposes of undertaking research for this thesis. There were no gifts or rewards exchanged for data and as far as it is possible to ascertain, all the participants agreed to participate of their own free will.

I am aware that I am perceived in Africa as a white European woman and accordingly, working in sub-Saharan Africa, there may be some power-relationship issues to address. Consequently, there is the possibility of mistrust or feeling "judged". Having worked for a long time in international development I am sensitive not to behave in a manner that would associate me more closely with white people that feel and behave in a superior manner. The rationale for this approach is based on my personal beliefs, as well as efficiacy of good research. I am not racist and do not want to be associated with racist, superior or patronising views of any peoples. I believe that the participants would feel able to reveal and share more of their thoughts and feelings if they felt that they were not being judged and I have a high degree of regard for their thoughts, ideas and an acceptance of them as individuals.

Most of the participants, whilst successful did not consider themselves to be academic. The intention of building rapport was to put the participants at ease and reduce any potential power dynamic, so they did not feel intellectually inferior or judged.

Some of the participants specified that the information provided was of their own opinion and did not necessarily reflect the position of the organisation within which they are employed. This was noted and did not hinder the research process or the findings. Participants were contacted again toward the end of the completion of the thesis to confirm if they wanted to be acknowledged or remain anonymous in terms of their contributions and acknowledgements, with all the participants indicating their consent to be associated with the study.

 In terms of confidentiality, participants were offered the choice to remain completely anonymous and not be identified, either directly or indirectly in this thesis. They were also provided with contact details of the university supervisors of this research, so they had a point of reference should comportment of the researcher be inappropriate or fall below a high professional standard.

Supporting documents provided by the participants were treated as confidential and only used for the purpose of this research. Another way to address the issue of transparency in research was the offer to furnish the participants a copy of the transcription of their interview.

3.4.2 Participant Selection and Sample Size

Still today, From a positivist perspective the small data sets traditionally used in naturalistic research continue to be questioned. Åkerlind, a well-established and respected phenomenographic researcher acknowledges that with her own positivist research background, her natural default was to assume that phenomenographic research with ten participants was too small to derive meaningful results. With her focus on the potential for generalisability, she could not imagine how meaningful the results from one person could be achieved. To arrive at this position still requires a paradigm shift in measuring the quality of qualitative research. (Åkerlind 2005).

In determining an appropriate sample size, Ritchie, Lewis and Elam (2003) and Larsson, and Holmstrom, (2007) assert that a large sample data does not necessarily provide more information in relation to the area of study and that in qualitative data collection, usually around 20 research subjects are adequate. In this research, it is necessary that the sample size should be large enough to capture variations in the participants conception of capacity development within the context of the social enterprise ecosystem in South Africa. Conversely, there is a further consideration regarding the sample size to avoid the research data from the research recurring and becoming redundant. This alludes to the issue of saturation, (Glasser and Strauss, 1967), being the point when the data no longer exposes anything new on the phenomenon being investigated. This is seen to be a common factor as a guiding principle for decisions relating to adequate data collection. However, as Saunders et al., (2018) point out the variety of ways in which saturation is defined and addressed in research leaves ambiguity and distinct differences in approaches to identifying if saturation has been reached.

The concept of saturation is often posed as the defining indication that an investigation has concluded, the findings have been exhausted and no new themes have emerged. When and how saturation is reached is dependent on several characteristics: 1) The amount and complexity of data 2) The researchers experience and fatigue in the focus of study 3) The number of analysts reviewing the data. Given that phenomenographic research is directed toward finding out about the variations in the experience of a phenomenon, it has been argued that saturation is not necessarily the most important concern in determining how many interviews would be appropriate, as it is how the participants experience the phenomenon not consistent with content analysis as one might find with grounded theory. Consideration of appropriate sample size in phenomenography relates to an adequate sample to reflect variation in the conception (Dahlgren, 1997; Trigwell, 2000).

Data analysis is an iterative process and does not commence only after all the data has been collected, but this does beg the question posed by Plato in Meno's paradox, that is how do you know what you don't know? How can a researcher be truly confident that other variations of a phenomenon cannot be found?

In relation to their research, Guest, et al., (2005) believe that conceptualising saturation primarily as researcher-dependent misses an important point: This being how many interviews or data points are enough to achieve one's research objectives? It is possible for a researcher to identify a great number of ways to interpret small qualitative data sets. However, a researcher can also skim a large data set and find nothing of interest. In this respect, Guest, et al. (2005) conclude that saturation is, in large part, dependent on the skills and qualities of the researcher. Guest et al., (ibid) concluded that the saturation point in their study indicated some basic themes after six interviews and reached saturation after twelve interviews. From this experience they suggest that saturation as useful at conceptual level but provides little practical direction for estimating a sample size.

In another study, Baker and Edwards (1990) suggest that in qualitative research a sample of between 12 to 30 interviews would be an adequate depending on the possibilities of accessing an adequate source and time frame to do so. Although there seems to be clear evidence that a conceptual size is important to reveal themes and patterns, a clear indication of how many should be in the sample is unclear. Onwuegbuzie and Leech (2007) assert that it is important to recall it is not only sampling people, but it is also about sampling their settings, events, and processes. This idea holds resonance for this research which is within an ecosystem that reflects several actors with significantly different perspectives.

Larsson and Holmstron (2007), contend that a phenomenon, theoretically, could be perceived in an infinite number of ways, however, the process of creating meaning, is finite, where generally between two and six of ways of understanding remain. In phenomenography fifteen to twenty participants are considered the ideal number necessary for creating a reasonable chance of finding variation in conceptions (Trigwell et al., 2005).

The debate around sample size for data collection in phenomengraphic research varies from Dahlgren's view, (1997) that ten interviews could be adequate to capture variation. Reed (2006), Trigwell, (2000) and Akerlind (2005b) all concured that ten to fifteen participants could be adequate. The outer limits, suggested by Trigwell in 2006, suggest between ten and 30 participants would be adequate. In this research because of some of the diversity in the target group, being made up of a range of actors in the social enterprise ecosystem a larger rather than smaller sample size of 20 was identified.

This decision acknowledged the degree of heterogeneity across the group and consequently was a larger rather than smaller sample size. There are risks in limiting the sample size to 20 participants, in that new perspectives that fundamentally change the data sets will clearly impact on the categories of description that emerge. In this study 591 statements were drawn from the transcripts of the twenty interviews and the initial categories of description emerged from the analysis of the first eight transcripts.

At the end of the data collection process reflections on the quality and quantity of the data were made and the large number of statements drawn from the interviews provided a certain degree of confidence that it was not necessary to add further participants to the study. This was also validated at the peer conference

employed to add some inter-judge rigor to the analysis process. In the peer review comparisons of the pools of meaning were compared and are presented in figure 3.5 Finding a large degree of overlap in the identified pools of meaning that formed the basis of the categories of description.

3.4.2.1 Sample Criteria

The data was collected using purposeful sampling) as the participants were not chosen at random (Cohen, et al., 2000). All the participants had a shared experience in the phenomenon of capacity development about the social enterprise ecosystem in South Africa. This group would be as labelled by Patton (1990) as information rich in that they have experience of the phenomenon and context. My sample design, in reference to the recommendation outlined by Landreneau (2005) consists of the following categories including a selection of the setting, the target population and the homogeneity of the group. In terms of the setting for this inquiry, the participants are self-defined as actors active in the ecosystem of the social enterprises in South Africa. This is a specific setting but allows for several diverse perceptions, not only from the owners and managers of social enterprises, but also from those who use the services and those that may influence the development of their capacity by commissioning social enterprises as partners in assignments.

3.4.2.2 The Participants

All the participants for this inquiry operate within the social enterprise ecosystem in South Africa and they are owner/managers, employees and users of social enterprises and pre-social enterprises, employees of universities, business development organisations currently supporting social enterprises, or from macro level institutions, such as government, Donor and UN agencies active and interested in international development and the social economy. Whilst diversity in the experience within the social enterprise ecosystem is important, there are some homogenous qualities in the participants; they were competent in being interviewed in English and have experience of the conception of social enterprise and capacity development in the context of South Africa.

From the total group of twenty, 11 participants were owners and/or managers, employees, and users of social enterprises/pre social enterprises. Three representatives from universities or business development agencies or foundations providing training and support to social enterprises. At a macro level there were two government representatives, one from the Department of Social Development, who commission services from some social enterprises and an advisor to the South African President. Two participants working for UN agencies, one participant working for an International Development Foundation, and one person representing a foreign government donor funding programmes relating to the social economy in South Africa. Of the participants nine were women and eleven were men. Fifteen of the target population were South African, with the others being from Italy, Denmark, Australia, and Belgium. Of the 15 South African participants five self-defined as being Black South Africans, three preferring not to define and the final seven defining themselves as white or Afrikaans.

The people selected to participate in this research were invited through a variety of methods and approaches, some, through the Trickle-down Directory developed by Littlewood and Holt (2015), others through personal contact and some through referral by other people operating within the network. Whilst phenomenography is interested in the collective, not individual voices of the participants, the next section provides some information about the participants and their place in the social enterprise ecosystem in South Africa. In accordance with the agreement with the participants they are not identified directly or indirectly, although express permission was sought and given by all the participants with no concerns about being identified. For the sake of the following table, participants have been enumerated rather than given names or initials.

1 Statements 1-34	Owner-manager of a social enterprise working in the field of education and health education. This social enterprise is grounded in its locality and employees several local people as well as provides training for others. There are six centres across South Africa, each providing a range of community-based services and engaging volunteers. This social enterprise is one of the larger social enterprises with the capacity to provide meals, early child development, child youth development and career development to thousands of young people.
2 Statements 35-79	Manager of a branch of a large national level social enterprise specialising in the provision of food and food security through a system of providing food banks and working with partners to provide 29 million meals per year through a network of 1000 beneficiary organisations.
3 Statements 80 -112	A senior manager in a private sector foundation providing grants and training to potential social entrepreneurs. The foundation invests in entrepreneurs and social entrepreneurs and has provided support to more than 4,000 entrepreurs and enterprises that benefit women and young people, disabled people, and rural communities.
4 Statements 113- 153	Founder of a small social enterprise, launched in 2016 providing training and employment for profoundly deaf people, who are often marginalised in South Africa due to significant obstacles to participant in general education. The coffee shops and roastery offer employment and training and aim to bridge the gaps between communities.
5 Statements 154- 176	Employee of a UN agency, the International Labour Organisation, active in the development of the social economy. Based in South Africa. Working specifically on entrepreneurship development and a programme of social entrepreneurship development primarily in the Orange Free State.

6 Statements 177 - 212	Director of Social Enterprise Development for Flanders Government. Based in South Africa and collaborating with the South African government on the development of the white paper on the social economy.
7 statements 213 - 229	Head of Social Entrepreneurship Development at the Gordon Institute of Business Sciences (GIBS) Pretoria University in South Africa. GIBS have an established social entreprenurship training programme and a range of short programmes aimed at aspiring social entrepreneurs. This person has published on the topic of social entrepreneurship and later moved to work for the ILO on Social Economy development.
8 Statements 230 - 244	Beneficiary and volunteer of a social enterprise providing a range of services to disabled people. This person both uses the services of a day care centre and volunteers to support other service-users.
9 Statements 245 - 301	Head of capacity development for the Food and Agriculture Organisation (FAO), FAO is one of the specialized agencies of the United Nations and leads international efforts to eradicate hunger. FAO's goal is to achieve food security for everyone and to ensure that all people have regular access to high-quality food so they might lead active, healthy lives. FAO works in over 130 countries worldwide This person has significant experience of working in South Africa and the sub-Saharan region.
10 statements 302 - 344	Director of a South African NGO based in Kwazulu-Natal. Providing employment, training and cultural awareness challenging the prevailing views of African history. The site has a policy to employ and train local youth and provide careers by offering certified training in some of the jobs on offer. This person has a staff of more than 200 and sees the role of the cultural enterprise as providing jobs in a rural community, careers and education for the public that visit the site.
11 Statements 345 - 359	Adviser to the current South African President Cyril Ramaphosa. Manager of the Office of the ANC based in Johannesburg. This person is one of the key advisors to the current President, with a broad portfolio, including social development and the progress of the social economy white paper and has been an ANC activist for many years.
12 Statements 360 - 388	Department head in the Government Department of Social Development based in Cape Town. This person is a special projects coordinator, project managing a number of social inclusion projects and providing forms of grant funding to ngos and some social enterprises.

13 statements 389 - 420	Head of an NGO working on the development of the not-for-profit sector in South Africa and building on the work of Alan Kaplan. This person often facilitates the development of not for profit and social enterprises.
14 statements 420 - 433	Beneficiary in a social enterprise created to provide entrepreneurship education for young people. This person would like to establish a social enterprise. The training programme is of two years duration and includes technical and business skills and one to one coaching.
15 statements 434- 472	Founder and Owner of a social enterprise providing equipment for people with disabilities, and in particular disabled children. Employing, training, and promoting people within the company. The organisation has 30 years track record and has grown from being a one-person organisation, to employing more than 90 people. In it's 30-year history the company has faced many challenges. In the last decade a new CEO was appointed to provide a more stable financial foundation.
16 statements 473 - 507	Department head of a government Investment agency, providing seed funding for social enterprises and community based local economic development initiatives. Working on Development Impact, this person evaluates local economic development projects and social enterprises to understand if they are eligible for seed or grant funding. As an advocate of the social enterprise movement this person is interested on the development of new forms of social enterprise.
17 statements 508 - 523	Co-Owner of a social enterprise in the Western Cape providing entrepreneurship development for single mothers, by providing training, coaching and practical experience, linking to a wider network of clothing suppliers where the women that graduate from the programme can buy inexpensive clothes and establish their own businesses. The training also includes psycho-social support to address a wide variety of challenges and issues that the participants are dealing with.
18 statements 524- 542	Social enterprise owner and university lecturer. Advocating for the rights of disabled people, employing a small team, and collaborating with other social enterprises on issues relating to disability. PhD researcher into aspects of disability in South Africa, based in Cape Town.
19 statements 543 - 558-	Social Enterprise owner, founding a small but nationally based social enterprise providing inexpensive access to medical consultations using improved technology. Motivated to bring improved health services to rural communities. A qualified doctor based in Stellenbosch.

| 20 statements 559-591 | Senior manager working for the Yunus Foundation, in a Business Centre providing support, funding, and research in relation to social enterprise development and in particular fostering sustainable development. Primarily working in research. |

Figure 3.5 Pen pictures of the research participants

One of the key distinctions between a phenomenographical approach and a phenomenological approach to data analysis is the attention to individual or group. In phenomenography, the research works toward the creation of categories of description, these are not a reference to individual experience, but to the different ways in which a phenomenon is experienced. The focus of the research is the variation in the experience of the phenomenon, not why the variation exists or describing the phenomenon. Consequently, the individual statements and contexts are less important and therefore prominent as the categories. Phenomenograpy does not place a focus on each individuals contextual position, but on the variations that emerge at the level of the categories of description (Åkerlind, 2005; Åkerlind, Bowden et al. 2005). As a consequence, the focus of attention is not on the views of the individual stakeholders, but the categorisation of the variations in the way in which the phenomenon is experienced. To create the categories of description all of the statements from the participants are used and included, it is only by sorting and sifting these experiences can the categories emerge. The statements quoted in chapter four exemplify the concepts and ideas they are not meant to suggest that some of the ideas from the participants are better or more important than others.

3.4.3 Pilot Interviews and Interviews

The interview design was based on an approach proposed by Åkerlind (2005). The intention was to probe the areas, to increase the specific rather than general focus of the interview. This approach is similar to the funnel interview where the responses to more general questions are probed to increase specificity (Entwistle, 1997; Kvale and Brinkmann, 2009). The approach generally includes a contextual question and follow-up, probing questions, which aims to elicit the both the referential and structural experience of the phenomenon with concrete examples.

In order to test the questions four pilot interviews took place. The data from the pilot interviews was not included in the research data analysed. The participants were identified from the Trickle Out Africa Directory, (Littlewood and Holt, 2015) and through personal contacts of people working in the area of social enterprise and international development in South Africa. Those who identified themselves as owners or managers of the enterprises had self-identified as social enterprises. All interviewees gave consent to both the interview and sharing the data in the reports and write-ups of my research. The pilot interviews were only used for the purposes of testing the semi-structured nature of the questions and the reliability of data collection methods and to practise probing the data that emerged.

3.4.3.1 Reflections on the Pilot Interviews

The pilot interviews worked well. Feedback from the participants, as well as the results provided useful insights and therefore, the question areas were revised. The main revisions were to strengthen the probing nature of the questions and to ensure that concrete examples where possible were surfaced. Given the semi-structured nature of the interviews, it was anticipated that the conversations would and did vary. The revised list of question areas used for the final interviews can be found in appendix three.

The semi-structured nature of the interviews provided a great deal of information about the participants conceptions of capacity development. The flexibility of the semi-structure allowed for highly personalised and detailed accounts of the participants' conceptions.

Participants were also asked about their conceptions of social enterprise. Interesting data emerged which illustrated diverse areas of focus and discernment; some reflecting on a classic definition or description, with others reflecting on the potential as social enterprises as partners, and even as beneficiaries of international development themselves.

As previously reflected, one of the challenges of phenomenographic research is the notion of pre-understanding of the phenomenon by the researcher (Marton and Booth, 1997). As the objective is to accurately report the voice of the participants. To achieve this, pre-understanding should be "bridled", which essentially requires the researcher to hold back their pre-existing notions and conclusions (Dahlgren and Fallsberg, 1991). For a researcher, having prior knowledge and beliefs of the concept of capacity development, there was a required discipline not to 'contaminate' the research participants with the researcher's experiences or approval for their opinion and ideas. In a phenomenographic approach it is necessary to bracket or set aside the researcher's contentions in favour of an accurate and honest report of the conceptions of the participants. A discipline is required to desist from imposing or seeking validation for researcher pre-understanding of the conception during the interview process.

One aspect of learning from the pilots was that people gave more information if the interview started with questions, they found easy to respond to. Therefore, the opening question began by asking the participants to introduce themselves and their work, even if they were already known to the researcher. As some of the participants were more comfortable with the subject of social enterprise and beginning with that line of inquiry produced more fluent interviews than asking people about topics, they felt less sure about. Therefore, the starting point for the interview was always, tell me about yourself, but depending on their response the following line of inquiry was selected from either social enterprise first or capacity development first.

Another learning aspect from the pilot interviews was taking care not to lead participants to provide information the researcher believed to be important. This revealed itself in two ways, the first was to focus on what the participants thought was important rather than steering the interview toward different topics.

The second was more subtle but noticeable when participants sought validation or approval for their thoughts and ideas. A reflection of one interview was the participant appeared concerned with providing what they perceived as the 'right answer' rather than their considered view. This was addressed during the interviews by taking some time at the beginning of the interview to build rapport and to explain the process and why particular areas might be probed. Probing questions enable the researcher to ascertain meaning and not assume the understanding of an idea or concept is agreed. This is critical for good data collection. To address this, it was explained to participants probing of what appeared to be obvious statements and ideas and this was not a reflection on their ability to communicate, but a desire to ensure accuracy in understanding and ascribing meaning.

The pilot interviews were undertaken remotely, by Skype/Zoom. It was found that the conversations were not hindered and recording the sessions allowed transcriptions of the interviews to be made. Although there were occasional technical problems in the quality of the connection it did not significantly affect the data collection process. Skype/Zoom as communication tools were familiar to all the research subjects.

3.4.4 Transcribing the Interviews

The transcriptions of the interviews were completed using Nuance Dragon voice recognition software. According to Tessier (2012) the limitations of manually transcribing are centred on three main arguments, the first being reliability, the second is cost, both in terms of the amount of time required, but also money, and finally, the loss of data.

In relation to the last point, the potential for the loss of data, a question of what is counted as the data emerges and in addressing this question what is the distinction between data collection and data analysis? Ashmore and Reed (2000) reflect that as there is no possibility to go back to the data collection event itself, the researcher relies on the range of analytical objects available to them, such as recordings and transcripts. A consequence of this for phenomenographers is ensuring the transcript faithfully reflects not just the words spoken but also the other important non-verbal clues that were communicated and could significantly change the intention or communication. In this research moments of laughter, pauses and other non verbals were added to the transcription.

In addition, whilst all the interviews were conducted in English, for four of the participants English was not their first language, although all four of them worked in English as their professional language, it was not the quality of their spoken English, but more the lack of capacity of the researcher to, on first hearing understand every word which required further replaying of recordings to ascertain particular words or points faithfully. Where a word remained unclear it was marked in the transcribed text as (unclear) and then returned to on a separate occasion and replayed until it was understood. The tone of voice, moments of hesitation, the difference between a nervous laugh and someone enjoying a conversation all become so much more apparent when the researcher is required to repeat, read, and re-read each word

In relation to Tessiers first concern regarding the amount of time take to manually transcribe the recordings, whilst the Nuance Dragon Software did reduce the time required to transcribe interview, this is still a very lengthy process, although one of the clear benefits of this transcription process is that the voices of the research subjects are literally "in one's head" as the software, at that time, required the whole recorded interview to be spoken by one person. The benefits of carefully listening repeatedly to each word as it was dictated afforded the opportunity to memorise some of the of the tracts of conversation. This enabled an intimate knowledge of the content of the interview that would not have been possible by just reading transcripts and facilitated a more faithful representation of the participants experiences.

According to Åkerlind (2005) one of the most significant challenges in phenomenographic research is the large amount of data to be analysed and interpreted. In this research the shortest transcript was approximately 15 pages of text, with the longest being approximately 38.

3.5. The Phenomenographic Analysis Process

In phenomenographic research, data analysis leads to qualitatively separate categories that define the ways in which the research subjects experience a phenomenon. These categories emerge from the analysis of the transcripts.   Marton described the phenomenographical process as a journey of discovery and consequently there are few prescriptions on the phenomenographical analysis process. There is general framework, advocated by Marton and Booth (1997) which is made up of three basic stages; identifying and choosing the data that is central to the research questions, the process of sorting the data by examining the similarities and differences that emerge at a collective level and finally distinguishing the main features that delineate the categories. Dahlgren and Fallsberg (1991) offer a seven-stage process that is commonly used as the basic framework for phenomenological analysis. The stages are familiarisation, compilation, condensation, initial classification, preliminary comparison, naming of the categories and contrasting and comparing the categories.

3.5.1 A Seven Stage Process

The seven-stage framework advocated by Dahlgren and Fallsberg was employed to undertake to the analysis process for this study. The first stage is known as familiarization, this requires the reading and re-reading the transcripts of the interviews to become very familiar with all the content. Whilst the transcription was somewhat laborious and time-consuming process, it enabled the process of familiarisation, with fine details of each interview being remembered and recalled. An important aspect of the familiarisation process is awareness of the researcher desiring to bring her own assumptions and beliefs and attempting to shape the data before it has been fully absorbed and understood. In practise this requires a commitment and discipline to hearing the voices of the participants not attempting, in a procrustian manner to fit their experiences into a preconceived framework (Ashworth and Lucas, 2000; Dahlgren and Fallsberg, 1991).

This approach necessitates the researcher has some understanding of the reasearch topic in order to interpret the data gathered. However, it also requires a discipline to set aside preconceptions and judgements in order to ensure it is the voices of the participants describing their relationship with the phenomenon. In movng from the first to the second stage of the analysis process, care is taken to capture all the references made by the participants to the phenomenon. In this research the second stage is a compilation of answers to specific data, at this stage the most significant features of the answers given are identified. This was undertaken by manually noting statements and undertaking digitally, key word searches based on synonyms and antonyms of the key words. The results of the searches are shown in chapter four along with the associated findings. This is an important process and requires many iterations of reviewing the full transcripts and examining from different perspectives the data gathered. One of the rationales for this process is identified by Akerlind (2005b) as the core challenge of dealing with the large amount of data that needs to be interpreted. Making the data manageable is essential a strategy employed in this research was to begin by examining eight transcripts, then incorporating other transcripts and over a period of 18 months (part time) continue to remove data that was not relevant to the research aims and simultaneously read and re-read the data incorporated into what became the third stage of the analysis process.

The third stage is known as a condensation or reduction to find the core parts of the interview. This process entails selecting the actual statements. From the third re-reading of the whole transcripts, the statements where participants had reflected on capacity development and social enterprises in their broadest sense were identified. This was achieved through re-reading each transcript and undertaking word searches for different synonyms relating to the concepts.

591 statements were extracted from the 20 interviews. These statements were condensed into one document and each statement numbered. At this point the individual voices of the participants as individuals were less important and the emphasis moved to seeking to understand the similarities and differences at the collective level. This process enabled the statements to be sorted into preliminary themes. The condensed statements are presented in appendix one.

The fourth stage is the initial classification of the data, first into themes and then into tentative categories. I did not elect to use the software package Nvivo, or any other computer assisted qualitative data analysis software (CAQDAS) because I felt that the intimacy with the data could be best achieved by more traditional methods. I believe I gained a greater insight into the data by forming and reforming connections manually. The statements were cut into individual statements and pools of meaning emerged as ideas and themes formed, were merged, and were reformed and new insights remerged. The initial sorting of the categories identified 11 different themes, or pools of meaning. They are:

1. definitions
2. skills and knowledge

3. motivations

4. ecosystems/environment

5. organisational development

6. growth and transformation

7. human development

8. learning processes

9. lifelong learning

10. resources

11. leadership/government

The pools of meaning offered new knowledge insights and formed the basis of the findings.   For new knowledge to be accepted, it must pass several tests within a research community which results in confidence in the quality of the work. Often, these measures are captured as validity, reliability, and degree of generalisability.   These three conceptions have been described as the holy trinity of research. (Kvale, 1983) Although modernist and post-modernist views of validity and its relationship to truth theory have developed and changed, there is still an expectation within the research community that quality standards are applied and that other researchers can assess the research based on established criteria (Kvale 1994; Larsson, 2009; Sin, 2010).

3.5.2 Peer Review

There are some challenges associated with a more conversational approach to interviewing such as the researcher bias, where the researcher may, consciously or not, impose her own ideas and preunderstanding of the phenomenon. Bowden (2005) suggests this may be avoided by not introducing material that is not planned as a part of the interview design. It can also be achieved by asking more probing questions that produce concrete examples and fuller explanations and using the technique of bracketing the researchers own ideas regarding the data being collected. This is discussed in more detail in section 3.6 where a fuller discussion regarding research rigor is discussed.

Additionally, with only one researcher present during the interview, there is potential for different interpretations of the data to be missed. In this research, this challenge was mitigated by a process of inter peer judgement.

In research, validity is often assessed as the degree to which the research findings reflect the phenomenon under investigation.   A common criticism of phenomenography assumes that the demonstration of reliability of the findings is through replicability (Kerlinger 1973; Sandberg 1997; Sin 2010). The test being, could two independent researchers produce the same results if they were to analyse the same data? Marton (1986) exposes two issues for phenomenographers when addressing the issue of replicability; by posing the question "would other researchers reach the same categories of description as the original researcher"?

Marton posits that it would be reasonable to expect affirmation in the second contention, but not in the first, asserting that *"The original finding of categories of description is a form of discovery and discoveries do not have to be replicable. On the other hand, once categories have been found, it must be possible to reach a high degree of intersubjective agreement concerning their presence or absence if other researchers are to be able to use them"* (Marton, 1986:35)

In phenomenography, the researcher is not attempting to demonstrate "the best" categories of description, but the variance between the research subjects' experiences, to this extent there is no "right or wrong".

To address the issue of validity and inter-judge for this research, a small conference with other researchers was organised to examine the emerging pools of meaning and testing of the preliminary categories of description. Alongside the primary researcher were four other researchers, working in two pairs, each group was provided with the 591 statements. The pairs organised the statements into initial themes or pools of meaning and then discussed the conceptions that emerged in the pools. The table below compares the results of this first activity.

	Researcher 1 (primary researcher)	Research Pair 2	Research Pair 3
1	Definitions	Defining	Definitions
2	Skills and knowledge	Skills development	Skills
3	Motivations	Attitude/Purpose/goals	Motivation
4	Ecosystems/Community	Support and Ecosystems	Partnerships, Support Structures
5	Organisational Development	O.D.	Government and Governance/ Organisation
6	Growth and Transformation	Growth	Coaching and Mentorship
7	Human Development	Sustainability	Psychosocial
8	Individual Learning Processes		Learning activities
9	Lifelong learning	Learning: Time and Lifelong	Gaps Plans and Evaluation
10	Resources	Finance	Finance
11	Leadership/government	Strategy	Leadership and management

Figure 3:6 The Initial Pools of Meaning

There was significant overlap between the themes that emerged during the first part of the peer review. The differences were discussed, and it was evident that although some categories were labelled differently, the sorting process resulted in a strong co-relation. It was felt that there was extremely high intersubjective agreement on the ten pools of meaning, (1,2,3,4,5,6,8,9,10,11) representing over 90 per cent agreement. Preliminary sorting by the lead researcher had not been shared with the peers in advance of the event, which made the high degree of intersubjective agreement even more surprising.

One of the most interesting pools of meaning that was discussed was the pool numbered 7; Human Development, which upon further examination had also subsumed two other pools that had been named sustainability and psychosocial and later emerged as a very important category of description in its own right.

The peers called Research Pair 2 had made one large category relating to all aspects of learning, which had been divided in different manners by the other two peer groups. These pools were later reformed as category of description called capacity development as individual learning, which contained aspects of learning processes, preferences, and lifelong learning. Pool of meaning number ten, was labelled resources by the first researcher and finance by the other two groups, but the content was broadly similar.

The pools of meaning were further refined by the lead researcher to create the preliminary categories of description. In phenomenographic research, additional steps are taken to rigorously re-examine and if necessary, modify the categories of description. In this research, some statements were moved to different categories. It is also during this process that categories are added or deleted or further refined. This process continued until the point where the categories are consistent with the data gathered from the interviews. The categories are then named or labelled with the names emerging from the voices of the participants.

A second peer review activity, with the same group was undertaken to present the preliminary categories of description. The categories were presented, justified and discussed. The iterations in the development of the categories were reported and the pools of meaning mapped across the categories. This activity correlates with the fifth stage of the data analysis process, which is the preliminary comparison of the categories. Entwistle (1997) offers advice on taking care when developing the categories to ensure they reflect the responses from the participants and not the desired responses of the researcher.

The high degree of intersubjective agreement allowed the data analysis to continue with the final two stages. The sixth stage which is when the categories are given their final names and the seventh step contrasts and compares the categories and includes a description of the nature of each category and any similarities or differences existing between them (Dahlgren and Fallsberg, 1991; Orgill, 2002; Sjostrom and Dahlgren, 2002).

3.6. Research Rigour

Achieving Intersubjective agreement reflects one aspect of validity in research. Kvale (1994) proposes that validity comes from the quality of crafting of the research, through an iterative process of scrutinising, interrogating and interpreting the findings. The quality aspect in this process can be likened to quality assurance, where the quality is checked continuously throughout the process as opposed to the concept of quality control which only takes place at the end of production. Guba and Lincoln (1981) provide four criteria for addressing the quality and rigor in research findings. They are:

Credibility, which addresses the aspect of truth and validity in the findings and tests the findings in relation to the various sources from which the data are drawn. It is expanded upon in the following section.

Fittingness addresses the degree of applicability of the findings in other contexts and is also considered to be generalisability.   In this research, it is the degree of applicability to the international development community operating outside of South Africa. It is discussed in more detail in chapter six, where four further interviews with practitioners working in international development were exposed to the outcome space from this research.

Auditability concerns the consistency of the findings if the research were to be replicated and was discussed in the previous section relating to peer review and inter-judge; and

Confirmability considers that the findings are not a function of the biases and motives of the researcher and is related to the conception of academic rigour. Addressing bias begins with an acknowledge of the potential for it to exist and disciplines including journaling, bracketing and openness to interrogation from other researchers are a few of the ways in which confirmability may be addressed (Dahlgren and Fallsberg, 1991).

Central to the concept of rigour is the capacity of the researcher in crafting the research and making consistent decisions that impact on the credibility, fittingness, auditabilty and confirmability of the findings. Trem (2017) prosposes that in phenomenography the researcher requires adequate knowledge of the research subject in order to interpret the data and identify the variations of experience. In doctoral research it is often the case that the research is focussing on a field within their range of expertise. This is the case in this research, where I bring more than 30 years of experience in capacity development and over 25 years of experience of international development. Prior knowledge can be an advantage, (Bonner and Tollhurst, 2002; Unluer 2012), in that it can bring with it a good understanding of the social enterprise ecosystem, the concept of international development and the experience of working with all the different actors in the ecosystem, and enables the researcher to establish credibilty, which is a component of trust. There are also a range of potential disadvantages. These include challenges with maintaining objectivity, using prior knowledge as a bias to conciously or otherwise select or deselect participant data and as I found in my own case, as a lifelong trainer, an inate yearning to teach new ideas and concepts during the data collection interviews.

There are several strategies to overcome the challenges with maintaining objectivity, the first is understood as bracketing.   Gearing (2004) describes bracketing as the process deeply rooted in Husserlian phenomenology as a technique to set aside or hold back one's own presuppersions, bias and assumptions. Deriving from mathematical equations where some information is set outside the brackets to enable focus on the conceptoion or phenomenon inside the bracket. One example in this research was noticing that my own preference to the term capacity development is based on an idea that capacity already exists and needs to be drawn out and developed was not shared by some of the participants who

referred to a concept of capacity building, which in my own pre-cognition implies no prior existence of capacity. Acknowledging to myself that I found the lack of distinction irksome, enabled me to quell the desire to explain to the participants what, admittedly, in my own opinion was the most appropriate term.

Another strategy to help to mitigate the introduction of content I as the researcher was predisposed to, is built on an explicit commitment to honestly capturing the experiences of the reflected the participants brought. An example of this was ashamedly saying to a fellow researcher that one of the interviews was not very good. I was not reflecting on my abilty to interview, but that the participant did not have a lot of experience to share. It was only later that I realised that all the interviews were meaningful because they each afforded the opportunity to find out something, so they each brought meaning. What I had learned, through reflection is that my evaluation was inappropriate and I was judging the quality of the data gathered by my own pre developed framework of what kind of data I wanted to collect, rather than a more honest approach to examining and interpreting the data that was gathered.

Awareness of one's assumptions and bias can be brought to light through processes of reflection. As this is not a normal learning preference for me,it had to be developed as a habit to make notes about what I thought and felt after each interview, noting where I felt pleased as well as iritated and consider the implications of those feelings on my practice as a researcher.

These moments of reflection and bringing about my own wider awareness enabled me to operate as a more reflexive researcher, (Johnson and Duberley 2004) this means that during the data collection processes, I was able to notice and adjust my approach in the moment, and would include decisions to probe futher, stop talking, hold a silence, explain why I was re-asking a question or move on.

3.6.1 Validity and Reliability

Historically, the concept of validity has its roots in positivist philosophy and reflected the statistical correlations that demonstrate a correspondence of test results and the external criteria in question. In naturalistic research philosophies, and the social sciences, new definitions of validity have emerged that depart from statistical correlations and relate to the methods of investigation and consider the degree to which they examine and reflect the phenomena in question. (Bowden, 2005; Kvale, 1994; Larsson, 1993; Sin, 2010). Consequently, it is argued that the definition and treatment of validity in social research has legitimacy when it is refocused away from the idea of knowledge being defined as a reflection of reality, to an understanding that reality is socially constructed (Cherryholmes, 1988; Kvale, 1994; Mishler, 1990).
This research addresses transparency in both the research process and in the iterations of the process of creating the outcome space. According to the literature the processes undertaken to arrive at both categories of description and outcome spaces are not usually reported or published. A part of the contribution of this research is to detail the iterations undertaken, particularly in the creation of the outcome space. In chapter five there is a much longer discussion of that process in this research. Before jumping

too far ahead, the next section examines the process of analysing the data from the 20 semi-structured interviews and addresses some of the other quality issues relating to reliability of the research data and findings.

3.6.2 Generalisability

Discussions within the research community also consider if it is possible to generalise qualitative research findings. Part of the debate is centred the notion that there are no context-free meanings and qualitative research about finding out, consequently trying to generalise the findings to different contexts is not appropriate. An alternative view suggests that it is both desirable and possible to generalise and apply the findings more widely and one way of doing this is to consider similar contexts and recognition of patterns (Larsson, 2009; Mason, 2002; Schwandt, 1997; Silverman, 2010).

According to Sin (2010) generalisability can be thought of in terms of transferability. She explains this as the degree to which findings may be utilised or applied in other contexts. This is a form of external validity (Kvale, 1989; Sin, 2010). However, there are also distinctions between the two concepts. Both transferability and external validity address the utilisation of the findings in different contexts and the researcher may share the findings allowing the community of interest to reach conclusions regarding transferability.

The conclusions from this research are centred on the social enterprise ecosystem in South Africa. The research was not conceived to examine other sectors or country settings and the findings are specific. However, there may be some degree of generalisability of the outcome space. This is discussed further in chapter six, where discussions with practitioners in international development about the outcome space are reported and their feedback elicited as to the potential for the transferability of the outcome space.

3.7 Conclusions

This chapter has presented the philosophical rationale and context for the research and explained some of the distinct features of phenomenography, the chosen research methodology, such as second order thinking, categories of description and the outcome space. It also charts the decisions and main activities relating to the data collection process and the seven-stage framework employed to analyse the data.

There is no evidence of research published using phenomenography to examine the variations in the conception of capacity development or within a social enterprise ecosystem. Phenomenography's second order perspective gives voice to the participants of the study and in when applied to the social enterprise ecosystem in South Africa is uniquely able to offer an understanding of capacity development as it is experienced by the stakeholders. To date, most research approaches take a first order perspective and therefore reflects contributions to what something is, rather than the variation in the experience of a phenomenon. By including donors as stakeholders in the ecosystem, rather than outside the ecosystem there is the potential to include in the research, their perspectives that is often absent.

It is not only the finding of this study that aim to contribute to the body of knowledge, but also reflections on the processes adopted and adapted. Unlike may phenomenographical studies, this research also charts the iterations and decisions made developing the outcome space and challenges some of the traditional thinking that has assumed categories of description must be hierarchical in their relationship. This point is discussed in depth in chapter four, where a new way of defining the categories of description is offered.

Phenomenography emerged as a research approach to examine aspects of learning. It is grounded in studying discernment and the variation in experiences. Capacity development is also concerned with aspects of learning. There is some satisfying consistency in this research between philosophy and theoretical perspective and the decisions made regarding methodology and methods.

Chapter Four

Findings Relating to the Categories of Description

4.1 Introduction.

This is the first of two chapters that critically examines the findings from the data gathered from the actors in the social enterprise ecosystem in South Africa. The overall aim of this research is to inquire into the capacity development needs of social enterprises and the social enterprise ecosystem in South Africa, in order for social enterprises to become more sustainable and credible partners in national and international development. To address this question, three further lines of inquiry were developed:

1. How do actors in the social enterprise ecosystem perceive capacity development?
2. What are the variations in the experience of capacity development?
3. Is there a new approach or model that can assist in assessing and developing capacity?

In addressing the first line of inquiry, twenty semi-structured interviews with purposeful sampling of actors in the social enterprise ecosystem in South Africa were undertaken using a second order approach to the interview and data analysis. This placed the emphasis on the relationship between the participants and their conception of capacity development, using their own words to express and reflect on their perceptions. The variations in the participants responses were organised into five categories of description. These exemplify discernment of what capacity development is and how it is experienced, referring to the entwined nature of referential and structural aspects of the conception. Emerging from the categories is the outcome space, which is designed as a model, and addresses the third line of inquiry. The findings relating to the outcome space are examined in chapter five and discussed, along with the findings from this chapter in chapter six.

The results of the phenomenographical process distilled the 20 interviews into a total of 591 statements directly from the research participants about their experience of capacity development.   The 591 condensed statements can be found in annex one. From the data, twenty-one separate findings emerged. This was a surprisingly large number. The findings reflect the degree of variation within the actors in the social enterprise ecosystem in South Africa. Additional findings that relate to the correlation between the findings from the five categories of description and the outcome space are as discussed in chapter six.

One aspect of this research is to understand the variations in the participants' conception of capacity development. The aim of acquiring a clearer understanding is to support the development, implementation and measurement of appropriate capacity development initiatives within the ecosystem and in doing so, encourage the creation of sustainable and credible social enterprises.

The categories of description emerge from the variations of the participants experiences of capacity development. As mentioned in chapter three, Marton and Booth (1997) view the variations of the conception as reflecting different facets. These variations together express a synonym for the concept in question. In this research the conception is capacity development and the five categories of description together convey a more holistic view of capacity development in the social enterprise ecosystem in South Africa.

4.2 The Five Categories of Description

Of the five categories emerging from this research, the first category: **Capacity development as individual learning interventions** is significantly larger than the others, with 286 of the 591 participant reflections relating specifically to this category. The experiences reflected in this category talk from a range of perspectives and in different voices about learning as an individual activity. Sometimes this is related to education from school to university and post-doctoral studies, and on other occasions it refers more directly to the experience of training and short courses, or non-group learning activities such as coaching and mentoring or learning on the job.

The second largest category is **capacity development as organisational development**. In this section the participants shared their experience of learning or development at the level of an organisation, both within and for the advancement of the organisation. This referred not only to the development of social enterprises but also other organisations which play a role in the social enterprise's ecosystem.

The third category relates to **capacity development as community development**, where it is perceived as a vehicle for community strengthening; from the perspective of many of the actors in the social enterprise ecosystem this is a significant function of social enterprises and is both a conduit for the government to intervene at a community level and a link to international development agencies often concerned with the degree of outreach of the projects and programmes they initiate and fund. This category also reflects the participants' experience of communities of practice and who could or should provide and facilitate the learning within the social enterprise ecosystem.

The fourth category reflects the participants' experience of **capacity development as government and public sector development** and identifies issues of sustainability and leadership as central motifs of capacity development in national development; namely the government has a legislative responsibility which creates an environment enabling or disabling social enterprises from fulfilling the role they have self-determined.

The fifth and last category of description is experiencing **capacity development as human development.** This relates to the capabilities approach expounded by Sen and Nussbaum and is introduced in chapters one and two and further discussed in chapter six. The human development approach underpins many UN agency approaches and interventions and is inextricably linked to the Human Rights enshrined in The Universal Declaration of Human Rights. The reflections on capacity development as human development are deliberated from two ends of the telescope; as a micro level intervention, often delivered by social enterprises for their staff and service users and from a macro perspective in terms of the role that donors play in supporting government to scale up and create impact at a societal level.

Presented in table 4.1 are the categories and the number of associated statements. The process used to arrive at the final categories involved taking the initial pools of meaning and grouping them into distinct categories. As a consequence, each category contains a number of subcategories. This was a long process

and in terms of validation was tested and shared and tested with a group of peer researchers, as outlined in chapter three.

Table 4:1 The Categories of Description	
Category	Number of statements
1. Capacity development as individual development.	286
2. Capacity development as organisational development	102
3. Capacity Development as Community Strengthening	81
4. Capacity Development as Governmental and Public Sector development	60
5. Capacity development as Human Development.	62
Total number of statements	**591**

Table 4:1 The Categories of Description

4.3 Capacity Development as Learning

A general observation of the 591 statements collected during the research process showed that 345 of them related to the conception of learning in one form or another. The reflections gathered through this research reveal capacity development conceived as individual learning as well as learning in groups, both in training, education settings and qualifications. Referential reflections often define and describe facets of capacity development as types of learning interventions, including the skills, knowledge and attitudes and extend to deliberations about learning on and off the job, planned and unplanned, learning from experience and learning strategies such as coaching and mentoring.

Structural reflections revealed attitudes toward different learning strategies and for whom different types of learning are most appropriate. There was an interesting variation in reflections on learning, ranging from the participants' own education and learning processes, observations of learning needs of themselves and other professionals in the social enterprise ecosystem and learning for the beneficiaries or clients of social enterprises. It is apparent that many of the participants interviewed hold master's degrees or doctorates, whilst many of the beneficiaries for whom they provided training and educational opportunities had not completed primary or secondary education.

The participants also revealed variations in how organisations learn and their experience of the relationship between learning and sustainability and credibility. The reflections of capacity development as community development brings into focus how social enterprises can learn from each other if they have adequate communities of practice. From the research, there were clear signals of what the participants believed social enterprises need to address in order to become sustainable and credible, but there were also reflections on what government and the donors needed to learn. Finally, the capacity of learning to learn as a fundamental component of human development was surfaced and reflected in both how to support

people that have to date little or no experience of the world of work and how to provide learning for staff that have been recruited to work in social enterprises.

4.4 Capacity Development as Individual Development

> *capacity building **in the individual sense** is taking people on a journey from being uneducated towards better educated or towards more educated.* (Statement 53).

It is unsurprising that the category of capacity development as individual learning was by far the largest, with 286 statements. Learning is not always perceived as formal education or training; in fact, several participants were explicit in recognising that not everyone has the opportunity to complete school as formal education, even if education is perceived as one of the ways in which people can escape poverty. Poor parents maybe cannot afford to send their children to school, or due to poverty in the family children do not complete their education but engage in livelihood activities instead. This included the owners and managers of social enterprises and was not just a reflection of service users.

There are five findings that specifically relate to the category of description as individual learning. They emerged from an analysis of the themes or pools of meaning and were originally identified as subcategories. All of the findings relate to the concepts of credibility or sustainability. This is further examined in chapter seven where table 7.1 which correlates the findings with the main conclusions of this research.

The findings that emerged in this classification centred around the content and processes of learning. It addresses types of learning interventions which included formal learning interventions such as education, and other less formal interventions such as training, coaching, mentoring and learning from experience, including project working, secondments, and learning on the job, or by doing.

4.4.1 Finding One: Variations in Learning Preferences

> Individual *development capacity building is more about learning by doing and it's learning by experience. (Statement 570).*

The different learning preferences of the research participants often surfaced during the interviews. Whilst some participants identified learning with formal education institutions or attending conferences, others reflected that capacity development is something that can take place both on and off the job (Statements 146, 168, 490, 491, 530) reflecting their experience of learning by doing or "*learning by failure*". (Statement 146) Some of the participants in this research took a pragmatic approach, perceiving capacity development as the main vehicle to help social enterprises improve both the quality of their services and the delivery mechanisms. Others were more focussed on the relationship between theory and practice, and some recognised the importance of the capacity to self-reflect. (Statements 18, 156, 229, 325, 406, 444, 168, 171,273, 295, 339, 419, 420) These variations reflected a range of on and off the job activities and learning both planned and unplanned. Whilst capacity development is not a euphemism for training, one might be forgiven for believing it to be so. Very often the terms are used interchangeably, which obfuscates the wide

range of other learning activities and interventions which could also be included as legitimate approaches to capacity development. These include reading, study tours, project work, attending conferences, on the job learning such as delegated tasks, online and distance learning, self-study and coaching and mentoring, to name but a few (Statements 5, 62, 113, 165, 223, 355, 376, 473, 345,560, 571,576, 577, 578).

The participants made 43 specific references to the use of coaching and mentoring to develop capacity. (Statements 86, 93, 95, 173, 174, 218, 278, 281, 340, 342, 343, 408, 409, 410, 411, 412, 413, 414, 443, 466, 507, 521) Whilst some people warmly welcomed coaching and found it to be very effective (statement 218, 278, 280, 408, 413, 507, 521), because as a method it validates peoples experiences and addresses capacity development issues, for others, the concept of coaching was not always welcomed, captured in the exclamation from one of the participants who said" the *word makes me feel ill" (statement 343)*. The terms coaching and mentoring is used as a phrase as familiar as 'eggs and bacon', as with statement 507 often there is no distinction between the two interventions.

The participants in this research generally perceived coaching as a positive intervention for themselves, and both coaching and mentoring valuable for beneficiaries of social enterprise services as a method to augment learning acquired through training courses, as it can aid the transfer of learning to the work environment (statements 218, 278, 408, 521).

There is some caution about who the coaches are and their background and experience. It is not uncommon for coaches to come from government or private industry, and often in these situations they often do not have the credibility to create a strong and trusting coaching relationship with the owners and staff of social enterprises. People from the social enterprises want coaches that have "walked the walk" and be able to demonstrate they understand what social enterprises are going through (statements 164, 181, 403, 467, 484, 507).

4.4.2 Finding Two: Learning and Education for Social Enterprise Managers

It was apparent that when reflecting on their own learning, the participants often referred, in a phenomenographical sense, structurally, to university level education. For some of the participants the subject of their university education defined a part of their identify and was revealed in statements such as 'I am a journalist' or I am an accountant by training'. There are several universities offering courses aimed at social entrepreneurs, such as the Social Entrepreneurship Programme offered by the University of Pretoria's business school, the Gordon Institute of Business Science (GIBS). The programmes at GIBS are usually a minimum of one year in duration, but they also include some shorter training programmes in their portfolio (statement 216).   The participants reflected that management education delivered from universities needs to reflect the context and needs of social enterprises as distinct from traditional types of management education:

> *About the capacity development? I think what we have realised is that we cannot just push repeat on a typical management education programme that we do in the business school. (Statement 228).*

When universities have provided masters programmes in business administration, (MBA) this is often perceived as a useful route for someone aspiring to develop a career in business, providing a rounded view of the disciplines required to successfully manage and lead a business. However, some participants felt this type of learning was not appropriate for people working for social enterprises:

> *I think the whole education system or the education that a lot of people going into the private sector or MBAs etc., it's all… It brainwashes people to a certain mindset and I don't know if it's that easy to change that. (Statement 203).*

There are two reasons for this, the first, as the quote implies is that social enterprises are often perceived and discussed as 'disruptors' (Silber and Krige, 2016), meaning social innovators who challenge the status quo rather than perpetuate it (statements 34, 110, 179, 230, 257, 403,424, 425, 430, 431, 433, 499, 501, 563). It was clear that whilst participants felt that the skills and knowledge of managing and leading a social enterprise might be similar to that of a traditional enterprise, the context was very different and required a different approach. The second and less obvious point is that many social enterprise owners and managers have not graduated from university and the university system appears far outside their cultural experience and expectations.

4.4.3 Finding Three: Training and Group Learning

> *Capacity development could mean training home based care workers, building in capacity but it is about growing someone's ability, **it's basically skills training** that's what it is. (Statement 87).*

One way in which the participants experienced capacity development, is group learning, such as action learning sets and more often in the form of training, for which there are 128 direct references and many more indirect references. Training is perceived as distinct from formal education and described as short programmes or workshops, usually lasting between one to five days (statements 63, 92,166, 169, 219, 260, 261, 299, 363, 416, 456).

In some instances, training is perceived as both on and off the job and as a mixture of shorter interventions, lasting for a few days, to longer training programmes which could last up to two years but would be part-time so the participants of the programmes could apply the learning to either their work or starting up their own business. These longer programmes are generally provided to the beneficiaries of social enterprises whilst social enterprise staff most often participated in shorter training events. To some extent, the longer training programmes are similar to more formal education programmes such as those provided by technical colleges or universities, but often without nationally recognised certification, and usually with a less demanding curriculum which both incorporates the capacity to learn and life skills as well as the skills, knowledge and attributes, such as entrepreneurial skills to undertake the work, or grow the enterprise they wish to develop.

The shorter programmes tended to place a focus on learning new skills or new knowledge. Skills development also addresses identified skills gaps in social enterprise staff, such as finance, information technology, or a broader range of so-called soft skills relating to human relations and interactions or the social side of management and leadership. Longer programmes are often designed also to address mindset and how people think about themselves, with the aim of building self-confidence, self-worth, resilience, or agency, so they are in a position to make good decisions and choices:

> *So, what are the skills I think people need. I think its basic management and individual coaching, I think a lot of it is confidence building and validation. (*Statement 218*).*

4.4.4 Finding Four: Business Finance and Administration

The lack of capacity to think and operate as a business is a general criticism of social enterprises by the participants, as it impacts on both their credibility and sustainability. This is particularly the case when managers have more experience of fund raising and spending a budget rather than developing the capacity to keep running costs low, reduce wasteful expenditure and develop a keen eye on the bottom line (statements 49, 110, 182, 210, 293, 519).

There were also several reflections that social enterprise staff need to be better administrators, have solid business skills and be able to business plan (statements 50, 110, 293, 519). For some of the participants the content of the learning went hand in hand with personal development and confidence building. (Statements 11, 76, 122, 132, 144, 218, 222, 225).

The participants' experiences of skills development lead to an area of overlap between the development of the individual and the development of the organisation; some of the statements reflect on developing the organisation by selecting the right people, or providing adequate training and development, so the individual can lead the organisation, manage finances and business administration or people. However, this is not always the case, and a number of participants reflected that whilst their organisation has a role in developing the capacity of others, when asked about the development of their own capacity they found they could not answer the question well, citing that there was little budget for staff development (statement 200), and *"you're so focused on spending all of our money on the very individual beneficiaries that we are focusing on their lives, for whatever objective, and you forget to capacitate your people".* (Statement 514).

Focussing on the specific skills required by social enterprise staff, the participants identified financial management, business skills and leadership skills as three of the key skills sets required by social enterprises. As some social enterprise owners and managers have migrated from civil society, they do not always have adequate financial or business management skills to grow their social enterprise. Some of the participants reflected that this skills deficit was also true of many small enterprises, where the owners had developed their business because they had a particular skill set, and consequently, the technical skills associated with business administration are often missing *(statements 50, 52, 91, 110, 191, 238, 29, 519).*

4.4.5 Finding Five: Individual Leadership Development

I think one of the big skills that is often overlooked is **individual leadership skills**. (Statement 218).

Leadership skills were discussed from three differing perspectives; the first as an individual skill set, for owners and managers of social enterprises and the second from the perspective of capacity development as organisational development, where leadership is contextual and a part of developing the social enterprise and its mission and mandate. The third is a macro perspective, reflecting the role of government to act as a leader or catalyst in developing the space for social enterprises to flourish and grow. Other references to leadership as individual development reflected on how coaching and mentoring can be holistic ways of supporting leadership development, as it is perceived that the owners and managers of social enterprises do not have strong leadership skills and given the range of different leadership styles it would be valuable to develop a strong leadership capacity (statements 25, 27, 30, 31, 50, 111, 509).

> *The difference is more in the mindset and how you run your organisation. traditional business models for instance, they wouldn't deduct social costs or environmental costs etc. But in social enterprise models they have to take all of that into account and it's a different mindset. It's different. So, I think that the training needs are different. That's what I said in the beginning. It's not always easy to find trainers who get that.* (Statement 210).

One aspect of leadership is mindset and the participants generally acknowledged that those managing social enterprises require a different leadership style and mindset from those people running not-for-profit organisations and from those running traditional businesses. There should be a preparedness to learn from different perspectives and be exposed to "*new ways of doing things in innovative way* (*statements 161, 238, 571, 589).* A part of the perceived challenge is particularly for people from an NGO background who may have less of an entrepreneurial mindset, requiring new skills, strategies and different operational issues from the traditional fundraising and budget spending approach.

There are several different reasons people found themselves working in the social enterprises ecosystem: their life experience of dealing with disability, midlife crises and wanting to rethink about legacy and contribution to society, growing up in an unequal society and wanting to challenge the status quo, were just a few of the drivers quoted by the participants (statements 60, 143, 482). Some of the reflections articulated the idea of the mindset required to run a social business as being both distinct from that of traditional businesses and from the not-for-profit sector; there is often a feeling of being misunderstood by those outside the social enterprise ecosystem, and to some degree even by those inside the ecosystem. Other reflections on mindset are the need for donors to change their mindset in relation to the potential of social enterprises, this is discussed more fully later in this chapter with reference to the mindset of donors.

4.4.6 Reflections on Capacity Development as Individual Development

Individual development is one distinct way in which the participants in this research experienced and understood the phenomenon of capacity development. In terms of their referential aspect, participants

defined it as a variety of learning activities spanning both formal education and more informally as training. They believe that social enterprise owners and managers need to develop improved capacities to lead and manage their enterprises. This included managing the business aspects of financial management and business planning.

There is an overlap between the first category of capacity development as individual development and the second category of capacity development as an organisational development strategy, as it is often the development of the capacities of individual managers, owners and leaders which is perceived as leading the social enterprise to new and more sustainable levels. There are views from the participants that social enterprise owners and managers need to have better business administration skills, be more efficient in running their organisations and measure the impact of their work (statements 50, 110, 235, 293, 351, 499, 519). In the next section, the variations in the perspectives of capacity development as the organisation develop are discussed.

4.5 Capacity Development as Organisational Development

> *I've realised that our weakness is in not having this, not just not having the processes and the systems, but not having the language to talk about it, so that's where I'm investing the next two years of my work, is if we can create real, truly unique* **organisational development systems**, *which talk to social enterprise. (Statement 452).*

Capacity development as organisational development was the second largest category of description, with 102 statements relating to the conception There are five findings that relate to capacity development as organisational development. As with the first category they emerge from the analysis of the data as pools of meaning. Capacity development as organisational development surfaced ideas regarding context, strategy and vision, developing systems and quality standards such as the International Organisation for Standardisation (ISO) standards. It also included leadership style and developing the team.

4.5.1 Finding Six: Strategic Development

Capacity development as organisational development is reflected in the aspect of taking the enterprise forward by developing a strategic plan based on understanding the context of the environment in which the organisation exists, defined as the market, geography, sector or ecosystem. It also relates to the legislative/policy environment and the macro economic situation. In terms of context, one of the first variations apparent in this section is the determination of social enterprises as either for profit or not for profit. There was a clear divide, with some participants categorising social enterprises as private sector and others seeing them as not for profit (statements 71, 110, 164, 199 203, 208, 252, 255, 289, 474, 475). This definition, or current ambiguity in definition, has a direct impact on whether social enterprises can access funding from public organisations or not. Some donors are clear *"…within the whole debate on private sector development and private sector engagement we would consider social enterprises in our definition of private sector. Yes, other donors would put them apart, but for us they're in"*. (Statement 208)

As some of the participants highlighted, there is a link between context and vision. If it is not clear if a social enterprise is third sector, private sector or what hybrid in this context means, it is harder to develop and work toward a vision and to measure the results. Clarifying the context allows those in the social enterprise ecosystem to have a clear vision of what they are and, as importantly, what they are not:

> ….and it's about building the organisation around those visions. And I think that for me is what capacity building is, is once you have a clear strategy of where the organisation's moving to, how do you grow that and with whom? (Statement 125).

The participants in this research talked explicitly about a vision on nine occasions, directly linking the vision to sustainable development and building the enterprise around visions of a more just and fair society, as well as the strong and direct relationship between the vision held by the development community and the vision held by the owners and managers of individual social enterprises. Some of the participants were explicit they were talking about a vision, not a vision statement, and perceived a vision as something of a rallying cry to mobilise to and feel passionate about (statements 124, 125, 260, 309, 497).

In terms of the relationship between vision and strategy, (statements 124, 125, 246, 252, 260, 309, 497) the participants reflected the importance of developing a strategy from a clear vision and cited examples of using a coach to help develop not just a strategy, but the whole person:

> I don't know, sometimes I think coaches. On the leadership side, coaches definitely. Business coaches because they deal with the whole person. I don't think it's fair, I don't think it's the right strategy to just focus on how you grow a business. I think you've got to work on helping that person to manage and to be comfortable to try and help them to be comfortable that what they're doing is enough. (Statement 111).

Participants also provided examples where they had used a workshop setting of two days duration to develop strategy, this being a distinct learning activity different from training. Workshops are delineated as not being used to teach in the traditional sense, but more to facilitate; drawing out the requisite ideas from the participants and creating the social enterprise strategy, rather than explaining what strategy is and where the concept came from, although some participants felt that workshops do not have an academic gravitas and perceived that as a disadvantage (statements 220, 465).

4.5.2 Finding Seven: Leadership in a Social Enterprise Context

> There are three key functions, that are management, governance and leadership. And we would support them to increase their learning in these three areas. It's a big important priority. (Statement 291).

Some of the participants acknowledged that even when there are similarities in the development needs of traditional business entities and social enterprises, such as governance, management and leadership, social enterprises may have a greater obligation to be transparent, manage well and provide a different kind of leadership than traditional business entities (statements 182, 210, 296, 436). The participants considered the importance of developing an appropriate leadership style to reflect and perpetuate the organisational culture, especially for non-profit organisations seeking to become social enterprises. This discussion is differentiated from the findings in capacity development, as individual development applies

specifically to the application of leadership skills and qualities for the development of the organisation. Generally, an authoritarian leadership style is not considered appropriate for social enterprises, which tend to be run on more democratic principles and often incorporate into their constitution or identity the principle of democracy. This does not however exclude individuals sometimes adopting more authoritarian approaches too (statements 26,28,38,48, 289, 291). The reflections on leadership also explored the specific culture of social enterprises and the problems encountered when working with organisations and businesses which do not recognise that differences in culture may result in variations in the ability or inability to adopt a course of action. One of the participants explained the importance of taking the mantra of inclusive development within the enterprise: "*you cannot just fire somebody because they're different or not complying with what you need*" (statement 438). Cultural development also means bringing glimpses of external cultures into the enterprise; for one enterprise this means to bring in 'deaf culture', by training deaf people, who have often been marginalised in South African education and work cultures to become baristas and introduce sign language for customers.   Occasionally, the participants described their role in challenging traditional or societal cultures that have limited peoples' capacity to do something, such as mainly low educated single mothers becoming economically independent, enabling them to escape from abusive relationships. Another dimension of leadership is the notion that the culture of social enterprises is distinct and different from that of traditional businesses and consequently their development needs differ too (statements 29, 34, 131, 189, 482, 496, 497, 514, 527).

4.5.3 Finding Eight: The Team

There are twenty references to the team or teamworking (statements 127, 223, 248, 276, 308, 339, 393, 443, 454,462, 465, 488, 520, 536, 556, 571). Many social enterprises explicitly adopt an inclusive approach to employment and include people generally considered to be harder to employ and invest in their development. In doing so, they make a longer-term commitment to those individuals.   Some of the participants recounted examples of unskilled people recruited to work within social enterprises and with support and training progressing into semi-skilled, skilled and supervisory posts. (Statements 64, 461):

> We employ people directly from the community. And that requires that you train. So, we have a fairly comprehensive sort of training programme in the various skill". (Statement 320).

Consequently, working for a social enterprise often implies a greater degree of commitment to staff and volunteers than a traditional business might (statements 60, 119, 124, 164, 173, 176, 177 320, 461 556, 588). On the one hand, this can be a challenge, particularly in the arena of making business decisions, where many people expect to influence key decisions, even if they have little experience of the issue in question. However, a positive result of this type of inclusive development is a commitment, ownership, and loyalty that traditional enterprises could only dream of, exemplified by one of the participants:

> I have the most remarkable, diverse team of really unique strong-willed people who all share a common purpose, but I think what we need is that, clearly between the individuals, the thing we

call organisation, to be even more strengthened, so that people never think about themselves, they think just about the organisation, the glue in the middle. (Statement 454).

There are also examples of buying in the more professional skills required in the enterprise and recruiting people who are over-qualified for the role they take on (statement 516). This aspect of organisational development is based on selecting the people that might be over-qualified for the job or willing to work for a lower salary because they want to feel they are contributing to something worthwhile and that they can make a difference.

The individual development of staff is seen as a key strategy to developing the organisation, manage finances and business administration or people:

It's about building each other and it's only through that that the social enterprise can then develop, because it's those conversations that grow an organisation and if you're having the wrong conversation, it doesn't matter. (Statement 465).

4.5.4 Finding Nine: Resources

We need organisations that are willing to move from traditional non-profit organisations and have an inclination to want to move towards financial independence, a greater level of impact and self-sustainability. (Statement 43)

The participants were unambiguous in expressing the need for social enterprises to move away from the traditional not for profit organisations and cultures and be willing and adept in achieving greater levels of financial independence and self-sustainability (statements 42, 43, 215, 238, 241 371,425, 498). A move toward financial independence brings about not only financial independence and stability, but also a stronger position at the negotiating table when working in partnership. If social enterprises are completely reliant on donors for funding, they are in a weaker position to negotiate on issues such as programming, target groups and operational planning and alignment with their own longer-term vision and strategy. Resources may appear to be related only to the aspect of sustainability, but on closer inspection, a well-run and resourced enterprise also has status and credibility and with it, increased power.

Several of the comments from participants revealed how social enterprises meet and network with similar types of organisations to learn from each other and help to shape and change their thinking about cost savings. There are also examples of innovating around finances (statement 346).

For social enterprises managing material resources ranges from creating goods and services to sell, and all that is associated from working with suppliers to get raw products at the right price and time, to ensuring adequate quality, packaging, marketing and sales. According to some of the participants, running a social enterprise brings with it additional responsibilities that take into account not just social and financial concerns, but also environmental safeguards, such as responsible sourcing of raw materials, the management of waste, the reduction of the carbon footprint and often advocating a local supply chain (statements 117, 157, 210, 355, 482).

In terms of financial sustainability, the issues are not only related to managing financial resources. One of the problems donors face in engaging with social enterprises is that their historic relationships have been with not for profits, so mindsets and operating procedures are not able to take into account working with social enterprises. It is not only the donors in this position; national development actors are also unsure about financing for social enterprises. This issue is further discussed in the section on capacity development as human development.

4.5.5 Finding Ten: Environmental Stewardship

Many social enterprises in South Africa, as in other places, are actively engaged in environmental protection and advocacy for more sustainable environment behaviours:

> *…the culture and the ethics are important so all businesses require certain information they need to be able to sell a product, market a product or produce a product, quality, consistency scale etc. all of those things are uniform to most enterprises where the difference comes in is the maximisation of profit, I see some of the other impact that you achieve in a* **social, the environmental side** *also be seen as an outcome or as some sort of capital if you know what I mean. (Statement 497).*

In most countries, including South Africa, the definition of social enterprise includes a recognition of ethical practices and this may often be defined as environmental stewardship or other forms of social and environmental considerations and results. For those social enterprises not directly engaged in environmental protection, they often align environmental sustainability within their vision and operations and considered the issues of sustainability of social enterprises, enabling them to contribute as actors in national and international development interventions (statements 3, 5, 124, 378,497, 538). Generally, these reflections acknowledge that social enterprises need to be viable organisations and that a long-term definition of viability may only be achieved if the impact on the planet is sustainable (statements 180, 183, 210, 497, 500).

Frequently, social enterprises have a strong connection with their locality, either in providing services to local people or drawing from the local community to provide employment. In terms of creating impact, many international development projects expand to the community to maximise the impact and results of the programmes. Social enterprises often identify themselves as being a part of a community or working on behalf of a community. In the next section the participants reflect on the category of capacity development as community development and their experience in this arena.

4.5.6 Reflections on Capacity Development as Organisational Development

In terms of capacity development as organisational development, the major themes that emerged are strategic development, leadership, building the team, resources and environmental stewardship. These aspects reflect not just to the referential aspect of what social enterprises need to do, but also structural aspects in how they need to act; with a greater regard to how they work with people and a greater commitment to their teams, the environment and the local community. The balance between people, profit

and planet is felt more keenly by those within the ecosystem and their commitment to their staff, customers and local community is an anchor in the choices they make about how to develop their enterprise.

4.6 Capacity Development as Community Development

> *Community development is an approach of looking at communities and seeing where communities are now and see how communities need to move spatially, economically, socially and developmentally towards improving from where they are now". (Statement 54).*

There are four findings that relate to the category of capacity development conceived as community development is interesting and reflects three different aspects within the social enterprise ecosystem in South Africa. The title of this category is, as with the other categories drawn from the direct statements of the participants referring to community. There are 23 explicit references to community (statements 5,10, 51, 54, 58, 116, 149, 176, 219, 272, 320, 359, 397, 400, 435, 437, 462, 481, 491, 503), and a range of synonyms; environment, network, space, ecosystem, used to describe the space around and within which social enterprises operate and interact with others.

4.6.1 Finding Eleven: Development in the locality

> *I think that one of the key elements is that people who come from the communities where we implement projects need to be able to run those projects, from a sustainability perspective. So, from our side, one of our… A practical example of that is that when we do projects, all staff come from either **that community or similar communities**. (Statement 5).*

The first aspect of capacity development as community development relates to the work social enterprises undertake in a particular locality. The participants revealed a complex set of relationships, with social enterprises both serving local communities and employing people from local communities to deliver the services. A term frequently used to describe the former of these transactions is social development (statements 51, 58, 192, 215, 227, 360, 374, 381*)*. From the donor perspective there was a view that in strengthening social enterprises there is a by-product which includes benefits for the wider community (statements 180, 521). This is in part because social enterprises generally employ people from the local community and often the poorest communities are rural with few opportunities for employment.

Community development in the context of locality also relates to social development by services such as assistance to children in a locality who are enduring malnutrition or under-nutrition or addressing issues of food insecurity by providing access to food banks. These types of services are understood as the more traditional aspects of social development. Other types of interventions include education, skills, and more structural interventions, such as urban regeneration projects or small-town revitalisation, which often consists of a blend of private sector investment in infrastructure, education and entrepreneurship activities and creating economic activity (statements 58, 474).

Another interesting aspect of capacity development as a form of community development relates to organising and giving voice to local communities to empower them in the decision-making processes that will affect them. This can often include working with locally based institutions as channels for consultation;

this is also a form of development as it is building the capacity of some individuals to represent their communities by equipping them with skills in presenting, advocating and public speaking as well as providing platforms, fora and networks (statement 157).

4.6.2 Finding Twelve: Community Networks and Communities of Practice

I am committed to the establishment of a **community of practice** *it will provide not only resources information access to other people but things like opportunities, good practice bad practice case studies things like that, but to be accessible by social enterprises almost as a hub is very important.* (Statement 503).

The second way of perceiving capacity development as community development is through networks and communities of practice. Some of these networks are informal, based on building alliances with other social enterprises, others are a little more formal, hosted by universities, government departments and institutions engaged in social and economic development (statements 27, 40, 126, 299, 349, 383,481,488,500, 502, 503, 504, 513, 514, 560).

Networking is understood as an important capacity development activity, where social enterprises can learn from each other and offer support and services to each other. In these informal processes, there is often a sense of being a 'kindred spirit' in that the values and experiences are similar. It is, according to the participants, this sense of shared values that provides a foundation for trust amongst social enterprises rather than with the private sector who are often perceived and experienced as having a very different set of values. It is not surprising that many social enterprises associate more strongly with the not for profit and social economy than private sector, even if they are defined as bridging the two (statements 45, 127, 135, 246, 292, 407, 435, 491, 565). That being said, there are also examples of social enterprises working directly with private sector organisations, often as a supplier; for the traditional businesses the arrangements may be classified as a part of their own contribution to corporate social responsibility (CSR) or Corporate Social Investment (CSI) initiatives. They may also act as partners in providing jobs or training to support livelihoods and income generating activities. Networking is important with other actors in the social enterprise ecosystem and opportunities to come together share and learn from each other are important:

I wasn't at the meeting, but my colleague in the city had said to me that one of the organisations turned around and they were talking about capacity building and said, stood up and said, one of the things that helps me in my capacity building is that I have NK from social development on speed dial on my phone. And apparently everybody burst out laughing…. (Statement 381).

This is an example of how informal networks support social enterprises in addressing their own development issues and, in the process, builds trusting relationships between members of the social enterprise ecosystem.

4.6.3 Finding Thirteen: Community Development as Institutional Development

…There is room for the other types of impact linked to that but not only so, you also need to capacitate our banks and institutions that are lending and commissioning to also see that it's

not only about a return on investment in financial terms but they need to be open to other sorts of investment and understanding it all. (Statement 498)

There are 13 statements that address specifically address institutions. (Statements 63, 154, 157, 164, 175, 222, 240, 356, 363, 430, 473, 492, 498) Although the distinction is not always clear, the participants generally perceived a difference between the concept of institution and an organisation, with 'institution' used to describe larger entities often having a national presence, such as local government offices or banks and tertiary education including universities. They are also characterised as being more formal in terms of the power-distance relationship. The participants reflected that Institutions as well as organisations play a role within the social enterprise ecosystem but given the power-dynamic the relationships are often characterised as lacking in trust and appreciation of what social enterprises can do:

> *A lesson learned in our internal programme, is when we missed the opportunity to get the issue of social capital formation as the essential part of development, social capital is probably the primary, if you don't have that within a community if you have mistrust, and it doesn't matter how much money we pump into a programme, we have to start dealing with the issue of social capital first and foremost this issue of trust of the relationships I think then the other things fall into place. (Statement 491).*

Social enterprises have a role in developing social capital by helping institutions hear the voices of the people they serve through advocacy and their work in their community. To do this well, social enterprises need to be credible in the eyes of the institution in order to influence and raise awareness and act as a conduit between community and institutions. In terms of capacity development, institutions need a better understanding of social enterprises, what they do and their potential. Social enterprises need to develop their advocacy skills and ensure they reflect the voices in the community they serve.

4.6.4 Finding Fourteen: The Providers of Capacity Development

When referring to capacity development for social enterprise development, provided by business orientated organisations, one participant admitted "*I do get nervous when purely business orientated organisations try and do it…*" (statement 502). This nervousness is based on a perception of a lack of shared value base and a mistrust of a profit motive; this has long played a role in the reciprocal perceptions of the private and civil society sectors. There is generally experience of three different types of provider of capacity development services for social enterprises:

1. An academic approach provided by universities, business schools and colleges (statements 32, 61, 73, 78, 173, 201, 389, 488, 511, 512, 565).

2. Business development interventions, provided by consultants and business development organisations. These can be supported by the government or donors but can also be developed as a private business to business activity and may provide a wide range of activities from training to consulting to incubation services for new and start-up businesses (statements 7, 26, 28, 31, 61,62, 84, 85, 87, 88, 89,90, 92, 93, 96, 135, 140, 141, 142, 144, 155, 156, 158, 159, 164, 165, 166,168, 172, 173,

181, 200, 210, 221,229, 230, 245, 272, 273, 274, 275, 278, 279, 280, 282, 283,286, 288, 290, 294, 299, 320, 326, 327, 329, 337, 353, 361, 367, 406, 414, 481, 482, 502, 519, 521, 523, 537, 543, 565, 588).

3. By other social enterprises (statements 175, 186, 211, 229, 426, 430, 465, 483, 502, 504,505).

There is a difference of opinion as to the value of the interventions made by academics, who provide both learning interventions for existing and potential social entrepreneurs. Some are positive regarding the opportunities for longer programmes and qualifications providing credibility and an opportunity for significant learning to take place (statements 7, 78, 207, 217, 220, 221, 222, 429, 546). Other participants reflected less on the content of the learning experiences offered and more on the reflection that university-based education or learning is experienced as prohibitively expensive or exclusive (statements 61, 203, 327, 356, 420, 442, 469, 542, 546), and consequently open to few rather than many, and in the social enterprise ecosystem in South African context this would still be proportionally more white than black South Africans.

Another criticism of academia is the capacity to over-complicate issues. Many social entrepreneurs have found that the traditional education system has failed them, and they are driven by their experience rather than an academic interest. As a consequence, they can feel intimidated by the university environment perceiving that academia "*takes simple issues and makes them impossible*" *(statement 542).*

Other doubts about the validity of academia's role in developing the capacity of social enterprises is the apparent lack of hands-on practical experience or empathy with those managing social enterprises; this is summed up in one comment *"are there any organisations external to the social enterprise that are in a position to actually offer valid support?"* (statement 467).

Even when education programmes are designed specifically for social entrepreneurs, the lecturers, tutors and mentors are often drawn from the private sector and consequently are not always able to translate business ideas into the context of a social enterprise.

There is an opinion that social enterprises should own and drive their own capacity development and collaborate with each other in doing so. This is understood in part as a pragmatic approach to capacity development, which is more cost-effective and is provided by people who also understand the complexities experienced or perceived by social enterprise owners and managers. This already occurs in some informal ways, although it is not widespread and there is a feeling that it is more advantageous to source social enterprises that provide skills or capacity development. (Statements 175, 186, 211, 229, 426, 430, 465, 483, 502, 504,505). It was also reflected that other types of providers in the ecosystem are too conflicted and have their own interests; their role should be as *"a part of the ecosystem supporting them rather than controlling"*. (Statement 504).

The desire for practitioner-based learning activities possibly reflects that amongst actors in the social enterprise ecosystem there is a preference for a more pragmatic learning style, with some participants emphasising that the capacity development of social enterprises *"needs to be run by practitioners for*

practitioners". (Statements 229, 504, 393, 415). The development of capacity through networking can be ad hoc as there is currently no association for social enterprises operating in South Africa. This association is desired by social enterprises, but the expectation is that government should fund the development of an entity to strengthen social enterprises (statements 79, 193).

4.6.5 Reflections on Capacity Development as Community Development

Capacity Development in the context of community development is experienced by the participants in three distinct ways:

1. the development of the relationship with the locality within which social enterprises operate;

2. the informal and formal networks and alliances creating communities of practice for social enterprises; and

3. improving the relationship with institutions. This latter is perceived as iterative, in that social enterprises can learn from the institutions, but there is also a belief that institutions can learn from the social enterprises.

The relationship within the locality reflects both social enterprises in providing services aimed at ameliorating social problems and providing jobs for people from within the community. This is a different approach to traditional development, where international staff play a greater role in managing the services provided.

Developing the community and drawing staff from the locality relates to aspects of sustainability, but also give some credibility for social enterprises that are embedded in their local community and have developed trust. In this category, there is an interesting development of credibility, which is not only of the view of social enterprises but adds another dimension; the credibility of institutions and organisations to have the appropriate experience to support social enterprises. Social enterprises would generally prefer to be supported and developed by institutions and individuals that can reflect their values, understand their mission and mandate and can draw on relevant experience.

4.7 Capacity Development as Governmental and Public Sector Development

> *Capacity development is really a process to stimulate ownership and leadership of the target. It's really stimulating leadership of decision-makers in a country,* **the government and public sector**, *working toward ownership and leadership. (Statement 249).*

There are three findings that related to capacity development as government and public sector development. In this context the credibility of government departments and representatives is called into question and emerging from this is a call to develop the capacity of government and public sector actors themselves.

Reflecting the complexity of this space and the wide range of actors that may be considered government, the research participants used a variety of words to describe this level, from government and the public

sector space to municipalities and government departments. From the condensed quotes, there are 49 direct references to the government, eight to 'public sector, five to departments and four to municipalities.

A further 20 comments referred to policy or national policy, as the legislative function of government rather than the structure, providing an insight into a variation of how the government is viewed, as an institution or a function.

4.7.1 Finding Fifteen: Engagement and Policy Development

The process of engagement is at the heart of democracy in South Africa and is not always a simple or easy process. (Statements 37, 208, 258. 403, 493). With levels of mistrust from all sides, dialogue and consultation can be challenging, and as one of the participants suggested *"We're trying to put some seeds of change with our projects to dialogue with the government and assure them that we'll be supporting them in implementing this law reform". (Statement 257).*

The reflections of the participants experience did not focus solely on the roles of the government in developing capacity by creating legislative reforms and systems, structures and a business environment, but also reflected on the capacity of the government and its officials in consulting with social enterprises and the not-for-profit sector in order to understand the role, and specific needs of social enterprises that differ from the traditional business community.

It was suggested that the government is not aware of the work carried out by social enterprises and the challenges they face. Even government representatives reflected the need to convince senior government officers of the need to spend time in the field, working directly with social enterprises, because in her opinion, "*you cannot write a policy if you don't know what's happening on the ground"* (statement 374).

The process of engagement and dialogue between government and its institutions and constituents reflected a mistrust in the government's commitment to engage with social enterprises. *"There needs to be a commitment and an appetite from government to enter into partnership".* (Statement 36) This lack of trust does not only emanate from social enterprises but also from government and some participants reflected that social enterprises and not for profit organisations suffer from a lack of credibility: "*There's so much mistrust, there's so much mismanagement generally speaking in non-profits. So, I think that firstly needs to be grappled with".* (Statement 45).

The relationship between government and social enterprises is currently characterised as tenuous, with one participant reflecting on government representatives and that the relationship "*is fragile at best, and so there's no consultation, they don't even come to the meetings".* (Statement 37).

For the social enterprise ecosystem there is little coordinated space for dialogue on the contribution of social enterprises to the bigger picture of development in South Africa "*If you understand why you're doing something and what your goal is behind it, especially if you have a social impact as a goal, then you need to make a very clear story about how it all fits into the bigger picture".* (Statement 16).

Social enterprises want to influence the direction of government policy and the emerging legislation which might provide some clarity about the current status of social enterprises at the moment. Considered by some as private sector and others as not for profit, it is unclear and provides many ambiguities around issues of registration and taxation, as one participant reflected: *"I think it's also because we don't have a framework, which creates its own administrative issues in South Africa"*. (Statement 487). Added to this, the lack of clarity of the status of social enterprises makes it difficult for government, donors and funders to understand if they are not for profit enterprises or not. Working with for profit enterprises still poses many challenges for the donor community, as will be discussed further in chapter six. Social enterprises need some clear definition within the forthcoming legislation which will enable development agencies and donors to recognise the type of entity a social enterprise is and develop their own mechanism appropriately.

4.7.2 Finding Sixteen: Appropriate Support

The business environment can be defined as the external factors impacting on the capacity of a company to operate successfully. The environment often includes the economic, political, legal demographic and social factors and government is often perceived as the catalyst for creating an environment through legislation and sound fiscal management which is either positive or negative for businesses to operate successfully, or as one participant put it, the role of government is to address *"the effectiveness of the system, helping the system to function optimally, improving how the system is functioning and fulfilling the overarching purpose"*. (Statement 398).

Reflecting on this historical context, participants believed there is continuing encouragement to develop small businesses and black-owned businesses support in the form of mentoring from established businesses is available, however the quality may not be adequate. (Statements 98, 557). One example of a young social entrepreneur, with a social mission to provide inexpensive menstrual cups to school girls and university students, was continually frustrated by her assigned mentor from a large private sector company, who continued to insist that she redeveloped her pricing and sales strategy to maximise her profits and resales. This advice completely contradicted her social mission and mandate, which her business mentor was unable to grasp:

> she got to leverage some business support from someone from a big company, but he kept on saying she has to charge more for them and ensure the people buy more products from her, all of this advice was going against the objective of trying to make this available at a cheap rate to the girls. (Statement 484).

The social value of providing cheaply available menstrual cups where women cannot afford sanitary wear is critical and the consequence of not being able to afford sanitary wear means young women could be losing almost 25 per cent of time from school or university during their menstrual cycle. This is an example of Sen's unfreedom, and this social action goes straight to the heart of addressing poverty alleviation by ensuring young women are properly educated. It is also a salutary example of how the mentors and

lecturers with backgrounds in traditional business cannot always understand the mindset and motivation of a social entrepreneur and therefore may not be in the best position to provide advice or mentorship.

So, whilst there may be a plethora of business development advisors and business mentors they are not always experienced as appropriate or fit for purpose for social enterprises owners and managers. For social enterprises operating somewhere between a traditional business and a not- for- profit organisation, the ease of doing business is as critical as for any other more traditional type of business, but there is an optimism in some of the participants who believed that social enterprises if managed appropriately can compete with more traditional forms of business:

> *I think social enterprises, if they operate properly and they have the correct skills, they can certainly compete with some for-profit businesses.* (Statement 68).

Not all the participants were as enthusiastic about the potential, with some of the participants reflecting the difficulties in finding money to grow businesses, citing that *"in South Africa, like many places in the world, there is virtually no money to borrow to grow businesses"* (statement 104).

There is a variation in the experience and beliefs of the participants. Some firmly believed that it does not serve social enterprises to receive funding as it distorts the market and creates levels of dependency already seen in the not-for-profit sector (statements 147, 208). When funding is available from government it is linked to a strong audit of compliance and contract management (statement 375). If funding is available it is usually linked to training and several of the participants viewed the timing of funding as critical, whilst one development agency perceived their role as providing seed funding and investing in social enterprises as an opportunity to learn about what happens in the ecosystem (statement 479), others believed that any funding should not be awarded until the enterprise was at least 18 months old (statement 148). The process of accessing grants and donations is not an easy alternative to business trading, with increasing competition for government funds and shrinking budgets it is considered almost impossible to access adequate funding *(*statement 79, 153). Improving the capacity for a social enterprise to perform is key to improving the outreach of services to people who fall outside of the safety net of services provided by the government in South Africa.

As previously discussed earlier in this chapter, there is a view that the need for capacity development does not just lie within the domain of developing social enterprises but also the requirement to capacitate the banks and financial institutions within the ecosystem to be open to the idea of other types of return on investment, such as social capital (statements 204, 496, 498).

4.7.3 Finding Seventeen: Capacities and Competence

> *Government has been, what can one say, less than competent to be able to deal with what's captured in the national development plan. And so, for that reason, they haven't consulted broadly enough amongst relevant stakeholders with regards to moving forward in terms of the plan. (Statement 35).*

The interviews with the participants also revealed some of the capacity development requirements of some of the other actors, including government. There are perceptions that the government has been '*less than competent*' in addressing the issues outlined in the National Plan. Furthermore, there are real questions asked of the capacity to move from policy to planning to implementation, this was deemed especially true of municipalities and understood as one of the reasons they were not able to deliver as much as they could. Participants reflected that the government, at all levels, does not have the necessary understanding of the capacity required for successful implementation and adequate leadership skills in formalising the social enterprise space, or to be adequately strategic, have good governance, leadership and management skills or apply systems thinking (statements 35, 74, 273, 291,405, 431, 432).

There is a genuine desire from other stakeholders in the social enterprise ecosystem to see government playing a more active and engaged role as a catalyst and leader and a perception and regret expressed by some participants that government does not have "the appetite" to engage in meaningful dialogue and partnership. There is a belief that there is a great potential for government to see a substantial return on any investment they make into strengthening the social enterprise ecosystem. Capacity at this level is not perceived as purely developing the capacity within the government and public sector, but also the role of government to develop a level of capacity within social enterprises and the social economy generally so they are in a better position to negotiate and take a macro view of what needs to happen in order for social enterprises to develop (statements 74, 289, 419, 253):

> *Because increasingly, as we are engaging and we're finding ourselves working with government and working into that space, the importance of living to strengthen reflective capacity, just getting people to stand back from the experience and looking at and asking what needs to be done.* (Statement 419).

4.7.4 Reflections on Capacity Development as Government and Public Sector Development

The variations in the participants experiences and understanding of capacity development as government and public sector development explores the capacity and requirement to develop a regulatory framework and policies which define social enterprises and remove the ambiguity from their status. This ambiguity is perceived by some as an obstacle to the growth of sustainable enterprises, which are required to operate as a business but face complex tax and business administration issues.

Whilst the government is seen as the catalyst for development of social enterprises, their own capacity and competence in two or three specific areas is questioned. The three findings reflect issues of credibility as much as issues of sustainability. In that their credibility is hampered by any lack of capacity to implement policies, to consult and to identify and respond to the development needs of social enterprises

4.8 Capacity Development as Human Development

> *Human development* is connected to the work of Sen and then UNDP used it. We actually work on the concept of the capability approach, which is connected to human development. (Statement 564).

The final category of description relates to capacity development as human development. There are four findings that emerge and relate to the overall conclusions. This is the space where the UN, donors and development agencies begin their planning, and it is the aspiration of addressing the root causes of poverty, inequality and injustice by taking a macro approach and supporting governments to create national development plans to address precisely defined development needs. The category reveals the thoughts of the participants in four sub-categories: a macro perspective of human development, the question of sustainability, donor mindsets, and a micro perspective of human development.

4.8.1 Finding Eighteen: A Macro Perspective of Human Development

> *… there was a UN Development group for capacity development, which led this thinking process of the approaches of the UN on capacity creating. Because at that time, they started with capacity creating. And they did a huge research popularisation process within the UN to discuss and speak about these activities. (Statement 267).*

Building on the work of Sen, ul Haq and Nussbaum, the process within the UN system was led by the United Nations Development Programme, which established a group for capacity development which contributed to the wider thinking of capacity development with the UN agencies (statements 267, 271, 564).

From donor and UN agency perspectives, capacity development as human development is a macro level intervention in a country aimed at addressing poverty, inequality and injustice by, at least in part, removing some of the unfreedoms that exist in terms of rights, choices, vulnerability to coercion and exclusion from protection and livelihoods.

This vision includes working with the government and with implementing partners and implies a commitment to developing the capacity of those institutions in order to reach the ultimate beneficiaries (statements 156, 157, 162, 163, 197, 397, 401, 473, 492, 564). For some donors there are internal discussions about identifying long-term and short-term partners and likewise for social enterprises it is not always clear if there is a space for them to work as an implementing partner with donors and, if there were, it is not always clear that with current modes of partnership working, the collaboration would be beneficial for the social enterprise (statements 3, 164, 251).

One of the challenges in this approach is the issue of sustainability. Whilst some of the problems facing some countries seem intractable, the donor community and UN agencies are troubled by maintaining a sense of a permanent intervention and in more recent decades have searched for newer strategies and approaches, permitting them to transfer the ownership and implementation of development programmes to the country in question (statements 156, 520, 563).

4.8.2 Finding Nineteen: Sustainability, Ownership and Leadership

> *For me, capacity development is really a process to stimulate ownership and leadership of the target. It's really stimulating leadership of decision-makers in a country, the government and public sector, working toward ownership and leadership.* (Statement 249).

The participants reflected that the achievement of sustainability is strongly associated with the transference of ownership and leadership. Depending on the participants view of the social enterprise ecosystem, ownership and leadership could be from the government of the national development agenda, to the level of social enterprise owners and managers. The need for ownership and leadership pervades the whole social enterprise ecosystem. With Donors and UN agencies reviewing their own systems and processes to ensure they are reflecting the aspirations of the government, who in turn own the commitments presented in the National Development Plan. The organisations that exist within the social enterprise ecosystem also need to own and lead in their own space, advocating and promoting for the necessary changes to take place so social enterprises are fit for purpose. (Statements 249, 250, 269). This thinking is also reflected in the relationships with the beneficiaries, with one of the participants describing the work of a social enterprise providing education mentorship for school students, paid for by their parents. The idea of committing or owning was described as having your 'skin in the game':

> *….in this case the parents they are poor parents in society, they might live on less than 200 dollars a month, they need to dip down in their pockets and pay for this, they are investing in their children's future, even though they come from very meagre or poor backgrounds, that's what I mean having your skin in the game, rather than an NGO saying don't worry we know you are poor, we will pay everything for you, then they won't have their skin in the game.* (Statement 174).

This is a move away from previous transactional models, where donors funded and determined development priorities, towards governments creating their own development plan. This is also mirrored in civil society organisations, who previously considered the role of the development community was to pay for everything for their beneficiaries. Today this is considered one of the ways in which dependency is created and perpetuated and the ultimate beneficiaries are not engaged in making choices but passively and uncritically accepting what is offered (statements 156, 174).

Another aspect of sustainability is programming, which maintains the circumstances in which people find themselves in rather than bringing about real change. Some participants expressed outrage at needing to provide food aid indefinitely to communities where people could grow food, if only they were provided with the capacity and means to do so (statements 105, 271). Aligned with this is the social enterprise role of advocacy for change, as well as more joined-up-thinking about the nature of development interventions.

For donors and government alike, sustainability requires implementing partners that not only have the capacity to deliver the required services, advocate for change, and sustain and grow their own organisations (statements 124, 138):

> *Your end goal is sustainability, but in reality capacity building is growing at a pace that that person or that organisation can handle. (Statement 378).*

The new emphasis placing recipient countries at the centre of the decision making for their country requires not only new ways of doing development but new attitudes and following that, new processes and systems designed to monitor aid effectiveness. Such ideals, even if supported in principle, were initially unclear and confusing for development agencies and required a change not just in the mechanics of the approach, but also in mindset (statements 249, 271).

4.8.3   Finding Twenty: Donor Mindsets

So, within the whole debate on private sector development and private sector engagement we would consider social enterprises in our definition of private sector. Yes, other donors would put them apart, but for us they're in. So, in the whole private sector development, and in this case social enterprise development would be part of that, there is this issue of do you or do you not distort the markets by funding enterprises, funding businesses. (Statement 208.)

Participants in this study surfaced another challenge facing the donors, who generally feel more comfortable working with the not-for-profit organisations as implementing partners and all their processes, such as monitoring and evaluation, are based on the notion that implementing partners are not-for-profit organisations. In addition, there are concerns about governance when funding for profit organisations and the approaches that the not-for-profit sector might take. For example, when entrepreneurs perceive a gap they are often agile and immediately want to respond; this does not reflect the commitment to consultation that might be central to some development agencies and results in a mismatch of expectations and approaches (statements 176, 195, 204, 493).

For many donors, the definition of social enterprise is still unclear and consequently they are unclear on how to categorise them. Some donors have determined that social enterprises are within the private sector, whilst others define them as distinct from the private sector

Donors are sometimes concerned that if they provide funds to private sector organisations, they are guilty of distorting the markets and creating additional sets of problems in the economy in question, as well as the wide range of issues relating to transparency, fairness and avoiding corruption. (Statements 208,486, 487). To address this lack of understanding a few donors have brought social entrepreneurs into their organisation to contribute to moving the mindset, but this so far is a limited approach and action (statements189, 206).

4.8.4 Finding Twenty-One: A Micro Perspective of Human Development

So, you know, you've got to unlearn a massive amount of propaganda that has actually settled on generations even where they have not been in direct contact with. And you have to… So, you have to unlearn all of those things, you have to deal here with the reality that White people are still on top and Black people are still at the bottom. And you have to deal with the psychological trauma that involves, particularly for young Black people who have never had opportunities. (Statement 324).

From the other end of the telescope, this research showed how social enterprises also engage in work characterised as human development. Their role is predominantly addressing capacity at the level of the

individuals, rather than an opportunity to remove unfreedoms that exist at a macro or meta level, although there are examples of social enterprises in South Africa born from the desire to address macro level issues. As working with individuals who are often very poor and may have other vulnerabilities that enables escape from poverty difficult. For these people education and or employment are ways to escape from generational poverty.

The concept of human development at a micro level often surfaced from the reflections of the owners and managers of social enterprises, who often considered their mandate to develop the capacities required to learn how to learn or how to conduct oneself at work. The participants reflected that social enterprises work with individuals in two ways; the first is by providing services, such as work placement or training, the second is by recruiting people from their local community or people who have been marginalised because of disability or lack of education, social enterprises often start from how to develop the capacities for someone to make good choices for their life. In both of these processes, the participants identified developing capacities to make positive choices as fundamental parts of their interventions (statements 116, 132, 159 160, 173, 277, 280, 291, 312, 314, 564, 565, 566).

Another core part of the mandate of the social enterprise is also to provide access to more formal education and training for employment and in doing so, aim to help people work their way out of extreme poverty by becoming skilled and qualified, or more attractive to the labour market (statements 115, 119, 332, 345, 346). One way of addressing this is through bridging the gaps in formal education and qualifications, which is often perceived as a legitimate function of social enterprises, for both staff and recipients of their services. One example cited is the provision of business education and livelihood skills to single mothers alongside the opportunity to establish a small enterprise, another is training deaf people to become baristas and gain employment and learn 'on the job'. Social enterprises see this as a fundamental part of their role and assert that capacity development provides opportunities to provide a range of training and education opportunities that will enable people to escape from poverty by getting qualified and from that finding better job and livelihood opportunities.

Some social enterprises are commissioned by government departments to provide services to socially disadvantaged people and in many cases also provide jobs for those disenfranchised from education and employment. From the research emerged the importance of capacity development in addressing issues wider than skills or knowledge but supporting the whole person. Including the recognition of the challenges that some people may have to overcome in order to be able to learn. "*The point about the people who make the hotel beds that have never slept on one of them", (statement 331)* find employment and make sense of the world of work and the new expectations placed upon them. *"The capacity building is not only acknowledging that we're dealing with a very marginalised person, we have a deaf barista who I dragged up Table Mountain, because I wanted to shake him out of his comfort zone"* (statement 130). In these instances, the social enterprises fulfilled a role in learning how to learn and how to be an employee.

It is perceived that by providing capacity development for adults who may not have completed formal education a greater opportunity to find employment or start a business is created. Many of the participants interviewed reflected that the mandate of social enterprises directly or indirectly included the provision of individual learning for their beneficiaries. In some cases, at least 85% of social enterprises engage in skills development, capacity building, education *(*statement 59) even when the mandate of the social enterprise is, for example to contribute toward food security or protect women coming out of abusive relationships. There are often important learning activities built around the interventions. Some participants perceived strengthening education as a part of their social mandate and provide training for teachers to support them in becoming more effective by developing learner-centred strategies to their lessons. (Statements 158, 159, 160, 392).

Some social enterprises have education funds and bursaries for particular fields of study. These are targeted primarily at young people, who are classified as marginalised and on the periphery of society, often having dropped out of formal education or from poor rural communities where not completing education and starting to work at an early age is common and are perceived as beneficiaries or clients of a social enterprise, even if some of them are also employees.

One issue that emerged is that of a power dynamic which may produce a dependency relationship, where the ultimate recipients gratefully accept what is provided, do not have a say in the interventions designed and ironically cannot make choices about the nature of the intervention or its impact (statements 157, 492, 563).

Social enterprises understand this and work to develop people's abilities and provide a chance to use them, even if sometimes the structural unfreedoms remain:

> ....*a young girl who's 22 who's been deaf since the age of four. Her passion is young kids, she desperately wants to teach kids. She was bullied terribly at school, to the point that she left school in grade eight, never got any education beyond grade eight but that's deaf South Africa…. She studied early childhood development as much as she could. She didn't get a degree, not that one, but she got further education, and she tried to get into schools and she was blocked.* (Statement 114).

The types of individual capacities cited in the reflections relate to examples of developing economic independence for women, particularly targeting women who have survived abusive relationships, providing jobs and work experience to the poorest and most vulnerable. These women may have never experienced being a tourist or slept in a hotel and they do not have a conception of the activities they are being asked to service, such as cleaning a hotel or engaging with customers and managers; without learning these skills the possibility of retaining the jobs they have found is minimal. The capacity development interventions for these people are often based on addressing limitations in life experiences and, in doing so, aim to offer a wider range of choices or as Sen would describe it, freedoms; to go back and complete school, bring money into a poor household, train for a qualification and break out of lowest skilled and lowest paid jobs (statements 55, 127, 313, 314, 461).

Social enterprises recognise that the people they employ will not always remain with them, and for some employment within a social enterprise may be a stepping-stone to access education, training, employment or establishing a business (statement 115).

4.8.5 Reflections on Capacity Development as Human Development

Human development in South Africa is conceived and experienced by both donors and development agencies as a macro level activity, addressing both the unfreedoms that exist with a society and the capacities delivered through their programmes and by social enterprises working with individuals.

Whilst there is a desire to change the modes of doing business to more sustainable models, where ownership is either transferred or initially governed by people in-country, there is still a gap between the aspiration, the mindset and the mechanics to make this transformation.

Social enterprises also address human development, but predominantly from an individual capacity development perspective. This is often centred on the capacity to make better decisions, confidence building, work experience and training and education.

4.9 Conclusions regarding the Categories of Description

The overall aim of this research is to inquire into the capacity development needs of social enterprises and the social enterprise ecosystem in South Africa, in order for social enterprises to become more sustainable and credible partners in national and international development.

The number of findings that emerged from the development of the categories of description was somewhat surprising. Although on reflection, the participants brought a great deal of experience and diversity in their perspectives and this is reflected in their discernment and the subsequent variations of their experience of the conception. These findings cannot be considered more or less important, they are a reflection of what people said about the experience of capacity development and so in that sense one cannot be judged as more important than another. However, in relation to the object of this study, some of the findings are more directly related to the research question and consequently are reflected in the discussions and conclusions that have emerged from this study.

In responding to the first line of inquiry, the twenty-one findings clearly evidence that the actors in the social enterprise ecosystem perceive capacity development in a variety of different ways.

In responding to the second follow-up question, the research finds that there is no single unified view of capacity development. It is evident that capacity development is strongly connected with learning and the varied ways in which learning is experienced and that all the participants could recognise and have experienced individual learning as capacity development, however the other variations were not experienced or understood by all the participants in this research. Each participant holds pieces of a jigsaw that when fitted together provide a more coherent understanding of the range of experiences and activities undertaken

in the name of capacity development. The discussion of the findings from this analysis is located within chapter six of this thesis.

In organising the findings, five distinct categories emerge: capacity development as individual learning, organisational development, community development, government and public sector development and human development. The conception of capacity development as human development, for the first time brings the donors and the commissioning agents into the definition. Of the research published to date, capacity development has only been conceived as something relating to individual and organisational development. There are some studies which consider capacity development as an approach to sectoral development, but again from the point of view of the donors it is something they provide for others rather than consider for themselves.

The organisation of the five categories of description develops into a diagramatical representation called the outcome space. The outcome space examines the relationships, between the five categories and provides the basis of a new model which may be used to create a shared understanding of the conception of capacity development and in doing so, aid the development of social enterprises so they might be appropriate partners in international development. The outcome space is discussed in the following chapter.

Chapter Five

Findings Relating to the Outcome Space

5.1 Introduction

The findings from this research are discussed in two parts. The first set of findings discussed in the previous chapter relate to the categories of description which surfaced from an analysis of the interviews. The second is the outcome space, which represents, diagrammatically, the relationship between the categories of description and relates to phenomenography, the chosen methodology. This is discussed in this chapter.

This chapter begins by charting the development of the outcome space and reflects on some the reasoning and decisions that led to the different iterations, before arriving at the final version. One feature discussed in this chapter is the nature of the boundaries between each of the categories of description and the introduction of the concept of fuzzy space. The chapter goes on to examine the relationships between the categories and concludes with some reflections about the final outcome space and the process of creating it.

5.2 Development of the Outcome Space

The development of the outcome space is based on examining the relationships between the categories of description. As discussed in chapter three, outcome spaces may be represented as narrative, tables or graphically. The outcome space for this research was conceived as a diagrammatical representation. The aim being to produce a model, in line with the third line of inquiry for this study, to provide a model that may be used by both practitioner and research communities to improve the understanding of what may constitute capacity development in different international development contexts.

5.2.1 Types of Outcome Space

Traditionally the outcome space reflects a hierarchy between the categories of description (Marton 1994). However, in this research, a hierarchical structure did not reflect the qualitatively different ways in which the participants experienced capacity development. It could be argued quantitatively that there are more experiences of capacity development as individual learning (286 comments) rather than capacity development as the development of government and public sector space (60 comments). This distinction contributes little to qualitative understanding of the variation of the participants experience of capacity development and would result in a somewhat banal conclusion, where only size matters.

5.2.1.2 Finding Twenty-Two: A New Type of Outcome Space

In this research, the contention is that the outcome space represents the variation in the participants experience, this does not necessarily imply a hierarchy as there is no better or worse, or simple or more complex ways of having experienced capacity development. Consequently, this research offers a fourth type of outcome space, which is not hierarchical, but represents the facets of the phenomenon in question by bringing the different experiences together creating a whole.

This fourth type of outcome space is categorised as **contributory**, in that each category of description is distinct and contributes to the whole. This space is not stratified and, like the facets in a cut diamond, they may differ in size and shape, but the unification of the contributing concepts makes the whole something elegant and unique (May 2009). The contributory type of outcome space removes the hierarchy and value judgements from the variations in the participants experience and creates entry points and a structure enabling a discussion to understand the whole. The purpose of the phenomenographical inquiry is to surface the variation in the conceptions of the phenomenon, being the search for the participants experience of "what is", rather than the researcher's perspective of "what is best".

5.2.2 Finding 23 Charting the Process

Marton and Booth (1997) assert that phenomenography is essentially a process of discovery and believe it is justified in the production of its results. It is apparent from reviewing phenomenographic research that generally, phenomenographers do not chart the process of arriving at the outcome space. They do not reveal how the final outcome space is selected or if the outcome space underwent any development processes before producing a final representation of the outcome space.

With the aim of ensuring this research process is defendable and convincing, the iterations of the outcome space have been recorded and presented. In part this is to enable the research community to validate the dependability and confirmability of the outcome space, but to also offer a more transparent exploration of the territory chartered. In exposing the iterations in the development of the outcome space, the intention is to encourage other phenomenographic researchers to also share how they reached their conclusions.

5.3 The Iterations of the Outcome Space

In developing the outcome space derived from the participants experience in this study, a variety of diagrammatic representations were tested. Before arriving at the final outcome space for this research, the examination of the relationships between the categories of description underwent five separate iterations. Each one surfacing something new about the nature of the relationships, including the degree of hierarchy, temporal, climatic and contributory relevance of the conceptions.

5.3.1 The First Iteration

The first iteration, shown in figure 5.1, reflects an emphasis on the enlarging circles of influence, moving from the individual to organisational, to community, government and finally human development experiences of capacity development. The ambition was to reflect an expansion of outreach or impact. On reflection, this diagram was initially motivated by an appreciation that the donor community and governments tend to work at a macro level and outreach is an important feature in the design of donor funded interventions. It was positioned using an x and y axis to represent the growth in outreach and impact. As shown in figure 5.1.
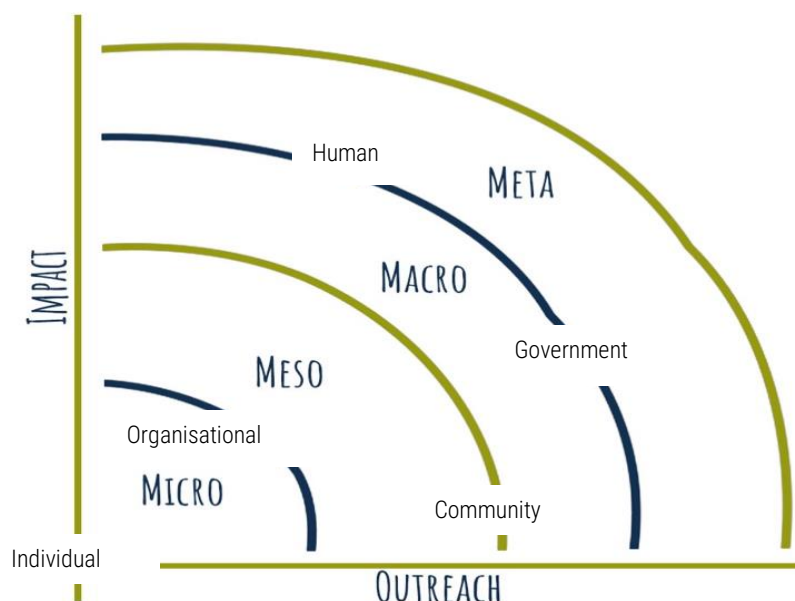
Figure 5:1 First Iteration of the Outcome Space

Organisational development is placed somewhere between micro and meso, in that the numbers of people reached and involved are potentially greater. Community development was considered to be somewhere between the meso and macro level, as they are often geographically based and will cover a larger population. Interventions such as local economic development often target a community and introduce a range of development activities from the physical infrastructure. This provides better access to markets and towns towards supporting the growth of a range of local small businesses and supports the developing capacity of the chambers of commerce and other local business development providers.

The category of Government and Public sector is mainly found in the macro category. Governments are often one of the largest employers in a locality. However, their placement here relates more to their strategic outputs in developing policy and subsequent impact on the local environment rather than their capacity to reach their employees. It also relates to the meta level in leading changes at a societal level, reflecting its influence on society as a whole. For example, proactively challenging the oppression of generations under the previous apartheid regime and promoting the ownership of businesses, land and property to people who were previously disenfranchised.

The donor community also operates at the macro and meta level, with macro contributing to the national development plans of a government. Donors are often concerned about the issues of impact and outreach: asking what the result is of their intervention and how many people benefit. At meta level, donors take a more global view of development striving for a more just and peaceful world, where poverty and hunger are eradicated as reflected in the SDGs. Donors often target particular countries to address both immediate needs, but also longer-term development goals based on their own sensibility of what is fair, just and appropriate in terms of societal norms. This has led to some criticisms of a neo-liberal post-colonial stance

in importing values and ideals not shared in the society and imposed in the name of progress. Some of which are examined in chapters one and two. In addressing these criticisms, donors have discussed how to support and promote the concept of south-south cooperation and apply the guidelines emanating from the Paris Agreement (2005), to ensure that national governments, not donors, are the drivers in international development interventions in their country.

The first iteration of the outcome space attempted to capture some of these issues, relating to impact, outreach and the level of operation. This was motivated by the context of the research being within the practices of international development where two of the key measures of success are defined as outreach and impact. Outreach refers to how many of the population have been exposed to the interventions, for example, how many children in a community or country have access to primary level education. Impact reflects the results, in this example, as post intervention, how many more children are educated. Being able to map the experiences of the phenomenon of capacity development against these two axes would resonate for those engaged in the international development community, as this is both a language and a value they would share.

After deep reflection and rereading both the data and the journal entries, three problems with the first outcome space emerge, Lincoln and Guba (1981) would consider this to be an issue of confirmability, in that the researcher's motives and bias is present. The first problem is the lack of validation in the research, that the relationship between the five categories is based on incremental growth in terms of outreach and impact. The second problem is that the category of capacity development as individual development was actually the largest, not the smallest category and this might be misleading if it were understood to be reflecting the ordinal size of the variations in the participant's experiences. Another challenge with this representation is that the concept of outreach was not explicitly discussed or measured in the data collection process. It was referred to only once and in the context of the provision of coaching, not in the determination of capacity development interventions per se (statement 278).

This final issue relates to the concepts of objectivity and reflexivity in terms of the conceptualisation of the outcome space. Reflexivity is the act of considering one's practice in the present moment and it differs from reflection which is, by its very nature, after the event. Reflexivity enables the researcher to maintain distance and observe and consider their research practices and decisions almost as an objective third party. Reflection allows the researcher to consider what has been undertaken and completed and to make the links, connections and consider the research in its widest sense.

Reflection and reflexivity are achieved through different processes, such as journaling and bracketing the preconceptions brought by the researcher. In doing so, these processes expose any of the weaknesses in the procrustean manner in which the conceptions of outreach and outcome are forced into the first edition of the outcome space. The resolution of this was to remove the X and Y axis as the basis for the model, which enabled a re-evaluation of the relationships between the concepts, rather than forcing in data that

was not present, as well as a clearer surfacing and recognition of the researchers own bias in advancing the agenda of capacity development in the context of international development.

Consequently, this first diagrammatic representation of the outcome space was rejected because it does not reflect the most important or most valid conclusions about the relationships between the conceptions, which is about the experiences the participants have of capacity development.

5.3.2 The Second Iteration of the Outcome Space

During the conversations, participants sometimes reflected their experience of capacity development in more than one of the categories that finally emerged. Every participant had experienced and could talk about capacity development as individual development, and often they experienced capacity development in a variety of other ways:

> *capacity development is really about enhancing competencies, skills, capacities, enhancing them in a way that would benefit or that would make the... whether it's an organisational system, whether it's an individual, whether it's a community system, whether it's a society, that would make it more effective in fulfilling its purpose. (Statement 397).*

There are examples of some participants experiencing capacity development in a similar way but reaching a different conclusion as to the nature of capacity development. As mentioned in chapter four, leadership was experienced both as individual capacity development and a strategy for developing the capacity of an organisation. This feature remained in following iterations of the outcome space and in the final outcome space.

Figure 5:2 Second Iteration of the Outcome Space

There is evidence from the participants about how they experience capacity development is not always sharply delineated; sometimes there is a hesitancy or a vagueness to describing what it is, some of the participants felt it was a niche area and they had not really considered what capacity development is and often capacity development was not conceived as just one thing (statements 1, 8, 88, 89,102, 154, 156, 157, 162, 170, 214, 215, 245, 248, 267, 289, 295, 306, 307, 371, 388, 397, 423). Consequently, there are overlaps in the categories of description. This became an important feature to reflect within the outcome space.

On reflection, the second iteration of the outcome space is too linear and described in this manner reflects bilateral rather than multilateral experiences of the different categories. The participants' experiences did not reflect a linear relationship starting at individual and ending at human development. It became clear in developing the different iterations of the outcome space that there was more complexity to the relationships. Whilst each category has its own distinctions, there were also areas where different participants had experienced and could conceive of more than one aspect of capacity development, even if it were a less important or less frequent experience. Therefore, the second iteration was also rejected, mainly because it was too linear and consequently only reflected bilateral overlaps in the experience of the phenomenon.

5.3.3 The Third Iteration of the Outcome Space

The third iteration of the outcome space was motivated by reflecting the overlap as a significant feature and reflecting the participants experience that capacity development is not a set of bi-lateral relationships:

> So, capacity development, building, helping an NGO leader to run their NGO more like a business. That would be, I'd have to build that capacity in that person. Training home-based care workers to be able to work in communities. As I say it's very broad, it means all things where training is involved to be able to help the organisation to deliver on what it needs to deliver on". (Statement 89).
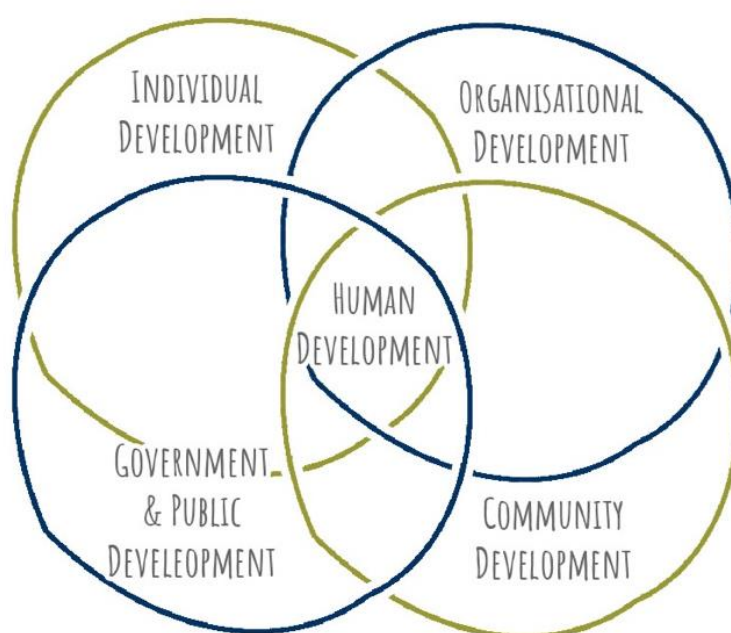
Figure 5:3 Third Iteration of the Outcome Space

140

The diagrammatical representation of the outcome space has moved away from bilateral or linear representations to recognising the multilateral relationships amongst the conceptions. It was also considered at this point that individual development might be a default space within which all other categories exist. This would have been reflected by placing the other four categories nested inside the default space. This is not uncommon for the phenomenographical representation of outcome spaces. However, this would be unsatisfactory, as some of the other experiences did not relate to the individual's experience. One example of this would be capacity development as organisation development, which includes non-human factors, as one participant reflected:

> From the organisation perspective the first thing I would look at is at what kind of systems and structures are in place in an organisation? All the way from your compliance to your staffing to your monetary evaluation to your finances. And where there are no structures or systems in place, to suggest that they do put those structures and systems in place. (Statement 11).

If Individual development is not the default space, is it the heart or the centre of the outcome space? The conception of capacity development as individual development was the largest of the five categories and as such could justifiably be placed at the centre of the model.

After further consideration and given that this research has undertaken the context of international development, which is generally underpinned by the concept of human development, it was decided to place human development at the centre of the model. Human development contains elements of both individual development and macro development issues such as addressing prevailing unfreedoms through legislation, economic development and national development plans which could target marginalised groups. Therefore, it would impact on all the other aspects of capacity development as experienced by the participants. The third iteration of the outcome space does reflect some of the complexity in the relationships, layers of overlap existing in the experience of capacity development.

The result of trying to reflect the overlaps as the most significant feature of the outcome space was complex and messy. On reflection it was unsatisfactory from several perspectives; the representation would fail Snowdon's (2000) napkin test in that it would be neither easy to understand or recall. This is an important consideration if this outcome space is to be of value to the community of practitioners working on capacity development in an international context. In addition, the third iteration of the outcome space is not helpful when it comes to elaborating the relationships amongst the conceptions. As a consequence, unpacking and explaining this representation would be repetitive and not necessarily contribute to furthering the understanding of the variations in the experience of the phenomenon, more likely this would confuse and obscure the variations. The third iteration may also suggest that the degrees of overlap amongst the conceptions are equal, this idea is unfounded, they could confidently be described as different, but not as equal. Using this model, it is not possible to capture the nature of the overlaps. Finally, there is a dis-ease with human development being the central feature of the model and a feeling that procrustean measures

were taken to make the model work, cutting and stretching the outcomes to reflect what is desired rather than what is. Ultimately, this iteration was also rejected.

5.3.4 Fourth Iteration of the Outcome Space

In the fourth version of the outcome space, the categories of description are represented as five domains. Other synonyms that may have been equally usable are fields, areas and spheres. The label domain is used to reflect the distinct nature of the categories.

Figure 5.4 Fourth Iteration of the Outcome Space

INDIVIDUAL   ORGANISATION

HUMAN

GOVERNMENT &
PUBLIC SECTOR   COMMUNITY
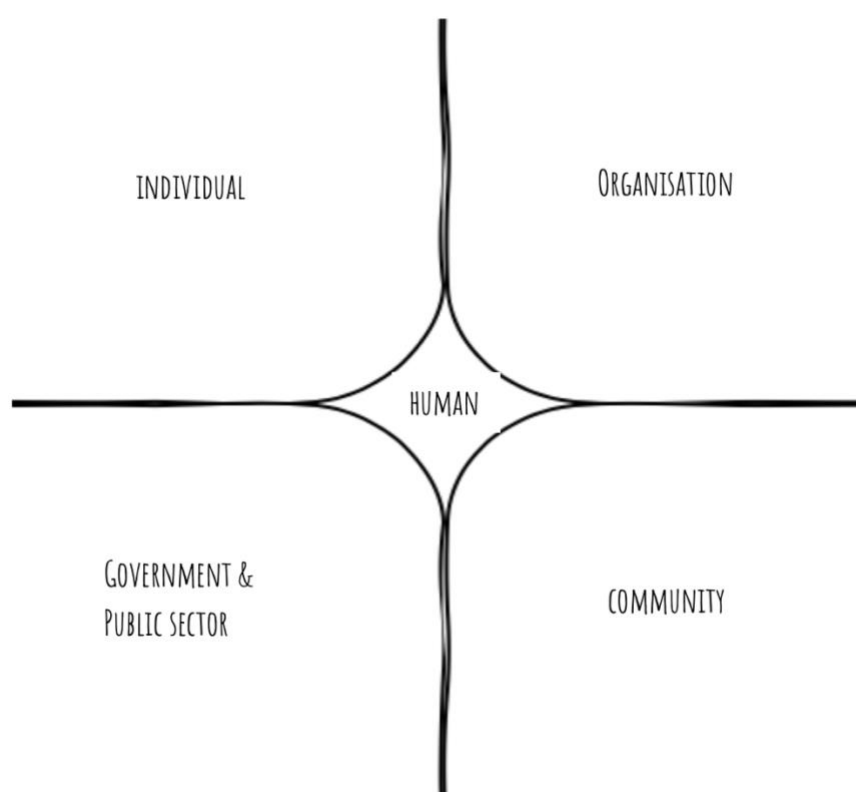
It was concluded that whilst this research undertakes the context of international development, human development is not at the centre of the participant's conceptions of capacity development. In terms of the experience of the phenomenon of capacity development, individual development was clearly at the core of the capacity development process. In different ways, it is this category that has the strongest and direct relationship with all the other categories and therefore if there is a central category in the model it has to be capacity development as individual development.

The second concern returns to the issue of the boundaries between each of the domains. In the fourth iteration of the outcome space, the overlaps had been replaced by a cleaner and simpler diagram. However, in doing so, it fails to represent any overlaps or gradations of the variety of the views amongst the participants. The participants could often relate their personal experience to more than one of the

142

categories of description, some participants shared their experience as more than two or even three categories. Reflecting on the experiences of the participants, there are not clear and sharp, precise delineations of where, for example individual capacity development stops and organisational development starts. The boundaries between the spaces could not be represented as precise, crisp, hard, neat and tidy lines, as this was not a true reflection of the participants experience.

After a long reflection, doubts arose about the validity of the fourth representation of the outcome space. There were two main issues to be address. The first was a growing doubt about the placement of individual and human development categories. There are some overlaps in the ways these two categories are understood. Human development seeks to capacitate individuals but extends beyond that individual capacity by addressing the unfreedoms perpetuated by society and vulnerabilities that come with lack of access, protection and choices (Nussbaum 2011). However, individual development has a stronger direct relationship with the other four categories, and it is by far the most common way in which participants experienced capacity development. Whilst there is some elegance in placing human development's at the centre of the model, capacity development as individual development is a more central experience.

5.3.4.1 The Addition of Fuzzy Space

Many of the graphical representations of outcome spaces emanating from phenomenographical research are drawn as boxes, often with arrows and lines indicating some features about the relationships between the different conceptions. There is something troubling about this kind of neat and crisp representation that does not take into account the potential for gradations and overlaps in the experience of the conceptions.

The boundaries of each domain are not great walls or insurmountable obstacles, there is a fluidity in the experiences both across participants, and internally within participants' own mental models. Participants could talk about a range of experiences of capacity development and the issues that emerged from their experience. To capture this important idea, one final addition was made to the diagram of the outcome space, that is the representation of the boundaries between the domains as fuzzy rather than fixed. Therefore, the final iteration of the outcome space includes areas that Zadeh (1965) coined as fuzzy space.

In the arena of learning, fuzzy concepts are considered valid because learning and development often begin from a hazy and unclear starting point, and through intuition, knowledge exchange and reflections on experience, the understanding of a phenomenon can emerge more clearly (Reber 1993). This was observed on several occasions during the interviews for this research, when participants were asked how they define capacity development. Some had a clear view and answer, others were more circumspect in producing a definition and some revised or added to their original response given time to talk and reflect on their definition and where it came from (statements 51, 121, 156, 178, 271, 352, 512, 578). It was impossible to precisely define the gradations of the participants experiences, and in the same way that Loki's wager

(Boudry 2013) could take ample time discussing the precise delineation between the head and the neck, a more fruitful use of time is to acknowledge the existence of gradations in the variations of the participants experiences and beliefs.

5.3.5 The Final Outcome Space

The final outcome space reflects the five categories of description and includes fuzzy lines at the borders of each of the categories. This line represents the lack of precise demarcation between the domains and that the participants could often share an experience relating to two or more of the categories of description. From the conversations with the participants, it was apparent there are very few precise and crisp definitions of capacity development and the outcome space aims to reflect what is understood and how participants think about the phenomenon of capacity development in their context and ecosystem. Fuzzy space was added to the final outcome space at the border of each category of description, reflecting both gradations in the definitions and the ambiguity caused by a lack of experience of other facets of the phenomenon.
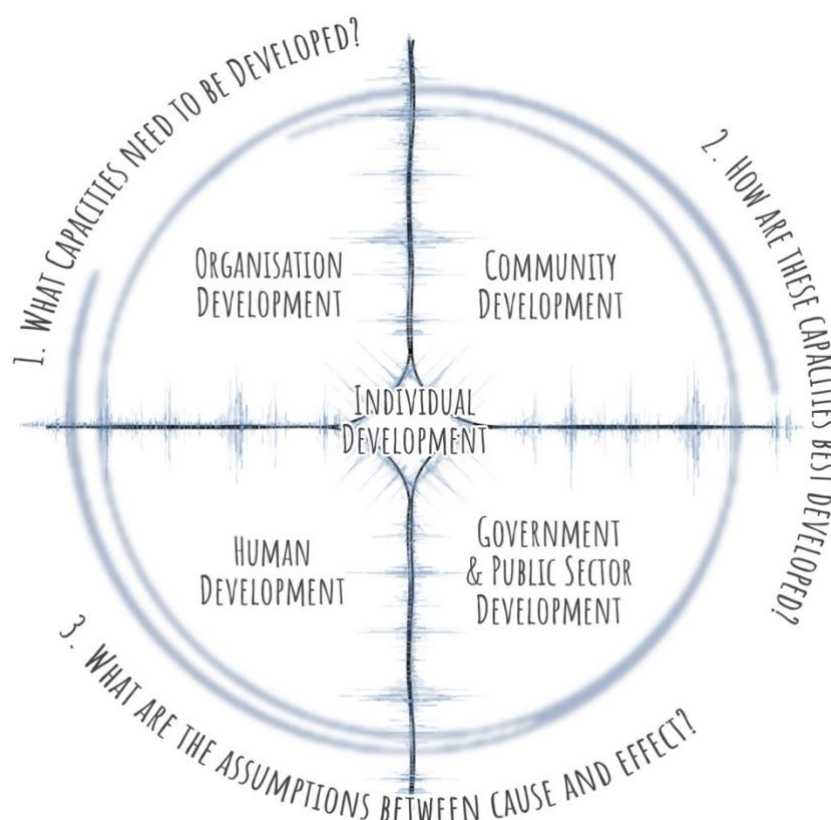
Figure 5:5 The Final Outcome Space: The Five Domains of Capacity Development

The model reflects the subject or location of capacity development. Individual is clearly providing capacity development for individuals, this could be the owner-mangers of social enterprises, staff, volunteers or any other individual that operates within the ecosystem. As previously discussed in chapter two, there are two

144

aspects of capacity development: performance and process. The narrative around the model is what capacities need developing, and how are those capacities best developed. There is a third dimension that relates to the theory of change and that is the assumptions about the causality between the responses to the what and the why, which help to create a theory of change and finally make explicit the underlying assumptions about the purpose, nature and expected results of capacity development interventions. This aspect is further discussed in chapter six.

The largest category, individual development, is placed at the centre of the model. This reflects the entry point to capacity development for most, if not all the participants. It was tempting to leave human development at the centre of the model and there are some good arguments in favour of that decision; this research had been undertaken in a setting driven by the donor led interventions and is motivated by developing social enterprises becoming more credible partners in international development, the central field being human development. The arguments favouring individual development at the centre of the model however have a stronger resonance, because there are stronger and more direct links between the individual development category and the other four. There are undoubtedly links, gradations and overlaps amongst all the categories, but the relationships always return to an element of individual development, whether that is the development of a skill in order to implement or improve something or the human design behind a system or a process or structure. After long reflection, as this outcome space reflects the relationships between the categories of description, individual development deserves to be at the heart of the diagram.

The findings in this research reveal that capacity development is understood as both the capacities that need to be developed, such as financial and business management and leadership, as well as the learning processes that might be utilised. These two ideas can be captured in the five domains model by adding the two questions; 1. What capacity is required to be developed in each domain, and 2. How will that capacity be developed the actors in the ecosystem. These questions can make explicit and prioritise the different interventions in the name of capacity development. By developing a theory of change model, they are also ways of identifying the assumptions about the relationship between the type of capacity to be development and the most appropriate learning processes to achieve it.

5.3.5.1 A Theory of Change

In this research it is apparent that are many providers offering business development services to social enterprises. Using the theory of change it is possible to examine some of the underlying assumptions pertaining to the cause and effect of both what needs to be development and choosing the best process for that development. The example list of assumptions is not exhaustive and serves only as an illustration as to the types of conversation that actors in the ecosystem might engage in if they utilised the model along with a theory of change approach.

Figure 5:6 Example of Assumptions underpinning a capacity Development Intervention

What Capacities Need to be developed	In which of the five domains?	How should that capacity be developed	Assumptions
Business and Financial Skills	Individual	Through a certified training programme	Is there a provider to offer the programme with experience of finance for social enterprises?
			Can the participant access the training when it is offered?
			How will the training lead to the development of appropriate skills and knowledge?
			How will the person apply those skills to their social enterprise?
			Is the person motivated to learn the skills?
			Is there a better way of developing the requisite skills and know
			What changes can be expected from the application of the learning
			How is success measured?

5.3.6. Reflections on the Outcome Space

The outcome space reflects the participants experiences, the recounting of which surfaced five distinct ways of experiencing capacity development in their context, also that the categories are not more or less important but are related and not completely distinct from each other.

The outcome space does not reflect a hierarchical structure in a traditional sense. There is no top and bottom assigned to the categories, however it is clear that the domain of individual capacity development is central to the other forms of capacity development and touches each of the other four domains. The categories do not reflect a simpler to more complex way of perceiving capacity development in the context of the social enterprise ecosystem in South Africa. They do reflect that some of the ways of experiencing capacity development are more or less known to the participants. That is in part what makes this diagram unique to capacity development in the context of international development in South Africa. It is on the one hand highly contextualised, but on the other, recognisable outside of the geographic location and sectors.

5.5 The Relationships between the Five Domains

In this section, the relationships between the five domains are discussed. In this context, relationship refers to the correspondence between the variables. (Trochim 2020). In the five domains, the relationships are not based on causality, in that one of the domains does not cause the other domains, but there is a correlation in that all the participants can reflect on capacity development as individual development, but

not necessarily experience capacity development as described in the other domains. The correlation between the domains may also be based on the third variable problem concept, in that the conception of the other domains exists when the participant has a wider experience of capacity development. This may be related to their role and experience within the social enterprise ecosystem and, or the size of their professional and personal networks. An examination of the relationships between the domains is intended to lead toward a deeper understanding of what exists within and what is outside each domain.

The five domains reflect the variation in the participants conception of capacity development. Each domain is distinct from the others having differing characteristics. Capacity development as individual development reflects the experience of participants on individual learning journeys. It also accounts for the different ways in which people learn and to what level of education they have studied.

Capacity development as organisational development reflects the ways in which social enterprises and other organisations in the social enterprise ecosystem approach growth and sustainability. Often donors and development agencies consider the development and sustainability of local partner organisations critical to the achievement of their outcomes. Consequently, developing the capacity of local organisations is often a core intervention strand in ensuring sustainability of the development work.

Capacity development as community development is understood and experienced as a variety of interventions, from physical improvements in the local environment such as building roads, markets and schools to creating local jobs and improving the local economy. Many activities under the title of local economic development place a priority on engaging the local community in determining how to bring wealth and employment in a sustainable manner. These types of intervention often include an analysis of the key stakeholders in the community and strategies to bring them together, to make decisions about how to improve and build on what currently exists. This often requires the local public authorities and representatives of government at a local level to provide leadership and consult and engage with the local community.

The fifth category of human development is distinct from the others in that it places a focus on simultaneously developing capacities of individuals and removing unfreedoms and vulnerabilities (Sen 1999). It is not merely a focus on the individual making choices but perceives at a societal or meta level some of the obstacles or unfreedoms that prevent people from achieving their full potential. Human development challenges individuals, organisations, communities, government including its institutions and society as a whole, to examine and remove the unfreedoms that persist in attitudes, behaviours, systems and processes.

5.4.1. Capacity Development as Individual Development

The participants reflected capacity development as individual development in four broad ways;

- Individual learning and learning preferences

- Group learning and training
- Mindset
- Providers of Capacity Development

There were examples of capacity development outside of the working role, including higher education and personal attitudes to learning and learning as an ongoing process (statements 24, 32,78, 90 173, 389, 488, 512 540 565).

5.4.2 Relationship between the Individual and Organisational Domains

When comparing the individual development domain to that of organisation development (OD), it is apparent that all of the subcategories of capacity development (CD) as individual development can exist without the need to have an organisation in which to apply the learning achieved. It is not possible to state the converse as true. Participants reflected that capacity development as organisation development does rely on the development of the capacity of individuals and in that sense organisational development is in part individual development contextualised within the needs of the organisation rather than driven by the motivation of the individual.

The domain of CD as OD contains some clear perspectives of organisation development that do not relate to the capacity development of individuals, such as the development of the capacity to be more effective or efficient by introducing new technology, better systems and processes, certification and quality assurance and the application of financial legal and business models (statements 11, 12,13, 14, 15, 20, 21,22, 23, 49, 69, 97, 100, 120, 122, 123 124, 125, 132, 212, 247, 258, 292, 354, 355, 371, 372, 375, 379 394, 396, 402, 403, 424, 425, 428,448, 449, 452, 466, 498, 499, 500, 544, 545, 555, 556 586). Notwithstanding this, there is a recognition that even systems and processes need to be managed well and system failure maybe as much a human error, or lack of capacity, as much as poor system design, equipment failure or a lack of maintenance and upgrading.

There are several junctures where participants shared examples and experiences that overlapped the categories of capacity development as individual development and as organisation development. An interesting overlap between these two domains is the placement of leadership, management and governance development. For some of the participants, it is a skill set that individuals develop (statements 25, 27, 30, 31, 50, 111, 218, 509), but it is also recognised as something lacking in organisations and is required for capacity development within organisations (statements 26,28,38,48, 249, 250, 271, 273, 289, 291), as opposed to only lacking in an individual. The development of leadership skills is often achieved through training programmes, but also through the provision of one-to-one coaching to provide leaders with more personal forms of support and not expose their decision making or capacity development to a wider audience.

Coaching and mentoring are generally considered to be individual learning strategies and have been identified by the participants as one of the ways in which they have experienced capacity development. The overlap with the organisation development domain is that coaching is often reserved for the most senior staff in an organisation and is employed to help develop leadership and management capacities.

Kaplan (1999) specifically identified skills development as a feature of organisation development, which is a reference to the capacity development needs of individuals, but consistently applied in the context of development of the organisation. Some participants made the distinction regarding the application of individual skills to further the mandate and capacity of the organisation, such as undertaking a skills gap analysis at an organisational level to inform the enterprise strategy to either recruit people with the requisite skills or qualities or develop them inhouse. Whilst this is conceived as an organisational development strategy, it is clearly based on the skills or qualities within individuals.

Another example of the gradation is that of team working, many of the participants recognised the importance of effective team working to help deliver their mandate and some also described how they provided team working (statements 6, 7, 16, 24, 28, 39, 48, 49, 50, 52, 62, 85, 87, 88, 89, 91,101,110,115,129, 127, 223, 308, 339, 454, 465, 488, 536, 556). Team working is perceived as both individual development in that it can improve interpersonal skills and relationships and as organisation development. With one participant reflecting that an "*organisation is* only *its team that's running it*". (Statement 465).

An additional area of overlap between these two domains is the issue of mindset. When talking about the mindset of individuals, often the ideas were in relation to having the right mindset to manage a social enterprise. There were variations as to whether the right mindset is that of a traditional business owner or entrepreneur and the importance of having a real passion for ameliorating the social issue at the heart of the enterprises mandate.

One more area where some overlap exists is in exploration of who is in the best place to provide learning and development for those working in social enterprises, and again some variation exemplified in criticisms in the offerings provided by the traditional private sector and a consideration that development for social enterprise owners and managers should be different from traditional MBA programmes and university programmes. The considerations about who should provide learning and development also overlaps with the community domain.

5.4.3 The Relationship between Individual and Community Domains

One of the key relationships between individuals and community development is that it is often the development of individuals from the community who are recruited, trained and educated. Individuals in poor and remote communities have the opportunity to experience work, complete education, access higher education and give back to the community by continuing to provide those services to others. This is perceived as an important function of social enterprises, as Investing in developing the capacity of

previously marginalised people who may not have completed their schooling implies a greater duty on social enterprises to commit to developing their locally recruited staff both on and off the job. As exemplified in statement 438 in chapter four, social enterprises feel they cannot terminate an employment contract because someone does not have the required capacities or behaviours. They perceive it as a part of their role to develop capacities of many of the people they employ and not just choose highly skilled people who already have experience of work. It is a commitment to the individual but also to the local community.

A second aspect of this development is how some individuals develop the capacity to represent their community and become a voice or focus on particular community-based issues. Without developing the capacity to give voice, communities have little capacity in the interventions undertaken in the name of development.

5.4.4 The Relationship between Individual and Government and Public Sector

Another aspect of the relationship between individual and government was described by some of the participants as a lack of trust between individuals within the social enterprise ecosystem and the representatives of government (statements 45, 246 ,292, 294, 407, 491, 565). To summarise the reflections, there are few opportunities for individuals to engage formally with government representatives, with the latter often failing to attend consultation meetings, though some of the participants gave examples of the importance of informal, individual relationships between government officers and social enterprises. This is valued, especially when informal advice is sought on issues such as applying for a grant or loan or completing parts of the contract compliance processes. However, governments are perceived mainly as providing grants to not for profit organisations for social development interventions and have well established networks and processes designed around working with NGOs rather than enterprises; social or otherwise.

5.4.5 The Relationship between Individual and Human Development

The participants reflected that capacity development as individual development is commonly understood. For professional staff in the social enterprise ecosystem, it can often represent personal journeys of growth and development both formally through education and the attainment of qualifications in further and higher education, but also the provision of short courses and learning events. When applied to the beneficiaries or end users it most often represents group learning and individual learning, skills, knowledge and attitude development, such as developing the capacity to learn, building confidence, the development of entrepreneurial traits and technical and vocational skills. Individual development as human development is often the precursor, in a sense the capacity developed is learning to learn.

Many social enterprises believe that a core part of their remit is to employ and develop individuals generally excluded from education or employment. The processes of learning and developing confidence are significant for people who have been excluded and those experiences of work and learning support the

development of a person's aspirations to be able to do more than survive but grow and thrive. The implication is a greater commitment to individuals who may not have the necessary capacities when employed. In these instances, a higher level of investment in the development of their team members is essential. Although, according to the participants, this is not always implemented because of the demands to spend their resources on delivering the services.

5.4.6 Organisation Development and its Relationship to the Other Domains

In describing capacity development as organisational development, participants primarily talked of organisational development in the context of developing social enterprises and what they need in order to be convincing implementing partners and sustainable organisations. Nonetheless, there was also consideration given to the capacity development needs of other organisations, such as government and even donor organisations, with one participant reflecting:

> Government has been, what can one say, less than competent to be able to deal with what's captured in the national development plan. And so, for that reason, they haven't consulted broadly enough amongst relevant stakeholders with regards to moving forward in terms of the plan. (Statement 35).

There are other examples of participants considering the organisational development needs of communities, governments and donors. Sometimes this is about sensitisation regarding what social enterprises are and how they function. On other occasions it is the capacity to work in partnership, provide leadership and governance and includes a change in mindset to become more entrepreneurial (statements 5, 10, 35, 41, 45, 46, 51, 54, 76, 120, 126, 182, 187, 192, 194, 195, 196, 199, 200, 206, 222, 223, 257, 382, 452, 483, 486, 487, 492, 496).

Social enterprises have the dual tasks of operating as a traditional business in terms of trading and financial management, whilst having a clear social mission to fulfil. There are several challenges, one of them being having the mindset and capacity to do both. Unsurprisingly, many managers and founders of social enterprises have a background in the not-for-profit sector. Part of the mindset that comes from this sector is the capacity to be thrifty; if you can use volunteers, get it for free or get a donation that is better than spending funds. There is a stereotype that civil society organisations are generally not good at money management. There is no evidence to say if this perception is true, but as a perception it does filter through as a general criticism of social enterprises who, in the eyes of the participants, need to develop an improved capacity to manage the business side of the enterprise. This includes being able to create and analyse a profit and loss account, undertake projects and financial planning as well as raise funds and generate business. Apart from having a more entrepreneurial mindset, this also requires putting into place systems and processes which provide the right information to the right people at the right time.

A part of developing the capacity of an organisation is the analysis of the systems and processes in place to ensure compliance with rules and regulations and are both effective and efficient. For some social

enterprises this might include the certification that, for example, produce is organic or produced to a standard suitable for an export market, or that the financial management and accounting systems meet the requirements of the local and national government regulations on the declaration, payment and reporting of taxation.

5.4.7 The Relationship between Organisation Development and Community Development

Many social enterprises are too small to warrant the establishment of an internal training and learning function for staff and consequently refer to external providers in their community such as the universities and private sector training consultancies and others within the local community. There is a feeling from the participants that social enterprises should drive their own development by providing capacity development for each other though their professional networks and any existing communities of practice. Participants mainly reflected that the private sector capacity development actors do not understand social enterprises well enough, and that NGOs do not have the requisite business experience (statements 61, 88, 157,164, 203, 289, 327, 356, 420, 442, 469, 542, 546).

Whist there are many offers of learning and development for social enterprise in South Africa, social enterprises established to provide capacity development for other social enterprises are relatively scarce. Ad hoc peer learning and networking does take place and as evidenced by the participants.

Social enterprises can and do consider themselves to be a part of their community and as surfaced in the interviews, some participants were active in developing a range of communities within which they have memberships. Therefore, capacity development of an organisation can contribute directly to the development of capacity within the community. This is especially true when employees are recruited from the community to work in the organisations and social enterprises. A central tenet of community development is building social capital, as much as systems and processes. Some of the participants reflected on learning from experience that large scale building and infrastructure projects do not result in achieving economic prosperity if there has not been adequate engagement and trust building between the entities initiating the projects and the local communities (statements 45, 246, 292, 294, 407, 491, 565).

Some of the participants believe that in terms of developing the capacity of social enterprise, they are better served by similar types of organisation who understand first-hand the challenges and dilemmas they face. The experience of having purely private sector orientated mentors and trainers has left some with the experience and exasperation of feeling misunderstood. However, there is not currently a single national association or organisation in South Africa which can act as a rallying point for social enterprises in terms of advocacy and giving voice, but also in terms of identifying and providing or procuring appropriate development. This is an overlap between the development of the social enterprise as an organisation and the desire for a stronger community of practitioners for social enterprises to collaborate with (statements 41, 65, 71, 72, 73, 76, 77, 79, 175, 193, 211, 430, 504, 505). Developing the capacity of organisations does

not only refer to the development of social enterprises but also other actors and potential actors in the ecosystem. This includes banks, lenders, and investors, as well as local and national government.

5.4.8 The Relationship between Organisation and Government and Public Sector

The relationship between the domain of organisation and government can be complex, in that there are many parts to it. The government is responsible for the creation of an enabling environment for business and for the provision of social development, through the Government Department of Social Development. The former is achieved through the enactment of laws and policies administered nationally and locally by different levels of government and through the creation of services, tax incentives and specific rights and opportunities targeted at different types of organisations.

The latter is often contracted out to a variety of NGOs and some social enterprises. This results in government departments providing grants and funds to organisations to undertake specific interventions aimed at social development and the amelioration of social problems. One of the consequences is that government requires the organisations providing the services to ensure they are contract compliant and implement the governments monitoring, evaluating and financial reporting processes. This often requires implementing partners to adopt systems that are imposed upon.

Some social enterprises begin as very small informal organisations, and it is here that the government can and does play a role in developing the organisation capacity to ensure it has the capability to both deliver the required services and comply with the standards established by government in terms of reporting and evaluating contract and service delivery. Often this is an informal process, with one participant sharing "*one of the things that helps me in my capacity building is that I have NK from social development on speed dial on my phone" (*statement 391*).

The relationship between organisation and government is captured in the idea that government may be a provider of funds and work but may also police the work of a social enterprise. With a persistent lack of trust between the two parties and few opportunities to meet and develop closer working relationships, social enterprises feel misunderstood and government representatives my not perceive the relevance or potential of working in different ways to achieve their objectives.

5.4.9 The Relationship between Organisation and Human Development
Many social enterprises determine their mandate as to ameliorate a social problem. In these circumstances the overlap between organisation development and human development is significant, with both aspiring to an improvement in the conditions of the poorest and most marginalised people. To do this, social enterprises purposely recruit people from the local community who may not have already the necessary skills and experience to undertake a job and perceive a fundamental part of their role is to develop the whole person. Sometimes this includes bursaries and funding from the social enterprise to continue or complete formal education. As already mentioned, this also implies a commitment to the individuals and aspiring to

develop the whole person not just the worker or employee. Which means being ready not to give up when employees do not or cannot meet the standards of performance required.

In much the same way that governments often require their implementing partners to implement systems and processes, donors and international development agencies also have a level of reporting and require their local partners to learn how to utilise their reporting systems.

5.4.10 Community Development and its Relationship to the Government and Human Domains

Participants in this research perceived capacity development as community development in three broad ways:

1. as the work undertaken within the local communities where social enterprises are present providing services and or employment;

2. second is the relation to consultation; and the

3. the professional networks and communities of practice (statements 27, 40, 126, 299, 349, 383, 481,488, 500, 502, 504, 513, 514, 560).

The work undertaken within the local community could relate to the provision of education, health or care services, but also to local economic development or even larger infrastructure initiatives and public works schemes funded through government or donor funds. Often decisions regarding infrastructure interventions also combine strategies to provide local, albeit temporary employment. In these situations, the schemes are often devised as labour intensive rather than involving the procurement of plant and machinery. The donor community often strongly supports the principle of labour-intensive schemes, in that they will bring more jobs and therefore prosperity to the community and in particular to low or non-skilled workers.

5.4.11 The Relationship between Community and Government

The boundary between community and government reflects that often they are viewed as one and sometimes the word community reflects also the lowest level of government office and that the local government structures rely on community as a point of contact with individuals and organisations.

Within the social enterprise ecosystem, the missing middle of a national or apex association to represent the voice of social enterprises hampers the possibility of social enterprises being represented, understood and having the opportunity to gain a seat at the table when it comes to social dialogue in South Africa. As one of the participants reflected *"we really need to agree on a broad definition of what social enterprise involves, what the characteristics around that is and what the framework for social enterprise is. We just don't have that, and then I think we really need a network body that can act as a thought leader in this space so that we have an overarching body that could be recognised and endorsed, that could really forge a way forward for us"* (statement 40).

5.4.1.2 The Relationship between Community and Human Development

The lack of jobs and infrastructure in rural South Africa results in limited choices available to local people in terms of accessing education, work, health care and a wide range of other services and opportunities. These classically reflect the unfreedoms and vulnerabilities that Sen (1999) identified in enabling people to achieve their full potential.

The relationship between the community development and human development domains of the outcome space are generally via government and the public sector. Donors are often concerned about the outreach and impact of their programmes and the programmes are mainly designed and expressed in the government's national development plan. The programmes are often conceived as three-year programmes with a range of themes, defined inputs, outputs and outcomes. Once completed the programmes are closed, sometimes extended and sometimes evaluated. There may be gaps between funding cycles resulting in communities waiting for the funding of a programme to recommence or occasionally, cynically taking the attitude to make hay whilst the sun shines, by setting up organisations for the duration of a funding stream then opening another organisation to access new funding for a new programme, without any real commitment to real outcomes. Knowing that the jobs that become available through the programme activities are time limited. For some local people it provides an opportunity to work for one of the development agencies and possibility use the experience as a gateway into a career.

Social enterprises can continue to undertake the development work long after the projects and programmes have been closed. They could use the funding provided through donor programmes to create permanent, not temporary jobs. The current funding and partnership models make this possibility difficult to achieve yet pursuing this idea could have a sustainable positive impact on communities.

5.4.13 Government and Public Sector Development and its Relationship to Human Development

However, this cannot be achieved by government alone and social enterprises can play a role as an extension of their service provision, particularly those enterprises delivering social care services. There has however been little exchange in the other direction, where social enterprise owners and managers can help to develop government by working alongside them to explain the issues, needs and roles that can be fulfilled. It begins with a vision that can become shared, with all the different stakeholders playing a part, but the government driving the ambition and aspiration to eradicate the unfreedoms that perpetuate poverty and social exclusion:

> *If you understand why you're doing something and what your goal is behind it, especially if you have a social impact as a goal, then you need to make a very clear story about how it all fits into the bigger picture. (Statement 16).*

From the perspective of some of the participants it requires the government to address all the issues in the national development plan. This cannot be done alone and requires a range of stakeholders to be mobilised

in the name of poverty eradication, social justice and sustainable growth. One of the key areas of overlap between these two domains is the role of government and donors in providing leadership and a vision and then mobilising other stakeholders to play their role in achieving the development goals:

> For me, capacity development is really a process to stimulate ownership and leadership of the target. It's really stimulating leadership of decision-makers in a country, the government and public sector, working toward ownership and leadership. (Statement 250).

Strategies to engage other stakeholders is required so that the removal of unfreedoms and vulnerabilities is achieved by extending ownership of both the problem and the solutions to wider sectors of society.

Donors and the international community cannot act without the expressed invitation of the government. Learning the lessons of previous eras, donors have come to realise the importance of this concept of ownership. It is now enshrined in the Paris Agreement and required as a basic principle in the design of any intervention.

5.5 Conclusions

The conclusion of this research culminates in a new outcome space and model for examining the phenomenon of capacity development within this specific context.   This relates to the third line of inquiry in this research in seeking a model that may enable the actors to discuss more explicitly what capacities need to be developed, how they are best developed and what assumptions underpin the choices made.

In addition, a new type of outcome space called contributory has been identified and is offered as an alternative to the hierarchical, temporal or climatic types of outcome space that have previously been used in creating the outcome space and conclusion of phenomenographical research. It is offered to support phenomenographers in reporting their findings in terms of what is, as opposed to a value-laden outcome space and in doing so, avoiding a criticism of bringing the researcher bias to the development of the outcome space.

The outcome space reflects the variations in the experiences the participants brought to the research and acknowledges that there are not clean and crisp demarcations between the conceptions. By presenting fuzzy boundaries between different experiences within the social enterprise ecosystem it is possible to recognise the diversity that exists and in doing so, create different approaches to capacity development based on the diverse understandings and practices specific to that environment (Snowden 1999).

The nature of the flows between the boundaries can indicate some of the aspects of the ecosystem that we are dealing with and to some extent, its likely future direction. Donors and the government in South Africa can choose how to build the ecosystem by developing and implementing capacity development strategies that enable them to choose partners with the potential to be sustainable and creating the environment and capacity development to assist them in not just surviving but thriving.

This outcome space has the potential aid the exploration of what social enterprises can contribute to international development, without becoming dependant on the donors and development agencies in the way some of the not-for-profit organisations have.

Chapter Six

A Discussion of the Findings

6.1 introduction

The purpose of this chapter is to discuss the emerging findings from the analysis of the data examined in chapters four and five. The unique and specific findings from this study contribute to the ways in which capacity development in the context of social enterprises in South Africa can be contextualised. This is in terms of both the current body of knowledge and the policy implications for the practices of developing capacity within the social enterprise ecosystem in South Africa.

6.2 The Variety in the Conceptions of Capacity Development

The findings from this research show that the participants reflected not only on what they understand capacity development to be, but also on how they think about capacity development. Even with the wide variety of experiences, the views of capacity development are generally positive, and for the participants, capacity development relates to learning, improvement and development.

According to Ubels et al., (2011) approaches to capacity development are broadly based on one of the two approaches. The first was developed by Alan Kaplan and the Community Development Resource Association (CDRA) in the early 1990s. Their work resulted in the United Nations publication 'Organisational Capacity: A Different Perspective' (1999) which promoted the following elements requisite for capacity development: context and conceptual framework, vision, strategy, culture, structure, skills and material resources.

Kaplan's seven dimensions can work well at enterprise or micro level as they map the potential of an enterprise or organisation and can form the basis of an action plan for the strategic and operational development of a social enterprise. Where they are less useful is within an ecosystem, here there is a reliance on other actors to play their role effectively, such as a government creating an enabling environment within which social enterprises may thrive and donors accepting social enterprises as local implementing partners. The Kaplan model provides the basis for discussions about where an organisation or enterprise is and where it aspires to be. It is individual and personalised to each organisation and can provide the basis of a mapping exercise to understand the priorities and challenges faced by an organisation or enterprise.

The second approach, taken by the European Centre for Development Policy (ECDPM), is known as the 5 Capabilities (5Cs) model or partnership approach and emerged in the early 2000s. It was developed from five years of research and the analysis of sixteen case studies of large scale, national capacity development interventions.

The five capabilities that emerged from the research are as follows:

1. the capability to act and commit,
2. the capability to deliver on development objectives,

3. the capability to adapt and self-renew,

4. the capability to relate to external stakeholders,

5. the capability to achieve coherence.

The five capabilities clearly aim toward a more macro view of capacity development but are vague and rather hard to define. The ECDPM approach is critical of Kaplan's logic and structure (Land et. al 2009) reflecting that the 'logic' within Kaplan's approach underestimates the role of culture, politics and the operating context. This is a valid observation of the Kaplan model; however, it also reflects a weakness in the ECDPM model. The lack of structure in the ECDPM model is designed to allow for emergent learning and organisational development. However, the results are difficult to measure this in a meaningful way and there is no clear relationship between the cause, which are capacity development interventions and the results.

Within this research, capacity development in the context of the social enterprise ecosystem in South Africa is experienced in a much broader sense than either the work of Kaplan or the ECDPM. This research reveals capacity development as:

- individual development,

- organisational development,

- community development,

- government and public sector development,

- human development.

This differs from both the Kaplan and the ECDPM approaches. The experiences reported generally in the literature relate to capacity development, where capacity development is conceived as something provided at a micro level to build the capacity of individuals or small organisations, or at a macro level for governments and institutions in recipient countries. It is rarely, if ever, reported as something for donors or development agencies to consider for themselves included as part of the process and part of the ecosystem. Until this research, the definitions and boundaries of capacity development have rarely been conceived as more than individual or organisational development, with some exceptions that have considered it to include development within a sector (Land, 1999; Morgan, 2006a; Paul, 1995; Potter and Brough, 2004; Ubels et al., 2011).

The traditional conceptions of capacity development are close to the old adage "give a man a fish", (Ritchie, 1886) and although it reflects a positive view of capacity development, in that it offers the potential of sustainability and implies human development, it is based on a power dynamic that presupposes that the man who is taught to fish has no capacity to fish, and the teacher is equipped with the range of knowledge, skills and capacities which result in meaningful teaching in the context within which the fishing is to take

place.   There are a multitude of examples that demonstrate the contrary to this scenario, and one, exemplified by Ernesto Sirolli is discussed in chapter two.

The aspect of capacity development the participants identified as human development in this research goes beyond providing the skills, knowledge and attitudes, but also addresses the opportunities and the unfreedoms that obstruct individuals from realising their potential.   Within the UN system capacity development is generally conceived as the key approach to sustainable human development.   Emerging from this research, it is clear that human development is also a component of capacity development, not just a part of the end result.   As one of the facets of capacity development, it is evident that providing learning and development is not enough; true capacity development also involves removing the obstacles and unfreedoms preventing women and men, social enterprises, communities and recipient countries from determining and achieving their own potential.   This includes the roles the donors and UN agencies play in continuing to implement projects with the same kinds of project partners, in order to achieve the results, they have pre-determined and using the mechanisms they have designed and implemented.   In the next section the findings which have emerged from this research and which relate to the five variations in the conception of capacity development are discussed.

6.3. Capacity Development as Individual Development

There are four main findings relating to capacity development as individual development. They are:

- variations in learning preferences,
- the need for learning and education for social enterprise managers,
- training, group learning,
- the need for improved business finance and administration.

Each of these four variations also address the aspects of credibility or sustainability, or both.   This research contends both are necessary in order for social enterprises to become partners of choice in development.

6.3.1 Variations in Learning Preferences

This research substantiates there are clear distinctions in how the actors in the social enterprise ecosystem prefer to learn.   In chapter two, the learning preferences researched and published by Honey and Mumford (1986) expose four different ways in which adults prefer to learn; as activitists, reflectors, theorists and pragmatists.   Whilst there are criticisms of Honey and Mumford's learning styles questionnaire, in terms of the validity as a psychometric tool and doubts regarding its statistical validity, the conceptual framework for learning preferences is based on Kolb's work on experiential learning which developed from his classroom observations of university management students demonstrating preferences for different types of learning activities over others.   Kolb found that some students preferred activities and exercises over lectures and the publication of his model of experiential learning has been a reference point for pedagogists since the early 1980s.   Honey and Mumford acknowledge their work is substantially built on Kolb's model,

but developed a tool that they found more relevant to their target group of managers in industry and adapted the nomenclature to something they found more accessible (Capel and Martin, 1994; Coffield, et al., 2004; Honey and Mumford, 1986; Kolb, 1984)

From this research it is apparent that within the social enterprise ecosystem there are varieties in the way people prefer to learn. Theories and models, and consequently academic studies, are generally less valued than pragmatism by the social enterprise managers, who describe themselves as learning by doing or learning from making mistakes. This pragmatic approach to learning explains one of the reasons why social enterprises generally prefer their learning to be provided by other social enterprises and to address real time, specific problems and challenges.

In South Africa, social enterprises are generally not wealthy. One consequence of this is that spending on learning and development for staff is often deprioritised. This is classically true of third sector organisations, who are committed to maximising the resources spent on beneficiaries and do not always adequately provide for the development of staff and volunteers (Eade 1997). The old adage, "if you think training is expensive… try ignorance", has a particular significance for social enterprise development, and according to some of the participants, the ethos of "*learning as you go along and hoping for the best or learning by failure*" (statement 146) prevails. Whilst the willingness to make mistakes and learn from them is powerful, it does impact on credibility.

From this research it becomes apparent that there is rarely a development plan for the enterprise based on an analysis of the potential growth and needs of the enterprise. This reflects on both the credibility of the enterprise and, in extreme cases, also its viability. There are very clear rules about spending on administration and overheads for not-for-profit partners, which from the perspective of the funding agency is a metric on aid efficiency. The underlying assumption is that the beneficiaries are better served if the highest proportion of the budget is dedicated to the delivery of goods and services directly to them. There is of course a logic in this, people want to know that donations and public funds are used to ameliorate the challenges and crises they have donated to. For the implementing partners this potentially hampers the development of capacity for staff and their own organisation, and thus from a longer-term perspective the organisation does not have the capacity to grow and develop (Glassman and Spahn 2012). It also creates a make-do and mend culture, where not-for-profit organisations are perceived as poor and sometimes not very professional, skilled in bartering and getting by using volunteers or free services, regardless of the quality:

> *…. the universities tend to be costly and the colleges. So, that you can get some small organisation or people who can volunteer to teach people who are in these organisations and raise funds for them.* (Statement 357).

Although academic institutions are perceived as costly and not always appropriate for social enterprises, the opportunity to gain qualifications in their relevant fields and develop the capacity to undertake research

would definitely contribute to the perceived credibility of staff and managers of social enterprises. In much the same way Freire (1972) conceived education as a way to empower the dispossessed and that formal education can be transformative. Jack Mezirow, in developing his approach to transformative learning, observed the experience of his wife and other women growing in confidence through adult education classes which culminated in recognisable qualifications (Freire, 1972; Mezirow, 1991). This research shows that actors in the social enterprise ecosystem who hold master's degrees and PhDs do not tend to be the owners and managers of social enterprises but are actors from other parts of the ecosystem: the universities, foundations, UN agencies and the donor community. Although the Myres et al., (2018) research did not gather data regarding the educational attainment level of social enterprise managers it is unlikely that the owners of the small rural social enterprises would have had the opportunity to complete a university education. This is certainly not true of all social enterprise owners. There are excellent examples of people who have graduated and gone on to develop incredibly successful social enterprises, but these people tend to be the exception rather than the rule. (Silber and Krige, 2016).

As discussed in chapter two, transformative learning as a theory and as developed and expounded by Jack Mezirow (1991), has three dimensions: 1. psychological, where self-awareness and the capacity to understand oneself are awakened and developed, 2. convictional, addresses the reconsideration of belief systems and 3. the behavioural dimension, which includes alterations to actions and behaviours or how people live their lives. According to O'Sullivan (1999), transformative learning includes an experience of a deep, structural change in thoughts, feelings, and actions. It indicates a change of consciousness which radically and conclusively alters a person's way of being in the world. In the opinion of Illeris (2015), transformational learning is an active process and therefore cannot be taught but can be designed and facilitated. It is achieved through facilitated learning activities such as action learning, living case studies and real-life experiences, but also through coaching and mentoring and other learning interventions which support the learner in confronting their fixed sets of beliefs and versions of knowledge. The owners and managers of small social enterprises in South Africa need to experience a transformation which takes them from being perceived as 'poor mummies' with no credibility to strong and capable owners or managers:

> *And so many of them take on more than what they can chew, and they want to retrospectively try and develop the organisation, and they don't have the capacity. They don't have the capacity to care for them, and they don't have the capacity to develop an organisation. And for me that's very sad, you know. And that's what we come across, you know, having to, in some cases, having to break it to those mummies who are trying to generate an income because she started out with her own child, not being able to work, and looking at this as an employment opportunity. (Statement 377).*

One way in which credibility is gained is through recognisable qualifications. Some social enterprise owners will not have finished tertiary or secondary education and may find themselves daunted by the prospect of highly academic learning environments, or even unable to access the programmes due to discontinuity in their education. The lack of formal education does not signify a potential failure to establish and successfully manage a social enterprise, although the research carried out by Bowen-Falconer and

Herrington (2019) reveals that for every 100 children that enrol in the first grade of primary school, only 37 take the final matriculation and only 12 will go on to university. This experience was borne out in this research:

> *It was a business and it was turning over a few million rands a year and I never had a degree, I came straight out of school, I ran a few NGOs, I had severe dyslexia. (Statement 442).*

The processes of learning and successfully achieving a qualification can help owners or managers of social enterprises to become more confident and develop the skills required to present their ideas to others and advocate for or argue their case in public settings.

6.3.2 Training and Group Learning

In observing the frequency of statements directly referring to training, it is clear in this research that every participant conceived of training as a form of capacity development. This unified conception aids an understanding of the reasons why capacity development is often used as a euphemism for training, even if it is only one of many possible interventions. There are many other processes, such as coaching, mentoring, study tours, reading, self-reflection, conferences, learning from doing and by making mistakes. It is evident that some of the shorter courses currently provided by donors and universities are designed to ensure that social enterprises have the capacity to use the systems and processes developed by donors, such as how to report and measure results and outcomes. This is one example of how donors continue to set the development agenda by assuming that local implementing partners should be subscribing to their systems, without the opportunity to learn if there are different ways the donors themselves could adapt their processes to make them much more partner led. In a similar way that the BCM and Freire (1972) felt that education reinforces certain belief sets, which maintain and support the status quo, the donor-led agenda for short courses perpetuates the 'brainwashing' that participants in this research concluded from generic MBA studies, built on underlying principles of profit and which do not reflect the values of social enterprises or those engaged in development:

> *I think the first thing is non-profit organisations must start to think differently about what they do, how they do it and why they do it.* (Statement 47).

Participation in these programmes does however afford social enterprises the opportunity to learn the language used by the donor agencies, which is another aspect of credibility. Being able to use the language, terms and being up to date on the current research and thinking of an issue will be beneficial to social enterprise staff. It also enables the social enterprise owners and managers the opportunity to challenge some of the thinking that perpetuates the current power-dynamic in international development by adding their voice and perspective to the arena.

6.3.3 Financial Skills

Clear from this research is a perception that social enterprises in South Africa do not have the requisite skills to build the financial and resource base of their enterprise. According to Myres et al., (2018) 70 per

cent of social enterprises in South Africa earn less than 300,000 rand per annum. (around 20,000 USD). However, some social enterprises in South Africa turn over more than 6 million rand (350,000 USD). With the right business model, financial acumen and access to markets, there is potential for social enterprises to become more sustainable. Developing good business management and financial skills is an important way to ensure the social enterprise can grow and become sustainable and in doing so, serve a greater number of beneficiaries. The message from the ecosystem is loud and clear:

> *There's a lot of capacity building needs to take place. I just think that basic administration would be to… you know, would need to happen, but we're probably not that great at basic admin. I think understanding financials and balance sheets and just keeping track of finances would be something that they'd need to… just financial management.* (Statement 235).

Learning and applying better financial and business management skills to existing social enterprises will improve their sustainability and credibility as going concerns. This is one area of overlap between the first and second categories of description which emerged in this research. The requirement for good financial and business skills includes the development of the people and the financial and business systems and models. For social enterprises emerging from the not-for-profit sector there may be experience of spending and reporting on budgets but dealing with balance sheets and profit and loss and costing and pricing services may be more challenging. This is discussed further in the next section, capacity development as organisational development, where resource management is considered.

6.4. Capacity Development as Organisational Development

In this research, strong links between capacity development as individual learning and as organisational development are evident. Capacity development as organisational development is conceived as:

- leadership and leadership development,
- the team, environmental stewardship and resources,
- having the right attitude or mindset.

In this research, having the right mindset emerges as being distinct from the mindset of running a traditional for-profit enterprise and also distinct from running a traditional not-for-profit enterprise:

> *…and I refer to it as our business because we think like a business, we don't like a traditional non-profit. So that's one way. (Part of statement 62)*

What emerges in this research is the need for social enterprise owners and managers to create a new mould, where they can run a business and that business is located in the world of social development. Therefore, social enterprise owners and managers need the skill set and business acumen which might be traditionally found in for-profit enterprises, blended with the passion and values more often found in the not-for-profit sector:

> *So, for me passion is really important, and the people we hire, that's one of the criteria. If you're not passionate about what we do then you can have a Harvard degree, but we won't hire you, because you will actually not fulfil your potential within our organisation. (Statement 18)*

The need for the 'right mindset' clearly pervades through all staff in a social enterprise. The need for the leaders of a social enterprise to have the right mindset and leadership skills has a direct impact on the credibility of the organisation. With little or no credibility, social enterprises cannot expect to win contracts that will enable them to become more sustainable.

6.4.1 Leadership and Leadership Development

In this research, leadership within social enterprises emerges as another important issue for both sustainability and credibility:

> *So, non-profits firstly need to be careful about what leadership they choose, and that's leadership at the board level. So non-executive level, and also strategic leadership at the executive level. I think that's key. You need to have people there that have the ability to transition non-profits out of the traditional sense into starting to think about social enterprise. (Statement 48)*

When talking about leadership in South Africa, the default space may not relate to the leadership models that have emanated from the United States of America or Europe in the last 100 years or so. There is a continuing debate about African leadership models based on Africa's history, development and context. In post-colonial South Africa there has been a re-evaluation of leadership. Many African leadership models embrace the concepts of Ubuntu and Umoja (Mbigi, 2005; Mohiddin, 2007; Naidoo, 2005). Ubuntu is broadly translated as humanness and Umoja as togetherness, but they each symbolise much more. Ubuntu captures the essence of the collective and the role of the leader is based on the idea that "I am because we are" (Pillay, et al., (2013:106) including also a sense of ethical or moral leadership and placing the group, team or community above the importance of any one individual.

Social enterprises in South Africa have the expectation that staff will be drawn from the local community and specifically include people on the margins of society with little work experience or opportunity. Within the ecosystem this is captured as the concept of social inclusivity. It requires a different approach from traditional leadership and is more developmental, acknowledging that staff may not always perform as required and may not come with the necessary skills, competence or experience to undertake their duties:

> *And when the shit hits the fan inside the organisation, you cannot just fire somebody because they're different or not complying with what you need. You need to take your mantra of inclusive development inside as well as out, so then you're truly living social change. (Statement 438).*

According to Mbigi (2005), the competences for leadership in Africa are described as listening, empathy, persuasion, healing, self-discipline and consciousness (Mbigi, 2005:219-223). This set of competences is clearly of value to the managers of social enterprises, where developing and growing together is a feature of a socially inclusive culture.
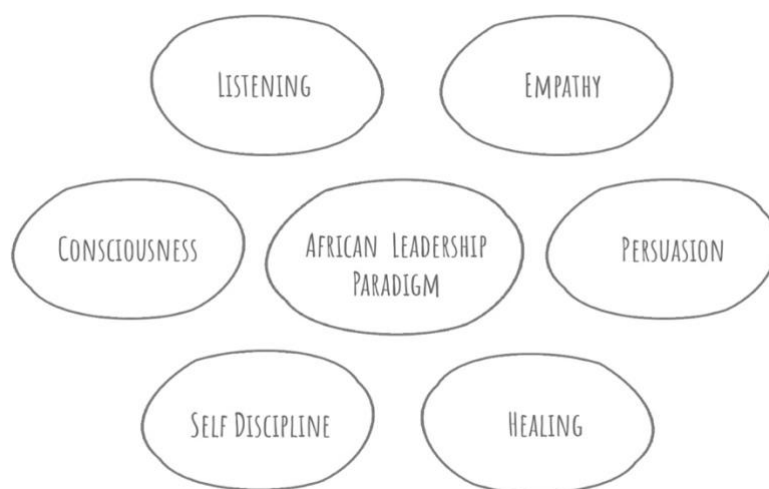
Figure 6:1 African Leadership Competences   Source Mbigi, 2005:219

Whilst these competences are all valid and acceptable in this research there are additional leadership competences relating to entrepreneurial behaviours which also emerge:

> *Because once you live for 50 years without being entrepreneurial, as an attitude, I mean, not being entrepreneurial, and you don't like risks, e.g., you are not able to plan so much, and then you are more interested in the social side, then all the matters with money or bureaucracy frightens you and so on, and I've seen this, these kinds of social enterprises coming up, and sometimes you ask yourself why they did so. And then they fail, because then they start with the… They're very* passionate about the social side and then they're totally lacking in the business side. (Statement 588).

Entrepreneurial leadership is described by Kempster and Cope (2010) as the capability to organise people in working toward a shared goal. They suggest that the qualities of entrepreneurial leaders include the capacities to optimise risk, innovate, take advantage of opportunities, take responsibility and lead change. In specifically addressing social entrepreneurship as opposed to the entrepreneurial qualities of general leaders, Doğru (2020) acknowledges that many of the known leadership styles can apply to leadership in the context of social enterprises if they are orientated toward social value creation.

The need to develop social entrepreneurship skills emerged from this research, but it was not just the owners and managers of social enterprises who are required to be more entrepreneurial. It also includes the need to develop an understanding of entrepreneurial skills in government officials:

> *A lot of work to do to be done on sensitising and if you… Specifically if you talk about social entrepreneurship, the first thing people do is that they turn their eyes because they don't know what is she talking about? Like at an event where we had to open a social enterprise challenge, the people from the Social Development Department in the Free State. His keynote speech was all about that people had to become social entrepreneurs before they can become real entrepreneurs.* (Statement 192)

It also includes the need for donors and the UN agencies to understand better the entrepreneurial aspect of leadership:

> *We still do find a lot of these traditional funders or donors caught up in that and I think we still have a little work to do on making them committed to a more entrepreneurial model I think it's also because we don't have a framework, which creates its own administrative issues in South Africa.* (Part of statement 487)

From this research it is clear that alongside traditional African leadership skills there is a requirement within the social enterprise ecosystem as a whole to develop social entrepreneurship skills which will enable the whole ecosystem to seek opportunities for new ways of working and innovate and harness the huge potential for engaging social enterprises in solving the problems facing ordinary women and men in South Africa today.

6.4.2. Leadership Development

According to the findings in this research, there are many different types of providers offering leadership development. This is often in the form of courses provided by universities and university business schools, through sponsored programmes, by business development services (BDS), incubator programmes that often combine training with the provision of low-cost or shared office or business facilities, by coaches and through mentoring programmes:

> *There are thousands of incubators, I don't know, we've never used one. I don't know. All I know is there's too many incubators and not enough social entrepreneurs, which, for me, just is a huge red flag, that somebody's trying to make money out of somebody. (Statement 468)*

There are many providers offering management and leadership development activities.   Some of this learning is designed to provide knowledge and works on the assumption that knowing about leadership or entrepreneurship is enough to change attitudes and behaviours and build confidence. To reach transformational learning and change hearts and mindsets a different approach is required. Transmissional learning is characterised by the passing of knowledge from the teacher or trainer to the learner. Much in the way that Freire describes the banking system of learning, the transmissional approach is based on the teacher transmitting not just knowledge, but their own version of the truth. In Freire's opinion this continues to perpetuate the status quo. This also had a strong resonance with the Black Consciousness Movement who challenged the colonialist education system of the apartheid system and provided learning opportunities for black men and women to enable them to challenge the white domination on what is truth. (Biko 1984; Freire 1972; Johnson 2010; Mezirow and Taylor 2009; Miller 1996). In this research it was found that the traditional offerings in terms of leadership development are not working for social enterprise leaders who need a more transformational approach for their leadership development:

> *….the whole education system or the education that a lot of people going into the private sector or MBAs etc., it's all… It brainwashes people to a certain mindset, and I don't know if it's that easy to change that*. (Statement 203).

Although acknowledged as limited, transmissional learning through lectures is still often a favoured teaching strategy. More frequently it is combined with transactional learning, which is based on learning from experience and includes a wider range of learning strategies, including peer-based learning, inquiry and project work and interaction. It is generally a more active approach to learning than transmissional learning. Providers of learning opportunities to social enterprises most often use transmissional and transactional learning, which may result in new knowledge but does not necessarily result in new practices or the sustainable change required by social enterprises and their founders. Based on the evidence of this research the owners and managers of social enterprises need leadership development which enables them to utilise the knowledge they have, but also develop the appropriate attitudes and skills enabling them to advocate, inspire and lead. Through this transformation, social enterprise managers will find their voice and their credibility.

6.4.3 The Team

In this research it was found that within social enterprises the concept of the team is strong. The research found that there are incidences of over-qualified people taking jobs with social enterprises because they want to give something back and do some social good. There are also examples of employees rising through the ranks of even small social enterprises to become key members of staff. To support this, mentoring rather than coaching is utilised. Even if mentoring and coaching are both strategies for building self-confidence and self-reliance, mentoring is generally more directive, in that the mentor, who may be a more senior person or line manager will support a more junior person in by exposing them to different opportunities and experiences and engaging them in conversations to help them reflect on those experiences. Mentoring can be either a formal or an informal relationship.

However, there are challenges with the team in some social enterprises, Smith, et al. (2012) found that the potential financiers in social enterprises took into consideration the attitude of the social enterprise team toward their income generating activities as a key criterion. In a socially inclusive organisation, it can be difficult to make clear demarcations as to who has an input in the decisions that need to be made. The question as to whether all the team members have the capacity to contribute to some of the decisions is perhaps more important. This adds to a leadership style and culture that highly values inclusivity and it is evident that for some social enterprises managing key decision-making can be a challenge.

6.4.4 Environmental Stewardship

What also emerges from the research is not only the need for the providers of training and development to social enterprises to understand their context, but also their other wider commitments, as already mentioned, in terms of social inclusion and environmental sustainability. This includes how social enterprises, and their suppliers use sustainable energies, examining the carbon footprint, the effective use of water and recycling and drawing from sustainable raw materials. There are many examples of social

enterprises in South Africa which take into account their impact on the environment. One such is building solar panels into school backpacks, so children have light to do their homework at night, another is turning plastic bottles into footwear. Providers of learning and development need to be able to show social enterprises how to deduct social and environmental costs and account not just for their profit or loss but also their social impact (Silber and Krige 2016):

> *The difference is more in the mindset and how you run your organisation. Traditional business models for instance, they wouldn't deduct social costs or environmental costs etc. But in social enterprise models they have to take all of that into account and it's a different mindset. It's different. So, I think that the training needs are different. That's what I said in the beginning. It's not always easy to find trainers who get that.* (Statement 210)

It is clear from this research that those providing training and development for social enterprises need to understand their context, priorities and operating principles. It is not enough to take the traditional approaches to enterprise development and prefix it with the word social. The same is true of resource management.

6.4.5. Resources

As previously discussed in the section on capacity development as individual development, this research brings into focus that the actors in the social enterprise ecosystem in South Africa perceive sound financial management for social enterprises as highly important. The participants are clear that good and simple financial management systems will help social enterprises manage their income and expenses. What is also apparent are some of the challenges facing social enterprises when it comes to costing and pricing their goods and services. As in the example in chapter four, providing inexpensive menstrual cups is a part of the raison d'etre of a particular social enterprise. Therefore, to ensure they are widely available, the prices have to be kept low enough for women and girls to afford them. A traditional business model would be either to sell them inexpensively but with high turnover, or to make them more expensive and sell them to a niche market; this was the advice provided by the business mentor. Social enterprises in South Africa are not always in a position to reach thousands of customers in their local communities and therefore need to innovate, not just on their social mission but also on how to keep overheads low or find investors who can help address economies of scale, investment and outreach. The significance of this is that social enterprises may need to find several diverse income streams to support their mission. For example, a social enterprise providing day care services for adults with learning disabilities may also be able to utilise the facilities they have, such as kitchens and halls, for other meetings or catering services. Sometimes it is a recognition of what the enterprise might have to sell; space, experience, secretarial services, the capacity to offer training to others, or transportation services. The human, social and knowledge capital that exists within an enterprise may provide a wider range of income streams. Another business model is to seek investors.

In South Africa, a wider conversation regarding social impact investment is taking place, acknowledging that in a similar manner to venture capitalists investing to get a financial return, social impact investors can count on a social impact return on their social investments. In South Africa, social enterprises will need to develop both scalable and sustainable business models to attract social investment funding and, in general, most of the South African social enterprises are too small to be of any significant interest to social investors (O'Donohue et al., 2010; Silber and Krige, 2016).

As a result of a lack of potential investors, social enterprises can find it tempting to accept contracts outside their experience or capacity. If successful, this is a good way to learn how to do new things, however if unsuccessful it could harm the reputation and potential for subsequent contracts. It is also a potential cause of what is known as mission drift and leaves the main message and reason for being ambiguous and unclear. According to Seanor and Meaton (2007) ambiguity is one of the reasons why social enterprises fail. Therefore, social enterprises need to choose carefully the types of contracts they accept and ensure they do not negatively affect their credibility or dilute their key message and social mandate by taking on diverse contracts because they provide welcomed income or separate their income generating activities so they are distinct from their social mission (Eiselein and Dentchev 2020). Good governance in the context of social enterprises would be to ensure the social mandate stays central in decision making and that funds are used appropriately and as agreed. Selecting a non-executive governing board can increase the credibility of a social enterprise and provide keen advocates who are already recognised as upstanding members of the community.

If social enterprises are to become sustainable and develop income streams and trade to fund their activities, it is more than good financial stewardship that will impact upon their capacity to be successful. A healthy business environment is essential. This includes access to finance, a classic challenge for small and start-up businesses, but even more so for social enterprises who cannot demonstrate a large profit in terms of cash value as they instead reinvest in the development of the enterprise or its social mandate, something not generally well understood by the financial sector. If lending institutions evaluate the prospect of lending based solely on financial return, there is little or no incentive to invest in social enterprises. It will require changes in either legislation or the attitudes of lenders and investors toward measuring social capital before they can play a significant role in providing access to finance for social enterprises. This would contribute to levelling the playing field between social enterprises and traditional businesses in accessing funding, new markets and sustainable growth. The importance of community takes on a different significance when it comes to financing; resourcing social enterprises and other actors within the ecosystem can play an important role in this, by providing capital, acting as guarantors and engaging in the discussions about social impact investments.

6.5 Capacity Development as Community Development

In this research, capacity development as community development was conceived as development of the locality, communities of practice, institutional development and as previously discussed, reflections on who are the most appropriate providers of development.

6.5.1 Development of the Locality

In understanding what is meant by locality it is important to acknowledge the differences between urban and rural localities in South Africa. The difference is stark, and their needs are different (Channing et al., 2018; Myres et al., 2018). In urban settings, there are often a variety of health and social services, but demand is so high needs cannot be met, especially as younger people drift toward cities in search of work or livelihood opportunities. In these situations, social enterprises are often competing with a wide range of other types of business and business activity. Competition can be fierce and the share of the market small, which may affect the capacity to trade and generate adequate income. In rural settings, there is often no economic infrastructure, no businesses and no employment (Channing, et al., 2018). The priorities in these instances differ and a social enterprise association needs to be able to advocate for the needs of both urban and rural social enterprises. It would be wrong to give the impression that all social enterprises are the same. They vary substantially in terms of what they provide, whom they serve, the degree of outreach, their business model and business registration model. The Myres et al., (2018) report on the state of social enterprises in South Africa reveals the spectrum in terms of size, turnover, number of staff and number of beneficiaries served. What is clear from their evidence is that social enterprises tend, but not always, to be small, the majority do not make a profit and they generally serve less than 100 beneficiaries a month.

In relation to locality, in this research participants identified trust at the core of social capital and the impossibility of engaging in community development activities without it. The participants cited examples of large infrastructure projects failing, despite massive amounts of money being poured into them, because of a lack of trust between the local community and the developers. As a consequence, the requirement to invest more time and effort in building relationships and trust prior to intervening in a community development project is increasingly recognised. Social enterprises are often based in the community they are serving. They are also recruiting people from the community to deliver those services. In this scenario trust is generally less of an issue. Intentionally, or as a by-product of recruiting and training local people, social capital is created as people organise themselves into different groupings and cooperate or work together. In this research trust is also defined as a key element of social capital.

The concept of social capital emerged in the early part of the twentieth century, but it was in the 1970s where it became more widely utilised and was developed independently by Coleman and Bourdieu, the latter placing a focus on the dynamics of power and conflict. At the turn of the last millennium there was an awakened interest in the concept. Putnam, one leading exponent, building on Colemans model, identified three characteristics of the concept: social networks, social values, in which the component of trust is

particularly significant, and moral obligations or shared social norms. In contextualising Putnam's work, in Africa, Widner and Mundt (1998) proposed that social capital is linked to economic performance and with effective local government in a locality or community. Success is based on three metrics: 1. Are people who are different and from different upbringings open to talking to each other? 2. Is there trust between neighbours and 3. Are there established norms in relation to the dimensions of openness and compromise? (Bourdieu, 1986; Gudmundsson and Mikiewicz, 2012; Putnam, 1993; Widner and Mundt, 1998). This research reveals a fourth dimension in the context of the social enterprise ecosystem, based on the nature of the power-distance relationship between stakeholder institutions and stakeholder organisations. It relates in some respects to the power dimension first developed by Bourdieu (1986) but extends it beyond the scope of individuals to people as representatives of institutions.

In this research, it emerges that when the participants talk about social capital, they are most often referring to a lack of trust from the local community toward the institutions engaged in development activities. There is no reflection on the degree to which the institutions demonstrate their trust in the community. To learn from this, the institutional development agencies will need to recognise this important factor when choosing local partners who are not from the larger, more formal institutions or from temporary organisations such as national and international NGOs, who may only have a presence for the duration of the project but are from smaller organisations that already exist within the communities in question:

> *social capital is probably the primary, if you don't have that within a community if you have mistrust, and it doesn't matter how much money we pump into a programme, we have to start dealing with the issue of social capital first and foremost this issue of trust of the relationships I think then the other things fall into place.* (Statement 491).

Social enterprises are in an excellent position to bridge the relationship between institutions and local communities. In doing so, they afford the opportunity to help institutions learn the skills associated with trust building, working in partnership and how to appropriately intervene and communicate at the level of locality.

Social enterprises can develop credibility if they are rooted in their local community and are able to reflect the views and opinions of the people they serve. This potential is one that the donors and contracting agencies do not have and is an opportunity for social enterprises if they can demonstrate their capacity in this area.

6.5.2 Capacity Development as Institutional Development

In distinguishing between institutions and organisations, an organisation is generally perceived as being smaller, more local and with a less formal relationship. Institutions are perceived as reflecting the establishment and status quo and as such may be considered as less innovative and more rule bound. Social enterprises are sometimes described as disruptors, with a mandate in challenging the status quo

and innovating new forms of social change (Silber and Krige, 2016), which does not always create a trusting relationship with the very institutions and status quo they are challenging.

In this research, it is clear that in working with government and more traditional institutions there are certainly trust issues: *"there needs to be a commitment and an appetite from government to enter into partnership"* (Statement 36), and it is both from social enterprises to more formal institutions but also directed from the institutions toward social enterprises. *"there's so much mistrust, there's so much mismanagement generally speaking in non-profits. So, I think that firstly needs to be grappled with"* (Statement 45).

Emerging from this research is the need for more formal institutions to recognise that the status quo is not working, and new social innovations need to be sought. They also have something to learn and have the potential to adapt and change. This is in effect what makes the social enterprise ecosystem, there is a need to learn and grow together and each actor within the ecosystem has something valid to offer.

6.5.3 Communities of Practice

From this research it is clear that social enterprises believe that in terms of their own capacity development they are better served by others within their community, who understand the challenges of running a business that has a social mission at its core and have a shared or common value base. The research also finds that social enterprises tend to operate within small communities of practice, helping each other and sharing learning and resources.

In South Africa, there are examples of networks such as Social Enterprise Academy Africa (SEAA), and UnLtd South Africa, but they are not perceived by the participants as a rallying point with national coverage for social enterprises (statements 65, 66, 383, 550). A social enterprise network in South Africa, the Association of Social enterprises South Africa (ASEN) existed from 2009 to 2015. This type of organisation would usually be a voice and advocate on behalf of social enterprises at a national level. Without it, the opportunity for social enterprises to be heard is missing in the national arena. As a consequence, social enterprises in South Africa tend to remain in small local networks. There are also international networks such as Ashoka active in South Africa, but there is a missing middle.

To operate effectively at a national level, social enterprises need one national association able to take part in national level discussions with social partners, advocate for social enterprises and become a focal point for the continued development of social enterprises. Without this missing middle, social enterprises have no mechanism to participate in national level consultation and development processes. There is no social enterprise equivalent to the chambers of commerce, for private sector entities or South African NGO coalition for NGOs. As a consequence, social enterprises are not represented in government consultation processes and have limited opportunities to influence the national agendas which impact upon them.

The phenomenon of a missing middle is not new in international development (Hsieh and Olken, 2014; Krueger, 2013). In development economics the phenomenon is witnessed in economies, where there are many micro and small businesses and a few large businesses with little or nothing between them (statements 41, 193, 516). In this context, the missing middle is a national level of representation of social enterprises. A national body would be able to influence policy, identify appropriate capacity development activities and advocate on behalf of social enterprises to the government and other formal institutions. This would enable social enterprises to use the existing mechanisms to influence policies and legislation that would affect them.

6.6. Capacity Development as Government and Public Sector Development

The fourth category of description is that of government and public sector. In this research there were three key findings, relating to engagement and policy, appropriate support and reflections on the capacities and competences required of the government and public sector as an actor in the social enterprise ecosystem.

6.6.1 Engagement and Policy

This research confirms that the business environment in South Africa for social enterprises is as challenging as it is for many start-up and small businesses. Whilst there are legislation and initiatives in place to support small businesses, the nature and the type of support available is not always appropriate for social enterprises and private sector led development does always embrace the social objectives and mandate driving social enterprises. The ambiguity of the status of social enterprises leaves them somewhere between the categorisation of not-for-profit and private sector:

> *it's also strengthening or building capacity to make the legal and regulatory frameworks more accessible for start-ups and operations of social and green businesses. (Statement 187).*

In terms of developing policies, governments most often go though some form of consultation both in the process of drafting and then later in formalising a policy to be enacted through parliament. Good consultation is based on effective engagement with the relevant stakeholders, to ensure a range of perspectives are taken into consideration and those most directly affected by the proposed policies have a voice and will support the government's action and initiatives. In South Africa there has been a consultation process in 2019, leading to the drafting of a green paper on the social economy. As yet, it is not clear how government views or imagines the contribution social enterprises can play. Interestingly, the results of consultation on the green paper emphasised the need for the development of the social economy ecosystem, rather than the development of individual enterprises (International Labour Organization, 2019).

The upcoming legislation on the social economy, currently being enacted, may provide some hope in clarifying the legal status of social enterprises, but the lack of consultation experienced by some results in concerns that social enterprises cannot influence the conclusions reached by the consultation process. As previously mentioned, a part of this problem is that within the social enterprise ecosystem there is no

national association available to participate in government led consultations and advocate on behalf of social enterprises. Criticisms that surfaced in this research is that the government do not listen. A part of this may be less about willingness and more about what mechanisms there are in place for social enterprises to be heard.

6.6.2 Appropriate Support

The business environment in South Africa is challenging. Bowmaker-Falconer and Herrington (2019) acknowledge there is over-regulation and bureaucracy, which has a negative impact on start-up businesses. According to studies from the University of the Western Cape (UWC) and University of Stellenbosch Business School (USB) business failure rates for new small businesses in South Africa are amongst the highest in the world and are reported as between 50 and 80 per cent of new enterprises not reaching their fourth birthday (University of Stellenbosch Business School, 2018; University of Western Cape, 2019). Some of the challenges, such as failures in the education system to promote entrepreneurial qualities, high costs of access to the internet and limited access to finance result in South Africa being ranked 60 out of the 140 countries in terms of global competitiveness. Bowmaker-Falconer and Herrington (2019) go on to note that despite the many government sponsored programmes directed at developing small businesses, there has been poor implementation and the return on the investments is therefore low.

In this research it is apparent that there are many business development support services and initiatives. They are provided by a wide range of entities, including government sponsored agencies, donors and UN agencies, private organisations and some foundations. It is not the provision of support that is lacking, but may be the coordination, prioritisation and sponsorship from the government to ensure the right services are provided and they have the desired results. There is a role for the government to really examine the quality of the current provision and ensure that the supply of bds is influenced by the specific needs of social enterprises:

> *the role of government in really being a catalyst and a leader in trying to develop and formalise the social enterprise space. I think that's a lacking thing. I think that government needs to come to the party, and I think they need to come to the party because for every rand that government invests in helping social enterprises, they'll get a huge return on that investment over time.* (Statement 74)

A part of the problem is few actual assessments of the business development needs take place. Instead, a range of business support services are offered with little or no follow-up to understand the result of the business development interventions (Bowmaker-Falconer and Herrington, 2019; OECD 2017). It is evident also from this research that social enterprises have particular business development needs that are not well met by the current range of providers.

6.6.3 Capacities and Competence

Revealed in the findings of this research are perceptions of the lack of government competence in three broad areas: 1. The capacity to consult, 2. The capacity to implement and monitor policy decisions and 3.

A good understanding of what social enterprises are and could be. The government is looked to as a leader and catalyst for the creation of an enabling environment for the growth of sustainable social enterprises. To fulfil that role, government has to invest in its own capacity, not as a static action, but as an initiative of continuous professional development. One participant summarises the feeling as follows:

> Government has been, what can one say, less than competent to be able to deal with what's captured in the national development plan. And so, for that reason, they haven't consulted broadly enough amongst relevant stakeholders with regards to moving forward in terms of the plan. (Statement 35)

This research reveals there are initiatives from the government to support the development of social enterprises, but they appear to be few and far between and based on the commitment of individuals to act rather than a clear and prioritised set of actions mandated from national government. The consequence is no significant leadership in raising the profile and creating an environment where social enterprises can thrive. In terms of building trust amongst the actors in the social enterprise ecosystem, as much as social enterprises lack credibility in the eyes of government, it is also true that from the perspective of social enterprises, the government lacks credibility in its capacity to provide leadership and act as catalyst for the growth and sustainability of social enterprises.

6.7. Capacity Development as Human Development

The final category of description is that of capacity development as human development, which in this research is conceived from both macro and micro perspectives. The macro perspective relates to the role of donors and governments and the micro is from the perspective of the work social enterprises do in working with people to bring them out of the different levels and types of vulnerability they face. This research also surfaces issues relating to aspects of ownership, leadership and sustainability and how they link to the mindsets of the donors and commissioning agencies.

6.7.1. Macro Perspectives on Human Development

As previously discussed in chapter two, the concept of Human Development is built on the work of Amartya Sen and is central to the work of the United Nations system that developed and uses the Human Development Index as a key measure of development in poorer countries (Clark, 2005; Nussbaum, 2011; Sen, 1990). Sen (1999) asserts that development necessitates a set of linked freedoms. These freedoms are not written as a prescribed list, but could include political freedoms, freedom of association, access to economic opportunities, livelihoods and social and economic safety nets. Sen reasons that an array of overlapping instruments which progressively enable people to develop a growing assortment of freedoms are required to bring a population out of poverty.

In order for people to make choices about how to live their lives and fulfil their potential it is necessary at a macro level to remove some of the existing unfreedoms. This necessitates governments examining within their societies what particular unfreedoms exist and how to remove them. In South Africa these priorities

are expressed in the executive summary of the National Development Plan as the elimination of poverty and inequality:

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society

Republic of South Africa Government, (2012:14)

It is not by mistake that capabilities and capacity are referred to in the prologue of the National Development Plan. They have also been singled out by the government as the key obstacle to the development of South Africa's not-for-profit sector, with one participant recalling a 2005 Government report suggesting that "a lack of capacity is one of the biggest threats to the non-profit sector in South Africa" (Statement 215).

Implied within this macro approach to human development is the requirement to develop the capacities of its counterparts within the country, so they can effectively identify and remove the unfreedoms and obstacles which prevent people leading happy, healthy and purposeful lives. As discussed in chapter two, the international development community has changed its approach, believing that by placing an emphasis on building capacity within the government and national counterparts rather than directly providing technical interventions, they will arrive at the point of sustainable human development.

This research finds that even if capacity development is a strategy to achieve human development, paradoxically, human development itself is a part of capacity development. By providing the freedoms and capacities to act, the players in the social enterprises and the social enterprise ecosystem can achieve agency and their full potential:

Capacity Development is Human development; it is connected to the work of Sen and then UNDP used it. We actually work on the concept of the capability approach, which is connected to human development. (Statement 564)

6.7.2 A Micro level Perspective of Human Development

At a micro level, human development describes the work that many social enterprises undertake on a daily basis. This includes providing skills development, new knowledge, work experience and employment, building self-confidence, providing access to qualifications and supporting individuals to determine their own choices and goals. This is achieved by providing social, health and education and training services to people, or creating social innovations to improve the quality of life or by employing people who would find it difficult to find and maintain employment, as well as advocating and raising the profile of the social issue they wish to address or ameliorate. In working with these people, social enterprises are developing the capabilities, capacities and confidence of individuals so they can have more economic freedom by having an income, a qualification and a career. One example that surfaced during this research was from a social enterprise who train deaf people to become baristas. One young woman wanted to train as a teacher but had not completed her schooling:

She came on very reluctantly, to come on board as a barista. She's been with us now for about eight months, I think, seven or eight months, and she's hugely frustrated with the fact that she cannot become a teacher. What we've done now is we've said to her, well, what if you became a trainer in our organisation? We'll give you the experience you need, and you can train for a year or two years, and that allows you to get the experience and then move on to teaching at some school. (Statement 115)

From this research it is clear that human development cannot wait for all the unfreedoms to be removed at a macro level. Contemporaneously, there is an important role for social enterprises to be addressing human development at the micro level. Human development in this context is undertaken by social enterprises and by governments and donors are working toward the same goal. This work could increase significantly if social enterprises have the credibility to work as local implementing partners delivering these sorts of services in a more sustainable manner. What has emerged from this research is that it is not only changing the way social enterprises think and act, but also addressing other mindsets within the ecosystem.

6.7.3. Changing Mindsets

As previously discussed in chapter two, the changing approach of the donor community toward a capacity development approach in the last two decades is in part based on the acknowledgement that endogenous solutions, rather than those imposed by the donors and the exogenous development community are required if the solutions are to be sustainable. The changes in perspectives are enshrined in the Sustainable Development Goals, the Paris Declaration (2005) and Accra Agenda for Action (2008) and are all working toward ownership and leadership from within the recipient countries rather than being imposed by the donor community. In this paradigm, it would seem natural that the government and public sector take the lead in terms of the development of strategies and interventions to meet these obligations, with the donor and international development agencies providing support in the form of capacity development. Despite some of the commitments being more than 15 years old, it seems there is still a perception that development cooperation is imposed by the international community:

[on the definition of capacity strengthening] It comes mainly from feedback sometimes that we get from people who are working on projects and from partner organisations, and then the… And some thoughts about… It's very… It's some ideology also because I think a lot of people in society still have this… Very much this idea that development cooperation is going from the North to the South and that we have to develop them" (Statement 178).

One reason for this is that the main modes of delivery are still based on three-year projects conceived and funded by the donor community, managed through the UN agencies and implemented, in the main, by NGOs. Even if the donors are talking of capacity development, the reality in the field is that little appears different. There are possibly many reasons for this, but one significant reason that surfaced from this research is the mindset of some of the donors:

All the instruments and the procedures that we have as a donor, it's geared towards giving grants to non-profit organisations. And so, it's not… Our monitoring and evaluation system, it's all geared towards non-profit organisations and it's not ready for social enterprises. (Statement 204).

In as much as social enterprise owners and managers may need a particular mindset, the same can be said of some of the donors. The donors are a part of the social enterprise ecosystem. They can no longer set themselves apart and perceive capacity development as something that is provided to others, without being prepared to accept they are within the ecosystem and they also need to develop their capacity and be ready to change. From this research, it is clear that the priority to create sustainable interventions requires different ways of doing business and places capacity development, consultation and ownership at the centre of the agenda. This approach begins by more of the international development community acknowledging that capacity already exists and requires developing, rather than building from the ground up (statements 162, 177, 399, 401).

The five domains model for Capacity Development created from this research can be utilised to expose some of the assumptions, examine the relationships between cause and effect and open up better conversations regarding what each different actor wants and offers. Utilising the five domains model can contribute to making explicit the different conceptions and to surface the theory of change and assumptions regarding what capacity development is and how it is manifest in each domain.

The Theory of Change (ToC) is increasingly being used by the international development community at the outset of projects and during evaluation processes. Whilst there is no complete agreement as to what constitutes a theory of change and there are significant variations in the different approaches and models used, generally, the aim of a theory of change is to develop an understanding of how the activities in a given intervention are expected to achieve the desired results. The emphasis is on the participatory nature of creating the theory of change and surfacing the causal links between interventions and the anticipated indicators of success (Mayne, 2017; Taplin and Clark, 2012).

6.8 The Outcome Space

As discussed in chapter three, the conclusion of the analysis of data collected using a phenomenographical method is the development of an outcome space. According to Marton, the outcome space can be considered a synonym of the concept, as it is created through the combination of the range of experiences surfaced from the interviews with the participants (Marton, 2000). The outcome space as described by Säljö (1988) is a map of a territory. In a similar vein, Bruce (1997) described the outcome space as a diagrammatic representation, whereas Marton (2000) lays an emphasis on the logical structure of a representation of the relationships between the different conceptions of a phenomenon. In the last 40 years of phenomenography, the outcome space has been presented in a variety of formats including diagrams, prose and tables (Åkerlind, et al., 2005; Yates et al., 2012).

To date, the phenomenographical community has not discussed the boundaries between the categories. Marton and Booth (1997) suggest that each category of description ought to reveal some distinctness in either the referential or structural meanings and also reflect the logical relationships between the

categories. This contributes to understanding the nature of the variations in experience, but their reflections do not address the issue of demarcation between categories or the potential for overlap and how this would be reflected in the final outcome space. This may result in the erroneous idea that whilst there is a distinctiveness amongst the categories, there are also crisp and clean demarcations.

The concept itself can be traced back to Plato and Cicero and was also discussed and considered by Hegel, Marx, Nietzsche, Max Black and Knuth (McNeill and Thro, 1994) It has been used to develop thinking in the disciplines of mathematics and computing and has been extended and applied to philosophy, linguistics, sociology, psychology and learning.

The development of the concept of fuzzy space has been contentious, particularly from parts of the more positivist sectors of the scientific community, with scientists such as Kahan determining the conception of fuzzy space as vague and imprecise thinking (McNeill and Freiburg, 1993). Ripostes from researchers who support the conception of fuzzy space, many coming from traditional scientific disciplines such as mathematics and computing, assert that people do not only have yes or no, or black and white ways of thinking. They argue that often gradations are more common than the absolute and the conception of fuzzy actually contributes to a more precise understanding of sets and gradations in categories. (Belohlavek and Klir, 2011; Zadeh, 1965). In clarifying this idea, Zadeh went further, making a distinction between vagueness and fuzziness. He asserted that the concept of vagueness suggests insufficient, whereas the concept of fuzziness represents a lack of sharpness in boundaries.

6.8.1 Classifying the Outcome Space

In terms of classifying the outcome space, three types of outcome space: hierarchical, temporal/sequential and climatic have been identified. According to Alsop and Tompsett (2006) the outcome space is most often produced as a hierarchy, with the lower levels of the hierarchy representing the least complex ways of experiencing and the higher levels representing more complex ways of experiencing the phenomenon (Barnard, et al., 1999; Han and Ellis, 2019; Tight, 2016).

Marton's own early research produced a hierarchical distinction between surface and deep learning and the notion of a nested hierarchy was also exemplified (Marton and Booth 1997). Whilst presenting an attractive logic, the hierarchy approach brings with it some problems; the first being that not all categories of description reflect a hierarchy from surface to deep, simple to complex or lesser to greater. Webb (1997) is critical of the hierarchical arrangements of the categories of description within the outcome space. He finds that often the hierarchies reflect a preferred correct level within the hierarchy, which educationalists should aspire to.

The temporal ordering of the outcome space is particularly useful in longitudinal studies as exemplified in the work of Englund, et al., (2017). In this type of study there is an opportunity to chart time-based transitions amongst the participants and, in doing so, capture changes in the ways of experiencing a

phenomenon. This approach is not applicable in the context of this research. It is not designed as a longitudinal study, moreover the participants have not been revisited in order to examine changes in their understanding of phenomenon of capacity development in the context of the social enterprise ecosystem over time.

A climatic order is, for example when a category of description is organised as a crescendo, so that order increases in status, importance or power. This is akin to the principle of saving the best for last. The use of climatic ordering is a well-known technique used in writing fiction and also in academic work. It is a method used to create dramatic tension and through patterning creates an expectation of what is to come next. In doing so it can be appealing because of the sense of logic that underpins the recognisable pattern (Laurillard,1993; Nordquist, 2020).

In reality, all three examples are essentially hierarchical, be it by complexity, time or status. There is no philosophical reason why the outcome space cannot reflect the categories of description being equal, but distinct in terms of their relationship to each other. This is not however common practice and as yet there is not a description of a fourth type of outcome space (Barnard, et al., 1999; Webb, 1997).

Spencer et.al (2003) assert that it is possible to defend research design when there is consistency in the research method. Whilst there is some guidance on the process of phenomenographic analysis (Dahlgren and Fallsberg, 1991; Entwistle, 1997; Kvale, 1983; Säljö, 1988; Svensson, 1984), in general the focus of attention in the guidance provided is centred on the stages in data analysis and with little or no attention paid to the processes that contribute to the creation of outcome space.

Sin (2010) proposes that quality in phenomenographic research necessitates going beyond the test of rigor and, in agreement with the earlier work of Larsson (1993), she recommends the need for research to be convincing when it is evaluated within the research community. When reflecting on the relationship between the research data and categories of description, Dahlgren, drew on the analogy of Lewis Carroll's Cheshire cat, reflecting that the research data is akin to the Cheshire cat and when the analysis is complete, the cat becomes invisible, leaving just the smile.   (Dahlgren reported in Barnard, et al., 1999). Ironically it is the lack of transparency regarding the process of arriving at an outcome space that is problematic. As beguiling as the smile may be, the lack of transparency in the decisions and determinations in arriving at 'the smile' leave phenomenographers open to criticism from the research community.

In relation to judging the trustworthiness of qualitative research; Lincoln and Guba (1985) suggested the following criteria aid; credibility, fittingness, auditability and the final one of confirmability, which relates to the motives and bias of the researcher. With a lack of transparency in the decision relating to the outcome space, phenomenographers are left open to a criticism about the trustworthiness of their findings. It is surprising that whilst phenomenographic researchers do employ techniques and processes to demonstrate how they address this potential criticism, primarily through the use of journaling and bracketing, they have

not charted the development of their outcome spaces and the decisions and iterations considered before arriving at a final description.

6.9 Conclusions

One contention underpinning this research is that the current system in which international development and the Government of South Africa operates cannot meet all the needs of the poorest and most vulnerable citizens. New actors such as social enterprises have a potential to significantly contribute, but they are not considered to be the partners of choice. There are a variety of reasons for this, but the research undertaken by Myres et al., in 2018 verifies that social enterprises in South Africa are small, serve few people and most do not manage to make a profit. None of the social enterprises surveyed received contracts or funding from any of the 17 UN agencies currently operating in South Africa (Myres et al., 2018).

In the eyes of the UN and donor agencies, social enterprises do not demonstrate a capacity to sustain themselves, the result is with little credibility and small social enterprises are not in a position to successfully win contracts to deliver services on behalf of projects funded by donors and development agencies. They are also not invited to engage in wider conversations about how they can play a greater role in ameliorating poverty, hunger and some of the other basic needs. To become sustainable and credible they have to address their capacity development needs.

Whilst capacity development is a central objective in many international development interventions, it is still generally defined as training and individual development or the development of organisations or institutions.

As a consequence, donors and UN agencies do not consider their own development needs when they are assessing capacity development. This research reveals that it is essential these actors include their own development needs in this process. The research reveals the need to change donor and international player mindsets, as well as the mechanisms and processes that continue to obstruct social enterprises playing a fuller role.

The World Bank Institute's brief on capacity development in Africa concluded that there is no integrated view of capacity development. The brief cites the lack of links between individual and organisational capacity development as a contributing factor to a lack of clarity and inappropriate sequencing in capacity development initiatives. It goes on to reflect that often capacity development is mainly conceived as financing training of individuals and did not reflect the capacity development needs of the organisations within which these newly trained staff were placed. (World Bank, 2006a). The findings from this research show capacity development is perceived beyond the conception of individual and organisational development. It includes community, government and public sector and human development. Each of these domains exist within the social enterprise ecosystem in South Africa and all have distinct roles and responsibilities, as well as capacity development needs. In this research capacity development is

experienced as both a performance issue and expressed as the desire to improve, grow and develop and as diverse learning processes. The learning required to support social enterprises in becoming more credible and sustainable partners requires not just that social enterprise commit to develop their capacity, but also that donors and government recognise their own capacity development needs.

Beyond the development of the model based on the findings in this research, there are also developments relating to the research method. Phenomenography is rooted in pedagogy and the inquiry into learning and has been used as a research approach in a wide range of settings in relation to learning. This has included higher education settings, information technology teaching, music teaching, health education, and engineering education (Barnard, et al., 1999; Han and Ellis, 2019; Stamouli and Huggard, 2007). Prior to this study, it has not been used to explore the phenomenon of capacity development and the variation in the experience of capacity development. Whilst the context of this research is specific, the inquiry has revealed distinct and qualitatively different ways in which capacity development is experienced by the participants.

Whilst the phenomenographical process has been described as a voyage of discovery, for the first time, some of that voyage has been charted, with the iterations of the outcome space mapped, revealing some of the researchers thinking and decision making and thus providing transparency in aspects of the processes that as yet have gone unreported. Revealing the different iterations of an outcome space enables the researcher to apply reflexive practices on the journey of its development and become more aware of the potential for researcher bias in the decision-making process.

Chapter Seven

Conclusions Resulting from the Research

7.1. Introduction.

Seven main conclusions emerge from the findings of this research. The findings relate to the investigation into the variation in the conception of capacity development in the social enterprise ecosystem in South Africa. The conclusions relate to developing the capacity of social enterprises in becoming credible and sustainable partners in international development, which is central to this research. Whilst issues of credibility may lie within the control of social enterprise owners and managers, some of the obstacles to sustainability do not. Consequently, only examining the capacity development needs of social enterprises would not acknowledge the important contributions and capacity needs of other actors within the ecosystem.

As discussed in chapter one, credibility is associated with trustworthiness and expertise. There are issues around lack of trust within the social enterprise ecosystem in South Africa and relationships with new donors and funders need to be based on confidence and trust in the capacity and ethical value base of new partners. Chapter one also introduced the concept of the triple bottom line of people, profit and planet as defined by Elkington (1998) and which determines what could be balanced in a more sustainable agenda. Billions of dollars are spent globally in the name of creating sustainable development through capacity development interventions. This research has shown that social enterprises have the potential to become a part of the sustainability solution, but this solution is contingent on social enterprises developing their capacity to ensure they are in a position to be sustainable partners.

A significant issue that hampers the effective delivery of capacity development is that precisely what is understood to be capacity development has remained unclear. Consequently, there is little sense in proposing capacity development interventions for social enterprises until there is some clarity or agreement as to what capacity development actually means for all of the stakeholders. At the moment, what is understood by each of the actors is different and limited to their single perspective. Therefore, the journey to understand what can help social enterprises become more credible and sustainable partners begins with three further lines of inquiry:

- How do actors in the social enterprise ecosystem perceive capacity development?
- What are the variations in the experience of capacity development?
- Is there a new approach or model that can assist in assessing and developing capacity?

In chapter two the definitions of capacity development reflected it as processes largely associated with learning and outcomes and which correspond to performance. The research in this study found five significant variations in the way in which capacity development is experienced. The first category, capacity development as individual development, found that most attention was given to capacity development as learning processes. These learning processes included training, coaching, mentoring, study tours, conferences, learning by doing and learning from mistakes as ways in which people undertook capacity development. It emerged from the research that traditional management education interventions are not

fully meeting the needs of social enterprises, which generally do not function using the same operating principals as the private sector and find that the more formal offerings not to match their needs. As an outcome or performance result capacity development was understood as becoming better educated, having new skills or knowledge and developing a particular mindset and the requisite skills to effectively lead and manage.

Capacity Development as organisational development is more often associated with performance and for social enterprises improved business performance is perceived as critical. Formalised and good business practices will allow social enterprises to be taken more seriously. Although the label 'homespun' does not fit all social enterprises, many of them are perceived as such and this has a negative impact for all, resulting in Ministers suggesting that social enterprises are the precursor to becoming proper enterprises. In relation to capacity development as community development, it is predominantly understood as performance, developing the infrastructure, job opportunities and services within the locality. Trust and the concept of social capital are important features of this aspect. This category also includes creating networks and alliances, which contain elements of learning processes and building relationships, which tend to be small and local. Capacity development as government and public sector is broadly understood as performance issues, although it is clear that learning processes to develop competence are perceived as important in this context. Finally, capacity development as human development is also understood as a blend of both processes and performance, with the interventions at the micro level being associated with processes and the macro level focussing more on outreach and performance measurement.

7.2 How do Social Enterprises become Credible and Sustainable Partners?

The main seven conclusions result from the analysis of the findings presented in chapters four and five. There are many findings that related directly to both the research question and the research methodology chosen. Each of the seven conclusions is discussed in further detail, but in summary they are as follows;

1. The Five Domains Model is a useful tool to enable clear and explicit discussions about what capacity development is and facilitate better conversations amongst the actors to develop agreed capacity development plans.

2. There is a requirement to develop the leadership and management capacity within social enterprises and within other actors in the social enterprise ecosystem as advocates, in confronting and ameliorating the social issues.

3. Learning interventions need to be designed as transformational learning, which changes mindsets and does not just address skills and knowledge.

4. Social enterprises need improved business and financial skills and develop viable funding streams to generate more income.

5. Develop the missing middle – There is a need for a new, independent social enterprise association to provide representation on a national platform, holistic capacity development, opportunities for

networking and a voice. This would allow social enterprises to become more widely understood and represented during national consultation processes.

6. Increase the capacity of government representatives, donors and funders of international development, so they are better able to engage with social enterprises in addressing capacity development issues

7. Teaching a man to fish perpetuates the same processes that have achieved only limited results. It is time to transform the 'fishing industry', with donors and government working with social enterprises to take a more holistic look at development.

Each of the conclusions relate to an aspect of credibility or sustainability, or both. Whilst for many of them it is possible to understand how both issues relate, where one is more obvious than the other the most important has been noted. Where both credibility and sustainability are noted there is considered to be a significant contribution to both. In the following table they are summarised.

The Seven Conclusions	Addresses
1. The Five Domains Model is a useful tool to enable clear and explicit discussions about what capacity development is and facilitate better conversations amongst the actors to develop agreed capacity development plans.	Credibility and sustainability
2. There is a requirement to develop the leadership and management capacity within social enterprises and within other actors in the social enterprise ecosystem as advocates, in confronting and ameliorating the social issues.	Credibility
3. Learning interventions need to be designed as transformational learning, which changes mindsets and does not just address skills and knowledge	Credibility and sustainability
4. Social enterprises require Improved business and financial skills and access to finance, to enable social enterprises to develop sustainable business practices and have the capacity to grow	Sustainability
5. Develop the missing middle – There is a need for a new, independent social enterprise association to provide representation, a national platform, holistic capacity development, opportunities for networking and a voice	Credibility and sustainability
6. Increase the capacity of government representatives, donors and funders of international development so they are better able to engage with social enterprises in addressing development issues	Sustainability.
7. Teaching a man to fish perpetuates the same processes that have achieved only limited results. It's time to transform the fishing industry, with donors and government working with social enterprises to take a more holistic look at development.	Sustainability

Figure 7:1 The Seven Conclusions

7.2.1 Conclusion One: A Model of Capacity Development for the Social Enterprise Ecosystem

The Five Domains Model is a useful tool to enable clear and explicit discussions about what capacity development is and facilitate better conversations amongst the actors to develop agreed capacity development plans

The first conclusion relates to both aspects of credibility and sustainability, in that the five domains model will aid the clarification and agreement of what capacity development is and what the most appropriate capacity development interventions are for social enterprises. It may also provide the basis for discussing the assumptions between cause and effect of the planned interventions and what types of capacity development interventions social enterprises may provide themselves. This will serve to remove the ambiguity relating to capacity development and what can be expected as a result.

The findings from this research reveal that in the social enterprise ecosystem in South Africa, there still remains no single agreed definition or understanding of capacity development. The lack of clarity in defining capacity development is a significant obstacle in planning, implementing and measuring the results of capacity development strategies and interventions. The consequence of this lack of clarity results in a vague array of definitions and approaches, ranging from individual development to large scale structural development (Brinkerhoff and Morgan, 2010; Potter and Brough, 2004; Ubels et.al., 2011)

The South African Department of Development 2005 plan did not state what type of capacity development should be undertaken to build the capacity within the not-for-profit sector. Other key stakeholders have also failed to express distinctly what capacity development is; PricewaterhouseCoopers (PWC), one of the world's largest consulting firms, with a presence in South Africa, describes their approach to capacity development of government institutions as providing training for skills and career development (PWC website 2020). It is not the first time that capacity development has been used as a euphemism for training. The Southern African Human Capacity Development Coalition (SAHCD) which describes itself as a coalition building capacity in the health sector, describes its services as technical assistance, training, HR information, leadership, quality assurance and knowledge management. These activities widen the scope and definition and align more with the UNESCO Capacity Building framework for South Africa, which declares the framework is based on building the individual and institutional capacities (Matachi, 2006; PWC, 2020; SAHCD, 2007).

Of the capacity development definitions and models that do exist, they generally relate to the development of individuals or organisations, such as the definition proposed by UN Women:

> *Capacity Development is the process by which **individuals** and **organisations** [researcher's emphasis] obtain, improve, and retain the skills, knowledge, tools, equipment and other resources needed to do their jobs competently or to a greater capacity*

Potter and Brough (2004) present nine components of capacity in an attempt to create a more systematic view. These are briefly: performance, personal, workload, supervisory, facility, support, systems structural and role capacities. These essentially are management capacities. They take a view that capacity development is broader than training, however, their examples reside within the constraints of individual and organisational capacity and to some degree reflect Kaplan's (1999a) ideas of capacity development as being located at the micro and meso levels of development interventions.

At best, capacity development is still mainly understood as individual and institutional or organisational development, with a continuing heavy emphasis on training. However, during this research, it has become evident that capacity development is experienced in a variety of ways from individual development, beyond organisational development and through to human development, essentially moving from the micro to the meta levels of activity:

> *capacity building **in the individual sense** is taking people on a journey from being* uneducated towards better educated or towards more educated. (Statement 53).

> *for me is what capacity building is, is once you have a clear strategy of where the **organisation's** moving to, how do you grow that and with whom? (Statement 125).*

> ***Community development** is an approach of looking at communities and seeing where communities are now and see how communities need to move spatially, economically, socially and developmentally towards improving from where they are now (Statement 54).*

> *Capacity development is really a process to stimulate ownership and leadership of the target. It's really stimulating leadership of decision-makers in a country, **the government and public sector**, working toward ownership and leadership (Statement 249).*

> Capacity development is ***Human development,** it is connected to the work of Sen and then UNDP used it. We actually work on the concept of the capability approach, which is connected to human development.* (Statement 564).

One reason it has been impossible to agree on one succinct definition of capacity development is that it is not one thing. It is a reflection of all of the above perspectives and rather than trying to stretch or shrink a definition of capacity development in a procrustean manner into one specific space, the phenomenon is better clarified by acknowledging the variations as facets of capacity development and bringing them together in one schema.

The five domains model reflects the participant's conceptions of capacity development in the context of the social enterprise ecosystem in South Africa. It is made up of five categories of description and reflects the relationships amongst them. Together as one outcome space the five domains may be understood as a model of capacity development in this context, thus becoming a synonym for the phenomenon. In answering the 'what' and 'how' questions in each of the five domains, a capacity development plan can be made explicit and agreed. By addressing the third question regarding the nature of assumptions about the

cause and effect of capacity development some of the issues relating to quality, motivation and fitness for purpose of some of the solutions can be directly addressed.

There are no other representations of capacity development in the social enterprise ecosystem in South Africa. Internet searches using google and google scholar intermittently throughout the period of the research and preparation of this thesis did not reveal capacity development models for the social enterprise ecosystem in South Africa. A review of literature relating to social enterprises in South Africa also did not yield a model to discuss Capacity development. When tested with practitioners in South Africa, they indicated that had not seen such a model in existence and went further to express

> *Wow, this is just what we need, there is nothing that captures capacity development like this, that takes us out of our silo thinking and gives us for the first time a model that we can use to develop our social enterprises and assess and evaluate our development interventions. (Statement 641).*
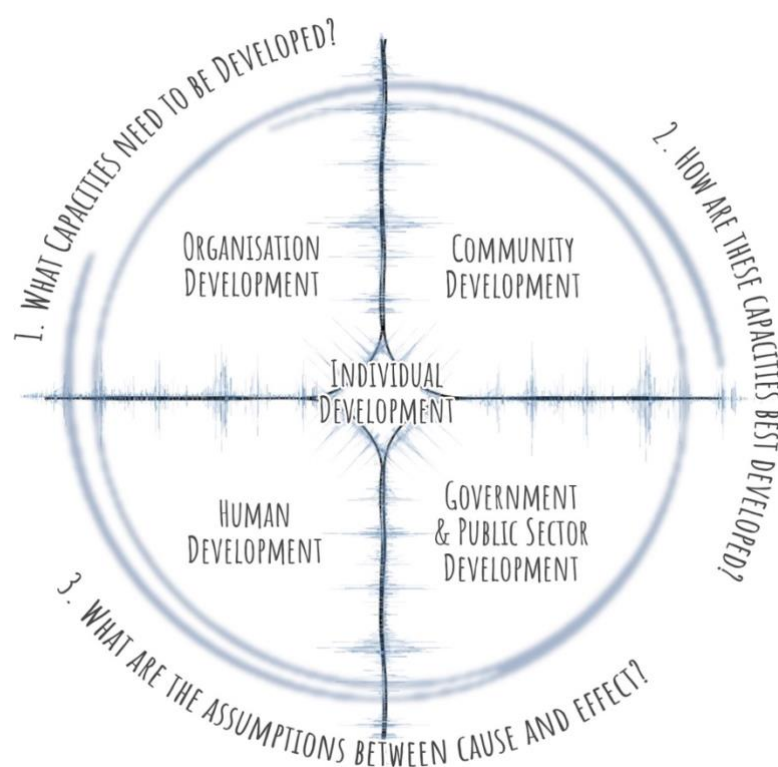
Figure 7.2: The Five Domains of Capacity Development

Applying capacity development interventions to help social enterprises become more credible partners is not just a matter of building sustainable social enterprises. They exist in a broader ecosystem and it is not only their performance that will enable them to become sustainable partners, but also the capacity of some of the other key actors.

Whilst the five areas are distinct, the boundaries and space between them is not always so clear. It is in this space that the questions emerge, such as what are we doing? How are we doing it? And why are we

doing it? Clarity regarding targeting, the nature of the interventions and the anticipated results will become clear for each stakeholder. In particular, the question as to why we are doing something and probing why we are doing it in this way will help to bring a clarity to capacity development interventions which currently rarely exists.

7.2.1.1 Fuzzy Space

One of the most significant features of this outcome space was the inclusion of the fuzzy lines to represent the participants reality, in that the categories of description, whilst distinct, also contain overlaps. As a consequence, some people share the same experiences but arrive at different conclusions. This idea is reflected in the final outcome space as fuzzy lines. This has not been a feature of outcome spaces to date, but does resonate with some of the practitioners who have subsequently examined the diagram:

> *I can see why you've chosen these blurred lines, because it's not clear. It's not clinical. It's not linear. It is about the blurriness. (Statement 618).*

It is the fuzzy space between the domains that reflects the overlaps in terms of developing capacity. One example cited in chapter four is that of leadership development. Whilst leadership development activities are designed for individuals, they are applied in the context of an organisation or enterprise, so capacity development is not just about the acquisition of knowledge and skills, but also their application to further the mandate and credibility of the organisation. For some, leadership development may be conceived as individual development, whereas for others the same experience may be conceived as an organisational development activity.

7.2.2   Conclusion Two: Develop Governance, the Leaders and Managers of Social Enterprises

There is a need to develop the capacity of Governance, Leadership and management of social enterprises as advocates in addressing and ameliorating the social issues their enterprises are mandated to address.

Conclusion two relates to the credibility aspect in both trustworthiness and expertise. Good governance, effective management and strong leadership all contribute to an enterprise being perceived as professional and capable and even for small enterprises removes the stereotype of slightly haphazard, but well-intentioned people not really understanding the wider agenda and not being capable of leading, managing and advocating for social actions and interventions.

Not all social enterprises are run along haphazard and unprofessional lines, but enough of them are micro enterprises focussing on a single issue, without the credibility or power to be at the table advocating the case for the inclusion of their enterprise. Consequently, the capacity of social enterprises to lead and manage becomes highly significant. If management is focussed on doing things right; controlling the organisation's resources, staff and processes, leadership places at centre stage doing the right things, in

that it links to strategy and a future orientation. To be trustworthy, both leaders and managers in social enterprises need a moral compass that demonstrates their practices and behaviours as morally and ethically sound.

7.2.2.1 Governance

Before engaging a local partner, many UN agencies currently undertake a due diligence search, to ensure the organisation is not barred from collaborating on the grounds of unethical actions and malpractices. Some UN agencies accept the responsibility that they should contribute to the development of their local implementing partners and in doing so commit to investing in some of their local partners, to ensure the capacity exists. Often the capacity is around the leadership and stewardship of the organisation.

Governance implies the exercise of authority in an organisation, institution or state (Welch and Nuru 2006). It is generally defined as legitimate power and may be based on a variety of legitimacies, including tradition, legal or policy principles. Whilst often associated with politics, in this example governance refers to the legitimate authority to make decisions and utilise resources to further the mandate of the enterprise, not the individual.

Governance impacts upon both management and leadership of social enterprises and infers stewardship and an ethical base for decisions and actions. Governance may be entrusted in a manager or director and also may suggest a non-executive board of governors who oversee the activities of a social enterprise. Selecting appropriate governors may increase the credibility of a social enterprise by opening new networks, creating support and success by association with sustainable and trusted members of the community:

> *So, non-profits firstly need to be careful about what leadership they choose, and that's leadership at the board level. So non-executive level, and also strategic leadership at the executive level. I think that's key. You need to have people there that have the ability to transition non-profits out of the traditional sense into starting to think about social enterprise.* (Statement 48).

Good governance is an important starting point for setting the direction and the values of a social enterprise, but the day-to-day operations rely on good managers to ensure social enterprises stay on track. The need for good management, according to the participants in this research, is another aspect of social enterprise development that requires attention.

7.2.2.2. Management Development

To be perceived as sustainable, social enterprises need to implement processes and systems which produce consistency in performance, reliable data and achievement or success. These are all essentially management functions. Participants acknowledged that every type of organisation requires effective management and that in some cases the tools and approaches may be similar, regardless of the type of organisation. Social enterprises have a greater obligation to be transparent, managed well and provide a different kind of leadership than traditional business entities. Some participants reflected a frustration with engaging more traditional business schools and private sector providers in providing management

development. As discussed in chapter four, even when education programmes are designed specifically for social entrepreneurs, the lecturers, tutors and mentors are often drawn from the private sector, and consequently are not always able to translate business ideas into the context of a social enterprise mission and mandate

Mentors and lecturers with backgrounds in traditional business cannot always comprehend the raison d'être of a social entrepreneur and therefore may not be in the best position to provide management development. Even if the tools are the same, the application and priorities, when compared to traditional private sector enterprises, are significantly different. Social enterprises are required to balance making a profit with their social mission. They are under the microscope in terms of their management decisions and practices and their mantra of inclusive development is also applied to their own organisational practices.

There is a similar feeling regarding the management of people. Social enterprises often recruit people from the local community and often from marginalised groups who have not had access to employment. Sometimes this is central to the enterprise's mandate and on other occasions it is a community based beneficial biproduct. Employing marginalised people requires a greater level of skills and commitment to managing people and performance.

Living inclusivity and social change may require more skills in supervisory and performance management, more investment in training and development and a different approach to people management, which includes how to manage volunteers, and how to address some of the inequalities and injustices internalised by marginalised peoples.

Effective management development requires not only new tools, skills and knowledge, but also the organisation's capacity to transfer, implement and embed the learning. This is an example of the fuzzy space between individual and organisation capacity. In introducing new management practices, the organisation's culture and capacity to change is examined and maybe challenged.

Whilst management is a function primarily concerned with what happens within the boundaries of the organisation, leadership looks beyond the day-to-day, to the horizon, beyond the boundary of the organisation itself and into the future.

7.2.2.3 Leadership Development

If management is concerned with ensuring the social enterprise is doing things right, leadership is doing the right things. This takes the owners and managers beyond the day-to-day operations and ensuring the sustainability of the organisation from a resources' perspective, to addressing the vision, mission and reason for being.

With clear social mandates, social enterprises have a compass for decision making and a social purpose to delineate their journey. Often social enterprises are so concerned with dealing with the operational issues

of the day, they do not adequately invest in developing and communicating their vision, mission and strategy. This longer-term thinking needs to be understood by all staff and volunteers and then externally by the local community, and wider into the reach of other stakeholders. As advocates for social change, social enterprises need to use existing platforms and media to voice their message for change and explain their role in contributing to it.

Advice from the Ashoka global network in supporting social enterprises Ashoka (2020) suggests a key requirement for leaders of social enterprises is to have a compelling story, to explain why what they do is important. Developing this idea is the principle of positioning the social enterprise. This translates as the leader being recognised as a subject matter expert on the issues the social enterprise is tackling. Through effective communication strategies, social enterprises can work toward being the 'go to' organisation on the issue in question. This requires effective leadership at both personal and organisational levels. Communicating both the why, and positioning begin with developing a clear vision, mission and strategy. The danger is that in spending so much time operationally, social enterprises do not take enough space to think strategically.

Once there is a strong clear message about what social enterprises do and why they are doing it, they need to engage in broader conversations about development issues and interventions. The phrase "think global, act local", attributed to Patrick Geddes (1915) is still, 100 years later, sound advice for social enterprises wishing to demonstrate their credibility as a local development partner. By researching the mandate of different UN agencies, and developing and publishing position papers, social enterprise may influence the thinking on a social issue. This will enable social enterprise leaders to engage with commissioning organisations on what needs to happen to ameliorate the local social problems and issues.

In addition to knowing what the local social issues are, social enterprises also need to show the results of their intervention. This requires the capacity to set and measure inputs, outputs and outcomes and report the results in a manner which can be readily understood and make them available to the people who need to see or hear them. In terms of the power dynamic between funding agencies and local implementing partners, this is a very different starting point from the more common occurrence of not-for-profit organisations asking for funds to undertake work.

There is an expectation in social enterprises that staff are empowered to take action and can do this because they understand the direction of the enterprise and are motivated and equipped to do their job well. The dialogue around this idea uses autocratic and democratic leadership styles as a shorthand to examine the different approaches taken by leaders, however leadership style is often confused with personality. The result is then that leaders may be stereotyped on a spectrum from being authoritarian or democratic. In reality, there are times when a leader needs to take a decision and times when the decision is best reached through collaboration.

7.2.3   Conclusion Three: Learning that Transforms

> Learning interventions need to be designed as transformational learning which changes mindsets and does not just address skills and knowledge

The leaders of social enterprises often come from not-for-profit or civil society type organisations. Therefore, the transformation for themselves and for their social enterprises is to move away from their traditional approach of disbursing funds and doing good, to becoming credible social entrepreneurs, taking on the mantle, power and confidence to proactively advocate for social change by using a business model. Alternatively, for those social enterprises that have made the less common move from being a traditional business to become a social enterprise, they may already have the competences to manage and lead a successful business and may face a different challenge in learning how to live their values of social inclusion when developing and growing their social business. For both sets of leaders there is a need to transform themselves and/or their enterprises on psychological, convictional and behavioural dimensions and, in doing so, transform their enterprises into sustainable social businesses.

Transformative learning does not just apply at an individual level, but also crosses the boundary into the organisation's capacity to learn and transform. Consequently, for the owners and managers of social enterprises, there are two aspects which relate to transformation: the first relates to the passion and commitment required to work within a social enterprise and additionally, for the organisation to put into practice what it preaches. The second aspect is the transformation from a mindset of being a not-for-profit or traditional business or organisation to a successful business with a social mission.

The leaders within social enterprises need to develop capability in entrepreneurial leadership qualities, so they can respond to opportunities quickly and professionally. Good governance, management and leadership bring credibility to an organisation, but they do not guarantee sustainability. That requires an examination of the business model against the three Ps of people, profit and planet.

7.2.4   Conclusion Four: Developing Sustainable Business Practices

> Social enterprises require Improved business and financial skills and access to finance, to enable social enterprises to develop sustainable business practices and have the capacity to grow

7.2.4.1 Financial Sustainability

There are examples of highly successful social enterprises in South Africa, but they tend to be the exception rather than the rule. The GIBS survey (Myres et al., 2018) of social enterprises found that 80 per cent of social enterprises had an average annual income of less than R500, 000 South African Rand, roughly the equivalent of $30,000 US dollars. Additionally, only three per cent of the social enterprises surveyed had an annual turnover exceeding R6 million SA Rand, which is around 350,000 US dollars. Approximately 50 per cent of social enterprises in South Africa do not receive their funding from grants or donations.

For donors and agencies to engage social enterprises as local implementing partners, they need to be confident that social enterprises are stable and functioning organisations, who will be able to sustain themselves and deliver on any contract awarded. Social enterprises need to demonstrate they have sound financial and business skills to be a sustainable organisation with a promise of being present in the community for many years. They need to consider what products or services they are trading and ensure there is appropriate quality and consistency in their delivery.

To achieve this, staff in social enterprises need to be properly trained in financial and business management and be able to apply their learning to the enterprise. There are many software packages available that will help social enterprises record, retrieve and manage their financial data. However, the journey begins by understanding basic business finance. This can be achieved in many ways: participating in online or face-to-face courses, talking to the accountant or financial service providers, who may give additional advice and explanations beyond preparing profit and loss accounts, and learning from other successful social enterprises which have already identified their own formula for financial success. Often, learning basic financial and business management data does not happen for a number of reasons: shortage of staff, inadequate time, interest or a feeling that being too interested in the financial details would make the owner or manager appear to be more interested in the profit than the people aspect of their work.

For social enterprises to become sustainable and contribute to development and create employment, it requires an enabling ecosystem capable of providing social business services, such as incubation, acceleration, training, technical assistance, coaching and mentoring. If these services are lacking, the risk of social enterprises failing increases significantly.

7.2.4.2 Access to Finance

For any type of business, access to funding and cash flow are critical components for sustainability and growth. Social enterprises in South Africa are no more exempt than any other type of enterprise. Depending on the nature and growth stage of the social enterprise, the funding could include seed funding for start-ups or crowd funding and investment angels for business growth. One of the obstacles for angel investors is the low return rate. As a consequence, there are ongoing discussions about how to increase social investment and measure social returns on investment. There are also examples of International NGOs providing grants in exchange for services and in some instances the availability of micro credit. Loans and funding from the formal sector would require a well-written business plan which can demonstrate a business case, not just a social case for a loan.

Seed funding can be a useful impetus, although it can also be problematic if the business model is not feasible. Other participants in the research reflected the need to first establish a sound business proposition and seek funding further down the line. It would be unwise for social enterprises to rely solely on funding from one source. For traditional businesses this relates to the concept of cash flow and is one of the biggest challenges facing micro and small companies of any nature. Consequently, social enterprises cannot rely on funded contracts from one source, and it is in their interest to develop a range of products and services to trade to supplement their income and ensure their business is less financially vulnerable. One of the key internal business model vulnerabilities enterprises of all types face is the over reliance on one client or one type of client. From a sustainability perspective, if the client or sector suffers business shocks, it will undoubtedly affect the bottom line of the enterprise, but with multiple funding streams from different clients there comes a reduced business risk.

Good business practices would be to ensure streams of income from five or six different sources. Apart from being sound business practice and making the enterprise more financially viable, it also allows the enterprise to negotiate rather than feel they have to accept completely what a client is asking for. This enables the enterprise to have some choice and ensure they are able to do the things they do best and to do the things that relate to their social mission or mandate.

7.2.4.3 Financial and Business Management Systems

The reasons why social enterprises do not develop sound financial management principles may not just be a lack of skills; the design of effective learning on this subject would benefit from addressing why social enterprise owners and managers do not pay adequate attention to establishing sound financial and business management systems.

Requests or calls for proposals is one of the main ways UN agencies advertise the availability of funds to undertake specific activities. There is a specific skill set in preparing a response and often in the original call there is a published list of the criteria. Whilst preparing responses can be time-consuming, if simple management information systems and processes are in place, it is a valuable skill set to develop. This aspect of financial management is rarely taught in business finance training programmes.

Contract compliance is also critical in the evaluation of a local implementing partner and a lack of compliance will certainly disallow organisations from winning future contracts. This requires learning the systems imposed by the funding partners and keeping to reporting deadlines and demonstrating that funds were spent on agreed activities and items. For a small enterprise, this is a burden in the time required, the skills to learn the systems and giving up a degree of control of your own business decisions.

The advantage of having multiple sources of income does not just provide benefits from the financial perspective, but also changes the power-dynamic in a relationship with a client. If a social enterprise is not reliant on the funding organisation for its survival, there is a very different type of conversation and the social enterprise may influence the nature and type of the contract and delivery mode. Developing this type of relationship with those providing funding would elevate those representing the social enterprise to

becoming trusted advisors rather than cap-in-hand beneficiaries. This is akin to strategic positioning and is a valuable strategy for social enterprises to develop. They need to be the 'go to' organisation and perceived as leading the thinking on their social mandate. This is achieved by developing and publishing articles, blogs and speaking in public spaces on the topic. When the position is established it is easier to organise meetings, not to seek funding, but to seek a meeting of minds. By developing an understanding of the funding agencies' position and interests, the social enterprises will be in a much stronger position when the calls for proposals are published.

Social enterprises need to ensure they have the requisite skills and systems within the enterprise to provide management information and comply with the regulations set down for awarding contracts. Thus, contract compliance becomes a part of financial and business management skills which need to be addressed, as those awarding contracts invest a great deal of time and resources ensuring contract compliance:

Currently the David and Goliath nature of the relationship places the requirement on individual social enterprises to make the necessary changes to ensure contract compliance, not the funding agencies. Social enterprises in South Africa do not have a national association that could advocate on behalf of social enterprises for improving contract compliance processes and procedures, or for that matter anything else.

7.2.5   Conclusion Five: The Missing Middle

> Develop the missing middle – There is a need for a new, independent social enterprise association to provide representation, a national platform, holistic capacity development, opportunities for networking and a voice

This conclusion relates to both credibility and sustainability. In South Africa, only two per cent of the population are engaged with social enterprises (Myres et al., 2018). This results in many people not knowing of the existence of social enterprises or what they do. This also includes potential beneficiaries, communities and governments as well as donors. To have a national presence and the opportunity to engage and influence the development agenda, social enterprises need representation at the national level. Even if government is willing to listen and consult with social enterprise there is no one association or representative group that can advocate on behalf of social enterprises in the way that employers' organisations and trade unions can advocate for their members.

Examples of national social enterprises in other countries have demonstrated that an association can engage in a range of activities, such as campaigning for "buy social" and promoting the work of social enterprises with the general public and corporate businesses. They may advocate on behalf of their members and engage in social dialogue and political engagement to complement their work in local communities and may provide learning and capacity development to support the growth and sustainability of social enterprises and their staff and volunteers. They can also provide a wide range of business

development, legal and accountancy services and even offer discounted economies of scale to members, through bulk purchasing and networking opportunities.

A functioning social enterprise association could also provide many networking opportunities, enabling social enterprises to learn from each other and to trade with each other. Supporting the development of a new association for social enterprises needs to be independent but government agencies and the few donors in South Africa who are aware of the potential of social enterprises could support the establishment of such an association. One of the problems facing social enterprises is that they span a broad spectrum in terms of size, mandate, political affiliation, rural/urban locus and who they represent.   To be successful, a social enterprise association will need to reflect the diversity, not only of the type of beneficiaries it serves but also the people that own and manage social enterprise. There is no data collected about how many social enterprises are owned by black South Africans compared to white South Africans, but a new social enterprise association needs to reflect the owners and managers of social enterprises and the communities from which they come.

In conclusion, social enterprises need a new independent association with the capacity to advocate on behalf of social enterprises at the national level, with government and other social enterprise stakeholders. It can also provide learning and development opportunities and networking opportunities for its members, organise campaigns to raise awareness of the work and issues social enterprises address and even provide services such as accounting and business development, and in doing so, create an internal market where social enterprises can also trade with each other.   As government directly funds some social enterprises to deliver its work in social development through the Department of Social Development, there is a resonance to this idea, and it could prove to be a cost-effective way of developing social enterprises to ensure they are fit for purpose in delivering government contracts. The funding could be conceived as seed funding that reduces over a period of five years, giving social enterprises the time to organise their membership fees and fees for specific services.

Bridging the gap between social enterprises operating on the ground and the government and donors operating at a macro level would be an important advancement in supporting social enterprises engaging as local partners in development. However, this also requires that the donors and their counterparts commissioning local partners are also ready and able to work with this new type of partner.

7.2.6   Conclusion Six: Developing the Capacity of other Significant Actors

Increase the capacity of government representatives, donors and funders of international development so they are better able to engage with social enterprises in addressing development issues

Some of the other significant actors, such as donors, UN agencies and the government in the social enterprise ecosystem in South Africa have the power to award contracts and engage directly with social

enterprises. Their actions can directly impact on the potential for social enterprises to compete for and win contracts and engage in discussions about the nature of interventions which will ameliorate the multidimensional aspects of poverty. This research finds that from the perspective of the government there are two general aspects to be addressed. The first is a wider in-house sensitisation and education of what social enterprises are and what they can contribute. Many government departments and officials do not understand the concept of social enterprise and consequently are not in a position to engage in real and meaningful social dialogue regarding the potential of social enterprises in contributing to the amelioration of social problems. Even within the Department of Social Development, key staff are not adequately aware of the concept and presence of social enterprises contributing to their mandate. Once the concept is clear and understood there is a further role; to develop advocates and leaders within government departments who can coordinate efforts and provide leadership, thus organising a better coordinated effort in order to address the wide range of health, education, employment and other issues which fall into the catch-all phrase of social development.

Beyond understanding and providing leadership for the growth of social enterprises, government departments, as any other organisation, also need to consider their own capacity development. A part of the required capacity credibility for government departments is to deliver on the National Development Plan. As previously discussed in chapter two, the National Development Plan 2030 was published in 2013, with the two broad aims of eliminating income poverty and reducing inequality. To achieve this, there are ten critical actions, of which social enterprises have a role to play in the delivery of more than half, by contributing to the social compact, providing employment, delivering professional local services, providing education and learning, providing health services and addressing environmental issues. The agenda is ambitious and requires every part of society to play a role. Social enterprises could be at the heart of this, but their potential has not been recognised or acted upon.

Government officers require the resources, mindset, knowledge and skills to engage all the actors, national and local in their vision of poverty eradication and the reduction of the gap between the wealthiest and the poorest. To achieve this, they need to look inward as well as outward and build the capacity of their own staff, departments and teams. It may include reviewing the numbers of people working on their behalf and given the enormity of the task in hand, thinking about how to work more effectively with partners, changing the paradigm from being a contractor of local service providers, to a partner in development.

This assumes going beyond the development of the individuals to ensuring each department or municipality is adequately resourced and organised around the delivery of its mandate. Much in the same way that a social enterprise has to develop its capacity to deliver on its mandate, so do the government departments and those agencies providing funding and developing programmes of activity at a macro level. In a democracy, this includes the government ensuring it has the capacity to seek the voices of its citizens and find appropriate methods and processes to hear them, and act on what they have heard. It also extends to

working with the donors and the international development community, who aim to support the government in the achievement of their National Development Plan and bring to the partnership resources and an aligned agenda of reducing poverty and the other goals reflected in the SDGs.

A significant part of the governments legislative role is to create the environment where social enterprises may thrive and grow and therefore contribute in a dynamic way to the achievement of the National Development Plan. The result of the consultation process could determine how social enterprises are recognised, what legal status they have and the tax implications of that status and the profile of social enterprises in the wider economy and how they are viewed by potential funding agencies. It is the moment where leadership requires the capacity to listen, to organise and finally deliver an enabling environment from which social enterprises may become more sustainable. Without the spark of leadership from government, it is likely the operations of social enterprises will remain uncoordinated, resulting in little opportunity for sustainable growth and many micro and small social enterprises will fall by the wayside, even if their services are needed. Without a stable environment and support the chances of survival are slim.

The decisions about the status of social enterprises as private sector organisations or not for profit organisations will determine how they are considered by donors and funding agencies. Whilst there are seeds of change in the mindset of the donors and funders, they are still generally a distance away from contracting social enterprises as a local development partner. Being perceived as 'for-profit' enterprises leaves an uneasy feeling in the minds of the donors, who have historically worked with the NGO sector and understand better the world of the not-for- profit partner. One major concern is the distortion of the private sector by awarding and funding some enterprises and not others. In effect, there are many examples of where the UN has distorted the market; for example, providing emergency food aid in a crisis area seems appropriate and laudable from a humanitarian perspective, but from a development perspective it may decimate a local market and result in a greater degree of food aid dependency. In trying to learn the lessons from these challenges, UN agencies have discussed the nexus between humanitarian relief and development interventions. This is creating a balance and concern for the short-term interventions which is the basis of humanitarian work, in responding to immediate issues such as famine, work and other natural and human-made crises. Whist the longer term and aspires to create sustainable solutions that alleviate poverty and longer-term intractable challenges facing humanity. With the aim being to secure sustainable rather than aid-dependant solutions.

UN agencies design and deliver programmes which are often envisaged and planned as up to three-year interventions and engage local partners to deliver on their objectives. Local partners are usually not-for-profit organisations such as charities and national and international organisations. In general, donors have not considered how social enterprises might be engaged as local partners. Donors and funding agencies need to recognise there are other potential partners who can do business in a different way. They do not

have to rely on three-year programme cycles because social enterprises are not temporary. They are designed as permanent features and can therefore work on a longer time frame, engaging in a more holistic way to tackle the problems identified. A key part of the process of bringing social enterprises more centrally into the sustainable development agenda is to develop the capacity of donors to understand the potential of social enterprises as local partners and examine their systems which may prevent social enterprises from engaging.

In joining up the thinking and the interventions in Human Development, there are opportunities for social enterprises and donors to develop new ways of doing business. This might go beyond the idea of providing grants and funding to deliver previously conceived programmes and mean bringing in a wider range of expertise and partners and buying services in a different manner. The reluctance may not be only on the part of the donors; the social enterprises themselves may also have concerns about the potential for working with donors.

In examining the progress of the concept of capacity development, Paul (1995) acknowledged that capacity development can be time and resource intensive and may not bring about measurable results in two and three-year programme and project time frames. The concepts of participatory consultation and improving policy and the enabling environment were already being raised, but without the support of a paradigm shift in the conceptualisation of modes of operating that even today are still organised around the programmatic planning cycles. As a consequence, development agencies and implementing partners are still bidding for funds on a one to four-year basis and donors and funders provide capacity development interventions to aid partners to fit into their model of doing business, by using their systems and processes to manage and monitor contracts.

7.2.7 Conclusion Seven: Transform the Fishing Industry

> Teaching a man to fish perpetuates the same processes that have achieved only limited results. It's time to transform the fishing industry, with donors and government working with social enterprises to take a more holistic look at development.

Social enterprises are working toward an agenda of social change. By developing their intrinsic credibility and sustainability they can influence the transformation of the way development is conceived and undertaken. However, this is not a lone journey and the other actors in the ecosystem will play a large part in that transformation.

South Africa's ranking on the Human Development Index (HDI), shown in chapter two, indicates there is still much to do in South Africa to address quality of life and to eradicate the inequalities and insufficiencies revealed through the HDI. To meet the targets established in the SDGs, South Africa needs robust, sustainable and effective local implementing partners. Social enterprises could play a larger and more

important role in contributing to the efforts, but as yet only two percent of the population are engaged in working with social enterprises. Currently they do not have the capacity to take on the mantle of being the partner of choice in development. There needs to be coherence in developing the capacity of social enterprises, but one of the problems with capacity development to date is that even if people agree it is a good idea, and millions of dollars are invested each year into developing capacities, there is still no working definition and subsequently no way of either holistically planning or evaluating the results of capacity development (Land, 1999; Morgan, 2006b; Ubels et. al 2011; World Bank, 2009).

In response to some of the criticisms and a quest for more effective sustainable solutions in tackling poverty and injustice, the international development community produced in 2015 the 17 Sustainable Development Goals, as a rallying point for more coordinated aid effectiveness. The aim is to make a substantial impact on poverty, hunger and inequality and in the process widen the ownership of development, by engaging governments, the private sector and civil society together with the United Nations agencies and donors.

According to the World Bank, the South African economy shows negative per capita growth, resulting in increases in unemployment which bring the number of jobless, working age South Africans to over six million (Statistics South Africa, 2017b, World Bank, 2017b). The United Nations and other development agencies work to support the government in achieving the targets outlined in the national development plan. The stated aim of the National Development Plan 2030 (Republic of South Africa Government, 2012) is to eliminate poverty and reduce inequality (Republic of South Africa Government, 2012). The government believes this can be achieved by building on the energies of South African citizens, cultivating an inclusive economy, developing capabilities, improving the capacity of the state, and fostering leadership and partnerships throughout society.

The Human Development model underpins the work of the United Nations Development Programme and most of the UN agencies who, along with donors, take a macro view of human development and support governments in articulating priorities and milestones in their National Development Plans. It is organisations such as social enterprises that operate as local implementing partners, taking a micro view of human development by directly providing services to the end beneficiaries and employing people from local communities to engage in those processes. It is up to the government and the international development community to make the first move by examining the potential:

> *look and say, how can we work with organisations in those countries and ensure sustainability, and ensure that they look at development in a different light*? (Statement 3).

At present there is a lack of joined up thinking between the work of the social enterprises and the international development community. By introducing the five domains model to the different actors there is the potential to enable different perspectives from within the social enterprise ecosystem, to each contribute and in doing so create a more holistic view of interventions and results by viewing them in a

larger context and taking into consideration micro, meso, macro and even meta levels of intervention. There is the potential to increase outreach and effectiveness. As one of the practitioners, having examined the five domains model reflected:

> *I really appreciate this because I think many good projects, or good interventions, unless they are located at least in the larger context, they seem to be not very effective. Or one-off intervention, or something which is forgotten and then not pursued… (Statement 598).*

The international development community has the opportunity to scale up some of the operations and interventions by collaborating with social enterprises and learning the lessons in order to scale up more sustainable models of development.

Capacity development for change is not just within the purview of social enterprises, but a requirement of all the actors in the ecosystem. The work is not just to make social enterprises fit within the donor's models of acceptable partners, but also encourage the donors to engage in social dialogue about how they can be transforming and develop their own capacity, changing their systems and processes in order to, as Bill Drayton, founder of Ashoka, once said, "Social entrepreneurs are not content just to give a fish or teach how to fish, they will not rest until they have revolutionized the fishing industry." (Myres et al., 2018:4)

7.3 Reflections on Phenomenography

Larsson (1993) posits that the purpose of research is to contribute to new knowledge at individual and community levels. In this section there are reflections regarding innovations relating to the types of categories of description and the processes regarding the approach in developing the outcome space. These innovations contribute to the body of knowledge concerning the use of phenomenography and are primarily directed at the research community.

7.3.1 Types of Categories of Description

As discussed in chapter three, the purpose of phenomenography is to capture and describe the variety of conceptions people have of a phenomenon. A conception is understood to be the way in which a person experiences, sees or understands something. Phenomenography explores the variety of conceptions from a target group and reflects the variations in the collective conceptions rather than individual conceptions. These conceptions are captured as categories of description and together are presented as an outcome space, which can be considered to be a synonym of the phenomenon under study (Ellis and Han, 2019; Marton and Booth, 1997).

In his critical analysis of the deep-surface learning strategies, Webb (1997) addresses an issue with phenomenographic categories of description, in that very often they are reflected as a hierarchy, or nested hierarchy. His criticism is that within these hierarchies there is often not only the reflection of what is observed regarding the phenomenon in question, but in addition, a value judgement as to which of the categories is best or more significant or more important. This is exemplified in part by the labelling of the categories but also in the reporting of the hierarchy.

The hierarchical and climatic types of categories of description previously discussed in chapters four and five lend themselves to value judgements, as the ordering and relationship can be influenced by the researchers own bias as to their view of what is best or most important. In this research a new type of outcome space labelled *contributory*, is designed to remove the value judgement and the question of "what is best", in order to reflect a more honest representation, being "what is".

This new type of category of description allows for value judgements to be suspended until they can be tested and enables the researcher to reflect on what they have surfaced from their participants rather than what they have deduced themselves about the phenomenon.

In this research the categories of description are contributory, they do not reflect a hierarchy and are neither temporal nor climatic. Together the categories of description form the outcome space. The outcome space reflects the relationship between the categories and is represented diagrammatically as a model. Reaching a conclusion about the model and what it reflects required deep introspection and several iterations to address the potential of researcher bias and ensure the outcome space honestly reflected the conceptions surfaced from the participants.

7.3.2 Development of the Outcome Space

For new knowledge to be accepted, it must pass several tests within a research community, which result in confidence of the work's quality; often the measures are captured as validity, reliability and degree of generalisability. These three conceptions have been described as the holy trinity of research. Although modernist and post-modernist views of validity and its relationship to truth theory have developed and changed, there is still an expectation within the research community that quality standards are applied and that other researchers can assess the research based on established criteria (Kvale, 1994; Larsson, 1993; Sin, 2010).

Each of these three ideas are considered with respect to this research. Guba and Lincoln (1981) proffer four criteria in addressing the quality and rigor in research findings. They are as follows:

1. Credibility, which is concerned with the aspects of truth and validity in the findings and tests the findings in relation to the various sources from which the data are drawn.

2. Fittingness, relating to the degree of applicability of the findings in other contexts, is also considered to be generalisability. In this research, it is the degree of applicability to the international development community operating outside of South Africa.

3. Auditability, concerns the consistency of the findings if the research were to be replicated; and

4. Confirmability, ensuring that findings are not a function of the biases and motives of the researcher and relates to the conception of academic rigor.

One of the aims of exposing the iterations of the outcome space and the decision-making processes relating to the development of the outcome space in this research is to provide transparency, so that other

researchers may examine the processes. A second motivation is to address directly the biases and motives of the researcher and by bringing them under scrutiny confirm that the bias and motives were recognised and consciously addressed, thus ensuring some rigor in the research process. In doing so, the ambition is to present research that resonates with the research community and practitioners alike. This process begins with some considerations in relation to the concept of validity in research and its relationship with a modernist perspective on the theory of truth, not the concept of validity as it is understood and used in everyday common parlance.

7.3.4. If I was Doing all this Again What Would I do Differently?

If knowledge is knowing that a tomato is a fruit, wisdom is not putting it in a fruit salad.

Kington (reported in Sheldrake 2011)

Within this thesis there are many different lines of inquiry that in their own right are worthy of further investigation. One would be an investigation into the educational attainment levels of the owners and managers of social enterprises, to understand what percentage have completed secondary and tertiary education. This information would contribute to developing the most appropriate learning and development activities tailored to reflect their different learning needs.

A second investigation would be work at a policy level within the OECD and donor fora to examine how to streamline monitoring processes and focus on getting the right data, rather than insisting that social enterprises and implementing partners use a particular software package or process. The current monitoring processes have often been designed by the funding agencies and are often over-complicated for small social enterprises, requiring more time and expertise to maintain than the actual delivery of the contract objectives.

A third inquiry could be conceived as action learning, working with one social enterprise to see what works in terms of building their credibility and sustainability. I will be involved in an aspect of this as an outcome of this research.

Finally, South Africa is just one of the many countries where international development takes place. The conclusion of this research leaves open one question about the potential for transferability of the five domains model. According to Sin (2010), generalisability can be thought in terms of transferability. She explains this as the degree to which findings may be utilised or applied in other contexts (Kvale, 1989; Sin, 2010).

The Five Domains Model was shared with practitioners working in international development, but intentionally not in South Africa. The purpose was to test the potential for applying the five domains model beyond a community of researchers to include practitioners who could deduce, or otherwise, the value of the model from a practitioner's perspective. Whilst generalisability of the findings was not the main motivation for this research, interesting paradigms regarding the understanding of capacity development

in international development have emerged and it proved interesting to test the potential for transferability of the model. A reflection from one of the practitioners was:

> *it is very useable. I think what it does is I think it puts you in the mindset of thinking about then the links between all of the domains......I think if people have got a particular focus that they are thinking about in the work that they're doing, it actually forces them, rightly, to step outside of that focus and think about the bigger picture.* (Statement 624)

Even with the positive feedback, as this research is specifically undertaken in the context of social enterprises in South Africa research that brings forth a more holistic view of capacity development by applying the model in different international settings would be beneficial.

7.3.4.1. Research to PhD as a Personal Learning Journey

Undertaking PhD research part-time means a long journey and during that time there are many things to learn and contend with, it is not just the accumulation of knowledge. Some of the learning arrives as a direct consequence of undertaking the different stages of the study and research processes and other aspects of learning are much more nuanced, but also maybe more profound, because at the end of this process, as Socrates reflected, wisdom derives from realising what one does not know (Socrates in Bowden, 2005). Reviewing my journals and diaries over the last seven years I realise that alongside my research, writing and studies there are other things that are noteworthy. I have chosen to write this section in a more personal style as I realise that the learning from the seven years of study is indeed personal and the following reflects not just a list of learning and achievements but reflect aspects of my personal transformation and journey.

As a practitioner in international development for the last thirty years I was motivated to bring some academic rigour to my understanding of capacity development. It is genuinely a subject that has fascinated me, and I wanted to dedicate the time and space to studying the different approaches and definitions that had already left me with an uneasy feeling that something was missing.

Knowledge in itself is not the conclusion of this research; it is the application of that knowledge to a specific context in order to improve the potential for social enterprises to be credible and sustainable partners in development. By finding out the variety of ways in which capacity development is experienced, this research has been able to provide not a definition but a model, which draws together the facets of capacity development and reflects on what aspects would enable social enterprises to play a greater role.
However, from my practitioner perspective a beautiful model would never be a satisfactory outcome of this research. What I aspire to is the capacity to bring about real, tangible and lasting change through the application of the model.

In the beginning of this learning journey, I was motivated to learn to write in a more academic style. Highly conscious of the fact that I did not have that capacity and my master's degree was completed in the very early 1990s I thought that enrolling on a Ph.D. would help me develop that skill. Seven years and around £15,000 later, I realise there probably was a quicker and cheaper way to learn such a skill. The improved

ability to write toward a more academic standard has culminated in the publication of articles and generally improved not only my own academic writing but also that of my team, who will now often hear the war cry of 'references and sources' when they are submitting reports or proposals.

Research skills are another obvious aspect of learning. Given my personal predispositions I was always going to engage in qualitative research, but studying phenomenography and learning about the approach, the differences from phenomenology, which I could not even say properly when I first tried, is really important to me. As a pedagogist, it makes absolute sense to me as research method and I have learned so much about the importance of rigour and consistency in the application of the method, especially in the analysis stages of my research.

At the outset of this journey, I had the romantic notion that I would regularly return to Cyprus, sit in an old house, look out at the sea and think great philosophical thoughts. Sadly, it never really happened quite like that. I realise that as an older woman, running several small businesses in crazily different parts of the world and running homes in two different countries there was never enough time. I have learned however, especially in the last two years, that there is a clear gender dynamic in this. There was never enough time because I never made enough time. If there was a need from the family, from the team or from a client or friend, I was there, ready to serve, help and give my best. Having been brought up between two cultures; with a Greek tradition of women providing service over self-interest, which I understand is deeply rooted and even with the British knowledge and awareness that I can give myself the right to say no, it was all the same difficult to do. This became stark when I contrasted with my husband, who is also studying toward his PhD. He is a couple of years behind my start and is incredibly supportive but is also clearly much better at protecting his time and pointing out my need to do the same, this is of course true, but there will always be a meeting to attend, a dinner to cook or a phone call to take, that prevents me from protecting that space. The gender dynamic also became apparent in the feedback from my supervisors regarding my writing, which sometimes came across as hesitant. On reflection I don't think there was ever a hesitance in what I wanted to say, but there was definitely a hesitance in using the first-person pronouns or being quite so absolute or comfortable in claiming I was right, or sure about an idea.

Whilst I could talk at more length, listing the individual knowledge and skills that have emerged in this seven year journey, I believe the more important learning is in my own transformation. As Mezirow (1991) would reflect, it is the psychological self-awareness and the capacity to understand myself, including my weaknesses that have been awakened and developed. It is also in convictional, aspects where I have examined my deeply held political and ethical beliefs of what constitutes a fair and just world and which run as a red thread through this thesis. Finally, there are the changes in my actions and behaviours in how I live my life and new confidence and competence that have emerged. The final part of the transformation will be allowing myself a moment of pleasure to reflect that I am a Doctor.

7.4 Conclusions

The journey in undertaking this research has resulted in finding out that social enterprises can become more credible and sustainable partners but in order to do so, they need to develop their capacity. To date, the understanding of capacity development is unclear. The five domains model offers an opportunity for social enterprises and other stakeholders in the social enterprise ecosystem to move out of the silo thinking and discuss capacity development in a broader sense.

Social enterprises need to develop their own capacity and provide leadership, by advocating and offering new ways of ameliorating the social problems they are mandated to address. To achieve this, they need to change their own mindset before tackling the mindsets of others and in doing so, become more professional and entrepreneurial. This will provide them with the credibility to work in partnership and engage in social dialogue about the development needs in South Africa and further afield. A key aspect of their credibility is the capacity to manage and run their social enterprises as viable sustainable businesses. They need to develop appropriate systems and processes and ensure staff are equipped with the requisite skills. The government and donors can support the growth of social enterprises by examining the potential for seed and start up or growth funding.

In order for social enterprises to fully participate in social dialogue and influence the national agenda, there needs to be a viable national association, able to reflect the needs and advocate on behalf of the broad range of social enterprises that exist. Social enterprises are a part of a wider ecosystem and the government is responsible for creating an environment in which they can flourish and grow and the donor community and UN agencies need to reconsider their own modes of operating and test more inclusive approaches to development partnerships.

Finally, the Five Domains Model may prove to be a useful tool to enable clear and explicit discussions about what capacity development involves and provide better links between the development of capacity to the overall goal of human development, which Amartya Sen (1999) defined as development as freedom.

For to be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others. Mandela (1995:544).

Postscript

The research for this study was collected prior to the global pandemic which surfaced in 2020. The results of the pandemic continue to have a greater impact on the world and in particular on the world's poorest people. Domestic revenues in developing countries have reduced by over $ I trillion US dollars (Dodd, Breed and Coppard (2020). The result of which is that extreme poverty across the world has increased by 3 per cent.

Concurrently, the nature of aid is changing. Bilateral donors decreased aid by 17% between 2019 and 2020 and commitments from the ODA reduced by 5%, as donor countries are addressing their own national responses to the pandemic and its impact on their economies. Where aid does continue, more of it is being provided by the international financial institutions in the form of loans, leaving the world's poorest countries more indebted. A large proportion of direct aid has been diverted directly to health-related projects at the expense of social and economic development (Cilliers et al., 2020). According to the UN Department or Economic and Social Affairs (UN/DESA 2020), it is the poorest people who have been most severely affected. Research on the impact of the global health pandemic on the achievement of the SDGs reveals that the 2030 targets have been severely set back, food insecurity is rising, with approximately 2 billion people being affected by moderate or severe food insecurity, with 132 million people being undernourished. and 12 million Africans will live below the extreme poverty threshold.

Now, more than ever, it is apparent that the current models of aid are not sustainable and there is an urgent need to transform the way aid is organised and delivered. It is time to 'transform the fishing industry' (Myres et al., 2018). It is the time for community based, sustainable initiatives which are less impacted by donor fatigue, fads and fashions and the priorities that makes overseas aid optional for the large donors when they face domestic challenges. Community based development can be determined local priorities that are no longer imposed externally. Therefore, the argument supporting the development of social enterprises to becoming strong, sustainable and credible organisations is now more compelling than ever.

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Appendix One

The Condensed Data from the Interviews

Statements relating the five categories of description

Legend

Individual development
Organisational development
Community
Government and public sector
Human Development

AM

1. It's skills development that I already highlighted. That's another segment again, where companies need to spend on the upscaling of their staff, but also the upscaling of underemployed youth.

2. we have to create the type of passion that that organisation already has for a country, and we don't know the country properly yet, nor do we know the legal system, so all of those things. So, we'd rather work with another organisation in that regard then

3. look and say, how can we work with organisations in those countries and ensure sustainability, and ensure that they look at development in a different light?

4. But it's not something we have made a clear decision on yet, to say, is that something we want short-term, long-term? And if so, what kind of organisations do we want to work with?

5. (on CD) I think that one of the key elements is that people who come from the communities where we implement projects need to be able to run those projects, from a sustainability perspective. So, from our side, one of our… A practical example of that is that when we do projects all staff come from either that community or similar communities.

6. And the capacity development is to look at what are the positions that are needed to be filled within certain projects, what kind of staff is available, and how can you close a skills gap if there's a skills gap.

7. And that can be through on-the-job training, which is often informal, or that can be through formal training. As an example, our HR manager used to be a former student of our skills centre, and we're currently paying for her human resources bachelor's degree that she will be finishing sometime this year or next year.

8. That's capacity building from how I understand it. There's a practical element to it from an experience perspective, and there is a theoretical element to it from an education perspective

9. I think from our side what is important is that we want people to understand the context of where they're working. And if people understand the context where they're working, there might sometimes be skills tapped into what a job requires and what experience and skills someone has.

10. it's really practical, from practical experience to say to people, we wanted to hire people from the communities we work in, but we realize that there often is a gap in skills and experience within the community in the position that they need to be hired in. And in order to close that it's either a mentorship program or a formal kind of educational program that they will be involved in.

11. From the organisation perspective the first thing I would look at is at what kind of systems and structures are in place in an organisation? All the way from your compliance to your staffing to your monetary evaluation to your finances. And where there are no structures or systems in place, to suggest that they do put those structures and systems in place.

12. And you can think about what we are currently undergoing ourselves, which was voluntary, is to do a K-4 [?] assessment, where obviously an organisation will look at our organisation from a risk and legal perspective and from a documentation perspective and how those policies and everything are dished out in the organisation.

13. And I think that is quite important, is to be ready to undergo those kind of assessments and to receive feedback and try to implement feedback.

14. We were the catalysts for it, so we actually wanted it to be done. And then we hired an auditing firm called Mazars and they're doing it for us.

15. I think one of the things that a social enterprise needs to understand, and I think that's quite a biased thing now, is you need to understand why you're doing something. And I think a lot of those… A lot of marketing agencies or consultants, they understand your why, and there are some certain truths to it, in the sense that it's not just a nice gesture.

16. If you understand why you're doing something and what your goal is behind it, especially if you have a social impact as a goal, then you need to make a very clear story about how it all fits into the bigger picture.

17. And you need to be passionate about it. If I would sell laundromats, laundry machines, I'm not passionate about that, so I would be a very bad salesperson for that. But if I would sell our own organisation and the way we do it, I'm passionate about it. I'm actually decent at selling it as well.

18. So, for me passion is really important, and the people we hire, that's one of the criteria. If you're not passionate about what we do then you can have a Harvard degree but we won't hire you, because you will actually not fulfil your potential within our organisation.

19. the capacity building plan. And the one is the skills development plan within our own staff, is to say, where do you see yourself as an individual within the organisation or in the next ten years? And what skills are needed for that? And how do you…? What skills do you have? And how do you close that gap?

20. what systems and stuff are in place currently from a monitoring and evaluation perspective, finances, in HR, legal, all of these things. And if we grow, what would we need to implement as an organisation in order to facilitate that growth? Or at least be able to monitor that growth effectively.

21. So, you have clear outputs of where you want to grow to, and you have a clear understanding of where you are currently, and so you also have a clear understanding of the gap in between. And then that gap is basically our own development plan, so it's a capacity building plan, so to say.

22. In order to build capacity, you first need to understand where you're lacking and where you're not lacking. That's a huge chunk of our own capacity-building plan, so to say. And then you put in timelines as to when you want to have certain things implemented.

23. And an example, again, for us is this K-4 assessment was an important element of that, is to say, okay, cool. We feel we, from a compliance perspective, have done everything that we need to do in order for the growth that we are currently. But we want to have an outside view on this, in order to find out where do we need to grow from a compliance perspective as an organisation in order to enhance further growth.

24. It goes all the way from people who have only finished a high school degree, or not even finished a high school degree, to people who have masters' degrees. There's quite a large range. We're hiring a person now who has a masters' degree, in law, actually from a university in the States. But at the same time we are hiring someone who we see potential in, and who only has a high school diploma.

25. It really is from both… At that level, if the person has a masters' degree, her capacity building will be mainly around leadership. And so she still will be a leader in the organisation, but might not have been in many positions where she had to practice leadership. While at the position of the person who starts with a high school diploma, that person might need formal education as part of their capacity building.

26. It could be an actual leadership training with a mentor. We have a number of experienced leaders within our network who are willing to mentor people in our organisation.

27. That's scenario-based, so the person would then come with a scenario, a real scenario in the workspace, and then talk about solutions from a leadership perspective, how can you solve these issues?

28. might be some formal training as to leadership styles and trying to accommodate a work environment where that person can find out what his or her leadership style is and then implement it effectively.

29. Again, one of the things we're trying to do is to recognize that everyone is different, even as a leader. One might be more authoritative, the other might be more democratic. And you want to facilitate a process where they can find out what kind of leader they are within the culture of the organisation, but at the same time to understand that when they find what kind of leader they are, they can also develop this too.

30. There are different leadership styles and one is not better than any other. The outcome is very often the same. But that's what we're trying to enhance, is to say okay, cool. How do you relate to your colleagues? What makes you different? And those kind of things.

31. So, from a leadership perspective some is formal, a lot is informal. From a normal training perspective that would obviously be the other way round, so a lot would be formal and some would be informal.

32. From a capacity building… We're trying to do as much as we can in-house, because we are an accredited skills academy here anyway, so we can. And otherwise we go to UNISA, which is a South African university, or GIBS university, let's just say business university, or a college like Boston College. So, you have different providers in that regard. But we try to do as much in-house as possible.

33. what I often see going wrong in larger development organisations is that people who come from, like, from the outside, from Europe or the States or wherever.   It's that they need to contextualize first with the local setting and with local people, before becoming the leader of a certain organisation because often they're bringing in bringing their own bias and their own… And you can't help doing so and everyone does, which is fine, but if you then project that onto a project or onto an organisation, it can cause quite a lot of friction.

34. And we've seen that happen more than once when organisations come, for example, to South Africa, and they don't really understand the context and the culture. And then actually burn bridges just because they want things to be done their way rather than understanding what is the local context in which you can build a social enterprise or an NGO

ADP

35. government has been, what can one say, less than competent to be able to deal with what's captured in the national development plan. And so for that reason, they haven't consulted broadly enough amongst relevant stakeholders with regards to moving forward in terms of the plan.

36. there needs to be a commitment and an appetite from government to enter into partnership.

37. it's supposed to be a government-private partnership in place. But the partnership is fragile at the moment given the number of political misfortunes undertaken by our President and the African National Congress. So the partnership is fragile at best, and so there's no consultation, they don't even come to the meetings.

38. we have an annual Leadership Conference that we attend and a number of things take place at that Leadership Conference.

39. I was in Portugal at the end of last year, and we went to go and have a look at what they were doing there. I've been to the States and I've seen how food banks operate there.

40. we really need to agree on a broad definition of what social enterprise involves, what the characteristics around that is and what the framework for social enterprise is. We just don't have that, and then I think we really need a network body that can act as a thought leader in this space so that we have an overarching body that could be recognised and endorsed, that could really forge a way forward for us.

41. We've got social enterprises operating on the ground, we've got some government policy that could make it happen, but there's nothing in the middle to drive it in the right direction. So we're missing a formal body, a formal organisation that will be able to coordinate government, the non-profit sector and social enterprise all in one recognisable framework.

42. So I do think there needs to be, once we can agree on a broad definition of social enterprise, we need, on the very basic level, traditional non-profit organisations that are showing a willingness to want to move towards financial independence

43. we need organisations that are willing to move from traditional non-profit organisations and have an inclination to want to move towards financial independence, a greater level of impact and self-sustainability

44. we need a partnership here to be able to make a broader impact.

45. there's so much mistrust, there's so much mismanagement generally speaking in non-profits. So I think that firstly needs to be grappled with.

46. I think we need, , strategic thinking, we need forward thinking people that are willing to look beyond there because all non-profits have limited capacity. Nobody here has unlimited capacity. So we need to look beyond and we need to see this is what we can do, this is what we are good at, this is how we can help you, this is where we need help. And I think once we have a group of forward thinking non-profits that can lead the way, I think that could be starting point for really forging a more formal body.

47. I think the first thing is non-profit organisations must start to think differently about what they do, how they do it and why they do it. Traditionally, non-profits have a narrow definition, they don't think business-like and that's a problem. And non-profits need to move towards thinking more like businesses if they are going to be impactful and stay around for a longer period of time

48. So, non-profits firstly need to be careful about what leadership they choose, and that's leadership at the board level. So non-executive level, and also strategic leadership at the executive level. I think that's key. You need to have people there that have the ability to transition non-profits out of the traditional sense into starting to think about social enterprise.

49. non-profits need to package themselves in a more business-like manner. They need to operate like a business. Not only think business-like, but operate like a business, keep your running costs low, operate lean and look at making sure you don't get involved in wasteful expenditure, and you make sure that your bottom line is healthy. So we need to transition quite a bit in those areas, I think.

50. people would like to do good, but don't have strong leadership skills or don't have strong business skills, and that's already a mistake that non-profits make generally speaking

51. So, we talk about capacity building, and then we talk about social development or community development. But we don't use the definition capacity development really.

52. capacity building is moving people or organisations from one place to a higher level space. So teaching skills, helping them with abilities, helping them with financial skills and better move themselves towards operating more independently of others

53. that's capacity building, and the capacity building in the individual sense is taking people on a journey from being uneducated towards better educated or towards more educated

54. community development is an approach of looking at communities and seeing where communities are now and see how communities need to move spatially, economically, socially and developmentally towards improving from where they are now.

55. part of their programme involves how to re-build women's lives, and part of that programme involves teaching women to be independent of a man because traditionally, a lot of women think if I marry a man, he cares for you.

56. it's teaching women that they need to be independent thinkers, they need to care for their family, they now need to re-build their lives. They take them through a job-seeking process, how to write a CV, how to conduct yourself in an interview, they put you through a class. Maybe they didn't start high school or maybe they dropped out of high school. So they help them and take them through a process to finish school. That's what we call capacity building.

57. a lot of classroom-based education, there are modules. Depending on what you're involved in, there's, what does one say, academia involved, yes.

58. So giving assistance, for instance, in a particular community, children suffering from malnutrition or under-nutrition. That could be a social development aspect. Or providing families with a food parcel, that have been identified as being in what they call the Social Relief of Distress programme. That's what they call social development or community development, those kind of things.

59. at least 85% of our organisations are involved in skills development, capacity building, education etc. in the development space. So what we're saying is although we are not directly involved in capacity building or development, our food is the catalyst for that to happen, yes.

60. where we've taken a group of unemployed women that have shown real agency and motivation. And we've taken them through a very basic course on how to run your own small business. And then we've given them fruit and vegetables from a donor. So they get the fruit and vegetables initially free, and it's bulk vegetables and they've got to re-package the vegetables and then sell it in their communities.

61. the idea there is to, one, take some of the women that are involved that get food from us via our beneficiary organisations, and take them on a journey towards self-reliance. That's number one. The second thing is teach them and show them that you don't have to have a university degree to run your own small business. So we build capacity in them or, like you were saying, training programme on how to your own small business.

62. One is we set aside a training budget or a budget for capacity building and training for staff. So we identify key staff in the organisation, and we identify their current skill set and we see where the potential is for them to move within our business. And I refer to it as our business because we think like a business, we don't like a traditional non-profit. So that's one way.

63. We have a budget, and that budget increases year on year and we send our staff to tertiary institutions. We send them on six-month courses, three-month courses, five-day courses etc. So that way, we build up our staff and the capacity within our staff to grow personally, but their personal growth impacts positively on the growth of our organisation because now your skill set is certainly becoming broader and certainly at a higher level.

64. but we've seen the potential where we've taken one of our general workers and they're now the receptionist because we've built capacity in them.

65. So, they're forums that are organisations that either do similar to the work we do, they operate within the same space that we do. But they're also forward thinking. And so we belong to a number of those kind of forums that meet, not formally, informally, and that's also a way that we extract learnings. We talk with other organisations, we hear what works for them.

66. So we meet with other non-profits, we meet with other businesses and we meet with a range of people and stakeholders that can help us change and shape our thinking towards innovation, towards cost savings

67. So you will find that organisations operating within the social enterprise space are definitely organisations that are more forward thinking, people that are forward thinking, people that are friends with technology, not afraid of technology. And people that are willing to break the mould to have do something different, yes

68. I think social enterprises, if they operate properly and they have the correct skills, they can certainly compete with some for-profit businesses. So, for example, a social enterprise that's involved in teaching women or walking a journey with abused women, how to be independent and how to find yourself and how to grow to become someone, that you rely on yourself, you strengthen, you've re-built yourself.

69. So I do think organisations that morph themselves to think about social enterprise shouldn't limit themselves into particular sectors. They should look at opportunities locally or abroad, and they should think about ways of how they could assimilate those activities into their organisation that could move them towards self-sustaining.

70. So if you want to get a consultant in or an organisation in, it's going to cost you quite a bit of money. Because a lot of people that were in the non-profit space, they've lost the non-profit space but are now consulting in the social enterprise space. And so at the moment, those kinds of, let's say, services and those kinds of activities are very very expensive.

71. The one way to address it of course, having this body, this authority that can be recognised by everyone and all of us belong to this body. And then emanating from that, that body could work with government, get support or subsidies from government and the private sector, and they could set up academies across the country

72. And those academies would be heavily subsidised. So non-profits would either pay nothing, depending on their financial ability, or they pay a small amount but they get a big return on their investment from that. So I think that's what needs to happen. It's very exclusive at the moment.

73. Yes, I think so. So for instance, the Bertha Centre here at the University of Cape Town in Cape Town, they have a forum. I've been reluctant to go for a number of reasons, but they do have a number of organisations that belong to this forum. And out of that, some interesting things, I'm told, have developed where organisations started to think differently. But like I said, it's very exclusive and yes, people feel that it's not the right space for them to be involved in.

74. ..the role of government in really being a catalyst and a leader in trying to develop and formalise the social enterprise space. I think that's a lacking thing. I think that government needs to come to the party, and I think they need to come to the party because for every rand that government invests in helping social enterprises, they'll get a huge return on that investment over time.

75. Firstly, I think there is a lack of willingness in government to be able to be forward thinking firstly, but certainly forward thinking in this space that will bring them much more dividends.

76. But also, I think we need the right people in government, and often times, you don't have the right people in government to be able to lead in this space, to be able to coordinate. So I think a bit of both.

77. Yes, so I think the first thing that we should be doing is developing formal structures around social enterprise, and have a body of evidence or I don't know what one would call it.

78. let's say maybe a college or a university diploma or degree that could be explored around social enterprise specifically so that there's a body of evidence that starts to develop.

79. Then I think we need a formal structure, a recognisable body that operates, that has funding and that can look into opportunities. So that's the starting point, and then government needs to put money aside to be able to develop that body and also to strengthen social enterprises within the framework that is agreed on, of course, yes.

BE

80. I always wanted to be in development work but really struggled to get into it, post apartheid because there was no such thing as development studies in South Africa. So I studied psychology and then went overseas, came back and tried to, applying to the UN and all sorts of other things and couldn't get in.

81. And I then moved into a role at the Gordon Institute of Business Science in Johannesburg which has… I ran a program for social entrepreneurs.

82. a consulting firm for four years where we looked at social enterprises a lot but a lot of what

83. we were doing was impact assessments and the design of social interventions.

84. The business training we give them is quite comprehensive and they get a mentor and it's two years long.

85. So we introduced a lot of business training mentorship to help businesses. The second key area that we focus on is social innovation and obviously those are early stage social entrepreneurs often. But these are business solutions that can solve social problems

86. Any winner gets access to business support as well, mentoring and some technical support. Because a lot of them are products that need, so bigger access to prototyping equipment and all that sort of thing.

87. building either an organisation or an individuals capacity to be able to grow or to sustain operations or… As I say, you know, it's extremely broad. Capacity development could mean training home based care workers, building in capacity but it is about growing someone's ability, it's basically skills training that's what it is.

88. Well, I don't like the word capacity development because I think it's NGO speech and I prefer, much more prefer business development support or skills training. I think that different industries use different terms and for me that term is used a lot in the NGO sector around building peoples' skills. That's where I think it comes from and I think the challenge with that word is that if you are getting into the realm of social enterprise. And in this world where business and the social sector collide, you need to try and use terminology that doesn't confuse people. And so that, yes, that's my thinking around it. or skills training. I just think it's the same word that, it's the same kind of thing but business doesn't understand that word

89. So capacity development, building, helping an NGO leader to run their NGO more like a business. That would be, I'd have to build that capacity in that person. Training home based care workers to be able to work in communities. As I say it's very broad, it means all things where training is involved to be able to help the organisation to deliver on what it needs to deliver on.

90. I think mentoring is a sounding board, it's about helping… Sometimes there are personal issues that get in the way of running businesses, especially in disadvantaged communities. We often find personal challenges mean that the business stalls and that could be like a death in the family or whatever. And it's building the confidence of that person to believe in themselves enough to be able to grow that business. Skills training is good it is what we find especially in South Africa where maths is notoriously badly taught.

91. There's a lot of business owners don't understand cash flow and that's the most basic requirement of being able to run a business and also plan future growth. If you don't understand your cash flow you don't have the ability to grow that business.

92. So we do it in five workshops, two-day workshops, except finance training which is three days. So the first day is a new way of teaching accounting which is basically allowing anybody, helping anyone to understand accounting and then two days of finance which is really about building the understanding of cash flow, all of that. And recording information and all of that, then we also have HR, an HR workshop, a marketing and sales workshop, a costing and pricing so how you cost your product and a price that will be profitable

93. We also have online training, so additional training that people can do in their own time online and then complete. And then the mentoring and the mentor sits with that person once a month, finds out how things are going, looks at their books. Many of these guys don't even record things, they don't use accounting software. They just have a whole bunch of slips of paper, so it's teaching them to record things, so that sort of thing.

94. So the mentors are, we work with a service provider called Setona who've been in this space for at least 12 years or more. So they have some trusted people that they've worked with in the past and they actually, when they were looking for mentors, did a call for proposals from mentors. And then they

identified them that way and they look for people who have run their own business to understand actually what it takes to run a small business. And then we work with those mentors, the mentor has to give us monthly feedback, so we know what's going on.

95. Their mentors get mentored by an overseer of mentors. So we also try and manage the quality of mentoring that way. We have a set way that we want them to mentor and that is monitored by the mentor of mentors. And then if they don't measure up or we receive complaints then we fire them and we get new mentors.

96. We initially expected them to come already with some training but we have started running just once a year, two-day workshop for mentors.

97. Our service provider ran it. There are some things which I want mentors to do, which is, one is there's a piece of software called SM Easy and I want them to be familiar with that software because that is very simple, simplified language and it's an app that helps small businesses manage their finances, which I like because it basically, it does it in language that any business owner can understand and then puts it into accounting datasheets or whatever they want.

98. South Africa has no shortage of mentors because we've got such an emphasis on enterprise development in South Africa. It's part of corporates' responsibility, corporate South Africa's responsibility over the last ten years. Again it's also linked to black economic empowerment that they do develop black owned businesses. The whole mentoring sector is quite extensive. I think the challenge is around the quality of mentoring.

99. And another challenge for us is that because we work nationally and we work in some very outlying regions, is to really try and find people in those regions. But I think we have got rid of a few mentors and I think we sort of, have, the mentors that we work with are working quite well. Yes we adjust and train and adjust and change as we need to.

100. we have a call in, phone in, email centre called SAB Business Assist and that is a service that we pay for every month, pay per user and that service. That service is actually a really nice comprehensive service, which gives access to all sorts of things for entrepreneurs which includes legal support, legal advice, access to… They help them with procurement, so help them procure things at decent prices. They even help with, sort of, a secretarial service if they need it.

101. we don't do any funding without capacity development and every entrepreneur and every social enterprise that is part of our program has capacity, there is capacity development built in.

102. A lot of what I learn is by actually just speaking to entrepreneurs. I have regular meetings to try and catch up and understand where challenges are and that kind of thing. So I learn a lot on the job. I haven't really done much capacity development simply because it's very, it's such a niche field, it's very difficult to find anywhere… Because I am an expert in this space, very difficult to find a course where somebody else knows more than me and I'm not trying [to be arrogant it's just that you know, the whole field is relatively new.

103. I do try and attend conferences from time to time where I want to learn about something specific

104. Even today in most countries and this could speak to why businesses don't grow is because there is virtually no money to borrow to grow businesses.

105. So I feel quite strongly about that, I mean, dishing out food aid indefinitely in places where people can actually grow their own food, for me and I know that slowly, you know, the mind sets are shifting. But if you allow somebody to start a business and help them grow that business, they have more choices in terms of healthcare, in terms of education, in terms of… And you create a much more prosperous nation in my mind. So for me that should always have been the focus. It hasn't been.

106. with all the Syrian refugees in Lebanon, what you really need is to train them to help them start their own businesses. And give them the tools in order for them to do that. Now that doesn't form any part, even though they're an international aid agency, that doesn't form any part of the service that they deliver

107. Because social enterprises in many cases need grant funding initially to get them to where they need to go. And if they are delivering a service which is going to add huge value to government and going to really help solve it's social problem, the burden shouldn't be on them to pay back loans and input to you right in those early stages, I don't think. I do think there's a place for grant funding and for helping them to scale up in a way that's not going to burn them out.

108. I do see a lot of social enterprise leaders that end up with burn out. Well, I think it's because a lot of them are passion driven. You get a certain kind of person that is going to give up a lucrative career to invest their time and energy into doing something which they think is going to make an impact on the world. So I do think and I'm obviously really generalising here, but I do think there are a lot of those kinds of people and because they feel those issues very deeply. And I do try and think… The problems sometimes just seem too big and they are constantly kept… Have sleepless nights about raising enough funding to run that.

109. So I can't give a concrete, I'm trying to think of a concrete example, but I often help people who I can see are close to burn out.

110. The needs of social enterprises vs traditional businesses - are the same, because the growth of any business requires business skills and business understanding. And I do think there's an additional component and that really speaks to the social impact, the nature of the social problem. And development and mentorship of the leader. It needs to happen in a different way than you would a traditional business.

111. I don't know, sometimes I think coaches. On the leadership side, coaches definitely. Business coaches because they deal with the whole person. I don't think it's fair, I don't think it's the right strategy to just focus on how you grow a business. I think you've got to work on helping that person to manage and to be comfortable to try and help them to be comfortable that what they're doing is enough.

112. And teach them to try and focus on the problem they're trying to solve and to try and focus on the things that they've managed to achieve versus all that they feel they haven't managed to achieve. So I think that's really what stresses people out to the point of burn out. And often they are so unsupported and I think NGO leaders are similar. And I don't necessarily think that they are totally different people.

GH

113. I want to study further, all sorts of things that are unlocking that we had not even knowledge about. It's become a journey, for us to say coffee is an enabler, it's simply the key that unlocks the door

114. And an example, currently in our organisation we have a young girl who's 22 who's been deaf since the age of four. Her passion is young kids, she desperately wants to teach kids. She was bullied terribly at school, to the point that she left school in grade eight, never got any education beyond grade eight but one, that's Deaf South Africa, and part of that was an opportunity to study. She studied early childhood development as much as she could. She didn't get a degree, not that one, but she got further [?] education, and she tried to get into schools and she was blocked.

115. She came on very reluctantly, to come on board as a barista. She's been with us now for about eight months, I think, seven or eight months, and she's hugely frustrated with the fact that she cannot become a teacher. What we've done now is we've said to her, well, what if you became a trainer in our organisation? We'll give you the experience you need and you can train for a year or two years, and that allows you to get the experience and then move on to teaching at some school.

116. That's very much how we enable our staff. We are very tough taskmasters, I have to say, but Because the other thing that we learnt was that just as hearing people aren't the same, deaf people aren't the same either, and there are certain members of the community, and it often comes from how they've acquired their deafness, e.g., if they aren't born deaf…t that's part of the process, is how do you shake that comfort zone?

117. The support we're getting there is around capacity building, developing retail lines, all the processes that go into making this self-sustaining and sustainable, which is not what a charity would do.

238

118. I went to a presentation, where for the first time social enterprise

119. What we'll do is we'll train ten baristas and we'll employ them in coffee shops.

120. capacity development is, is getting an organisation to a healthy state where it's functioning as a proper organisation, where the objectives that are set out by the organisation are being achieved more effectively It's about how do you build the health of an organisation with the right number of staff members, the departments, whatever's required to make that organisation function better to achieve its objectives

121. Capacity building is something that we've discussed internally, and in a way it's maybe defined by we are in our lifecycle

122. You don't set out and say, well, here's our structure and let's look at capacity building right now, the development of that comes later down the line. I think that where we are in our lifecycle, it's starting to play into our strategy now

123. I think for me it's very clearly linked to future goals and future growth.

124. in order to sustain the growth, in order to achieve the vision that we have in our heads, we are going to have to grow as an organisation. It's partly about achieving the employment goals that we have, but it's also about sustainability, how do we sustain as an organisation

125. this is what I stand for, this is my vision and all this sort of thing, and then here are my goals. And those goals in South Africa were opening schools and opening a magazine, and it's about building the organisation around those visions. And I think that for me is what capacity building is, is once you have a clear strategy of where the organisation's moving to, how do you grow that and with whom?

126. it's about development of the network, the support, the supplier network, the market, all the things that go with building that. And it's not just people in your organisation, it's about everything that sustains the business.

127. You're dealing with people, their soft skills, what we learn in our peripheral hearing around us, they have no concept of that. You're dealing with people who are so limited in their life experience. And part of the process of what we're doing is unlocking all that stuff, and, trust me, it comes with challenges like you wouldn't believe. Taking responsibility, accountability, reporting, teamwork, all those things we take for granted, just doesn't even fit into their world.

128. Capacity building with individuals is very important, and also that's something that initially we thought we could lead. We've learnt that's not something you can lead, it's something that people inherently have or don't have.

129. It's how do you teach people something in a way that inspires growth, because I think the whole concept of self-improvement is not inherent in our staff. They'll understand that they can be taught to do something, but they don't see it as a journey, they don't see it as a path to something or the next step.

130. The capacity building is not only acknowledging that we're dealing with a very marginalised person, but how do you then lead them out of this marginalisation, how do you make them aware of the world around them, and how do you start teaching them things that they want to do but at their pace? We never force them to do stuff that they don't want to do, and it's really… Occasionally we do. We have a barista who I dragged up Table Mountain, made him climb Table Mountain, but it's just because I wanted to shake him out of his comfort zone, and he's a much better person for it.

131. But within our organisation, there's that whole capacity building. Mike and I learn as much as our staff do. I have learnt sign language, we're learning about deaf culture, we're learning about so many things that are so foreign to us

132. it's taught us many things, and it teaches us how to structure our business, how to lay out our stores, how to plan our menus, it teaches us so much, and that's also part of it. In a way, it's slightly deviant, off capacity building, that it's constantly learning and redefining what we do.

133. and it's not because he's stupid, it's just he has to understand and think.

134. The individual development is a challenge.

135. To actually make coffee, you can learn. Initially, we taught our baristas how to… We used an interpreter. There's a hearing person and an interpreter, and now all our training is done deaf to deaf. In fact, deaf to hearing. We often get phone calls from parents saying, oh, my kid wants to become a barista, can he come and… Yes, sure. I say, he's going to be trained by a deaf person, there'll be no speaking involved, but trust me, he'll walk out making a damn fine cup of coffee. And Tembe will now train them, as a deaf person, and it's fantastic.

136. He understands… how to make a coffee is easy, you can learn in a couple of days. By the time you've practised for a month, you're making a great cup of coffee. But that's just making a cup of coffee. How do you… What are all the things that go around it? Customer interaction, making sure that… I didn't hear that the customer ordered a cappuccino, how do I make sure which customer's getting the cappuccino? Checking the sugar bowls. There are so many different things that happen around it and it's those things that teach the skills, and often the many soft skills…

137. It was teaching people to serve… They'd never served a customer in their life before. That was a difficult experience. Teaching them to serve correctly was one step. But once the basics had been taught to our staff, they were able to pass that information on quite quickly. Now to a large extent we rely on our staff to pass that on to other staff or people who come into the organisation. But it takes constant monitoring and development.

138. on-the-job training

139. We try and identify roles that are suited to the personality type, and then there is mentoring that happens around that role.

140. Certainly on a weekly basis but probably twice a week, we'll be teaching staff new recipes. Be it bringing on a breakfast item or a lunch item, that will be taught to them. Our current cashier, she's been with us for six weeks. She's receiving on a daily basis guidance and training on that and monitoring and evaluation. And then with Samantha, who's the girl that has the ECD training, we're working with her, we're in the process of taking her through an accreditation process.

141. She has to go through a whole nine-month process where she will actually learn to become an accredited barista trainer, the first deaf accredited barista in the world. Her training and mentorship is quite separate from the others, but it's about preparing her for a slightly more managerial role. That happens on a daily basis, more responsibility, etc.

142. I think, and also the number of incubation programmes and start-up programmes and all the things that are… Certainly in the South African market, you can't turn without falling over someone who's starting some incubation programme or some programme to help young entrepreneurs.

143. And what they're really teaching is very, very basic skills about your company structure, identifying what you're actually offering, are you offering anything, is there a service you're actually offering, redefining what you need, to try and mould the idea into something that is actually an idea, let alone a social enterprise. It's almost trying to harness the motivation into just something that becomes an idea. Capacity building within social enterprises, I think it's very obvious that there's a need for that.

144. Enterprises have over years evolved into HR training programmes and management skills and operations and all those sorts of things, whereas social enterprises don't have that history, as far as I can see, of structure, or it's so varied that there isn't some sort of common thread you can pull through.

145. learning as you go and hoping for the best.

146. Or learning by failure

147. I think that a lot of social entrepreneurs start out thinking, what I desperately need is funding.

148. I was in that space: why don't you just give me some money and I'll get this right. No, you won't. Funding should be 18 months down the line. Learn, pay your dues. And I don't mean suffer for your art. There is so much work that needs to go into something for it to become anything, to become an idea, before you can even look at funding.

149. I think that if there was some sort of community of social entrepreneurs that could assist each other, I think that would be very effective.

150. There have been people and organisations along the way that have helped us get to where

151. we are and build our capacity and our knowledge and all the things that needed to go along. I'm not so sure, and certainly not in my experience it's one person or one organisation,

152. Universities, academics, certainly, don't get me wrong, we've had some support from a psychology campus. They've really tried to support us as best they could, but they don't really understand what we're doing.

153. Government, certainly in South Africa, the development grants and funding, it's so odious to try and even get into that process. Big business, they're busy running a business. That's in our experience. I think that if you don't rely on yourself, you're not going to get very far, unfortunately.

JCD

154. the assumption is that with capacity development we work with partner institutions and it can also be individuals that we want to bring to a different level as where they are now, therefore we do different types of activities to capacitate them, so these units, be they individuals, organisations to be able to do what their mandate is to do that better so it's really to bring organisations and individuals from one presumably lower level of capacity to undertake a certain task to a higher level of capacity through that we do that we do a number of different activities which under one umbrella would be called capacity development. That would be my interpretation.

155. capacity development activity in this area to enable these NPOs to do a better job in servicing their clients, we would for instance, train them on what is the concept of a social enterprise, what are some of the characteristics of social enterprises how can you turn your organisation into a proactive enterprise organisation that delivers better quality and services and to do that you would undertake a number of training programmes and training activities so that they can deliver their service and their products to their clients in a better way.

156. concept of capacity development is that old teleological concept of bringing someone or something from a less developed state to a higher developed state, I mean, I think that is behind our entire notion of development. So I think gradually the idea of capacity development has come to me over the years and has become more refined although not very defined, but in order to meet the outcomes and targets and impact that we have set for ourselves in the ILO and the enterprise programme where we want to see jobs created and businesses develop and grow in a sustainable manner and so on and so forth, that whole concept of capacity development is at the very core of what we do to enable people to do better what they are already doing.

157. we furnish research, we don't do research we provide evidence so our constituents at a policy level can articulate themselves better, more at the meso level we work with institutions we work with organisational capacity building, so have not individuals as such but a group of individuals at a collective level and so an organisation or institution can perform better so it can also maintain institutional or organisational voice within that we then capacitate individuals, it could be say, business mentors or business trainers who are supposed to deliver training programme to emerging or say existing entrepreneurs, we can capacitate them to become good business trainers, further down that scale we then though these trainer or training consultants or BDS providers we then get the capacity developed

into the ultimate beneficiaries those people that benefit from all these more upstream activities so in the case of an entrepreneur we can teach him or her to run their business better, to do a better cash flow analysis, a better market analysis a better SWOT analysis of the strengths and weaknesses of the business so I think it would entail different a range of different activities at different levels depending on where we are having a specific intervention in society.

158. You can also argue, one thing we are doing in schools and the education system, where we are training teachers to become better teachers, so they are already teachers but to become better teachers in entrepreneurship education so there we develop training programmes and new training materials then capacitate the teachers to become better teachers to deliver this training to the learners in the schools and so on and so forth, and the learners ultimately learn ore and hopefully it will be easier for them to make a transition from education to the labour market and to the world of work.

159. Well lets a say a teacher to capacity means to develop their abilities, skills and competences I think capacitate is more an umbrella term for a range of different competences skills and even mind-sets to undertake a particular job, so say for example a teacher, the work we are doing in entrepreneurship education, we work with business teachers but business teachers in South Africa at least have a very text book based approach to teaching, unlike what we are doing when we go the International training centre where you are facilitating so what we do there we try to .. well one aspect about to capacitate we try to change their perception about what does it mean to be a teacher, what does it mean to be a good teacher, what does it mean to be able to deliver learning to your students in this case the high school learners, that is one part of capacitation or capacity development of an individual. One that awareness I would say self-awareness is there, then we give them new tools and technologies about how bring the software across to the learners so in this case it would be rather than reading a text book, it would be playing a business game for instance

160. Its first of all to expose these teachers to a different way of doing it, so it's really a very experiential approach where we allow, in this case teachers, to experience a different way of teaching we believe, at least in the ILO and our whole philosophy around gamification this a much more interesting way for students to learn and remember the learning much better, so for instance in these entrepreneurship games that you know about, we had the teachers play the games and they were a part of the debriefing on the games and the learning outcomes and then we teach them how to facilitate and to debrief on the games themselves.

161. I think it's important, for anyone to become better in their function whatever that is, some people are already very good, but I think you need to be able to have a level of self-reflection, sort of awareness about yourself and the impact you have on other people. I think many people don't actually realise that and I think that is the first step to become a good teacher, a good facilitator or a good resource person

162. Almost all aspects of those projects are capacity development or capacity building, although I think they don't use that term anymore now its capacity development it used to be capacity building and the range of activities to arrive at those project documents analysing the development challenge that needs to be addressed and then what are the range of activities and outputs that need to be produced and that varies depending on the specific development project that we want to implement, so if you look at our whole work in creating sustainable enterprises the activities that we undertake if you want to improve the business environment from research, to working with constituents, for them to be able to articulate their policy procedures we do a number of different things yeah, from assessment to advocacy to reform of policies law which is very very different than if we talk about, you know, entrepreneurship education and things like that, I'm not sure if you want me to go through different activities that we do if we work on entrepreneurship and you want to start a business, if they want to start a cooperative, what are the differences in you want to apply a gender lens, we focus on women's entrepreneurship development.

163. Enabling Environment for Sustainable Enterprise (EESE) is really a methodology that provides a basis for providing evidence-based recommendations for how to improve the business enabling environment and so what we do there, first we get constituents together, employers organisations, organised labour and we say we are here to help you improve the business environment in your country, then we present some secondary data about what does the business environment look like from a number of different perspectives then we get their inputs, their views on that, then we present to them a survey instrument we help them to modify the survey instrument and then based on that we go out and we assess the business environment so in that sense we then produce a survey report, what is called an EESE

assessment that gives a snapshot of the business environment, then that EESE report is used to run a consultative workshop, with constituents, with people with a stake in the business environment in the country, from an organisational perspective, then we discuss this, and then we help subsequently, partners to design their own policies and reform processes and so on and so forth. So that is one thing then further down the line we help governments to reform policies and laws to make it more easy for an SME to start, grow up and create jobs. So that is one thing we do at the macro environment.

164. our work in entrepreneurship and SME management training, we have a number of capacity development and training programmes that have really grounded the notion of capacity development, so what we do there, in many countries you find that you have organisations and different institutions that we group under a common name that we call business development service providers, ot BDS providers, these can be institutions, they can be private sector companies, it can be government training institutions, it can be small enterprise promotion agencies and so on and so forth, they have a mandate to deliver services to entrepreneurs in that county or that sector to create more jobs and you find that in many parts in Eastern and Southern South Africa,

165. our various training programmes and projects like SIYB and value chains development and women's entrepreneurship development, you know them all I believe, and then we do an assessment of their organisation, what are they doing well and what are they not doing so well, how we can we help them improve, what are the product needs they need in order to serve entrepreneurs better,

166. we train their trainers, we bring them together in workshops for let's say one week then there is a number of activities, these trainers have been trained they need to carry out and then further down the line, they become trained as a certified ILO trainer. As an example, perhaps we can look at the SIYB programme, the start and improve your business programme, where new trainers when they are coming in, they have to participate in training workshop, then they need to go out and market to become a trainer, then they need to go out and market the programme to prospective entrepreneurs, then they need to do a training needs assessment of entrepreneurs, you know, what are their actual needs, you know, they might need certain things from a start and improve your business programme, but not all, then they need to put them together in a workshop then they need to run a workshop and then they need to report to the ILO on what they have done,

167. then they need to monitor the entrepreneurs they have been training, and so on and so forth, so those activities in the way that we are working we reiterate it further down the chain.

168. every training workshop is always different, depending on the people you have in the workshop, so the reporting back is important, first of all because the ILO we know that what you are supposed to do, it has been done and can be corroborated, but I would say that is not the most important thing, the most important thing is the self-reflection process of the trainers, so they learn from their mistakes and they say "ah this didn't work well and "this I could have done differently", and so on and so forth. So I think that self-reflection process is very important if you want to be good at what you are doing to capacitate others to be better at what they are doing.

169. I try to learn from, if I run a workshop for instance, I try to learn from that workshop in terms of what worked well what didn't work well, so if I run a workshop 90% of the success is in the planning, I always plan well, it's very important for me that I have my activities and what I want to do in workshop and the outcomes I want to achieve, that is very clear from the outset, but having done many workshops over the years, I also know that you don't always achieve those because you have a different dynamic depending on which people you have in a workshop for instance, so, I always try to learn from my own, first of all, did I achieve the objectives that I set for this workshop

170. try to learn a bit from the dynamics in the classroom, you always have some people that are really good and that are playing along and that are contributing to the learning in the class and that is particularly important when you are working with adults because you can know a lot about a subject but everyone is an expert in their own right and everyone brings their experience into a classroom setting, and I think it's very important to get that out in a learning environment, so for me, it's always I actually write down for myself a bit of a debriefing exercise and you probably know it, in terms of what worked well, what didn't work well what would I do differently, four basic questions and that allows me to reflect on that

capacity development and it san ongoing process, we can always get better at what we are doing and learn more, be more empathic with people and be more self-aware.

171. I would read everything I could find about that particular thing. That would be my first approach then to talk to people who know, who are experts and know more about this than I do, I think that would be very important, and then hopefully to be able to participate in some kind of learning activity that would also involve some experiential learning where I had to do some certain tasks or activities get my hands dirty, to use that term, so really, try to get all the knowledge about the subject, then talk to some people who know about it then participate in a learning activity and learn from that experience.

172. A learning activity, could be a class room but it doesn't necessarily have to be lets say it's a class room where there is a training workshop to learn about this new subject that you don't know anything about, social innovation for example, then you also participate in some activities that forces you to develop new knowledge, new insights, new capacities in that area. It can also be a game, you know I love games and they are very good at doing that

173. a mentoring scheme, what she identified is that many of learners in South Africa from marginalised communities, born of parents that have been unemployed for a long time and actually don't have the means to do well in school because they are not fed properly and they come from a poor background, where they might not have access to money to buy text books and they need to travel far to school, and so on and so forth, anyway that had an impact on their education, you know they don't have good grades when you matriculate you graduate from high school and you are not able to make it to university and so on, so that cycle repeats itself so those kids are those who will be in the same situation, and so anyway, this girl, young woman in her 20's who is actually an Ashoka fellow that I mentored for two days a few years ago, she set up this youth mentoring scheme that is self-paying where she is training students who are a bit older in schools across south Africa, to mentor and help younger kids, learners that have been identified as marginalised and coming from poorer and vulnerable backgrounds they are then being paired up with older people who are mentoring them two or three years in high school and help them with homework, but really from a learning perspective, and then the parents are paying that organisation for that mentoring of their children and it has some extraordinary impact in south Africa

174. Skin in the game it means you also have to invest something and play your part, in this case the parents they are poor parents in society , they might live on less than 200 dollars a month, they need to dip down in their pockets and pay for this, they are investing in their children's future, even though they come from very meagre or poor backgrounds, that's what I mean having your skin in the game, rather than an NGO saying don't worry we know you are poor, we will pay everything for you, then they won't have their skin in the game.

175. I would prefer to say that national organisations or local institutions should be the ones to be working directly with the social entrepreneurs but the development organisations the ILO and Ashoka and others working in this area can help them to gain expertise and knowledge and exposure to examples from other parts of the world, to do an even better job, and then I would say its.. you can have any organisation but if you don't have sort of a committed and passionate sort of change agent, someone who believes in the cause of social enterprises, you can have a lot of great trainers, but they won't make a difference, also you need these strong passionate individuals who want to make the world a better place.

176. the ILO is realising that today's challenges in terms of unemployment and exclusion, and inequality and global poverty how can I say obliges the ILO and the development community to rethink how we do business today, erm.. of course you can say the ILO we are an international development agency, but we are much more than that,

KDJ

177. Well, maybe it's the debate that we have a lot. Do we have to talk about capacity development or capacity strengthening? So I won't go into details, but let's say that… We start from the thinking that capacities are there, and they just have to be strengthened, right? And… Or developed further. It's not that there are no capacities and that we as a donor have to go and teach everything to people in our partner countries.

178. (the definition of capacity strengthening) It comes mainly from feedback sometimes that we get from people who are working on projects and from partner organisations, and then the… And some thoughts

about… It's very… It's some ideology also because I think a lot of people in society still have this… Very much this idea that development cooperation is going from the North to the South and that we have to develop them.

179. in the whole area of social entrepreneurship we probably don't call it capacity development. I don't know if I like that name, but it's true that there are still… There are gaps in skills and also in… Gaps in understanding of what social entrepreneurship is

180. I think the capacity building programmes or capacity strengthening programmes that we have are not only geared towards social entrepreneurs as beneficiaries themselves, but also to the wider environment around those social entrepreneurs, right?

181. So we have specific programmes that target social entrepreneurs like courses, training courses. There's also MOOCS, mass open online courses that we provide to social entrepreneurs. So it can… The whole range of training, access to training, and there's also the whole area of work that we do with business development support providers.

182. What you call BDS providers, they still think in traditional business models. And so, what we do is train them to also be to… So that they are also able to provide quality services to social entrepreneurs who have different business models.

183. It's an initiative from IUCN UNDP unit. The website is SEED dot UNO I think. UNO. And so, they support equal entrepreneurship for social and environmental entrepreneurship. And so, one of the… One of their intervention areas, call it like that, is… They call it BDS plus services.

184. in South Africa, it's very difficult to find mentors or to find BDS providers who have an understanding of social entrepreneurship.

185. There's the level of the social entrepreneurs that we work on, then there's the whole level that focuses on institutions.
186. They can be private but also public, that provide services to social enterprises. And then there's a level where we focus on government

187. it's also capacity strengthening because it's also creating awareness about what social entrepreneurship is, but also strengthening or building capacity to make the legal and regulatory frameworks more accessible for start-ups and operations of social and green businesses

188. We just embarked on a three-year programme to work with the South African government to establish a… Well, it will not be social entrepreneurship policy, but it will be wider social economy policy. So those are the three levels that we work in and then maybe there's a fourth level

189. Where we too nurture… I say it like that. Entrepreneurial mindset or values and culture in the wider society through media, through entrepreneurship education etc. So I think the capacity development is at all those levels

190. We work through partners. Our government, we don't implement projects ourselves. We always work through partners. So in the social entrepreneurship range on the programme that we have in South Africa, so we map actors and we identify partners who can help us. And so, they have their methods to identify skill gaps or…

191. But I think for social entrepreneurs it's basically the same as for lots of small and medium enterprises. So there's technical skills, that's… There're skills gaps in financial management and setting up business models, in marketing and communication, in accessing finance markets.

192. A lot of work to do to be done on sensitising and if you… Specifically if you talk about social entrepreneurship, the first thing people do is that they turn their eyes because they don't know what is she talking about? Like at an event where we had to open a social enterprise challenge, the people from the Social Development Department in… That was in the Free State. His keynote speech was all about that people had to become social entrepreneurs before they can become real entrepreneurs.

193. There's all this missing this middle group of social profit or social entrepreneurship or impact entrepreneurship. There's 100s of names. So I think that's the main focus for those other levels. So I think the sensitisation is at that level still a lot and I… And it's not only in South Africa

194. Yes, sensitisation, we have to do it also here, within our… Internally with our principals and with our politicians etc. because if I talk about social entrepreneurship in Flanders it would mean something completely different than social entrepreneurship in South Africa

195. also from us from our development cooperation, to explain what we are doing in social entrepreneurship and what we really mean with it and why we do it etc. So the capacity strengthening is not only… Is also here.

196. that it's about sensitising and building skills that people need in the framework of social entrepreneurship, that people need to understand and to build and to support social entrepreneurship and social enterprises.

197. And so, what our government does is we basically only provide finance to those partners to… Well, to work amongst others, strengthen capacity.

198. In South Africa we had eight or nine different partners from government to academic centres to NGOs. And so, of course we provide them with finance and grants to implement projects.

199. capacity strengthening by doing that, by bringing the different partners from government and civil society and private sector together. it's knowledge sharing, sharing of experiences and building something together. It's also capacity strengthening

200. we have opportunity to participate in training sessions, but there is a budget, restricted budget,

201. we work with in South Africa is the Gordon Institute of Business Science from the University of Pretoria. the Bertha Centre for Social Innovation and Entrepreneurship at the University of Cape Town. They are an important partner in this whole social entrepreneurship building in South Africa

202. And you might build skills, entrepreneurship skills, but it still wouldn't make you an entrepreneur.

203. I think the whole education system or the education that a lot of people going into the private sector or MBAs etc., it's all… It brainwashes people to a certain mindset and I don't know if it's that easy to change that.

204. All the instruments and the procedures that we have as a donor, it's geared towards giving grants to non-profit organisations. And so, it's not… Our monitoring and evaluation system, it's all geared towards non-profit organisations and it's not ready for social enterprises.

205. There's a shift in thinking in a lot of development agencies. But they're still big machines and it's not easy to change the dynamics in a big machine.

206. it was not Switzerland or maybe it was Austria, But they brought in social entrepreneurs in their organisation to shift the mindset in development cooperation and to make it more social entrepreneurial.

207. in the South Africa we support social entrepreneurship, but we don't do it by giving grants directly to social enterprises. We work through intermediary organisations like SEED or like academic partners or like government departments

208. So within the whole debate on private sector development and private sector engagement we would consider social enterprises in our definition of private sector. Yes, other donors would put them apart, but for us they're in. So in the whole private sector development, and in this case social enterprise development would be part of that, there is this issue of do you or do you not distort the markets by funding enterprises, funding businesses

209. [on CD needs of social enterprises vs NGOs] I wouldn't say that it's all different. I think some of the capacity needs would be the same. If you need more skills on how to do financial management, it would be the same for a social enterprise I guess and then for an NGO.

210. The difference is more in the mindset and how you run your organisation. traditional business models for instance, they wouldn't deduct social costs or environmental costs etc. But in social enterprise models they have to take all of that into account and it's a different mindset. It's different. So I think that the training needs are different. That's what I said in the beginning. It's not always easy to find trainers who get that.

211. In South Africa it is very difficult still today to find people who can train social enterprise I think it's also because people who run social enterprises, they have different expectations from trainers.

212. I would also include your improvement as a person, your own growth as a person and a way to increase the efficiencies of running the organisation

KK

213. I studied journalism then worked in the charity sector in the UK, I was based in Glasgow, Scotland, and then worked for a social enterprise in London and then when I came back to South Africa,, continued to work in Charity land

214. Capacity development for me is the ability of people to be able to perform and deliver the work that needs to be done, so capacity for me is people and development would be really building their ability to be better at what they do. So, I always associate it with people and human resources

215. I spent quite a lot of time trying to figure out what capacity development was, it was a phrase that got bandied around the NGO sector a lot and when I looked at our reports from the department of social development that were written in 2005, I think it was, the quote is "a lack of capacity is one of the biggest threats to the non-profit sector in South Africa" and that struck me and I was always trying to figure out what capacity was because the constraints in the non-profit sector often gets understood as financial constraints, and its not often associated with skills so I don't think it's ability, its skills and… match between what you can do, what the organisation expects of you and what you should do and so I always find it a murky space but it's around strengthening peoples' ability so they can deliver and perform.

216. I lead the Social Entrepreneurship programme here at GIBS which really has capacity development of social entrepreneurs and people involved in the social enterprise sector at its heart and really has evolved out of that concept that there is a lack of capacity and a lack of support for people working in the sector to strengthen their skills and ability

217. we run the social entrepreneurship programme is a year-long programme, but there are also short programmes, as an example we have a two day "measuring impact" programme happening on campus at the moment which has got thirty people at it, so the skills that we find are in demand, we've got an impact study I must send to you that measured the areas where people found their biggest areas of learning where and particularly for people working in the social sector, it's important that capacity strengthening understands their ecosystem and their approach. So the social entrepreneurship programme is a good example, we can't just replicate the business education that you have on the MBA or the PDBA the pre-masters programmes

218. The areas of biggest need are technical need are measuring impact, because that's not common and around accessing resources to fund your organisation basic management skills, a lot of people in our experience from the social sector have learnt on the job and so what happens when you introduce management theory and tools there's a real validation of their approach and their work, but is also works the other way around, and I think there is a lot that people from the business sector can actually learn from people in the social sector because people are often working in far more complex environments, stakeholder management is another big one because the complexity in managing up down and in between and I think one of the big skills that is often overlooked is individual leadership skills, so action learning projects, coaching, individual coaching we find to be very effective with people in the social

219. so we've got the social entrepreneurship programme that runs every year, but its approximately 24 days on campus as classroom based days, we run a number of short programmes so we've got measuring impact which is actually two days, I was on a scout call with the Cody Institute in Canada, they run a 6 day course in asset based community development for livelihoods and markets so they are all socially driven theories that are highly practical, so the importance for me here is relevance and I think also coming out of the NGO sector, I sat in many workshops by donors teaching me the theory of change

220. And how to do strategy and they were like a day or two days and I found that the shorter programmes need to be very specific, they need to have the gravitas of not just a workshop, I think there is a distinction between a workshop and a classroom led session that has an academic base to it, I think it really validates the lesson and there is a powerful learning base when you bring people from across the sector together not just all the folk in my NGO are now getting a session from the donors on the theory of change it just doesn't work.

221. I sat in lots of sessions and I remember being quite frustrated, but from having done… studied at GIBS first and then I went on to do my masters in development studies, there is a very powerful space when you bring people together who you meet people who are similar to you and whose experiences are possibly similar to you but they might be in very different sectors or be at different stages in the journey and those classroom sessions can be very very powerful. Those donors sessions tend to be, when I was at ChildWelfare, USAID would come in to ChildWelfare, you never really moved out of your circle and you were always kind of blinkered because it was because the other person was competitive, so I think agenda that sits behind the training session is really important and I think there is something to be said for the people who choose to study and then support themselves to study there is definitely a different psychological contract that they bring into the classroom.

222. I probably can't speak on behalf of the organisation, which probably has some great policies for staff to train, as an academic institution there are better people to comment on that than I can. But as an individual, I haven't stopped studying since I started! I did the SEP, Social Entrepreneurship Programme in 2011, I was completing my honours in development studies at the same time, I am quite late to studying, I got my masters and now have enrolled in a PhD. So erm… my learning is not just academic though, I have obviously pursued it partly because I enjoy it and I am a complete nerd, but I find that my career is actually driven by learning, so when I look at it, it's never been structured on right this is who I am and this is my career path, my career is dictated by curiosity and learning all the time. That is why I enjoyed the NGO sector because I was in education, then I was in HIV, then I was running the Africa project, all the time it was amazing because you are experiencing new things. And so I think we cannot underestimate the value of the learning in this sector because it exposes you to parts of the world that I think some people don't get to experience or see.

223. I certainly pushed my team to study more formally and attend as many courses as they can. I also had to appreciate that formal learning is not best for everyone not everyone wants to go and study for their masters and the other really important thing is I really tried to encourage folk to travel and to really experience our world from lots of different angles, so I think the formal recognition of go study something and take X number of days.. well the learning happens on the job so to get people out of the office, at conferences, speaking as much as possible, getting them exposure and building their confidence learning is exposure really and having the tools to be able to interpret it.

224. I am a shocker in conferences right, because I struggle to take in information when it is coming at me all the time, but I haven't stopped thinking about that conference since I got back and all the time I am applying " so that's what it looks like in South Africa but you know that guy from Thailand said X, Y and Z",

225. So you know, I think the application might not be formal, or there might not be specific tools and I know we are encouraged to journal and write structure our thinking but sometimes its just having this beautiful brainstorm in the back of your head and then be able to apply it.

226. Your Phd. is on the brainstorm in the back of your head

227. Department of Social Development Report say that a lack of capacity is the biggest threat to our civil social society, it was a shock to me, but it is, the skills aren't available to audit financial statement or to know what kind of income should be coming in, or to be able to focus on the key areas, so you get pulled in different directions and you respond directly to need etc. these are complex places often led by people in their communities and the focus as I said before our real need is to address asset based management, which means starting from the bottom up and means a fundamental shift in our approach to a needs based model but when you are a donor and you want to report on outputs… you know the power sits with you and we do need to change it, it's not sustainable.

228. About the capacity development? I think what we have realised is that we cannot just push repeat on a typical management education programme that we do in the business school. The subjects need to be presented in a way that takes into account the complexity of social organisations, so we did a real push back if any of our lecturers use a particular corporate example, because its only applicable to a point, so we have added additional teaching case studies that are developed in South Africa, that is the other thing, They have to be in a South African context, not a Euro social enterprise transferred into South Africa, the stuff we get from Harvard Business Review is not always the best teaching tools to use in the class room, but also I think there are subject that are particular to the complexity of Social Organisations, like measuring impact, which in the business environment is probably just a management tool or a performance management tool, but then the theory of change, has particular complexity to it, which takes into account social organisations, so I think there are different tools we can use.

229. I think it is a layered approach, there is an argument online article from the Stamford Social Innovation Review and I think business schools have played an important role just because they are quite by nature are quite practical, over the more theoretical main campus's, but I think there is a lot of space I think people come into social enterprises at different stages with different interpretations but it's quite a spectrum, some people just want a day, some want a week's workshop and others a year-long programme, I really don't mind, some people want very practitioner, some people want theory, I really don't care I think the more options social entrepreneurs have to access the training and meeting the needs that they have so much the better, but yeah go business schools!

LA

230. We also do computer literacy training, because there are still people who don't… yes, don't have any computer literacy skills

231. We also have an education fund,

232. So I did a business admin degree, as well as psychology,

233. I think that NPOs in particular have to change their mind-set, and the boards of NPOs have to change their mind-sets as well, from being… having almost a charity outlook and charity mentality… and not just necessarily a hands-out mentality, but there's a mind-set that actually to be more business-like, and, you know, generating your own income, your own… making your own profits so that you can then do the good.

234. And more attention needs to be paid towards it [governance]. And then it's… yes, it's managing… not just managing the social workers and the people with disabilities, you have to catch up on managing businesspeople, and, you know, that's a different HR mind-set as well, where you're taking on those sorts of challenges

235. there's a lot of capacity building needs to take place. I just think that basic administration would be to… you know, would need to happen, but we're probably not that great at basic admin. I think understanding financials and balance sheets and just keeping track of finances would be something that they'd need to… just financial management.

236. Something that they'd need to brush up on. I think, you know, HR and man-management, just managing people

237. And I think there'd be, that there'd be a lot of capacity-building required there, and getting them to a point where they can, you know, just man-manage correctly and in a way that would, you know, motivate…

238. *I would definitely say financial management, and just, you know, the need for knowledge of how… just how to run a business. Because it's all very well, to know the basics, you need to bring in more money than you spend and, you know, how do you… how do you work out what your profit is after your deductible, your expenses, but you need to know all of the things that make you compliant.*

239. Your VAT registration, your workmen's compensation, your UIF and all those sorts of things, so to be aware of all of those. Because, you know, it's… I just think that's the most important part of the business,

240. the traditional ways of creating or developing capacity for anyone who runs a business. So yes, your tertiary institutions, your business schools and places like that.

241. it's got to be education so that a specific course, you know, like where the skills gap is, if there's a need for attention on financial management or is it HR? So identifying where the gap is and then securing those… you know, finding someone to, you know, who can acquire the skills.

242. Well, mentorship. I think that could be… learning from someone's who's been there and done that, so they're then… they're just, you know, a phone call away if you need advice, to try and… you know, if you have an issue, just give them a call and they can try and advise you and steer you in the right direction. Learning from their experience. You know, tapping into the skills that they already have.

243. part of learning, so yes, having somebody to mentor you while you're actually learning by doing.

244. I always think, sort of placement opportunities are a really great mix of everything, the way it gives you sort of experience, it gives you, you know, the opportunity for mentorship, because like say you're doing practical teaching or something, you're sitting under somebody. And you… also, you know, you've got your education sort of backing up and kind of contributing to what you're learning by doing, as well. So I think that's always a really good way of going about it.

MGR

245. Because in FAO, there was capacity building, not capacity development, up to 2010. So, doing lots of training, initiatives, the organisation was living with that.

246. Then in 2010, there was this big change, because we started the development. In 2009, the development trust we got for strategy, then for FAO programme, then they were allowed to visit, so it was huge. Because we needed a really good change in the mentality of the development practitioners in this organisation and how they should approach it etcetera

247. And it was a huge and challenging process because when people are used to work in a certain manner, because they have to achieve certain results. And the results, the way you're used to work… You know that you can… You need to have quick results in a year. And it was all this philosophy of capacity development, of policy change, organisational change… It took about 15 years, so if you know the philosophy, it can be very far from the reality of the people.

248. Myself and my, this colleague that left, and also the colleagues that are working in the capacity development team in FAO, we believe in this philosophy. Despite of the constraints etcetera. So I think your process can also be a learning process for us,

249. For me, capacity development is really a process to stimulate ownership and leadership of the target. It's really stimulating leadership of decision-makers in a country, the government and public sector, working toward ownership and leadership.

250. And this ownership and leadership needs to be stimulated at different levels. If we link the idea of capacity development to change processes for development, which is the area in which I have been working. To stimulate change processes for development, you need to be very ambitious, not think to

this policy arena, the policy area, you have to think to the effectiveness of organisations, you have to think to differently

251. Now I am working in a partnership unit of FAO which is located in the office of partnership advocacy and capacity development at FAO. And already from the guide, you have three important functions of our organisation. Because in FAO, FAO is an inter-governmental… Is a technical agency of the UN. It's an inter-governmental organisation. So it means that our major interlocutors are all local governments.

252. But since 2010, the capacity development strategy, and then in 2013, with the partnership strategies with civil society and private sector, FAO…

253. We are applying this capacity development holistic approach in our work with cooperatives and civil society, because we want to have strong cooperatives or civil society organisations who can help us to do advocacy with the government, for instance, to push or drive policies. And we're also doing… But in order for these actors, cooperatives and civil society movements, for instance, to be able to be proactive, and to be able to negotiate with governments, they need to be strong as in their own organisations, to raise their voice.

254. So, this whole process of capacity strengthening of these entities in order for them to be more effective as specific entities, but also to raise their voice to influence public policies. So all my work is related to this, how to make sure that these organisations can become stronger, and how to make sure that we can devise strategies to give voice to these organisations for policy processes. I don't know if this is clear?

255. the government approved a reform for the cooperative sector recently, two years ago. And this reform… Basically, we suggest that these organic cooperatives need to engage in the private sector to be leading the market development in the country. Basically, in that case, there is… The law reform is not truly implemented. Because the big issue in the country is that the cooperative movement is extremely weak.

256. Because the country… It was a state-led movement. So, if you think today to the definition of cooperatives that should be democratic, autonomous, blah, blah, blah, nothing of this was applied in this country. Because these cooperatives were the arm of the government to support the government in accumulating capital through this kind of organisation. So you see, the reality, it's an extremely difficult reality, state-led not genuine cooperatives, etcetera. So, what we're trying to do, basically?

257. We're trying to put some seeds of change with our projects to, on one side engage in a dialogue with the government and assure them that we'll be supporting them in implementing this law reform. And in order to implement this law reform, we have to support capacity development, a change process from the base, from the cooperatives. So, the project has certain components and starts well. First of all, we need to increase this understanding of the government, what cooperatives are, and what is the status of this cooperative movement in the country.

258. But there is also a process of engagement because, to do the profiling, we want to do a participatory process. That is to say, once we identify who are the cooperatives with potential for this change process, then this group of people needs to engage with them in a participatory process to analyse them for four months to understand if today these organisations are effective.

259. I trained this group of people who are doing this mapping and participatory profiling on using this performance assessment methodology.

260. Because from the identification analysis participatory discussion, then people realise what's the issue, what's the stress, what's the problem? And from there we would be organising two workshops, because we're working in Upper Egypt, Lower Egypt etcetera. We selected people from the cooperatives that we interviewed. To bring restitution of these findings in Upper Egypt, in Lower Egypt, and then to be proactive in developing a vision. So we want them to develop their own vision for the future, and an action plan.

264. It's a participatory process, because it gives the possibility to the people that they're working on these cooperatives, to understand this concept of performance effectiveness etcetera, because it's a dialogue

265. Then it's participatory because, from understanding, there is a step of analysis, and this is an analysis done together. So it's not done only from the students or research team, and everybody's going, but it obliges the people to see it and analyse if it's effective,

266. My personal understanding of this concept [capacity development] was at the beginning a very theoretical understanding that I got from a huge process that the UN engaged in 2006, 2007, or maybe before

267. The process led by the UNDP, UN Development, UN Development group… There was a UN Development group for capacity development, which led this thinking process of the approaches of the UN on capacity creating. Because at that time, they started with capacity creating. And they did a huge research popularisation process within the UN to discuss and speak about these activities.

268. At the beginning, for me, everything was very theoretical and very far from me. Because at the time I was working in the World Food Programme, which is another UN organisation dealing with emergencies and humanitarian assistance. And leading to long-term processes for capacity development in a humanitarian assistance organisation, where everything needs to be very quick, very short. So it was really another planet.

269. This was my starting point. I could see the relevance of this concept of ownership, remaining buy-in of the people, appropriation of skills, having people with very low capacities. At that time, I had this scenario of emergency posting in transition, countries in which nothing is certain, the government is changing, everything is changing. Finding leaders, etc

270. So, for me, it was a very remote, very theoretical things. Good things to speak about and think about, but really unrealistic things to achieve. Then I changed. I came to FAO, when FAO was starting this thinking process. So I had already two years of thinking. And I could see that these concepts were extremely relevant because I was working in a new reality. In organisations dealing with development, where you have stability in certain countries, where you can think about certain stability and where it's asking top leadership and ownership, key success factors for development projects

271. These two components come from this… There was the Paris Declaration agenda. These ideas of leadership and ownership were at the top of this agenda. But the original definitions were not clear, were extremely confusing

272. typical training event is a training of trainers to support organisations to engage in this analysis of organisational performance. So, it's a self-evaluation of organisational performance through a training of trainers approach. Because it's not very easy for FAO to start training every single organisation. It's not possible. So the approach that we're using now is to identify champions in a country who can support training in the farming community. Because we're working with agricultural cooperatives, social, agricultural, so these are our target.

273. some, reflection training material on four aspects, management, governance, leadership organisation, and the evaluation of their performance. If there's something we analyse and engage in dialogue to analyse what they have. And we try to upgrade what they have to some training material that FAO has developed materials in those areas, and we do an upgrade of what they have, and get them to train their people in the country.

274. As part of the training material that FAO has, we have developed a guide of good practices for learning programmes. And we provide always these good practices because there is really a way to effectively structure your learning events and think to methodology that's utilised blah, blah, blah. But we don't train them on pedagogic approaches, no.

275. So, for instance, we have some e-learning products, and we use them in combination, we use the learning for them to prepare people. Business training we go in depth on certain topics.

276. We use also videos that can support the learning process because there are different learning styles. So, in order to stimulate that progression of concepts, we try to blend different learning solutions. But, for us, there is a capacity development team here which works, not specifically on cooperatives. But, for instance, in FAO there was a huge program for the voluntary guidelines on land tenure.

277. So, this directive accepted by 190 countries of FAO on the issues of land tenure, and member countries of FAO gave the mandate to FAO, for instance, to support countries to implement these principles… To transform these principles in concrete actions in countries. And that gives them lot of money to do this. Then use a blend of approaches, virtual learning, online classroom, because they have lots of resources and they could plan even more sophisticated types of learning approaches.

278. Coaching is really to, as I was telling you, when we identify these champions in the countries… Let me give you an example. For instance in Nepal, we've been supporting this National Agriculture Cooperative Federation, which is an apex of cooperatives of Nepal. And we have identified them as a champion to outreach the membership at different levels etcetera. Basically what we did. The first thing that we did, as I told you, was to look at their training packages in certain areas, work already developed. We understood that, for instance, what we had done, performance would have been extremely relevant for them.

279. we did a joint design of training with them. So they were our trainers in the country. But first of all, we engaged with them in analysing, for instance, our training material. Facilitate for developing a facilitation guide with them, and we complemented initial level training in Kathmandu, in which, for instance, there was myself, where I was training, and somebody from this organisation was eco-trainer. Then we decided to do a cascade training to go from national to district. And at district level, only the people in this organisation were at the trainings

280. We did another phase of this training from the national to the district level together. And I was coaching them in the way this thing could be adapted etcetera. But we were leading the process. Because everything… They had to do everything in Nepalese etcetera. So, we're seeing that the backup to crosscheck… Because there were also issues in the terminology when you translate it,

281. as part of this coaching, there was all this process of discussion, internalisation of the concept, adaptation of some case studies that maybe were relevant at national, but at district level, maybe they weren't. So, it was really continuous dialogue. But in a way that when they were asking questions to me, I was not giving them a ready solution. It was really a process of discussion, thinking, and then them… It was them that were coming with a solution, not me giving them the solution. So this is the coaching.

282. Okay. Training, coaching. For instance, for me, another important activity, also because I work in the field is the partnership building. So, it's really hard to work with people in our case, with cooperatives etcetera, and having them as partners, consider them as partners in the process.

283. I have an approach of learning, basically. That is to say that I can learn. Because, ideally, for instance, I would like to get training in many areas. I would like to upgrade many capacities that I think I have, but I think that they need to be… For instance, facilitation. I have some facilitation skills

284. In the past I followed some facilitation course, but I feel that I could improve a little more etcetera. But the problem is that my organisation does not support me on this, and, for instance, I would have liked to have done courses in England, in the US, in Canada

285. I know there are excellent courses. But it's not affordable for me. So, unfortunately, I can't. I know about formal education that I would like to do, but I try to use whatever occasion I have to learn. This can mean reading articles, engaging in the facilitation processes with my colleagues, and I use that occasion to learn. According to the FAO, I have to learn. And in this opening on learning… Because I think that this can come up in every moment. From my colleagues also when we exchange techniques. I use everything.

286. I consider the more formal learning, the training events, because I have to be realistic with our target audience. Our target audience are people in rural communities. Our target audience is not students in universities.

287. in Romania, in rural areas, and the average farmer is 70 years old. I cannot propose as a participatory approach, the blog, the social media. These people have no exposure to technology, no interest.

288. Just to give you an example, already the training that we can… We have to be realistic in what is relevant and effective to our target audience. And the way I design training… For design training, I could see that that's a formal way of educating these people. What is causing them to learn?

289. Different capacity development needs? I'm not sure. Because if I look at the organisational side, the capacity development needs are very similar. Because whatever organisation, to be effective it needs governance, management and leadership. And these are key areas of development for private sector, for civil society. Because also civil society movements need to be managed, needs to have a transparent governance, to communicate with their management. I'm not sure they have different capacity development… I've never thought about it.

290. Yes. As I told you, our training packages are for cooperatives or social organisations. So, yes

291. As I told you, there are three key functions, that are management, governance and leadership. And we would support them   to increase their learning in these three areas. It's a big important priority

292. Then, another important thing that yesterday we were discussing some other important areas are to really empower these organisations to feel there is bonding, linkages, the cohesiveness, the trust in organisations. So all the activities are related to mobilisation… So participatory processes for mobilisation are extremely relevant in the cooperative.

293. Business skills or the skills related to business development, business planning, all these areas. Yes. Market analysis, entrepreneurial skills.

294. It depends on what we want to achieve. If it's upgrading of curricula etcetera, if it is a training of trainers, we need to have people who are capable to train, or who have done training, or who are capable to use facilitation techniques etcetera. But it really depends on the typology of work that we want to do. Or, for instance, if we want to work in a situation in which the organisation is extremely weak, with low social capital etcetera, we need to build this cohesiveness, or we want to pass from informal groups to formal groups etcetera.

295. we cannot have a reflection of this capacity development philosophy. And how this philosophy should be translated into reality. And also for us, it's not an elegant process. Because, as I was telling you, it's relationship-building, it's got challenging, it's time-consuming etcetera. So, this process, we try to apply it whenever we can. And we try to apply it consistently in all our approaches. And we try to advocate for it whenever we're exposed to other groups.

296. Because you build ownership in this process. You have to… Coming back to when we started. Because building ownership is building the progression of the people. And the progressions not only of the… But it's first of all in the process and learning from the process.

297. The training approach, we can] learn it a lot. Because we are saying that you cannot build a lasting change through one training, etcetera. But in my experience, or at least what I've experienced in North Africa, we had some money for regional projects, in four countries, Algeria, Morocco, Mauritania and Tunisia, which are very different countries, different levels of development, etcetera.

298. In North Africa, this idea of collective action is still a difficult idea to really root, because these are countries state-led as I was telling you. Top-down blah, blah, blah, etcetera. So we started with this training of trainers on self-evaluation of organisational performance with representatives from three value chains, so three different value chains, four countries.

299. Basically, during three years now, they have met four, five times in this training. And these efforts in the region to create a network of this organisation. You can think now these are scattered trainings in different areas… But in the end, the result was, for instance, for small-scale fisheries, they have created a regional platform for the market of small-scale fisheries. So, through a training, one, two, three, four trainings, people were meeting, re-meeting regularly, saying what they achieved, according to their performance.

300. So there was follow-up. Now, what results is that the reason why there'd be a platform of small-scale fishes… I don't want to say that now the work is end. Now it starts, the work. How to take care of it. For sure, it's a small process. It's not achieved yet. Just to give you an overview.

301. As part of my learning, if you think that you have relevant things to share, please share, because it's part of my learning process as well.

MW

302. I was trained as a priest and I worked first as a priest in Lesotho because I was basically in exile

303. And, furthermore, I had to suddenly interact with Black people who were my intellectual equals or superior. This had never taken place in South Africa because there was never the opportunity for that to happen.

304. the teaching would happen in a little Catholic school, living in a tiny, little house and it was just an entirely foreign environment Now capacity building began with me, is the point that I'm getting to. Is that it's not a possibility to capacity, that if you're not prepared to look at yourself.

305. So, but I was forced into that. It wasn't… I mean, it was kind of like willing because I'd made the decision to leave the country and to join the ANC, but it was an entirely foreign landscape. And that was the most extraordinary growth trajectory that one could ever have had or wished for

306. Looking back on my life, it's quite phenomenal, that I have taken learnings from each and every one of the careers that I've had, and they've all been very distinct, you know and yet I realised that there, I was making capacity from each one of those explosions that would then serve me later on. But in terms of what is capacity development, I think you've got to start with where you are and who you are and what you've done in your life. And that must be the launchpad for where you want to be.

307. You know, I think the problem with capacity development is that it can become so underlyingly patronising and, you know, it's as if the person who is doing the developing has nothing to learn. And so, for me, the starting point has got to be rot up, and what are you going to learn, what do you want to learn from that particular environment. And, I mean, it's an odd… Capacity development is capacity development of both. It's not capacity development of one.

308. Well, what I'm saying is that, you know, I mean, every circumstance that I found myself where there has been a capacity development requirement in a certain area, what I've discovered is that the person that I'm trying to develop or the team that I'm working with has an enormous amount to teach me. So they are my capacity developers as well as I am theirs

309. I'm just trying to think of examples. Yes, I think, you know, what is fundamental to any kind of development is vision. And I'm not talking about a vision statement because, I mean, I find those

completely mind-blowing. I can never deal with them and I can never work with them. So I, and I think that is kind of like dead level stuff. What I was looking for is intuition. And what you're looking for is creativity. And what you're looking for is lateral thinking, rather than static thinking.

310. If you as a so-called capacity developer would go into a circumstance where capacity needs to be developed and you are not open to learning, you are not open to what they can teach you, it will always come over as patronising.

311. It's like, it's like… It's like a lamp which switches on. And the moment that you go into a situation like that willing to learn and being clear that you are willing to learn, suddenly there is a kind of channel that gets opened to creativity and to productivity. And so I think, you know, I… It's really fundamentally about attitude and developing the ability to listen and to find the solution. So it isn't so much as providing the solution as enabling to find the solution.

312. in terms of capacity development, I learnt more lessons there than I'd ever learnt because I was completely out of my comfort zone. You know, traditional healers all were dancing around in a circle and talking to spirits was not my vocabulary at all. And yet there was an ability to actually barely cross over these cultural and belief systems that each of us had and reach a common ground, which would be quite creative

313. Look, sometimes you are, you've got to do some kind of an assessment as to what you're dealing with. So, you know, it might be that, and I'm talking about this earlier, a person has never worked in a tourism environment before because they've never been a tourist before

314. So the long and the short of it is you've now plunged this person into a hotel environment, but they have never, ever slept a night in a hotel. So they have absolutely no conception of why they are doing particular things

315. So they relaxed a little bit and then they brought them back the next day. And I said, look, this is the reason I'm telling you this. And what I understood from our interaction is that you haven't actually been to either of the exhibitions, so you don't know what the site is about.

316. They agreed. They had never been. So now I arranged for them to, all of the people working on the site to go on the two tours. Now why had that not occurred to me before? You know, I mean, why did I expect that a person who is working as a cleaner on the site cared two hoots about what the site was about just by being there. So, you know, the capacity that we're giving, that I've decided to give in this particular incidence is, it should have been part of what was… A sort of contractual relationship right from the start

317. We should never… I should never have assumed that because a person is a cleaner that they don't need to know the story of Maropeng and the Cradle of Humankind. So to go back to what I'm saying, I think that the real issue is assessing what the need is, taking the person's existential existence into being, into account, you know. Well, where do they come from and what have they and what have they not experienced

318. And so then in terms of the tools for the job, because, you know, any tourist could go up to any cleaner and say, how do I get to X or how do I get to Y. If they have no idea you're not going to be serving your own purposes

319. Because sometimes in fact you're looking for a particular skill that they don't have, and so there are occasions when we would go outside the community in order to get the skills that we need

320. But generally speaking, particularly for no skilled or unskilled or limited skilled work, we employ people directly from the community. And that requires that you train. So we have a fairly comprehensive sort of training programme in the various skills.

321. Now some of it is completely incomprehensible to me. I don't know anything about it. I have no idea what a sous chef is – excuse me – I have no idea what they do, but I know that we employ them. And, you know, so the lowest rung of the level is, of the ladder is scullery people who would do washing up

and that kind of stuff, and then they move. And they move up the chain as they get more and more adept at doing what their job is and that are able to do other skills. And so we provide them with those skills.

322. But then if you take, for example, tourism guides – we have guides at the Sterkfontein Caves and we also have guides here at Maropeng. They deal with probably, I don't know, 700 people a day. And they probably came to us with a matric, which is, what, a Grade 12 or whatever, I don't… I don't quite know… Do you still have matrics where you come from?

323. Well, okay, yes. Well, a school-leaver is what they will come with, nothing more than that. And now they have to put words like Australopithecus sediba – we have to put those words into their mouths. We have to teach them where this creature is in relation to all the other creatures, in all the other files, all the other fossils that have been found in the area and how it relates to us. We have a huge philosophical problem or is it a philosophical problem?

324. So, you know, you've got to unlearn a massive amount of propaganda that has actually settled on generations even where they have not been in direct contact with. And you have to… So you have to unlearn all of those things, you have to deal here with the reality that White people are still on top and Black people are still at the bottom. And you have to deal with the psychological trauma that involves, particularly for young Black people who have never had opportunities

325. So you… The training is much more… I mean, it can involve therapy, you know, it can involve dealing with people's home situations before you actually get Australopithecus sediba down there for it. And that all has to be taken into account. It can't be that you simply start with a lecture on Darwin's theory of Origins of the Species. It's never going to get you anywhere because we haven't dealt with any of the preoccupations that that particular person might have.

326. So in our training we try to do as broad a range of training as possible in order to get the person on the same level as his or her peers and also at the kind of level where, if a scientist came as a tourist, we wouldn't be embarrassed. So it, and they may go through a fairly rigorous… The guides, for example, go through a fairly rigorous training programme.

327. It's gets you to deal with them, it gets provincial guides become a national guide after that. I mean, probably the most intensive training that they will ever have received and it is often using very limited academic skills. So most of the knowledge is passed on by word of mouth, not through books. And you just have to cope with the fact that you are actually dealing with functionally literate persons.

328. Now I'll give you another example of this from the AIDS work that I did. We started producing pamphlets with cartoon drawings on them, how to put on a condom. So the cartoon drawing had the body of a man with an erect penis, but we didn't put the head of the man. We thought it's enough – you could just have it from the kind of, from breast downwards, you know. What we didn't know is, because of the fact that the people that we were giving it to, giving the pamphlets to… It taught us the very hard lesson needing to test things beforehand, because people had no idea of what they were looking at if there was no head there. So, you know, they're looking at a drawing, but they haven't got, they haven't got the codes that you and I have because we've grown up with cartoons. So you don't need a head to see that this is in fact a human being with an erect penis. Now, unless you know that, unless you know that fundamental fact that you're dealing with a cartoon person you're going fail in whatever training you do. It's never going to work. This is never going to work.

329. So prior to training, you have got to have analysis of where you're actually dealing with and what the needs are.

330. Well, you know, something that… I think you've got to sometimes look at what worked for you and see how that can be packaged in a suitable way for the people that you're dealing with. And, you know, one of the really important learnings in my life has been in order to understand the situation you've got to immerse yourself in it.

331. And I've been through various kind of like immersion programmes where you are, you know, exposed to stuff that you perhaps previously wouldn't have been exposed to. And so it is not just… The point I was making about the people who make the hotel beds have never slept on one of them, is vitally important.

332. And so one of the things that we've done with our tour guides is to send them on tours themselves so that they experience first-hand what it is like to be a tourist. And then come back and analyse what have they seen, what is wrong with it, what is right with it, what did they enjoy, what did they not enjoy and how does that apply to what they're doing.

333. So I think the immersion thing is a really important tool because also then you are automatically using the person's perspective and not just your own.

334. bursaries for science.

335. When you've made that jump you've learnt a fortune because suddenly you can see, you know, the endless…. I mean, one of the fossils we've got here, our oldest fossil here is almost complete skeleton of a fossil called Australopithecus africanus or it's another form of Prometheus. And this has been lying in the rock, embedded in concrete for 3.67 million years.

336. so we have incredibly specialist requirements in terms of the people that we're capacitating, you know. You know, that story is a complex story and it challenges perhaps everything that you've ever thought about yourself, everything that you ever thought about your grandparents. Suddenly you're confronted with irrefutable evidence that there is a trajectory from this probably 6,7 million old creature and me

337. So, you know, I'd love to say we've got a lovely development plan percolating in the background, but I don't. I mean, we operate very much from sort of need to need, you know, so… I mean, there's a standard process of training that particularly the guides have to go through. That's a non-negotiable. They have to go through it. But luckily I think we've got the right kind of people as trainers. So, you know, it really does work

338. So there are specific areas that they have to be trained in, for example, you know, how to… Health and hygiene, how do you handle food, etiquette, how do you handle guests, I mean, all of that stuff, you know. But, so there are specific things that everybody has to go through, but it's very often specialised through the particular job that they're in.

339. I would love to be able to be taking people off for self-reflection and kind of like bonding sessions and things like that, but, my God, we neither have the time nor the money for it. So one of my sort of mentors in my life or, that was really my boss when we were building this place, she said, you know, you get team spirit by working together. You don't work together, you're never going to get it elsewhere. And so I think what I try to do is to make sure that management meetings are as facilitative as possible and that everybody has their say. And it actually doesn't matter how long it goes on at all. It does happen.

340. [on mentoring]….It was never formal, but it's quite clear that that is what it is. She is a woman who I mean, she's… It's incredibly difficult to describe how powerful she is and how tenacious she is and how clever she is. You know, I mean, what more can one want in a mentor?

341. And, as I say, she, from the very beginning I learnt every management skill I've ever had by her. And she's still a board member of Maropeng today, so we still have a very close relationship and I'm able to contact her about a problem at any point and get a view on something that maybe I can't see and she'll have a different perspective on that I would never have thought of. So I've kept that relationship very deliberately through the years, even when I wasn't here. And, look, the fact that she's married to the Minister of Tourism doesn't hurt

342. I have had odd occasions when somebody will want to come for a day's exposure from school or something like that where they can sort of shadow me. And I, you know, I spend the day talking to them and telling them what I'm doing and why I'm doing it and all of that kind of stuff. But actual mentoring relationship I have never had

343. [on coaching] … The word makes me feel ill

344. I, all I can see is that there is an evolutionary process taking place, and it won't affect you and me to any extent, but it will affect our children's children completely. And therefore, surely we should be equipping them for that.

MN

345. She took me under her wing until I got onto my feet and then I came here to study and I thought I was going to finish my studies and move but I've been here ever since

346. I came across a couple social entrepreneurship services, there's one in Rustenburg where women take their social grants money and build houses for themselves instead of Government to give them, what you call, RDP houses. So they come together, put together whatever little money that they have and build houses, building themselves their houses amongst each other.

347. Yes-no, they're normally not trained but they, they started by building the bricks, buying this brick making equipment and then cement and sand and then build bricks. Then they advanced to building the actual house

348. I suppose it's business acumen and maybe fundraising skills, learning to depend on how to raise funds other than... Because normally we just back, we just attended trying to make a request for a certain amount of money and if you get that you run, you are first base on the money that you have, you don't go out and raise more money to the, maybe to the original amount that you got.

349. [on skills required by SE's] So I think fundraising is number one and that be networking, two, so that you connect with likeminded organisations and then from them as well how they are able to raise funds and perhaps get better... there is networking and fundraising and maybe social skills and interactions generally because they hardly, I'm not aware of any organisation that comes all of them together to learn from each other, to share ideas and maybe to fundraise broadly and allocate, and give allocations with other organisations.

350. it also should be able to provide some social skills broadly

351. For me just to build capacity to be able to grow and self-sustain. So those are the two avenues I would look at to bring about the possibility.

352. I just found it, the definition is from my observation, it's not a textbook, I just think this is what reflects capacity developments.

353. It's the same, I suppose. I went to school and from school I went to college, by the way, because I had to work after hours and it was tiring, so I got experiential training there. So, that's a kind of capacity building, does not give you capacity to do, but just there's a level of understanding of issues, more comprehension.

354. Well, it depends on your area of expertise, where the organisation is operating from. Like the ones that I'm talking about, you need to be able to provide fund raising and alternative methods of raising of funds outside your traditional ways maybe of doing it with various companies.

355. Like these ones we were talking about earlier, when they're coming with other activities and various competitions of some sort, you then get money and then invest it in the project. So, those are kinds of capacity building that may be the social entrepreneurs, they will require to run sustainable businesses. Like maybe to move, like you said earlier, from a charity case to profit for development or to be able to continue running their businesses.

356. Well, they're not supposed, I wish people, like myself, maybe we have some experience will be able to go and share our experience with such organisations. Because we don't have to go to academic institutions, simply because they're expensive and they're long term, one-year courses, whilst in actual fact you don't require that much, you just need to...

357. the universities tend to be costly and the colleges. So, that you can get some small organisation or people who can volunteer to teach people who are in these organisations and raise funds for them.

358. when I came to Jo'burgh I could not even type on a computer, probably saw a computer for the first time, well not the first time, but yes. The kind of skills and capacity for me was to be able to type, it was telephone etiquette and those basic things that would help me want to be a better person and also to be efficient in what I did.

359. Yes, they should, because they're supposed to bring the kind of exposure that we don't have and the kind of experience that we don't have in the country. Maybe a different perspective from our own on handling

certain issues. So, they still have a role to play. The NGO community who are doing, in terms of health education and development broadly.

NK

360. I'm definitely not the, not the guru of the technical aspects but, you know, I'm… It's from my experience. So I… It's literally about getting hands dirty and seeing other organisations grow, providing organisational developments, information. I haven't… I've trained some but not for a while and, yeah. And in this space of social development there's a lot of capacity building, and it takes on many forms.

361. we were not training or capacitating parents to engage their children socially or integrating them within the family. So I'm not talking about Shonaquip, but what was happening in the field

362. So a lot of the focus is on the capacity building, for instance, the capacity building is more in line with what we would find as an activity or as a service that is there for other organisations.

363. They are institutional capacity, and they, I think, they're about five people and they got out all over the province and they run these workshops with organisations. They did… They do make to a certain extent, but then when you come to… When a speciality is focussed on, it moves into the different sectors, and there's an element of funding that at least… A percentage funding that we would then allocate to capacity building, maintaining, and, you know, organisational development itself.

364. I think, you know, to a large extent when I look at proposals and talking to the organisations of different sectors as well, there's always, almost always an element of this capacity building and sowing into other organisations, you know, as they, you know, as part of their work

365. I think the social enterprise concept is maybe too academic for the departments.

366. I look at an organisaton or an NPO like a protective workshop, you know, where, you know, it's such a hot topic, because as a protective workshop it's seen to be providing a service for people with disabilities should spend their day, and not focussing on productivity. Now we've moved to productivity because, and this had been the stream, you know, when I started working in this space.

367. the clients have the potential, why are we stopping them their potential. perhaps the protective workshop should be this vehicle where they are passing through and, you know, doing vocational training to open then the market

368. It increases everyone's capacity

369. Then you could teach us, Lenni.

370. I always say I've got so much to learn

371. You know, capacity development for me is not only… A lot of talk about we need more people to be able to do more work, and I'm saying, well, you know, capacity is thinking of strategic objectives and working smarter. And so, you know, you can do a lot more if you're working smarter rather than harder, and the development of that is not only, it's not only in human capacity, but it's in resource capacity and financial capacity and, you know, should we be spending our money on this or funding on this because it's not part of our focus of strategic objective, but it's rather an add-on to that focus.

372. And should we be… And, you know, having… Going through that kind of exercise where you're actually saying, well, you know, I don't think, and, you know, being real about it and saying, you know what, I don't think this strategic objective that we've been working on for the last ten years is actually working. And instead of us trying to plod along and still do the same thing, maybe we should change it to something we think could work

373. And I think, I think capacity development is more around allowing people and to facilitate people thinking differently about what they're doing, and how they can maximise that potential and that capacity they've got.

374. [on Defining Capacity Development] I talk and spend a lot of time in the field. I am… One of my prerequisites in my own personal journey, is that when I started at social development, one of my prerequisites was that I was not going to sit behind the desk. And I spoke to my immediate bosses, one of the chief directors, I spoke to him and I said to him, first of all it's not in my personality, and second of all, in my opinion, you cannot write a policy if you don't know what's happening on the ground.

375. So, the largest part of our human capacity in the department is on the one side, it's compliance and funding and contract management, on the other side it's the direct services that we spoke about before. So when… Through our normal processes monitoring of organisations, seeing that they're compliant is already done.

376. When I go in it's more about that people want to consult and ask questions, and through the project I'm working on they want to know, what is government doing and how can we align, and can we do things better. Any of the organisations unfortunately have started… Fortunately or unfortunately in that project I spoke about with the court order, people have also seen it as a way of generating an income, to be entrepreneurs. But looking after children and looking after children with profound disabilities is very different, and the requirements are very different.

377. And so many of them take on more than what they can chew, and they want to retrospectively try and develop the organisation, and they don't have the capacity. They don't have the capacity to care for them, and they don't have the capacity to develop an organisation. And for me that's very sad, you know. And that's what we come across, you know, having to, in some cases, having to break it to those mummies who are trying to generate an income because she started out with her own child, not being able to work, and looking at this as an employment opportunity

378. And there's also the ones that plateau, so they can only develop that much and there's no going forward because they themselves don't have a sustainability plan about whose actually going to take it over. So, there's many aspects to that, and for capacity building I've realised it's not about… Your end goal is not about, there's your end goal is sustainability, but in reality capacity building is growing at a pace that that person or that organisation can handle.

379. I've had interactions where I've consulted on succession plans with other organisations that are a little bit older, those that wanted to change this strategic focus. I've consulted in that as well. So, it's been different things.

380. I think developing the capacity is also being there, you know. It's not… I'm at the end of the phone, and one of the things that I learnt was that… As I've said, I have been very busy, you know, in the communities

381. I wasn't at the meeting, but my colleague in the city had said to me that one of the organisations turned around and they were talking about capacity building. And said, stood up and said, one of the things that helps me in my capacity building is that I have Nina Klein from social development on speed dial on my phone. And apparently everybody burst out laughing. And I laughed about it for days. I thought it was the biggest joke. But, you know, it made me… It wasn't about the fact that it was me on the end of the speed dial. It was about that they knew they had someone from government who was going to listen to them. And they've made…. Whether it is… Whether we endorse that organisation for further funding, whether we endorse them for the activities that they're doing and support them, whether it's a minister going to go launch a project of theirs, I think, you know, the other ways of doing capacity development

382. Oh my own learning. You know, one of the things is I've really been seriously thinking about doing further study. I have… I've spoken to Shona a lot. I have my colleagues around me, so I've had to… I've pulled in, I have, but I've tried to get strategic people within the other departments and within my own department who I can bounce things off with, who I can go to for advice, you know, and yes. So, I've found that support, and if it hasn't been in my own department, I've tried to find it elsewhere in the sector, in other businesses.

383. People I've come across and I've networked with before I've made contact with again. I've tried to be as resourceful as what I can, if that makes sense.

384. My line manager is absolutely amazing and supportive and, you know, he just has a different perspective. So, when I am stuck… He also doesn't profess to know everything, but he just… He will debate things with me, he will say, I don't think that's going to work, you know, oh I think that's a brilliant idea or, you know, those sort of things.

385. I think the capacity development for me is planning ahead or planning your outcome about where you want to go, and believing in it implicitly. So, if people are not… Yes, people are not going to believe you if you don't believe it or believe in it.

386. [on who provides CD] I don't think that it has to be any kind of… I don't think it needs to be one person per se. I can't say that it would be government. I can't say it would be other NPOs. I think it is a conglomerate of what that person, that organisation would need. And if you have the right people either around the table or you speak to the right person who is able to give you guidance in the right direction and link you to other people, you know, it's all on that journey of capacity development.

387. I don't think it's one session where I would sit with an organisation and say, I think you should do this, this, and this, and whether they follow it or not is what I consider capacity development.

388. So, for me it's about the journey. It's about there isn't a right and a wrong in capacity development. But in organisational development there is a right and wrong.

ND

389. My background is in education. That is what I went to university for and studied. I started off by doing a degree in Science, Natural Sciences. And then I did my teacher's qualification. And then I entered the system. I taught secondary school for, what was it, for 12 years. As a secondary school teacher, I went through the ranks. I became a head of department, and I left in the year that I was actually appointed as a deputy head.

390. But the big question for many of us or for myself was, what's going to happen in education? I didn't feel like there was a plan in place of how we were going to transform education, so I thought, right, let me get out

391. I started working for an organisation that was doing teacher development work. And it was working. They were working in schools, supporting schools. And then I got introduced to the concept of Whole School Development.

392. So we were supporting teachers and supporting schools. And it was basically saying that you cannot work with teachers outside of the school system unless you work with teachers as well as with the entire school system. That is the only way to transform schools, to transform the education system. And that's what then I did in Whole School Development. That is the work that actually triggered my interest in organisation development because schools are organisations.

393. And I got in as a trainee practitioner. And that was the point of CDRA, it didn't matter what your experience was. You came in as a trainee practitioner into a two-year formation program. And it was acknowledging that being a practitioner, an OD practitioner, is not something that you can be trained for, but you've got to go through a formation process that will help to, in a way, induct you into a practice. So in those two years, of course, you had opportunity, you participated as a full member of the team of practitioners in CDRA. You also had the opportunity to accompany the more seasoned, the more experienced practitioners, and you observed. And so we got into the whole thing of observing process. And then towards the end of the two-year formation process, you then were given opportunity to begin to undertake interventions on your own

394. we were, at that time, already starting to explore what are new organisational forms there to help, particularly non-profits and other organisations

395. But at the same time, when I left secondary school teaching and I started working in teacher development, I recognized the need to equip myself. So my interest, one of my big interests and an area of focus for me is in the field of adult learning and adult education and 400. learning and how they can

contribute to transformation. So I then pursued my studies and I did my... my master's focused on adult learning and global change.

396. But when you start talking about transformative evaluation, you also need to be framing it.

397. capacity development, in a way, it's a concept that has remained in the development sector. And no matter how much people have objected of what reservations have been expressed, I think we all continued to talk about capacity development. And for me personally, capacity development is really about enhancing competencies, skills, capacities, enhancing them in a way that would benefit or that would make the... whether it's an organisational system, whether it's an individual, whether it's a community system, whether it's a society, that would make it more effective in fulfilling its purpose.

398. So I always look at capacity enhancement from the point of view of the overarching purpose of the system. Is this capacity, is the initiative aimed at enhancing, strengthening capacity, building competencies, building capacity, strengthening skills, is it aimed at making the entire system more effective? So is the effectiveness of the system helping the system to function optimally, improving how the system is functioning and fulfilling the overarching purpose

399. I think it comes from having had a very strong reaction to the notion of capacity building. And it was more saying, listen here, any system, in any system, any individual, any group, any organisation, when you intervene into its process, you need to be very cognizant of what is already existing there. So it comes out of CDRA's developmental approach to engaging with systems to say you cannot approach, you cannot view the system as having no capacity.

400. And as one who intervenes, you cannot see your work, you cannot see your role, it's starting to build capacity completely. It's saying that you engage with an individual, you engage with a group, you engage with a system, you engage with the community. Your orientation should be one of looking out for what is already existing. And your job then becomes just to enhance, to strengthen, to stimulate what is already existent. You don't build, you don't bring, you work with what is already there.

401. So it comes from a recognition of, you've got to work with... there are capacities that are existing, and you've got to work with it. Yes

402. So when I started to engage with them, I could not assume, I couldn't just come in and assume that there is no understanding of stakeholder engagement, stakeholder dialogues and what it means. So one of the first things that we did, and we often conduct what we call a survey. And in that survey, it's like a diagnostic study. In that survey, one of the big things we do whenever we start an intervention is really to look at what our existing capacities.

403. So one of the things that I did was really to look at, for example, the capacity to conceptualize and manage processes, because stakeholder engagement is largely about processes. So that is the kind of kick-off that we start with, is to look at what capacities are existing, try to get a sense of what understanding of stakeholder engagements, what experience of stakeholder engagements exists within the broader system, not only a few individuals but the entire district municipality.

404. One of the big findings for us was that there is a real struggle for people to move from the plan to implementation because development of a plan requires certain abilities, but implementation of a plan requires other capacities. Are you able to break the plan down and then to put in place processes that enable to implement the plan

405. So what we found out was that, in terms of capacities for implementing a plan, that is where a lot of the municipalities were really struggling. That is where there was limited capacity in terms of that. And it makes sense, that this why municipalities are not able to deliver as much as they should be delivering

406. Different interventions. Sometimes, we do what we call training or structured learning sessions. And this we do when we have recognized the need to equip people with the concept, with the theory, with the knowledge. So we do training. And training, we use in two ways. As I say, we use it to equip people with the knowledge, the concept to introduce them to frameworks. That is how we use the training. But we also use training to really surface, to try and bring to light what is already existing, what knowledge is existing, what experiences do these people have. So there's two ways we use training

407. You have to build onto what is there already. And then one of the big things is just getting people to own and to trust their own experience and their own knowledge. Because often, when you ask people, what do you know about this, people will say, oh, no, we know nothing about it. Sorry. But as you proceed, you actually can see that there's a lot of knowledge. So any training for us is always preceded by bringing to life, by surfacing, by unearthing what capacities are already existing.

408. But we also use a lot of coaching and mentorship. We use coaching and mentorship also particularly for one-on-one processes and to help to strengthen people's capacity

409. With coaching, from my experience, I have realized that with coaching, it's people often needing some guidance in terms of hard skills, in terms of knowledge, in terms of frameworks and tools to help them to address specific problems.

410. When it comes to mentoring, we find out that from our experience, we find out that it's normally things that people are struggling with. It's very personal. It's the personal struggles around my practice, my work. It's people saying, listen here, I'm not able to own my power completely.

411. And with mentoring, therefore, what we try to build in is to have a personal development component that will help the person to systematically work through those areas of challenge with coaching, my experience is that, sometimes, people need... I need a specific method or I need something very specific to help me to address a particular challenge, a particular issue. With coaching, is help me and support me and accompany me and help me to do what I need to do in my work situation.

412. With mentoring, it's more accompaniment in terms of my personal development. So with mentoring, what we do a lot, we... and also with coaching, we work a lot with people's questions. So what are the questions, what are your questions, what are you struggling with? And we adopt a longer term view with mentoring

413. With coaching also, it's helpful to have specific tasks that the person can work on systematically. And that way, you're able to see, to assess, is this person making any progress or not?

414. So we use mentoring and coaching. We use training. We use group processes. What we also find very helpful is... and in our setting, it's often difficult to get practitioners to read. So we also use reading sessions to help them to engage with a particular reading and then to then explore and look at what are the implications for my practice.

415. So it's this whole idea of how do you get practitioners to be engaging with concepts, to be engaging with the perspectives of others.

416. And then we also use what we call writeshops. We facilitate the writeshops, so we get people into writing workshops. And that is how all of The Barefoot Guides, in a way, have been written, through writeshops. And we find out that as much as writeshops help people to strengthen their writing capacity, actually, the big benefit is that it helps people to strengthen their thinking capacity

417. We have processes that we also use to strengthen reflective practice. So it's really getting people to stand back from the experiences and to reflect, draw learning from that.

418. And we have got simple tools that we use, like the Action Learning Cycle, which we use to get people, to strengthen people's reflective capacity

419. Because increasingly, as we are engaging and we're finding ourselves working with government and working into that space, the importance of living to strengthen reflective capacity, just getting people to stand back from the experience and looking at and asking what needs to be done.

PS

420. What, for me, really fascinates me is facilitating processes of surfacing people's own experience and knowledge and getting people to develop their own, to theorize from their own experience and their own knowledge. And for me, that's one of the best things of giving validity to the experience of practitioners because, most of the time, people think that... or the world has conditioned us to believe that the only thing that comes is the knowledge of academics and the knowledge of practitioners

421. The knowledge that people have developed from experience, from own experience is not given the same respect. Not the same value is attached to that knowledge.

422. So for me, it's facilitating processes that help to surface the experiences and the knowledge of people. And then to see, overtime, how do we build on that? So another interesting part for me is how do you then do things that help to shift people's thinking, to shift their mindset

423. Because for me, that's an important part of capacity development. It's doing things, immersing people in processes that help to shift their thinking. And it can happen very seamlessly without people even being aware that I'm being challenged to shift my thinking here.

424. I think there would be need to build capacity in terms of ensuring that the business arm operates as, to use the expression, as a proper business. There has to be some understanding of business principles of how do you operate a business. Because that is, in a way, to be honest, that is the foundation on which the social enterprise arises

425. And if that does not run properly as a business, business principles, financial management is absolutely big, which means that, from the start, from the time the event, the social enterprise takes off, there would have to be sound knowledge and understanding of financial management, of operating according to business principles, of making sure that the necessary capacities and competencies are built from a very early stage

426. There needs to be a capacity to learn, so that learning actually informs the ongoing and the further development of the social enterprise. If the entity is not learning anything from its social purpose aspect, and that learning must inform the business aspect. Because I think it's important that when we talk about social enterprises and we look at the business aspect, we need to talk about the ethical business.

427. So there needs to be a learning agenda that informs how this entity is going to develop further. As you rightfully mentioned that most social enterprises are very small. Most social enterprises are small.

428. However, I think somewhere along the line, there needs to be strengthening the capacity for upscaling. If they remain small, there is only so much that they can contribute. And some of them rightfully are developed, they are conceptualized, they are innovated as small entities, and that is the model that can work. So we need to be realistic about which of these social enterprises can be upscaled to a level where the impact can be optimized.

429. It's interesting because, just yesterday, I was having a conversation with somebody. For the CDRA, our big limitation is we find we get drawn in to help them to work on the social mandate. But we are not qualified to help them to work on the business aspect. I think some of these centres, like the Bertha Centre at the Graduate School of Business at UCT, that have a very good understanding of social mandates and social purpose organisations but also business principles. I think they are fairly well-equipped to support them.

430. In South Africa, I know someone, like Marcus Coetzee, has also set up the Social enterprise Academy, which is a space that he has created for supporting social enterprises because many of them have been really left desperate and feeling desperate in terms of support. And as I mentioned that it would have to be institutions, it would have to be practitioners, it would have to be consultants who have good experiences of supporting organisations with a social purpose as well as an understanding of business development and business principles

431. I get drawn into engaging with working with government agencies, with government departments, with local municipalities, the more we get drawn into that, the more I am starting to really ask myself deep questions around the continuum from policy to plan, to implementation. What is it that we are missing in terms of genuinely understanding the capacities that are required for successful implementation?

432. I was just trying to think about what is it in social purpose organisations that makes it not so onerous for us to develop a plan, conceptualize, develop a plan, and take it into implementation. Because we are

433. they need is a little bit of introduction to systems thinking and managing complexity. Because I think if they had a better understanding of how complex the system in which they are operating is, it would equip them. It will prepare them for responding in particular ways.

SMD

434. But I started getting involved in disability rights and systems change around disability after the birth of one of my daughters. I knew absolutely nothing about it because of our segregated school system and segregated communities,

435. . it's a tax investment trust that is specifically set up for investment for corporates for their Black skills development and in-house development and through that process we have also, just done a college programme and built capacity in the community so that we don't have to grow, but people we're working with will grow independently and provide the base of support that's needed.

436. So, I would say, for me, a social enterprise, and I've been very confused by the business school's take and I think a lot of it's being driven by the need to learn the different funding streams and different stakeholders, but for me a social enterprise is really a form of business which is established for specific social benefit purpose. So I don't believe an NGO that isn't raising significant amounts of income is a social enterprise.

437. these big entities claim to be in the field of development. How can you share what you develop? How can you be so specific about. It's like an NGO, but with inclusion, for example, and they have all these amazing programs out in the community, all the inclusion, but their organisation is not inclusive and they don't celebrate personally diversity.

438. And when the shit hits the fan inside the organisation, you cannot just fire somebody because they're different or not complying with what you need. You need to take your mantra of inclusive development inside as well as out, so then you're truly living social change

439. I think just my head, I suppose, just my experiences and being so frustrated in all these business school debates and the metric thing of what's what and I was doing this for many, many years and only then somebody said oh, you're a social enterprise.

440. to be very honest, business schools that invest in what people call themselves impact investors are constructing the space in which I work, but it's not my space they're constructing. It's the philosophy of my space.

441. I realised that it's such a new space, everybody's experimenting, everybody's trying to look for that sweet spot and yes, we are a hybrid ideal, we're very much aligned with the ideal around social enterprise and there has to be flexibility on both sides of that

442. It was a business and it was turning over a few million rands a year and I never had a degree, I came straight out of school, I ran a few NGOs, I had severe dyslexia

443. My technical team is represented on the International Mentoring, Seating Mentoring teams.

444. . I've always been involved in contributing to, like, policy at an international level, because that then informs national and then obviously it made sense once national policy was in place here and that we had huge opportunity to influence that because I'm also the activist side of working with part of the change is government became government official.

445. we'd done then was to say the people in Namibia are wanting my product, we can train them, and there's a training campus from Namibia that is really good, but they're going to go nowhere if their government doesn't have a policy

446. So, how do we then share the South African policy work and encourage the, like, the Namibian Government to take it and tweak it and adapt to suit their needs, which sped up the system in Namibia by about ten years.

447. But also I have a therapist there and we can work with a the programme. And, you know, in Zimbabwe we did the same, but then the government collapsed, so it's not worked

448. we've invested the last year in getting ISO certification into our production.

449. We're about to launch into a series of certification processes now, for that, so yes, it's not that I want to take over the world. I just think we have a very sensible low-cost simple solution and, I must say, I'm intrigued by knowledge here.

450. [on international growth] I don't know, we have to be invited somehow, which means we have to be respected enough to be invited.

451. and so, positioning ourselves as or selling ourselves in a different way or marketing ourselves in a different way, what does it mean for a social enterprise itself in terms of building its capacity to do that? And maybe, you know, start with Shonaquip, what have you done or what do you need to do to be in that position?

452. I've realised that our weakness is in not having this, not just not having the processes and the systems, but not having the language to talk about it, so that's where I'm investing the next two years of my work, is if we can create real, truly unique organisational development systems, which talk to social enterprise

453. So, but I'm just doing it for myself at the moment. If it turns out to be something useful, then hopefully somebody can share it, and if it doesn't, then it just won't be quite as embarrassing, because I haven't shared a public use product

454. I have the most remarkable, diverse team of really unique, strong-willed people who all share a common purpose, but I think what we need is that, clearly between the individuals, the thing we call organisation, to be even more strengthened, so that people never think about themselves, they think just about the organisation, the glue in the middle

455. The other, the thing we need is highly skilled people. We've got to a stage in our development now where we're needing to bring another layer of insight and skill into the organisation because we're such a development organisation I repeatedly hear the staff are just coffee-makers and cleaners who are now seating practitioners

456. I've got wheelchair technicians who started off in shelter workshops, who are running my factory production who can't read and write, and now we're trying to introduce ISO. How the hell do we do that?

457. How do we fit these people into place without disempowering the people who have grown the place? So, that's what I'm needing, I'm needing to lock into another layer of expertise or knowledge, key knowledge leaders, but without losing what I have.

458. it's about diversity

459. [in response to what is CD] My ability or somebody's ability to do more than they were doing before, not just a physical thing, but an emotional thing and an intellectual thing.

460. .For me, the fascination is what do I need to do that allows somebody else working next to me or with me to grow as a person, to be able to do more without me, that's capacity

461. I employed somebody many years ago, and she's still working at my house, to be a receptionist and I had met her in my local rehab hospital. She was running the canteen, one of the people running the canteen. And she wasn't happy there and she came to work with me and she did the receptionist work. And then, because I was sitting in the same office as her and she was overhearing everything I was doing, and I was able to delegate more and more to her.

462. she has this innate desire to learn, but struggled with loads of stuff, and slowly, over the years, I would delegate more and support more or send her on courses or let her go out into the community with other

parts of the team to understand why the way she needed to respond to a client was important, because she'd seen it actually happening

463. She, had to know, if she'd had to tighten a screw on a wheel she knew why or why picking up a child in a certain way was important, or why talking to a parent made such a difference, because if you didn't that what's happened in the factory, so all the sort of cause and effect elements of her job, even the reality on the ground, how that would affect things. now she runs my entire tender procurement department, everything, and that's just from understanding our computers, emotional intelligence, growth through productiveness and being treated as though she had the potential to do it, never doubting she had the potential to do it. Yes, I suppose that's an example, but there are so many. I mean half my staff, I could tell you stories.

464. I've never worked anywhere else, so only ever worked for myself, so I can't say I've been in a company and that's my comparison, you know. I can't compare. I don't know how people run other companies and I think that's why I was so willing to hand over my reins of the organisation to somebody who was politically educated and knew what they were doing, but then only going for two years and I can't have them all, so, you know, it's, yes.

465. an organisation is only its team that's running it. So, I don't think it's any different to what I've just said. It's finding partners to work with like that, whether they're advisors on your team or whether they're personal coaches or other social enterprises that you can sit down and talk to as a team, as an individual. It's about building each other and it's only through that that the social enterprise can then develop, because it's those conversations that grow an organisation and if you're having the wrong conversation, it doesn't matter.

466. on the panel last night were discussing how they take the social entrepreneur along the path to development once they've lent them money. So if a social enterprise got a loan or an investment through Edge Growth or whatever, Edge Growth would then provide the mentoring and support to form this social enterprise into something that Edge Growth needed to be able to report on. That is not social enterprise development

467. are there any business development kind of organisations or are there any organisations external to the social enterprise that are in a position to actually offer valid support?

468. Thousands of incubators, I don't know, we've never used one. I don't know. All I know is there's too many incubators and not enough social entrepreneurs, which, for me, just is a huge red flag, that somebody's trying to make money out of somebody.

469. [on business schools] The same, that these students are being taught how to construct a business. I just can't, for me it's back to front. You need to identify a need and then respond to the need through actions which create change. You don't have to go and write a business plan, raise capital, and deliver something. That's arse about face. You don't have to have all your systems in place first because otherwise you're trying to pack your problem into a system instead of a system evolve out of a problem, because it's been proved, we have all these problems because the systems are causing them, so why work that way? It's just illogical for me, but I'm not academic enough to have that debate and I would rather do it than fight about it.

470. Sarah and myself are very happy to go and to brainstorm with people. We usually do it visually with one or two leaders of an organisation and we just, we just, yes, lots of whiteboards and sticky paper and ideas and it's really just modelling and planning and trying to understand what problem they're trying to solve. And they know, they know what the answer is. It's how do you help them visualise it.

471. we often talk to other people about our own problems and in solving or trying to solve somebody else's problem, you solve your own, because they're so connected.

472. Oh yes, Kerryn, who ran a workshop the other day. She was trying to define what social enterprise was or something

SB

473. IDC is a development finance institution so we have a development finance bank providing finance to entrepreneurs, projects to promote industrial development, my role is to ensure that whatever

opportunities, how do we maximise opportunities for youth, for women and so on and the whole range of outcomes we prioritise

474. In amongst that programme I have a number of tools available to me, including support for social enterprises because sometimes we are doing urban generation or small town revitalisation sometimes the private sector is not getting in, it doesn't fall over itself to invest there, social enterprises are a lot more and we support them to try and get a critical mass of economic activity

475. we have a fund for what we call special interventions which is a partnership between public sector, private sector and communities, to basically act as a catalyst for some things to happen, particularly with sectors that will promote some opportunities within their area

476. So previously I ran a department that was focussing on development agencies working with municipalities and looking at the opportunities a municipality might have from an economic development perspective and growing that we are just being a little bit more closer in line with what IDC does

477. IDC has a particular programme, as I said, a funding initiative that looks at social enterprises, the social economy and supporting the ecosystem around social economy.

478. we took in November 2013 we took a bit of a trip through to the UK to see what was going on there and hopefully to learn what they have been doing in terms of all the support and see where the gaps are in our side. The universities are coming on board big time, GIBS and Cape Town we have we have UNLIMITED quite involved with us, with the BERTHA foundation we tried to access things like impact funds local organisations like ANDI trying to bring people together we have ILO, so generally… South African Brewery, Bridgit Evans, we started off with a bit of a poker group and we have been trying to make it expand

479. there is a shortfall in terms of the nature of finance available to social enterprises, and the timing of the funding I think that makes a difference to social enterprises, we decided that we would pay the school fees, and commit ourselves to it and learn from it, in terms of what works and what doesn't in the ecosystem.

480. [in response to what is CD] well er.. providing knowledge and information to individuals and organisations to be more effective in their performance or their duty I guess that is a broad statement, er.. in other words providing more information and knowledge making it available to them so they can go out and er.. whatever their objective is so they an do it more effectively

481. . there is training, and access to information and resources er.. community of practice has been a very useful, going back to the analogy if somebody else had paid the school fees, learn from the parents sort of thing, dealing with specific skills gaps and capacity gaps to make them more efficient and effective, dealing with legal, erm I mentioned access to training but also access to information access to peer learning.. and best and good practice example to avoid complications

482. we very often find that people coming in from an NGO perspective and a donor dependency type of mind-set and now we are helping them to become a little bit more sustainable to move into the enterprise area, not only is it a culture change and a mind-set change er it also involves a lot of new skills and a lot of new strategies and a lot of new operational issues so they can either come and train and get some training in that and import new skills and you can upskill people in your environment.

483. Because not many people understand the space, even the organisations that you are asking to you capacitate, are struggling a little bit I will give you an example, business support to a social enterprise you would imagine they are able to help an NGO or a young social enterprise move to the next level of operation, we find that the majority of the people providing business support, in this country are from the formal sector and they really are disconnected from the mission and the business side they cannot find a way to merge these and we end up with very strange strategic advice to social enterprises that sometimes really destroys the social model we are trying to create

484. I'll give you an example, for a young client who wanted to provide menstrual cups to school girls, universities, she got to leverage some business support from someone from a big company but he kept on saying she has to charge more for them and ensure the people buy more products from her, all of this advice was going against the objective of trying to make this available at a cheap rate to the girls

485. Certainly, in the country at the moment we are going through quite a strong economic depression and finding money is difficult, and I think what happens is you have this continuous turnover of staff, of good staff if you can't guarantee people in positions and it doesn't matter how socially conscious you are they have families and they have got to understand these things, so you can't pay them peanuts continuously, and say this is what you chose you have to make it worthwhile or you lose on the other side of things , the ethical minimum wage type and yeah so there are more and more, also we have a problem with a numbers of organisations that are donor funded that don't actually like the social enterprise model for NGOs and not for profits taking a more profit route, when I say that I mean income generating, so they have strict criteria sometime I think we have not changed the mind-set of the funders and the donors to allow them and in a South African context we don't have the legal mechanisms, we are still forcing our social enterprises into hybrid models of aspects of NPO coupled with that a profit making side then it becomes complicated for them and not efficient that is why we have been pushing for the issues to be resolved at a policy level and a strategic level.

486. One of the biggest challenges is the mind-set of the other donors that don't want to mix put money into organisations that are purporting to generate profit or surplus's. I think they feel comfortable in the not for profit, focusing purely on the developmental angle, the challenge where they can verify their objectives, I think by bringing it into a more commercial or enterprise level it becomes fewer products and their money might be used a little more speculatively and improper governance it's much easier to give your money to a particular thing and you can run it rather than give it to a business which has its own cycles so I think they come up with that and I think there is a lot within their own foundations in their constitutions or whatever that limit them, they work with who they can, I think it's old fashioned and they need to promote entrepreneurship within that sector

487. we still do find a lot of these traditional funders or donors caught up in that and I think we still have a little work to do on making them committed to a more entrepreneurial model I think it's also because we don't have a framework, which creates it's own administrative issues in South Africa, you get involved in a lot more tax issues and a lot of other.. I think it is partly that as well. Hopefully once this programme is on its way we can really make them more aware of social enterprises aware a proper framework is an element to make it work.

488. Capacity development in our space is finding people that have a passion and a commitment to work in a social economy space and we are funding them is quite difficult, many of the people don't necessarily have that background, it's a new field, have to send a lot of team members to university, luckily the universities are providing short year courses and so on but also the networking participating and getting different views and so on, I guess I am lucky in so much I managed to put together as given the nature of our work, there is a strong need for a multi-disciplinary group of people, and as long as we can get those people to have a shared mind set and bring those other skills to the party

489. in the end it comes down to the mind-set

490. Our perspective is I don't think there is any substitute for exposure, either they are doing it or other people have done it and they are learning from other people's experiences and particularly from their failures and how not to make those mistakes again that is why I talked to the UK in 2013 which was such an eye opener, I mean the youth had done so much already there a made some evaluations so maybe we could leapfrog their experience and not make our own mistakes, although our own mistakes are important. I think perhaps when it comes away from money and just growing people so I am all for making mistakes, I think we are better for making mistakes, as long as we can learn from them.

491. A lesson learned in our internal programme, is when we missed the opportunity to get the issue of social capital formation as the essential part of development, social capital is probably the primary, if you don't have that within a community if you have mistrust, and it doesn't matter how much money we pump into a programme, we have to start dealing with the issue of social capital first and foremost this issue of trust of the relationships I think then the other things fall into place.

492. coming back to capacity building too often people see the beneficiaries as the people that need to be affected by their good intention and I think this comes back to the issue of capacity building not only of the institutions and organisations, but also of the beneficiaries that they have a right and responsibility to say no if they are see a negative impact on them and our problem is that beneficiaries are often so desperate that they will take what they can get without questioning this creates a problem and so the capacity development needs to go right through and all the way to the beneficiary level so they can say we don't want to have an impact on X,Y and Z or having made an impact on some other operations.

493. it's the nature of entrepreneurs themselves they see a gap and they want to respond to it, they don't have this commitment to consultation, it slows them down, slows down the operation in their mind the people might not be empowered enough to make some of these decisions but there's is a lot of arrogance in that s well

494. Those principles are from learning from experience and seeing what happens,

495. a great example is a young man that is involved in refurbishing old shipping containers, he started off, and training youth education and so on as part of his mission and he got a wonderful opportunity to provide these containers to schools and township businesses, to gyms and all that type of thing and he has got a lot of orders now he can take that to any commercial operation and because he has done so well he is marketable now

496. I don't think that is only about social enterprises, I think it is about entrepreneurship generally and organisations like ANDI have started accepted and seeing that so we have had a lot of work being done ecosystems around entrepreneurship and how we merge all together corporates are coming in with incubators and I think there is a lot coming and its getting there, but the issue of crowd funding and angel investment and other sorts of financing its risk aversion is still there and I think almost to an extreme level although a lot of people are working to address the culture in our organisation but it's not there yet

497. consciousness and the culture and the ethics are important so all businesses require certain information they need to be able to sell a product, market a product or produce a product, quality, consistency scale etc. all of those things are uniform to most enterprises where the difference comes in is the maximisation of profit I see some of the other impact that you achieve in a social, the environmental side also be seen as an outcome or as some sort of capital if you know what I mean, I have great ideas and vision that social enterprises should be able to leverage the impact as capital if you see what I mean,

498. you need to understand the basics of selling and producing for a matter of fact but I think there is also a lot of room for the social enterprises to understand that is not always sufficient. There is room for the other types of impact linked to that but not only so, you also need to capacitate our banks and institutions that are lending and commissioning to also see that it's not only about a return on investment in financial terms but they need to be open to other sorts of investment and understanding it all

499. how to alter the consciousness of these guys in some way, but when it comes to social enterprises capacitation there is a lot of areas that there is the business support side and understanding the business side which is important, but there is a lot of other things they need to get one example is that social enterprises are very poor administrators and they are very poor at defining and measuring impact and they are always so busy doing it and if they want to make themselves successful is to be able to measure and to project and show the effect, so there is a lot of work to be done on capacitation and most other businesses just have to focus on the bottom line, so there are a lot of other things they need to focus the capacity building

500. see from the corporate governance specific to social enterprise what needs to be considered, how to make yourself more accountable to these people, the people you serve, and ethics it's no good focusing on one social issue and be environmentally destroying something else, so its not just business for the sake of business, it's needs to be part of an integrated whole and its part of this consciousness that needs to come with social enterprises and show people if you do X sometimes it has an impact on Y, that also comes back to the capacitation issues erm, I think the issue of procurement and accessing those things and normal business need a little bit more work because I think social enterprises have not

been exposed to those things social enterprises are often smaller and need to be able to compete with normal businesses on those sort of things. That is complicated and needs an understanding of the legal and financial environment

501. Understanding that you might need different funding for different stages you tend to focus and be so clear in addressing the challenge I think sometimes we need to understand how to use our resources and our opportunities better and that again comes from sharing our experience and networking and different forms of capacity building

502. To me, other organisations, intermediaries who are in involved in that space are better placed to probably, provide better support, rather than a training organisation or an organisation out there who focus is skills development and benefitting from that if we can find social enterprises that do do skills development or do do capacity development in some way or do do beneficiaries support and so on within the sector we should be able to find the right organisations and then there NGOs and other organisations that can play a very important role. I do get nervous when purely business orientated organisations try and do it on behalf or try and do their bit for social enterprises, I think we… it's too much pushing and not listening and very often they confuse and complicate the lives of the social enterprise

503. There are two things I am very keen on in the next year, the first is providing sufficient networking opportunities I think the issue of networking has become critical and peer to peer learning is great. The second is, and maybe linked to the first one I am committed to the first one is the establishment of a community of practice it will provide not only resources information access to other people but things like opportunities, good practice bad practice case studies things like that, but to be accessible by social enterprises almost as a hub is very important

504. it needs to be run by practitioners for practitioners, it can't be organisations like me running it, I am too conflicted and have my own interests and that sort of thing, it has to be owned and run by the social enterprises themselves and that is going to take quite a lot of time to try and get it off the ground well again it comes back to networking and an accountability clause and so on, and we should be different types of network, a part of the ecosystem supporting them rather than controlling

505. I think social entrepreneurs themselves should own and drive the thing and I think that will then be able to provide what capacities should be provided and what form they should take

506. as soon as we can build the ecosystem of different actors it would be great.

507. Coaching and mentoring is critical but you have to make sure the coaches and mentors have walked the walked that is a problem we don't have enough people on the ground.

TC

508. I'm a chartered accountant by profession

509. I think, quite frankly, it talks to our success that the individuals that we have admitted recently, did another strengths profile and we've come up. We are completely competent. That's actually been the reason for our success, in that we've known each other for each other's strengths. Therefore, we can focus on different elements of the organisation without competing for leadership. I think that's very much learning. We have very different leadership styles so, certainly, it might appear that I have the lead the organisation.

510. But, internally, in terms of expertise, we're very dependent on each other, in terms of executing it in different ways, in different places. That's been very important

511. I was lecturing at a university recently and this is the definition

512. [on CD] for me is having the right skills and knowledge to be able to develop and execute an idea successfully the idea to be. Essentially, within a corporate previous life, we were being capacitated all the time. So you were either being capacitated by, you know, you came straight out of university and knew absolutely nothing. By having a senior manager, or manager, teach you how to do something, that was being capacitated. In some cases you would go on a course. That was being capacitated different ways to be capacitated and it's a lot easier in a corporate setting because the organisation needs to

grow people through the organisation. That's what I'd like to see. Personally, it's much more difficult when you step out of a corporate world to continue to capacitate yourself. You've got to be quite deliberate about it

513. I left with a lot of knowledge eight years ago because I was exposed to some great opportunities in my corporate world, my corporate life. Whereas, quite quickly, you can quite quickly go stale. So I'm thinking you have to be quite deliberate as an individual about developing That means continually networking, to explore new ideas, to send yourself on courses networks of individuals like the Schwab, like Learning continuously, continuously learning and evolving your skills to improve your organisation.

514. Within an organisation, it's modelled more like the corporate world to capacitate people. We mustn't… We often forget about the people who work in our organisations, particularly when running smaller organisations, you're so focused on spending all of our money on the very individual beneficiaries that we are focusing on their lives, for whatever objective, and you forget to capacitate your people. I think you need to set a culture of capacitating people, and growing people, and you need to have a budget to capacitate and grow people internally

515. Interestingly, we haven't actually had too much of a development budget, but actually, it's been a big focus for last year and this year.

516. I think this is what does happen often in social enterprises, is when you are so driven with people who are overqualified for the position. I mean, that's another way actually means. So, we have generally recruited people who over qualify.

517. . They share their knowledge with you as well, for free.

518. That's really been our secret to success is that we've had the most incredible people and teach us things.

519. Yes, so that's obviously the core of what we do with individuals. That's where we learned about training the last eight years. We get everyone going, oh, training methodology, fabulous products, teach them business skills and everybody would be successful. when we started to learn, when we weren't successful with everybody. First of all, we had to learn to be realistic. Secondly, we had to worry we didn't really understand what the individual needed.

520. And they needed a lot more about what works. To know practical skills, yes, those are important, but we need to do the work on affording them with confidence and building a team. You know, nice skills-related things, making different choices. about their lives and get into the balance and literacy skills so they actually can write. So, we really had to our model on its head two years into saying, you know what, you have to focus on the whole woman; healthy woman, healthy family, and, of course, a healthy business

521. We sort of talk within our business. I think that's very interesting from a capacitation point of view, we realised, I certainly realised, that I didn't have the right skills to do this kind of work. I was in the business of training other people how to run a business I didn't know how to do trauma counselling and add life coaching into that our solution was to bringing professionals to help me do that work. You have to have an open mind.

522. A lot of individuals who come with a specific solutions, solution doesn't necessarily work, don't have an open mind as to, gosh, there must be a way.. there must be a way of seeing or finding the people who can help you find that way and that path. We kept very open-minded it's like peeling an onion. Whenever we discover that we're missing a piece of the puzzle, we're excited about discovering that. Then we'll go and find how to fill that piece, capacitate that piece of the puzzle. We just keep building puzzles.

523. she's also built a very holistic programme around disability awareness, disability education and has a nice hybrid model of a for-profit and a not-for-profit, you know, being funded by the for-profit. So quite interesting and Shona learnt a lot of lessons, so she would be an example of somebody who has training in business

VM

524. . I did the same with my PhD research

525. . what are the learning, or not learning, about disability and accessibility.

526. I think it's important to get the right people

527. the first thing we need is a strong culture and for everybody to get the message.

528. You need to get right-minded people, it's very important. I think even in a, and you can probably relate this to organisational change

529. . unless you've got the right-minded person and the right attitude, you can't go any further.

530. You know, to have the flexibility to make your own mistakes because it's very much a learning curve

531. So I think time and energy is a capacity,

532. . I think educate and train. I think listen to people. The key thing is to react. I have experienced first-hand

533. you react, listen to what people need. And how can you get them involved

534. So I realised we need a lot of education and training. Training the youngsters. A lot of awareness, awareness about social enterprise, and at the same time evaluate and monetise what we are doing. Just to create more awareness and then change outlooks, and change attitudes towards it

535. . To have the pioneers in the social enterprise arena if you like, to be training and be called upon, and be given time to do some training and research.

536. I think with that, people who have come through the system, people who have come from grass roots level and been capacitated, to be a success, to be part of something. Then people who are in the middle. Look at our management team, we bring them into board meetings and let them give presentations, because they are passionate about what they say and what they do. You can see it when they present

537. . We have the right people in place to do the work we are doing, and to teach and train more people coming in. I think what would be good, looking to the training section, is to have more people like we have

538. But it would be great to have more knowledge transfer between Uhambo USA and Netherlands and Europe, and have people come in, and learn from the model, and then get some graduated students in. I don't want to get them in to be in the way, but to work with us for six months to a year, and then carry on. I think that will help sustainability. Help us to develop nationally and then internationally.

539. So that's kind of knowledge transfer at all levels. Also what I wanted to do is put a research component, I have become a research convert, from being a real kind of no, I can do what I... I will get it done, I will get it done, what's the point of all this stuff. Then when I was at UCT I became a research convert, and an amazing woman called Dr Colleen Howell did a lot of policy stuff,

540. She did a lot of disability research on policy, especially in higher education. Anyhow, I totally realised how important this is, and what a difference you can make putting a research component to it. That has capacity that we need, that helps the valuation and learning and monitoring. Where we have been, how far we have come

541. When I take my lectures I say look, I give examples of how I became an educator, specifically

542. I heard a brilliant definition the other day of a good teacher, takes complex issues and makes it easy to understand, and an academic takes simple issues and makes them impossible to understand

WM

543. Vula has a capacity development aspect on the health workers, on our users. So, I mean, the health workers get case-by-case training, and so it increases their capacity to do more work.

544. become a proper technology company, with sort of in-house training and that kind of thing. We're quite far off from that.

545. we haven't worked out the commercial model properly yet. I mean, nothing was really working. I mean, although we've got the two business models that are kind of operation, we haven't brought in much money. So I suppose we might need more that kind of capacity in the future, yes. I mean, that would be after bringing the tech in-house, so, I mean, this is way off.

546. I would most like to do is the alt MBA, A L T M B A, run by Seth Godin. It's like an MBA where you don't get a qualification at the end, so if it wasn't useful or you don't think it's going to be useful, then don't do it. So I think sometimes, some MBAs, I've seen people do it to kind of get a leg up in a corporate. It's not my kind of goal.

547. Debré's doing a course on machine learning and AdWords and things like that. So I think the courses you need to do very, very much depend on the people and the type of business. I think I've seen courses on entrepreneurship and this, that and the other thing, and I think just like, I'm not really sure… I wouldn't go for it myself, but maybe there are others that would feel that they would benefit

548. I enjoy public speaking, and did a lot of drama kind of growing up, so…

549. But we do consult them all the time because they often ask for extra features, they want research done, so there's a lot of interaction, but it's more practical day-to-day stuff. And if there is anything strategic where we don't know for example, which orthopaedic companies to target, the head of orthopaedics would tell us which are the top ones.

550. . So, there's a lot of stuff we just don't know that they advise us on, but there's no formal relationship or any exchange.

551. And then over time the capacity of the health system is improved because the administrators can see where that need is actually coming from and then allocate specialist resources appropriately. And that's the capacity that Vula

552. . Debré is our country-wide expert. I think… She does a couple of courses on the side, but I'm not even sure how you'd increase her capacity

553. I suppose just through experience I've learnt a lot about health systems and technology. Those are our only two employees

554. We don't do that ourselves. In the sense that the users are interacting, and we can see how their capacity develops

555. We need to bring the technology development in-house if we could

556. But in the future, if we had more money we would… We've highlighted someone we would love to employ as a chief technology officer and that person would be responsible for developing the team required to develop Vula far better. But yes, then you become a proper technology company with some in-house training and that kind of thing

557. I think in South Africa there's a lot of encouragement to develop small businesses, black-owned businesses and things like that. And there are opportunities.

558. So, sometimes some MBAs, I've seen people do it to get a leg up in a corporate… That's not my goal. So, I think that's the kind of thing I would like to do, but to other people

ET

559. I started studying economics many years ago now and I was doing the normal part of economics, because I wanted to work in the stock market, but then I read the book from Professor Yunus, and then I wasn't satisfied with how they were teaching economics because it was all formulas and theories and it didn't explain about things that you see. Then I changed and I started studying development economics…

561. When you develop a capacity, you actually broaden the opportunities of reaching the objectives you want in your life, e.g., at point zero, you had a certain set of objectives you're to reach, and opportunities you have in your life. After the capacity building, I would expect you broaden this field of opportunities and objectives you can reach.

562. but when you build on your capacities, actually I expect you to be more able to use resources or convert them into actions and doing more and diverse things and being able to reach different objectives.

563. it's connected to the capability approach that actually we use many of our works as a research centre because we have quite an understanding humans and individuals and how and why they behave in a certain way in development processes, it actually probably identifies a bit more things rather than finding a cause-and-effect relation, it puts many more things together, e.g., giving money to an individual might not result in more opportunities for him because this depends on what he has around and his knowledge of things and so on. It's connected to the idea of human development

564. Capacity Development is Human development, it is connected to the work of Sen and then UNDP used it. We actually work on the concept of the capability approach, which is connected to human development

565. I think that we develop capacities in many different ways. It's not just training in class or attending university, you can develop capacities by doing things, and also the learning by doing. That will then… By interactivity also you might learn the soft skills and develop capacities, staying together with people, or communicating or trusting or not trusting, e.g., work.

566. I would see capacity building as something moralistic rather than something that you have to learn or you do just in some moments. You do capacity building over your lifetime in different ways. In terms of how things happen in life are capacity building or not depends of course on you and some of the features you have as an individual but also on the context. It is an interaction between the individual and the context which then creates the capacity building of the individual

567. Let's say that you are a person and you live in Florence, and you are intelligent, you can learn things, and then you learn some English at school but not so much. When you're building your capacity to speak English, actually the context influences you. Because you are in Florence, you have much more opportunity to do so and you might find moments of interaction with other people who speak English. And actually thanks to the environment you're in, from that environment you are able to practise English and learn. If you just study it in school or… You're also… By the environment, e.g., if you are in the countryside where no one speaks English, you will just learn small English at school and then at the end you would lose it; this is not capacity building. I know this perhaps is not the perfect example but I think it might explain what I'm talking about, about the relationship between the individual and the system

568. Yes, e.g., if we think about entrepreneurship, e.g., when you speak about environment and the district and the industrial atmosphere, this actually means that in your common life when you go to the bar or you to go to the restaurant or you go to the church and so on, you are surrounded by people that are entrepreneurs and you hear them speaking about their enterprises. After a while, these are all some things that you gain and you actually build…

569. May contribute to build a more entrepreneurial attitude, while another individual. While if you are surrounded by, e.g., state employees, maybe you don't build your capacity of being an entrepreneur because you don't have role models or examples around you.

570. I think the most valuable learning is when they… You get it from a daily job and relations with people and clients and partners, where you can actually understand different perspectives and learn from different environments, and when you go to a different country, let's say, that's a huge capacity-building moment because you might learn new ways of doing things in innovative ways.

571. I think for our situation and level of knowledge that already the team has, capacity building comes from the field activities that we do. You also take part in seminars, conferences, and so on, and I wouldn't see it as capacity building itself, it's more building knowledge

572. Capacity is your ability to transform your knowledge or your resources in activities or in certain results. Knowledge is a resource, it's like money. You might have a lot of money and you can have a lot of knowledge, but then you might lack capacity in doing something. You might be very knowledgeable about a topic, but then you don't have the capacity to translate it in something practical or in something useful or you don't have the capacity to communicate it, e.g., to teach it.

573. I would see knowledge more as a resource and capacity as I think the capability approach transforming platform

574. I would say that, let's say, you can plan more or less 25% of your capacity building, but then in your own life, your capacities are built, I would say, 30%, 35% from the family you're in while you grow up, and then the other from the interaction with your environment.

575. I think an example just to explain, let's say, at 30 years you find that you have a good capacity for relating with people and understanding them and being empathic, but this is something that you don't learn in classrooms, you don't plan to be empathic or to be good in understanding people, it comes because, e.g., in your family you can discuss about problems and they listen to each other, and then when you were at school you had a good teacher that made everyone express their feelings and solving problems by discussing.

576. At 30 years old, you find out that all this has built up your capacity to understand people. That's why I say most of it comes from your childhood, your environment, and your life. And then just the part you can learn, so if I want to increase my capacity to manage money or to be precise or memorise or other things, yes, of course I can build it, I can do exercises and study it and so on, but some capacities are some things that come from your life.

577. The idea of capacity is quite broad. Activities that might improve capacities actually depend on the kind of capacity we are talking about. In terms of activity in general, all activities that have an interaction with other people of course increase capacities in terms of relations and knowledge about others and knowing diplomatic skills and so on. Activities like classroom activities as well can build some sorts of capacities. As well studying might improve your capacity to increase your retention or increase your memory or being able to reason in a certain way.

578. Reading as well might improve these kinds of capacities. Doing sport might improve your capacities of being fit and being able to, how do you say… Of moving and so on. It depends on what capacity building we are speaking about. If you think about entrepreneurship, we define more the capacities that an entrepreneur would need, I would say the activities that you need that can help you during your life are more like problem solving.

579. There's this connection at school or in family as well, it's more about the process of how things happen, e.g., if your family always solves problems for you as a kid, then you're used to having someone come and solve your problems, so you don't grow as an individual or let's say, at school, if you're used to not to think but just to learn and memorise, you might have a good memory, but then you don't build an entrepreneurial mindset. I would say it's the activities but it's also how you perform these activities. It's not just studying, it's just how the process of studying is done.

580. One of the activities that I'm inclined to since I was a child was planning and creating, and if I think about my childhood and how I developed them, I liked a lot playing with Lego, e.g., which involved a lot of planning and creating, and I liked strategic video games. I was always planning, thinking, and doing stuff and preparing. I've always been like this since I was a kid. I was helped by my family, actually, because they always tried to… I didn't have, e.g., television, so I read a lot of books.

581. I see that social enterprises that work very well are those that are set up by people that already have entrepreneurial experience, they're already entrepreneurs, and then they set up a social enterprise. They

already have the experience in capacity and entrepreneurship in general, and then they also put inside their social aim and willingness to change things.

582. when you're at school here in Italy, you are not incentivised to be proactive, to express your opinions or to think that you can actually do something, you're more like someone who follows a lead, which is the teacher. This is our attempt to try to build some capacity which is more entrepreneurial and some soft skills like working together or capacity to plan, just to think about problems and how to solve them. E.g., when we tell them to analyse the problem, then they usually go and talk to people that had this problem, to understand if their idea can work. This is also good, for them to relate to people they usually don't relate to. There are many different things. Of course, this doesn't change the world or will not change every… Students, but we have seen, e.g., that most of them started being more interested in some social things and problems

583. I think that actually if you want to be realistic, school, from elementary school and all the school path is a good place, because it doesn't mean that you have to teach social enterprises, but you can teach also in different ways a lot of the soft skills, then, and also knowledge and attitude that actually can help you create a social enterprise in the future

584. having some role models like entrepreneurs and so on, which are also social entrepreneurs, because everyone studies at school for it or others because they're connected to the economy, but then you never study about social entrepreneurs.

585. I remember how many things I studied at school then actually influenced my way of thinking about work afterwards. And I think if you want to be realistic, school is the first place.

586. In many countries, there are organisations that support social entrepreneurs, social enterprises, in different ways. Usually, it's more about consulting on taxes and legal or commercial things. If you think about capacities, I don't know, because sometimes capacities actually might not once you are grown-up already or you help them or you have that. If you are 50 and you start a social enterprise but you're not entrepreneurial, I don't think you will become entrepreneurial.

587. Because once you live for 50 years without being entrepreneurial, as an attitude, I mean, not being entrepreneurial, and you don't like risks, e.g., you are not able to plan so much, and then you are more interested in the social side, then all the matters with money or bureaucracy frightens you and so on, and I've seen this, these kinds of social enterprises coming up, and sometimes you ask yourself why they did so. And then they fail, because then they start with the… They're very passionate about the social side and then they're totally lacking in the business side.

588. Sometimes they start because there is a grant, free money, that comes from a foundation, and you can do all the training you want with these people, but if their habit is not the right one, it's not good. But if, e.g., you start an enterprise when you are 60 or 70, even if you have been an employee for all your life and then you are retired, but in all your life you have been very proactive, you want to do things, you want to take risks and so on, you might succeed. It's all about the attitude and then how much energy also you put into things.

589. I've never studied organisational learning and capacity building a lot, because I learnt about organisational learning incidentally in my work.

590. Yunus is very much connected to lifelong learning

591. We already select people that have certain capacities, of course, but actually it's at this stage of their, let's say, individual development capacity building is more about learning by doing and it's learning by experience, it's more you experience certain situations and you learn in them, and then of course there is some capacity building that we do which is more codified knowledge, which might be procedures or how to relate with clients or how to manage difficult situations and so on.

Appendix Two

Condensed Interviews with Practitioners. To distinguish the difference between the practitioner and participants interviews, the numbering for the practitioner interviews begin at 592.

592.   you are asking about our HAD/Islamic Relief worlds, the model would be totally applicable, absolutely

593.   [referring to the 5 domains model]It does make perfect sense

594.   Obviously there is so much light recently shed on the localisation, and on actually the role of the local implementing partners, local NGOs, but also local and national governments to bring about the change, and be more active, and be more so to speak powerful in many ways.

595.   thinking only about the UN, and humanitarian action, but any activities that the World Bank is trying to pursue through giving loans to national governments, and then overseeing the whole process.

596.   But it's really the government who is implementing also their government body. So, all this, there is also a layer of capacity development I trust at every level

597.   but it definitely resonates. It's a very interesting

598.   I really appreciate this because I think many good projects, or good interventions, unless they are located at least in the larger context, they seem to be not very effective. Or one-off intervention, or something which is forgotten and then not pursued, nor followed up in spite of big transactional costs to bring this project, and implement this.

599.   This is extremely useful to put something in the larger context,

600.   So as with any model it is kind of trying to simplify the reality, and represent the reality as it is

601.   Especially I appreciate those, this human development aspect, and governments aspect

602.   An individual obviously would be interlinked with all these five fields.

603.   In Indonesia, people usually they have two, or three jobs, and the NGO sector is so flourishing that they would be members of a number of civil society organisations. Still having the government job, because 60% of people is having government jobs.

604.   So, you are wearing multiple hats

605.   It is very comprehensive, this is definitely the strength of it. It would be extremely useful if it would be really used as a programmatic tool.

606.   That's a very, very good programmatic perspective for a tool to take three steps back, and then to have the project evaluated after some time

607.   That makes perfect sense

608.   I've just done a piece for our Leadership Development Programme, the LDP that we run through HAD. And that actually captures perfectly the relationship between the individual development and the organisation development as a result of that programme, really. Or what the organisation wants as outcomes from that in terms of they will describe this as they want it to be manifested in the shape of changed leadership behaviour.

609.   his identification of leadership behaviour was a little bit out of line with what the CEOs of the other partner offices believed to be right.

610.   And when we tried to define what the business as a whole needed, this real disparity came out between what different factions thought it was, and when we unpicked it, actually, it came down to two things. It came down to the culture that exists within the partner offices and the demographics of the areas that they operated in. Does that make any sense?

611.   Who defines the culture? Who is the culture? They really have some difficulty, often, in identifying that, actually, they set the culture.

612.   establishing good credibility had to happen very quickly in order to gain their trust to move them on.

613.   showing an obvious respect for them, respecting their position

614.   The classic one of they will help, their NGOs, the organisation develop. The organisation then will go and work with the communities and help them develop, which in turn, will help put the government and public sector infrastructure back in Syria. Start to affect that.

615.   individuals within that department where, ultimately, that they are contributing to the infrastructure and the macro level that their government will work at.

616.   Yes, I can see that making perfect sense.

617.   I can see good links back to the government and public sector development or role in that, certainly, and then link back to community development. That makes perfect sense

618.   I can see why you've chosen these blurred lines, because it's not clear. It's not clinical. It's not linear. It is about the blurriness.

619.   No, I haven't see anything like this before, I think what I've seen, if anything, and I'm trying to think where I've seen it, is I think there are things around development that are addressed in each of the domains, as you've called them. So I think people tend to concentrate more on individual domains and will talk about capacity building, capacity development as each of those domains

620.   I don't think I've seen anything that pulls the five domains together and that perhaps illustrates that as well as you have got here. And I think that what I've seen up until now in development is probably more siloed thinking, really, rather than holistic thinking, and thinking about how those links can be made and what the role is of each domain

interacting with others.

621.   I've not really seen it expressed in this interrelationship way before.

622.   I go back to the Syrian NGO example I used earlier, I know that people who attended the programmes were there for their individual development. No, actually, that's wrong. They were there for the capacity-building element to take back into their NGOs, but we almost forced them to concentrate on the individual development initially before they then went back and put it into the development of the organisation

623.   And interestingly, actually, in that scenario, they all knew they all came with one aim in mind, which was about community development ultimately.

624.   it is very useable. I think what it does is I think it puts you in the mindset of thinking about then the links between all of the domains. It takes away the focus. What am I trying to say? I think if people have got a particular focus that they are thinking about in the work that they're doing, it actually forces them, rightly, to step outside of that focus and think about the bigger picture.

625.   I can see the links between the individual development and so on and so forth around each of those domains

626.   So I think it has some real resonance. I think it works. I think it forces people to… And when I say force, I don't mean that in a negative sense. I think it encourages, shall I say, encourages people to think differently about a particular initiative and look at it at the macro and micro level, and the ultimate, so what? That's how it feels for me.

627.   you gave government and public sector a bigger importance in your model. Because under organisation you can fit so many things, from SDGs to private sector

628.   So there's overlaps everywhere. And ideally in an intervention this is what we usually promote when we talk about, let's say private sector development. We talk about the macro level, there's a meta level also, even higher. There's a meso level, and then a macro level. So ideally you would work on qualities which fits under government, and public sector. For you one of the things, it could be a lot of things.

629.   Organisation is the meso level, so it would be, yes, organisations, or you know, [sound slip], unions all of that. Then individual are the end beneficiaries. These three for sure. Then depending on, yes, because you're talking about social enterprises, then for sure community
630.   development. I wouldn't have thought intuitively about human development in the way you explained it. So, the choice, and the freedom, it wouldn't occur to me.

631.   it makes complete sense. But, practically speaking we never work on everything at the same time.

632.   getting all the partners, or all the counterparts in each of the categories involved at the same time. It depends on the context,

633.   It's definitely helpful, yes.

634.   the first thing that comes to my mind, it gives me structure. It helps me structure my intervention. So I know that these are the different counterparts I need to work with

635.   I need to adapt the intervention to each of the counterparts. And the way I see it, it's really beneficial in structuring the intervention

636.   The categories are anyway broad that they include everybody, so organisations

637.   I don't think there's anything missing.

638.   So you have, especially that one, because we work on crisis about countries, and countries at war. You might have stakeholders from one of the categories that are completely missing.

639.   Government and public sector might be present, but not efficient, or might be at war, or there might not be governments

640.   I think it's comprehensive, and it includes everything

641.   "Wow, this is just what we need, there is nothing that captures capacity development like this, that takes us out of our silo thinking and gives us for the first time a model that we can use to develop our social enterprises and assess and evaluate our development interventions"

0Appendix Three

Question Areas for the Phenomenographic Interviews

1. Can you tell me a little about yourself, job and organisation?

2. What is your understanding of the concept Social enterprise? (Referential aspect)

    Where does your understanding/definition come from?

    How do social enterprises differ from traditional enterprises? (Structural aspect)

    How do they differ from NGO's, and third sector organisations?

3. What is the role of social enterprises in national and/or international development? (structural)

    Can you give me some examples?
    Why do you think that?

4. What do you understand by the term Capacity Development? (Referential aspect)

    Why do you define it in that way?

    What different things constitute capacity development to you (structural aspect)

    Can you give me some examples of that?

    How is Capacity Develop manifest in your work?

    Does your organisation more often provide capacity development or receive capacity development?

5. What are the capacity development needs of social enterprises (referential and structural aspects)

    Do you think the capacity development needs of SE differ from other types of organisation

    Why do you think that?

    Can you expand on that?

    Who is best placed to build the capacity of SE's……Why do you think that?

    In your opinion what could that be like?

6. Reflecting on the areas we have discussed is there anything else you would like to add about the capacity development of social enterprises.