

The importance of social entrepreneurship for economic regeneration in a post-Covid world

By [Miranda Hosking](#), issued by [Gordon Institute of Business Science](#)

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Social entrepreneurs who position their business activities at the intersection of purpose and profit are uniquely placed to contribute to the regeneration of South Africa's economy post-Covid.

While the pandemic continues to overwhelm and devastate many businesses, it also provides an opportunity for renewed focus. The current situation is uniquely suited to the social entrepreneurial mindset, which demands constant innovation and ideation, both of which come naturally to these entrepreneurs.

However, the lack of any ecosystem of support for social entrepreneurs needs to be addressed with urgency, as businesses from all sectors struggle to survive.

Well-known author Arundhati Roy, best known for her novel, *The God of Small Things*, which won the Man Booker Prize for Fiction in 1997, explored the idea of the Covid pandemic as a portal in her widely quoted piece in the *Financial Times* in April last year.

“Historically, pandemics have forced humans to break with the past and imagine their world anew. This one is no different. It is a portal, a gateway between one world and the next. We can choose to walk through it, dragging the carcasses of our prejudice and hatred, our avarice, our data banks and dead ideas, our dead rivers, and smoky skies behind us. Or we can walk through lightly, with little luggage, ready to imagine another world. And ready to fight for it.”

Repositioning and thriving post-Covid

As we enter the second year of the Covid pandemic, the prospects for many businesses remain dire. However, now is a key moment to position ourselves to ride out the wave and decide how we thrive beyond it. Social entrepreneurs should be more alert now than ever to new business prospects. There is a real canvas to paint on and a chance to implement innovative solutions to the fall-out from this crisis.

Opportunities abound for social entrepreneurs that offer not just commercial prospects, but also a chance to pivot and identify what is possible.

Social entrepreneurship is not welfare or charity. It attempts to pursue social purpose and cause in a way that is run in a commercial manner - it is where profit and purpose align. Initiatives in this space often address issues of education, health, climate, and livelihoods, which are among those sectors that have been upended by the pandemic.

By simultaneously combining the pursuits of purpose and profit, social entrepreneurs blend the lessons from business while pursuing opportunities for change.

If you are a real social entrepreneur, you will see the current context as an unrivaled opportunity to use your energy to generate something new, hopeful, and tangible beyond the present negativity.

Reconfiguring support structures

The Covid pandemic has undoubtedly had a destructive impact on businesses both small and large, indiscriminately inflicting closures and job losses. Such consequences have been especially acute for social entrepreneurs who primarily pursue a social mission.

As such, any potential economic recovery promises to be challenging for all entrepreneurs, and especially so for social entrepreneurs, where the profit motive is not central to their business concerns.

The complete lack of support for social entrepreneurs operating in South Africa is therefore especially unfortunate, despite the areas of real need in society and opportunities for a meaningful business contribution.

Social entrepreneurs operating in South Africa, where there is widespread inequality, seek to combine social imperatives with profit-based outcomes. As social entrepreneurship is a relatively new phenomenon in South Africa and globally, rates of participation remain low. Additionally, there is continued uncertainty about where important support structures for these organisations should be located.

As the activities of social entrepreneurs fall neither under the remit of the Department of Small Business Development, which is responsible for the promotion of entrepreneurship, nor that of the Department of Social Development, social entrepreneurs are left straddling these two entities without the means of an adequate support structure.

The Department of Small Business Development's revised Strategic Plan for 2020–2025 that informs thinking around entrepreneurship and development makes no explicit mention of social entrepreneurs, even though it makes provision for several sector-specific initiatives in the automotive, clothing and textiles industries and for microenterprises in the form of spaza shop outlets.

The plan states that “Government is committed to give greater support to the SMMEs and Co-operatives sector,” but fails to take into consideration those business owners working in the social entrepreneurship space for the good of society.

The issue of appropriate support structures must be grappled with urgency as the current support framework is dismally inadequate and fragmented.

Resources for social entrepreneurs

The 12th Social Entrepreneurship Programme (SEP), run by the Entrepreneurship Development Academy at the Gordon Institute of Business Science (GIBS) this year will take excellence in business thinking and apply it to the social development space. The programme aims to provide social entrepreneurs with the skills, tools and resources that are required to build, run and scale an effective social enterprise.

GIBS produced a Small Business Survival Toolkit at the end of 2020. The video series is available on the GIBS YouTube Channel. The toolkit addresses leadership and crisis management; design thinking; restructuring and resilience in decision making, enabling social entrepreneurs to focus their efforts beyond Covid.

Social entrepreneurs are accustomed to much of this thinking, as their main objective is finding innovative solutions to social problems.

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