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Social Entrepreneurship in Sub-Saharan Africa

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Abstract

Responding to calls for a better understanding of the relationship between social enterprises and their environments, this article focuses on contextual influences on social entrepreneurship in sub-Saharan Africa. We identify four predominantly African contextual dimensions, i.e., acute poverty, informality, colonial history, and ethnic group identity, and explore their influence on the way social ventures perceive themselves and on their choice of activities. Our empirical study of 384 social enterprises from 19 sub-Saharan African countries suggests that ethnic group identity and high poverty levels influence both self-perception and activity choices, while the country's colonial history only influences self-perception and informality has no significant influence on either. These findings point to the need to consider both self-perception and the choice of activities in defining social entrepreneurship. Our study also highlights the importance of African contextual dimensions for understanding social entrepreneurship, and underlines the added value of incorporating insights from African data into management research more broadly.

Keywords

Social entrepreneurship – Africa – Institutions – Social Enterprises – Poverty

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While most scholars agree that what differentiates social enterprises from their commercial counterparts is the fact that they combine profitability and social/environmental goals (Dacin, Dacin, & Tracey, 2011; Doherty, Haugh, & Lyon, 2014; Pless, 2012), what social entrepreneurship actually entails is still the subject of heated debate. In particular, there remains disagreement amongst scholars regarding definitional boundaries and the dimensions along which these enterprises should be identified and analyzed (Dacin et al., 2011; Mair & Martí, 2006; Santos, 2012; Zahra, Gedajlovic, Neubaum, & Shulman, 2009). These debates are not purely academic, as they also have significant implications for policy (Leadbeater, 2007). Different scholars have used varied approaches to tackle this question, ranging from calls for theory-based rather than practice-based definitions (Mair & Martí, 2006), to arguments that some definitional differences may come from the co-existence of competing schools of thought in the literature (Bacq & Janssen, 2011).

In this debate, scholars have highlighted several dimensions as particularly relevant to the study of social entrepreneurship, with important implications for the definition of social entrepreneurship. Self-perception as a social enterprise, for instance, is commonly used in empirical studies to identify social enterprises or social entrepreneurs (Lyon, Teasdale, & Baldock, 2010; Mair, Battilana, & Cardenas, 2012; Meyskens, Robb-Post, Stamp, Carsrud, & Reynolds, 2010), suggesting that the fact that individuals consider their venture to be a social enterprise is key to understanding its mission and activities. Similarly, some scholars have analyzed the choice of activities as well as the patterns of profit distribution as a way to assess the co-existence of social and profitability goals, and thus determine the social entrepreneurial nature of a venture (Doherty et al., 2014; Santos, 2012; Zahra et al., 2009). Other scholars stress the diversity that exists across social enterprises, leading to the development of typologies based on a variety of dimensions (e.g., Mair et al., 2012; Zahra et al., 2009).

Reviewing this literature, however, Bacq and Janssen (2011) find that, amongst the different

relevant dimensions that could impact social enterprises, the characteristics of the environment (i.e. the context in which the venture operates) have received very limited attention, in spite of early acknowledgements of their importance for social entrepreneurs (e.g., Mair & Martí, 2006). At a basic level, the environment creates the social needs and thereby the social opportunities that entrepreneurs or their agents can pursue (Santos, 2012). It also determines the legal recognition and forms of social enterprises, with important variations found across different countries (Defourny & Nyssens, 2008; Kerlin, 2006; Peattie & Morley, 2008). At a deeper level, characteristics of the environment are likely to not only impact the possible emergence of social enterprises, but also many of the characteristics of these ventures. For instance, scholars have highlighted the importance for social enterprises of the effectiveness of government actions and quality of infrastructures (Partzsch & Ziegler, 2011; Santos, 2012), of formal and informal institutions (Rivera-Santos, Rufín, & Kolk, 2012), of cultural preferences for individual or collective action (Montgomery, Dacin, & Dacin, 2012), or the extent to which compassion will be transformed into social entrepreneurial initiatives in different institutional environments (Miller, Grimes, McMullen, & Vogus, 2012). A better understanding of the impact of the environment on different dimensions of social enterprises therefore seems essential.

In this paper, we take a first step in addressing this gap with a study of sub-Saharan African social enterprises. We seek to answer the research question: *How do contextual dimensions influence social entrepreneurship in sub-Saharan Africa?* The African continent provides a particularly apt illustration of how an environment can influence social entrepreneurial ventures. In spite of variation across, and within, countries, sub-Saharan African countries are typically characterized by high levels of poverty, with 26 countries ranked among the 30 poorest countries in the world (International Monetary Fund, 2013); government failures, with 14 countries ranked among the 30 most corrupt countries in the world (Transparency International, 2012); and poor infrastructure, market failures, and a large informal economy, with 23 countries ranked among the 30 worst countries to do business in (Doing business, 2012). Furthermore, the African institutional environment is characterized by lingering colonial influences (Acemoglu, Johnson, & Robinson, 2000) and by particularly strong ethnic group identities

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(Michalopoulos, This issue; Nyambegera, 2002), setting it apart from other developing country contexts. The sub-Saharan African environment is thus likely to create many opportunities for social enterprises to emerge in new and creative forms that reflect this institutional variability and constraints.

Grounding our reasoning in institutional theory, we identify four predominantly African contextual dimensions: (1) acute poverty, (2) informality, (3) colonial history, and (4) ethnic group identity, and explore their influence on the way social ventures perceive themselves and on their choice of activities. Our empirical study of 384 social enterprises from 19 sub-Saharan African countries suggests that ethnic group identity and high poverty levels influence both self-perception and activity choices, while the country's colonial history only influences self-perception and informality has no significant influence on social entrepreneurship.

Our contributions are threefold. First, we underscore the implications of environmental characteristics for the self-perception as, and the actual activities of, social enterprises. In so doing, we take a first step in responding to calls for a better understanding of the relationship between social enterprises and their environment (Bacq & Janssen, 2011; Mair & Martí, 2006). Second, our findings show that there is a conceptual and empirical difference between self-perception and the activities of social enterprises, suggesting that caution is needed when equating self-identification as a social enterprise and an actual social mission on the ground. This study thus contributes to the debate around the definition of social entrepreneurship by emphasizing the need to consider both perceptions and activities to define a social entrepreneurial venture. Third, our exploratory analysis of sub-Saharan African social enterprises helps not only expand our knowledge of such organizations in these settings, but also highlights the insights that African data can bring to the social entrepreneurship literature, thus responding to calls for an incorporation of African insights into the academic debate in management (Zoogah, 2008; Zoogah & Nkomo, 2013).

The paper is organized as follows. We start with a discussion of the social entrepreneurship literature and insights offered on boundaries and characteristics. This is followed by a presentation of the specificities of the African environment, considering the socio-economic and historico-political

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contextual dimensions. Building on these foundations, the subsequent section links the specific characteristics of the sub-Saharan African context with perceptions and activities of social entrepreneurial ventures, and discusses the key findings of our empirical study of social enterprises in 19 African countries that allows us to disentangle these relationships (the full details of the study are included in an appendix). The final section discusses the implications of our research for the social entrepreneurship literature and the management field more broadly.

Social Enterprises and their Characteristics

Beyond the agreement that a social enterprise combines profitability with social/environmental objectives (Doherty et al., 2014), which, some authors argue, is a tautology rather than a definition (Cho, 2006; Parkinson & Howorth, 2008), there is little consensus on boundaries and characteristics. Similar ambiguity exists in relation to social entrepreneurship, and as a result, definitions abound, leading authors to characterize it as an essentially contested concept (Choi & Majumdar, 2014) and the field as a whole as pre-paradigmatic (Lehner & Kansikas, 2013). Interestingly, these debates are also important in practitioners' discussions of social enterprises and entrepreneurship (Financial Times, 2013), suggesting that these definitional issues do not only reflect academic concerns. Different approaches have been taken in the process of clarifying these boundaries, including: the development of theory-driven definitions; the identification of several schools of thought in the literature to explain variations across definitions; empirical and conceptual typologies; and exploration of the different dimensions of social entrepreneurship.

Responding to calls for a grounding in the broader management literature as a way to go beyond practice-driven definitions that may reflect specific cases (Mair & Martí, 2006), some authors have developed conceptual frameworks to understand social entrepreneurship and social enterprises in the light of existing theories. Santos (2012), in particular, contends that there is a conceptually distinct domain for social entrepreneurship. He argues that there are specific situations in which social entrepreneurial activity can be expected to emerge and that social entrepreneurship scholars can therefore define social

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enterprises as being created to respond to a particular type of situation. Highlighting the trade-off that exists between value creation and value capture in the combination of social and commercial goals, he contends that situations in which simultaneous market and government failures arise are the context in which social enterprises can be expected to emerge. Building on these premises, he suggests that "social entrepreneurship is the pursuit of sustainable solutions to neglected problems with positive externalities" (Santos, 2012: 335). Similarly, Miller and co-authors (2012) highlight the importance of compassion and pro-social motivations to understand social ventures, arguing that three mechanisms (integrative thinking, pro-social cost-benefit analysis, and commitment to alleviating others' suffering) can explain the transformation of compassion into social entrepreneurship, and identify the institutional conditions in which this transformation is most likely to occur. Interestingly, both approaches highlight the importance of interactions between social enterprises and their broader economic and institutional environments.

Other authors argue that the definitional differences that can be seen in the literature may not reflect the social enterprises themselves, but, rather, the scholarly approaches taken to analyze them. Bacq and Jansen (2011), for instance, identify three main schools of thought in the literature: the social innovation school, with a strong focus on the entrepreneur him/herself; the social enterprise school, in which the entrepreneur takes a secondary role, superseded by the role of non-profit organizations or states; and the EMES (Emergence of Social Enterprises in Europe) school, which emphasizes collective action and is more prevalent among European scholars. Here again, the authors highlight the importance of the environment in which social enterprises evolve, even though the focus resides in the view of scholars themselves.

Arguing that one-size-fits-all definitions may not accurately reflect the complexity of social enterprises and entrepreneurship, other authors have approached these definitional issues through the development of typologies based on the different definitions that exist in the literature. Dacin, Dacin and Matear (2010), for instance, identify 37 different definitions and explore what may be unique about the concept of social entrepreneurship. The authors conclude that social entrepreneurship cannot be considered as distinct from the broader concept of entrepreneurship, but that the specific context in which

social entrepreneurs and their ventures operate provides interesting avenues for research. By contrast, Zahra and co-authors (2009) focus on the distinctive aspects of social entrepreneurship, drawing upon 20 different social entrepreneurship definitions from academic and practitioner literature. They argue that social entrepreneurs can be seen as individuals pursuing a total wealth that combines economic and social wealth, with the authors defining social entrepreneurship as encompassing "[…] the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner" (p. 522). Within this broad definition, the authors identify three different types of entrepreneurs: "social bricoleurs", "social constructionists', and "social engineers", which they connect to three different intellectual traditions related to Hayek, Kirzner, and Schumpeter, respectively. Using an empirical, rather than a literature review-based, approach, Mair, Battilana and Cardenas (2012) also develop a typology of social entrepreneurial ventures. They identify four types of social entrepreneurial ventures based on the four possible forms of capital that can be leveraged by the entrepreneur: social, economic, human, and political capital. The importance of the environment in which social enterprises are active is therefore also recognized in this approach. Different typologies highlight different dimensions, however.

Overall, the debate regarding the conceptual definition of social entrepreneurship is ongoing. Perhaps reflecting the essentially contested nature of the concept and the relative youth of social entrepreneurship as an academic field (Choi & Majumdar, 2014; Lehner & Kansikas, 2013), empirical studies tend to take a more inclusive approach. Many authors let social entrepreneurs self-identify (Mair et al., 2012; Meyskens et al., 2010; Santos, 2012), and thus rely on the entrepreneurs' perception of themselves and their venture, while others analyze their activities on the ground instead. There are reasons to believe that self-perception and the social mission represented by the actual activities of the venture can vary across contexts, at the very least because of different national legal frameworks for social entrepreneurship (Defourny & Nyssens, 2008; Kerlin, 2006; Mair & Martí, 2006; Peattie & Morley, 2008). In this context, it is surprising to see the limited attention paid to the impact of the environment on social entrepreneurship (Bacq & Janssen, 2011), in spite of its implicit presence in definitions and debates

throughout the literature, as noted above. In this paper, our goal is to contribute to this debate by specifically examining the influence of the environment on *self-perception* and the *choice of activities*, rather than by developing alternative definitions. To do so, we explore the characteristics of social enterprises in a little studied, yet highly distinctive, environment: sub-Saharan Africa. In the next section, we discuss the characteristics of this environment.

The Sub-Saharan African Environment(s)

Whilst the African continent is now regularly presented as the next frontier for business (The Economist, 2013), it is still very rarely studied in the management literature, leading to calls for more empirical research on Africa (Julian & Ofori-Dankwa, 2013; Kolk & Van Tulder, 2010; Zoogah & Nkomo, 2013). In a review of 80 business and management journals from 1950-2011, Zoogah and Nkomo (2013) found only 216 articles focused on Africa and expressed regret that these studies do not show "the unique attributes of Africa that can be shared" (p. 19) across contexts. In areas of management that emphasize social issues, such as corporate responsibility, sustainable development, or social entrepreneurship, only a few studies use substantive multi-country African data that go beyond single-country cases and single-indicator set-ups (Egri & Ralston, 2008; Kolk & Van Tulder, 2010). In the area of business and poverty, Bruton (2010: 6) argues that "research in business in institutional settings where poverty is dominant remains very limited", a theme echoed by Kolk, Rivera-Santos, and Rufín (2014), who recommend widening the empirical contexts of Base of the Pyramid research to better encompass Africa.

The African continent is characterized by serious social issues, which can become opportunities for business creation, combined with a lack of resources and poor governance, which are likely to present particular challenges for social entrepreneurs and enterprises. Whilst these issues can be found in both developed and developing country contexts, recent research suggests important differences in the prominence of particular social and environmental issues within the public spheres of the Global North and South (Barkemeyer, Figge, & Holt, 2013). The prevalence of social and environmental issues in sub-Saharan Africa therefore resonates with Santos's (2012) description of the conditions in which social

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entrepreneurship can be expected to emerge, and reinforces the need to examine the unique attributes of the African context.

Sometimes seen as a unit, sub-Saharan Africa comprises 50 countries, although the inclusion/exclusion of some countries or areas, such as Sudan and the Indian Ocean islands, and the existence of internationally unrecognized secessions, such as Somaliland or Puntland, opens this seemingly simple count up to debate. Sub-Saharan African countries share commonalities, but they are also very different along substantial dimensions. In this section, we review socio-economic and historico-political dimensions of sub-Saharan Africa, emphasizing not only the commonalities, but also the variations across countries.

Socio-Economic Contextual Dimensions

In spite of relatively high GDP growth rates, at 4.12% and 5.02% in 2011 and 2010 respectively (Trading Economics, 2013), sub-Saharan Africa is still characterized by severe socio-economic problems. Out of a total of 187 countries ranked by the International Monetary Fund (IMF) for GDP per capita in Purchasing Parity Power terms, 26 sub-Saharan African countries are ranked in the bottom 30 (International Monetary Fund, 2013), with the Democratic Republic of Congo, Zimbabwe, Burundi, Liberia, and Eritrea ranked as the five poorest countries in the world. Economic and social challenges are often compounded by conflicts, such as those in Northern Mali, Somalia, Sudan or the Democratic Republic of Congo (Kolk & Lenfant, Forthcoming), as well as high economic inequality, with 7 countries ranked among the 10 most unequal countries in the world (Vision of Humanity, 2012; World Bank, 2014), and with poor political governance and government failures (Bräutigam & Knack, 2004) further exacerbating poverty. Multidimensional understandings of poverty (World Bank, 2000) incorporate not just economic components but also wider aspects of wellbeing, including health and education. The Education Index ranks 21 sub-Saharan African countries among the bottom 30 countries (UNDP, 2009). Similarly, the life expectancy at birth ranking places 29 sub-Saharan African countries among the 30 countries with the shortest life expectancy (Das & Samarasekera, 2012).

From an economic perspective, starting and growing businesses in sub-Saharan Africa is also typically more difficult than in other parts of the world, linked to poor infrastructure, relative cost, and bureaucracy. The "Ease of Doing Business" ranking, places 23 sub-Saharan African countries among the 30 worst (Doing business, 2012). Challenging business conditions alongside weak institutional structures lead to high levels of informality (De Soto, 2000; Godfrey, 2011), with important implications for management scholars (McGahan, 2012). For example, Zoogah, Peng, and Woldu (This issue) discuss the influence of informal institutions, and the importance of possessing informal resources and capabilities, in the context of organizational effectiveness in Africa. Estimates of the extent of the informal economy across the African Continent are elusive and coverage remains patchy. Current figures from the International Labor Organization (ILO) of the percentage of people employed in the informal economy cover only ten sub-Saharan countries, and range from 33% (South Africa) to 70% (Zambia) (ILO, 2012). The ILO further states that "cross-country data suggests that informal employment is paired with low income per capita and high poverty rates[...] People in extreme poverty may have no other option than informal employment" (p. 3). This link may explain the prevalence of both poverty and informality in Africa.

Of course, alongside this somber overall picture is the story of 'Africa Rising' (The Economist, 2011). Some sub-Saharan African countries exhibit high GDP growth rates in spite of global economic problems. In 2011, Ghana grew by 14.4%, and Liberia and Zimbabwe by 9.4% (World Bank, 2013), placing these countries among the 10 fastest growing economies in the world. Differences also exist within countries. Lagos in Nigeria, for instance, is the third fastest growing city in the world, with population growth of almost 50% in the first decade of the 21st century, and concurrent rapid economic growth (Kotkin & Cox, 2013). While high economic growth rates can sometimes be explained by raw material exports, in particular oil, rather than by balanced economic growth, business analysts tend to consider at least some African countries and cities as challenging but rewarding places to invest (The Economist, 2013).

Overall, this co-existence of opportunities and challenges is likely to have important implications

for enterprises emerging to address them. In particular our discussions suggest two key socio-economic dimensions that, whilst not exclusive to sub-Saharan Africa, seem most relevant for the Continent; namely *poverty* and *informality*.

Historico-Political Contextual Dimensions

The historico-political context of sub-Saharan African countries also tends to be more complex than in many parts of the world, even though substantial variations exist across countries. A stream of research has emerged surrounding institutional theory in the context of emerging economies in particular (Julian & Ofori-Dankwa, 2013; Peng, Sun, Pinkham, & Chen, 2009; Rivera-Santos et al., 2012), emphasizing the weakness of formal institutions and the resulting importance of understanding the interaction between formal and informal institutions (Zoogah et al., This issue). The Institutional Difference Hypothesis (IDH) discussed by Julian and Ofori-Dankwa (2013) highlights the importance of contextual differences between developed and developing countries. Whilst an emerging stream of work has tested this difference between developed and developing countries, there is little examination of institutional differences across developing countries within a region, suggesting an extension of IDH is needed as a way to respond to the call by Doh, Lawton, and Rajwani (2012) to consider the non-market environment of businesses in differing institutional contexts.

Among the specificities of the African Continent, there is broad agreement in the literature that slavery, colonization, and post-colonial relationships have had important implications for sub-Saharan African countries (Hearn, 2007; Herbst, 2000). Studies have repeatedly shown the link between current levels of economic development and the geographic prevalence of slave raids, as well as the impact of these raids on present-day cultural patterns (Nunn & Wantchekon, 2011; Rodney, 1981; Whatley & Gillezeau, 2011). The colonial period in itself was relatively short in the overall history of the Continent, but there is evidence that this period left important traces (Herbst, 2000), with colonial institutions persisting after independence (Acemoglu et al., 2000). For instance, national boundaries were decided by the colonizers, leaving many ethnic groups spread across several countries (Michalopoulos & Papaioannou, 2012), like the Maasai between Tanzania and Kenya (Coast, 2002). Concurrently, other

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groups were left to co-exist in the same country despite their differences, such as in Nigeria where the heavily centralized Yoruba kingdoms co-exist with Igbo communities characterized by institutions without a real central power-figure, and with Hausa Islamic urban centers (Njoku, 2006; Ostien, 2007). Recent work by Michalopoulos (This issue) further suggests that differences in these kinds of pre-colonial ethnic institutions have also had significant implications for later economic performance.

Beyond national boundaries, different colonial powers brought different approaches to colonization, and, as a consequence, different forms of formal institutions, with often lasting implications (Herbst, 2000). Acemoglu and co-authors (2000) suggested that former British colonies in the developing world, for example, tend to be more prosperous, have stronger property rights, and exhibit more developed financial markets, relative to non-British ex-colonies. Sometimes, patterns of economic dependence also emerged after political independence. The influence of large French businesses and prominent French politicians in many former French African colonies, for instance, was so strong for several decades that the term "Françafrique" was coined to reflect some French-speaking African countries' political and economic dependence on France (Verschave, 2003). This interference in African institutions by former colonizers, still denounced today as ongoing by prominent African leaders such as Thabo Mbeki (Baldé & Dayen, 2012), is not restricted to political actors and large businesses. Some authors have argued that African non-governmental organizations (NGOs) are essentially playing the role of agents of Northern institutions in their own countries due to their lack of financial autonomy (Hearn, 2007).

These historical patterns, which should also be nuanced as significant debate exists, do have important implications for present-day African countries (Michalopoulos, This issue). Beyond issues of poor governance often associated with post-independence dynamics (Bräutigam & Knack, 2004) and the resulting patterns of corruption, with 14 sub-Saharan African countries among the 30 most corrupt countries in the world (Transparency International, 2012), sub-Saharan African countries are characterized by complex institutional layers that seem to be specific to the Continent, at least to some extent (Zoogah et al., This issue).

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Tribal leaders and ethnic dynamics, in particular, still play an important role in many countries, even though it is important to emphasize that differences exist across and within countries, and that recent evolutions seem to point to a strengthening of nation-states through improved governance across the Continent (Bräutigam & Knack, 2004; Herbst, 2000). Nevertheless, the Afrobarometer surveys suggest that tribal leaders still yield an important influence throughout the Continent (Robinson, 2009), and that this influence may actually be increasing, at least in some countries. These patterns have important implications for management. Nyambegera (2002) notes that, in Africa, "the[ir] ethnic group is a key source of sociological attachment and serves as an important referent of self-identification". Organizational scholars further suggest that African management practices are influenced by the concept of 'Ubuntu' (Mangaliso, 2001; West, 2014), which is underlined by a philosophical thought system of human interdependence, reciprocity, and suppression of self-interest. Communal group and tribal identity is also demonstrated in the Kenyan practice of 'harambee', whereby financial resources are pooled together to undertake communal projects or help friends and family deal with crisis events or a specific need for funding (Kamoche, 2000).

Thus, two factors emerge within the complex interplay of historico-political characteristics that are particularly pertinent to the African context; namely *tribal identity* and the *influence of colonization*. Of course, other dimensions, such as corruption, are important on the Continent as well, but they are not as specifically characteristic of the African context (Transparency International, 2012) as the strength of ethnic or tribal identities and the lingering importance of colonial institutions.

The Influence of the Sub-Saharan African Environment on Social Entrepreneurship

The sub-Saharan African context seems to exhibit particularly interesting characteristics for social entrepreneurship researchers. Social and economic challenges abound, creating needs that can become opportunities for ventures that have at least some social goals. These ventures can range across a spectrum from for-profit commercial business models exploiting niche markets, to more socially-driven ventures responding to the prevalence of acute needs associated with extreme poverty, institutional voids,

vulnerable environmental resources, and marginalized communities. An exploration of the relationship between the specificities of the sub-Saharan African environment and social entrepreneurship is thus likely to provide novel insights.

In this section, we build on these two literature streams and discuss the expectations concerning the influence of the sub-Saharan African environment on social entrepreneurship. We consider the four contextual dimensions that are particularly pertinent to Africa as discussed above (acute poverty, informality, colonial history, and ethnic group identity), in relation to important dimensions of social entrepreneurship and social enterprise characteristics highlighted in the literature and identified in earlier discussions (the venture's self-perception as a social enterprise, and its social mission on the ground). The specification of the empirical study and exploratory hypotheses (and including details on sample, data collection, variables, results and limitations) can be found in the appendix. Below we summarize the key theoretical and empirical insights.

Hypothesizing the Influence of the Sub-Saharan African Environment

Whilst *poverty* is a world-wide phenomenon, it is particularly prevalent in sub-Saharan Africa, as explained above. A prevalence of visible poverty, stemming from a combination of high absolute levels of poverty and high inequality, is likely to impact both the venture's self-perception as a social enterprise as well as its actual activities. As the literature suggests, social entrepreneurship emerges when needs are not fulfilled by the government or the private sector, and when fulfilling these needs can lead to strong positive externalities (Santos, 2012). Both dimensions characterize environments of acute poverty, while the eradication of poverty has very important positive externalities for the rest of the economy (World Bank, 2000). Therefore we can expect higher levels of poverty to lead to more developed social missions on the ground. These social missions are likely to incorporate a more specific targeting of the poor and, more generally, of marginalized communities, in the venture's business model (Seelos & Mair, 2005), as both their needs and the environments in which they live are significantly different from those of more mainstream customers (Rivera-Santos et al., 2012; Subrahmanyan & Gomez-Arias, 2008). Social

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missions in such an environment are also likely to engage the poor in a more inclusive manner, due to the difficulty of fully understanding their needs from the outside (Pless, 2012; Simanis & Hart, 2008). Beyond the social mission on the ground, an environment characterized by high levels of poverty should also impact the venture's self-perception as a social enterprise, as it is likely to increase the enterprise's members' perception that they are solving social problems with the venture. In particular, high levels of visible poverty are likely to increase the probability of compassion being transformed into social entrepreneurial ventures (Miller et al., 2012), resulting in a stronger perception of the importance of the social mission by members of the venture. Overall, we can therefore expect that high levels of poverty will lead to a stronger self-perception as a social enterprise and to a choice of activities that emphasizes the venture's social mission.

Like poverty, *informality* is a world-wide phenomenon (Godfrey, 2011; ILO, 2012), but it is also particularly prevalent in sub-Saharan Africa due to typically weaker or less efficient formal governments, as mentioned previously. Although informality is an important dimension of the sub-Saharan African environment, its impact on social entrepreneurship is not straightforward. Both formal and informal businesses can emphasize social missions as much as they can emphasize purely for-profit missions. A local money lender, for instance, may be embedded in the informal economy and target the poor in its business model, but still maximize its profits (Collins, Morduch, Rutherford, & Ruthven, 2009), while a micro-finance institution has its roots in the formal economy and typically emphasizes a social mission alongside profitability (Akula, 2008). Similarly, the implications of the prevalence of informality in a venture's environment are not so easy to assess given the link between informality and poverty, well-established by development economists at the macro and micro levels (De Soto, 2000; Gulyani & Talukdar, 2010; Günther & Launov, 2012). Overall, based on current insights, it thus seems difficult to conceptualize the direction of the relationship between the prevalence of informality in sub-Saharan African countries and social entrepreneurship.

In contrast, we can expect a country's *colonial history* to influence social entrepreneurship in sub-Saharan Africa, as much as it influences other aspects of the economy. Whilst corresponding to a

relatively short time in African countries' history, the impact of the ex-colonizing power is often still felt across a range of dimensions including current levels of economic development (Acemoglu et al., 2000), institutions (Herbst, 2000), and cultural patterns (Nunn & Wantchekon, 2011; Rodney, 1981; Whatley & Gillezeau, 2011). As indicated in the previous section, scholars have emphasized, among others, that African countries formerly colonized by the British tend to be more prosperous and have more developed formal institutions than African countries formerly colonized by the French, the Belgians, the Germans, the Portuguese or the Spaniards (Acemoglu et al., 2000), suggesting a stronger overall emphasis on, and trust in, economic institutions. This different emphasis seems likely to have implications for social entrepreneurship, and, in particular, for how social entrepreneurship is perceived. A stronger emphasis on, and trust in, economic institutions may lead entrepreneurs to view their activities more often as for-profit than as social, reflecting a broader belief in the role of business to solve problems and a more positive experience with economic institutions. Whilst the belief in for-profit business is likely to be higher in countries colonized by the British (Acemoglu et al., 2000) and should therefore impact a venture's self-perception as a social enterprise, there is no reason to believe that it should impact the actual activities of the social venture, as these will relate to the needs of the people targeted by the venture, as we discussed above, rather than by the belief in for-profit business. We should note that this reasoning applies to the impact of British colonization in Africa, and it does not suggest a similar relationship for other former British colonies, such as the United States, India or New Zealand, since it is based on studies of the impact of colonization on economic development in Africa. Overall, we can thus expect an African country's colonial history to influence the venture's self-perception as a social enterprise, but not its actual activities, suggesting a disconnection between self-perception and social mission in this situation.

Finally, the sub-Saharan African environment is also characterized by a relatively stronger influence of ethnic groups than other parts of the world (Herbst, 2000; Michalopoulos, This issue). *Ethnic group identity* adds a parallel institutional framework to national institutions, which may be recognized by, or, more often, is at odds with, the state (Posner, 2005). Strong ethnic identities in sub-Saharan Africa are likely to influence social entrepreneurship, as they influence other parts of the economy. In particular, the

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typically sub-Saharan African Ubuntu approach, grounded in a view of the world in which human interdependence and reciprocity are emphasized over individualism (Mangaliso, 2001; West, 2014) may have an impact on social ventures in regions of Africa in which the ethnic or tribal identities are strong. In terms of self-perception, we can expect social ventures in these regions to associate with a more social than a for-profit-oriented approach, reflecting the less individualistic approach of traditional sub-Saharan Africa's worldviews. In terms of social mission, we can also expect social ventures to choose activities that emphasize the inclusion of communities in decision-making, as this is more aligned with the traditional Ubuntu and group-based approach to decision making than with top-down decision structures (Mangaliso, 2001). It is important to note that, whilst ethnic institutions are typically informal (Herbst, 2000; Rivera-Santos et al., 2012), informality exists both inside and outside of ethnic groups (De Soto, 2000; Godfrey, 2011), explaining why we expect a specific impact of ethnic group identity on social entrepreneurship, different from informality.

Overall, this reasoning suggests that we can expect four contextual dimensions to have an influence on both the self-perception as a social enterprise and the venture's choice of activities, and thereby provide specifically African insights into our understanding of social entrepreneurship.

An Empirical Exploration of the Influence of the Sub-Saharan African Environment

As indicated above and detailed in the appendix, we carried out an empirical study to explore the hypothesized influence of the environment on social entrepreneurship in 19 sub-Saharan African countries, namely Angola, Botswana, Burundi, the Democratic Republic of the Congo, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, the Seychelles, South Africa, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. An extensive company search and data collection effort was needed, given the dearth of information about social enterprises in Africa, including a lack of databases about such enterprises in most if not all of the countries considered. We collected data through a multi-language survey of social entrepreneurial ventures, which we complemented with additional secondary data from various sources, including the Afrobarometer and the United Nations Development

Program. This resulted in sufficient information from 384 social enterprises. Their responses were used to test the impact of the four predominantly African contextual dimensions discussed above, i.e., poverty, informality, colonization history, and ethnic identity, on the self-perception of the venture as a social enterprise and on its choice of activities reflecting its social mission on the ground. We tested the predicted relationships with a binary logistic regression, reflecting the nature of the variables under study.

Overall, our exploratory results suggest that higher poverty levels and strong ethnic group identities will result in a higher probability that the venture will view itself as a social enterprise and that it will choose activities that support its social mission. In contrast, British colonization significantly reduces the probability that a venture will view itself as a social enterprise, but has no impact on the actual social mission of the venture on the ground. Informality has no significant impact on either definitional dimensions of social entrepreneurship. The results of our exploratory empirical study therefore suggest that contextual dimensions that are especially prevalent in the sub-Saharan African environment influence social entrepreneurship. These findings highlight the insights that African data can provide to our understanding underscoring the importance of better incorporating contextual dimensions in social entrepreneurship research. They also suggest a need to incorporate both self-perception and the choice of activities made by social ventures on the ground to develop a complete definition of social entrepreneurship, as both dimensions are empirically distinct.

Conclusions and Implications

The goal of this paper was to contribute to the debate around social entrepreneurship by highlighting the importance of incorporating contextual influences, thus responding to calls for a better understanding of the relationship between social enterprises and their environments (Bacq & Janssen, 2011; Mair & Martí, 2006) and helping clarify definitional issues in the field. We did so by exploring the influence of contextual dimensions that are particularly prominent in sub-Saharan Africa, thereby underscoring the insights that can come from using African data to inform broader academic discussions. We developed predictions regarding the impact of poverty, informality, colonization history, and ethnic identity on the

venture's self-perception as a social enterprise and on its choices of activities reflecting its social mission. Using a unique dataset of 384 social enterprises from 19 sub-Saharan African countries, we conducted exploratory tests of the predicted relationships (detailed more expansively in the appendix to this paper). Both our reasoning and our results suggest that ethnic group identity and high poverty levels impact both self-perception and the choice of activities to reflect a social mission. In contrast, colonial history influences self-perception as a social enterprise, but has no impact on the choice of activities on the ground. Informality has no significant impact on either dimension. Put together, our study thus contends that understanding context is important for the very definition of social entrepreneurship and that Sub-Saharan Africa provides a particularly apt opportunity to understand the importance of economic and institutional contexts.

We believe that this study, albeit exploratory in nature, has several implications for social entrepreneurship research and opens interesting avenues for future studies. First, we underscore the importance of contextual dimensions not only for the self-perception of social enterprises but also for their actual activities on the ground. In so doing, we take a first step in responding to calls for a better understanding of the relationship between social enterprises and their environment (Bacq & Janssen, 2011; Mair & Martí, 2006). Incorporating the environment in social entrepreneurship research can help us better understand why different types of social enterprises seem to exist around the world, and, in the process, maybe help settle ongoing debates about what social entrepreneurship is (Choi & Majumdar, 2014; Lehner & Kansikas, 2013). We take a first step in this direction, as our findings suggest that African social enterprises may be not only different from the implicit view of social enterprises prevalent in the literature, but that they also vary significantly across African contexts. More research contrasting social entrepreneurship models in different parts of the world is likely to provide important insights.

Second, our reasoning and our results also highlight the difference that may exist between a venture's self-perception as a social enterprise and its activities on the ground. This study suggests that these dimensions are not only conceptually different, but that they are also empirically different

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constructs with different determinants, at least in sub-Saharan African contexts. Recognizing that social entrepreneurs may not self-identify as social entrepreneurs in some contexts, in spite of their having all the characteristics of social entrepreneurs in the literature, has important implications for data collection strategies, as it has become relatively common for researchers to rely on self-perception to identify social entrepreneurs (Lyon et al., 2010; Mair et al., 2012; Meyskens et al., 2010). Our data on social enterprises that have the main characteristic recognized in the literature, i.e., the combination of profit and social goals, shows that a large proportion of these social enterprises do not see themselves as such, and would not have been included in a sample of purely self-identifying social entrepreneurs. An exploration of what may lead to this disconnection between self-perception and social mission in the actual activities of the venture across different environments is thus also likely to provide important insights. We believe that this exploration is particularly important, as it has implications for the very definition of social entrepreneurship. Whilst our goal is not to provide a new definition of the phenomenon, our reasoning and our findings suggest that scholars need to incorporate both self-perception (Lyon et al., 2010; Mair et al., 2012; Meyskens et al., 2010) and the choice of activities on the ground (Doherty et al., 2014; Santos, 2012), as two distinct dimensions of the definition of social entrepreneurship, instead of focusing on one or the other.

Third, our exploratory analysis of sub-Saharan African social enterprises helps not only expand our knowledge of sub-Saharan Africa but also highlights the insights that African data can bring to the social entrepreneurship literature, especially for phenomena that are particularly prevalent in the African context, such as poverty or informality (Bruton, 2010; Bruton, Ireland, & Ketchen, 2012). Perhaps reflecting the challenges associated with data collection in Africa (Kolk & Lenfant, Forthcoming), very few studies use multi-country African survey data in the broader management literature. Our approach may be insightful for other scholars pursuing empirical research in such non-traditional context. We adapted the data collection strategies to a certain extent, in order to reflect the characteristics of such environments, as recommended by several scholars (Kriauciunas, Parmigiani, & Rivera-Santos, 2011) (see the Appendix for a discussion of details and reflections on limitations).

This empirical study therefore helps reinforce the argument that important insights can be gathered from African data, while generating research that contributes to defining African contexts and identities (Zoogah, 2008; Zoogah & Nkomo, 2013). Our exploratory results, for instance, underscore the importance of ethnic identification and traditional worldviews for social enterprises. Even though ethnic identification may be more prevalent in Africa than in other parts of the world, and even though worldviews such as Ubuntu (Mangaliso, 2001; West, 2014) may be specifically African, they can help inform future studies on the impact of cultural or ethnic identification on management practices around the world, and thus enrich our understanding of the impact of institutional differences on management (Peng et al., 2009).

Beyond the insights that African data can provide to management studies in general, this research also illustrates the need to better understand differences across developing country contexts, in an extension of Julian and Ofori-Dankwa's (2013) Institutional Difference Hypothesis. This particular study focuses on contextual dimensions that are prevalent across sub-Saharan Africa, but exploring country-specific or even community-specific dimensions is also likely to provide important insights. Ethnic identification, for instance, can be expected to have different implications for business, depending on whether the ethnic institutions are acephalous, i.e., decentralized, or monarchical, i.e., centralized (Cheater, 2003; Rivera-Santos et al., 2012). This suggests that more fine-grained analyses at the country or even community level can provide additional, and complementary, insights to our sub-Saharan Africa-wide study.

This study of the influence of predominantly African contextual characteristics on social entrepreneurship thus opens up several avenues for future research while illustrating the insights that African data can provide to management studies. Through this exploratory research, we contend that African data, whilst difficult to collect, may help relax implicit contextual assumptions in our understanding of management, and we hope that this study will encourage researchers to better integrate African insights into management theories.

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Acknowledgements

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Social Entrepreneurship in Sub-Saharan Africa: Appendix

In this Appendix, we provide more details on the empirical study conducted to test the relationships predicted in the paper. Our reasoning suggested that we can expect four contextual dimensions to have an influence on social entrepreneurship, and thereby provide specifically African insights into our understanding of social entrepreneurship. This leads to four exploratory hypotheses on the impact of sub-Saharan African contexts on social entrepreneurship:

> *H1: Higher levels of poverty will increase the probability of a venture's self-perception as a social enterprise and an emphasis on its social mission in its activities, ceteris paribus.*
>
> *H2: Higher levels of informality should not directly influence the probability of a venture's self-perception as a social enterprise and an emphasis on its social mission in its activities, ceteris paribus.*
>
> *H3: Having a British colonial history will decrease the probability of a venture's self-perception as a social enterprise and an emphasis on its social mission in its activities, ceteris paribus.*
>
> *H4: Higher levels of ethnic group identification will increase the probability of a venture's self-perception as a social enterprise and an emphasis on its social mission in its activities, ceteris paribus.*

The next sections present the sample, data collection, variables and measures, the empirical tests and results, and discuss the limitations. They complement the article published in a symposium of the Academy of Management Perspectives.

Sample Selection and Data Collection

To test the exploratory hypotheses developed in the paper, we built a sample of social enterprises active in Southern and Eastern Africa. The data for this study was collected as part of the "Trickle Out Africa" research project which examines social and environmental/green enterprises (hereafter labeled

as social enterprises) in Eastern and Southern Africa, as well as their role in sustainable development and poverty alleviation. As part of this project, a survey was conducted with social enterprises across the nineteen countries in the Southern African Development Community (SADC) and the East African Community (EAC). Potential enterprises, support agencies, NGOs and other non-profit entities were found through an exhaustive internet search undertaken by the research team. As a framework guiding this search, a number of social enterprise characteristics were identified, drawing upon definitions and understandings in the antecedent literature and amongst practitioner organizations. These included: the presence of a social, environmental or broader ethical mission; income generation through trading activity; non-profit maximizing approaches to business; participatory decision-making and governance; innovation in addressing a social need; and profits or surpluses reinvested in the business or for social purposes. Evidence of one, some, or all of these traits, was looked for in online information about the organizations. The specific strategy adopted in online data searching involved key word searches with reference to particular countries or sectors, e.g., "green business South Africa", as well as utilizing online databases and alternative business directories like that on the website of the African Social Entrepreneurs Network (ASEN). Finally, available resources and data from national governments and international institutions were accessed.

Once a potential social enterprise from one of the 19 sub-Saharan countries was identified, a record was made of its contact details and areas of activity. In total through this search process, information was found for more than 3900 potential social enterprises, detailed in full in the enterprise directory hosted on the project website. The contact information took the form of email accounts, telephone numbers, or postal addresses. Social networks and press releases were also used to facilitate dissemination about the project aims, and included links to the self-registration process for the online directory. The overall approach adopted in identifying potential social enterprises reflects the dearth of information about these kinds of enterprises in Africa, and the fact that there are few if any databases of such enterprises for most if not all of the countries considered. Social enterprises also exist in a myriad of country- and context-specific legal forms, which would again problematize any attempt to

approach all organizations with a particular legal status, e.g. non-profit/not-for-profit, even if up-to-date information on these types of organizations existed, was accessible, and included contact details.

Enterprises in our dataset were then contacted to verify their details in the free enterprise directory, with a request to also participate in the research. Organizations were principally contacted through email with a link to the online survey but also in some instances by telephone. A project overview and introductory document informed participants about the nature of the research, explained their rights in participation and outlined the benefits of participation, including entry into a prize draw, and more detail on their inclusion in the Trickle Out Directory of social enterprises hosted on the project website. A number of additional filters were applied within the questionnaire including that enterprises had to be operating in at least one of 19 countries comprising the member states of the SADC and EAC, namely: Angola, Botswana, Burundi, the Democratic Republic of the Congo, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, the Seychelles, South Africa, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. In the initial survey questions, participants were also asked to verify that they engage in some form of trading activity, and whether they had a social and/or environmental mission, thereby reflecting the general agreement in the literature that social enterprises are characterized by a combination of economic and social goals. Enterprises that did not meet these criteria were not able to complete the questionnaire. The unit of analysis in this study is therefore the social enterprise, rather than its founder or leader, and the questionnaire was completed by top managers or owners, in order to ensure a broad and comprehensive knowledge of their venture's activities and organization.

The themes addressed in the survey were relatively broad, reflecting our aim of addressing some of the gaps in knowledge about these kinds of enterprises in Africa. They included, amongst others, questions on: funding regimes, business models and structures, venture start-up, customers, decision-making, and profit distribution. The questionnaire was piloted using a sample of respondents. The questions used were mostly categorical or scale measures, with some free text sections including a section where enterprises described their business and market in order to achieve a more nuanced view

of their operations. Multiple language versions of the questionnaire were created to encourage participation (English, French, Portuguese, Kiswahili, and Afrikaans). These are all official national languages in at least two of the 19 countries examined, and are major languages spoken across the two regions. In total, 400 responses were collected, with this number reduced to 384 following the removal of questionnaires that did not allow enough information to classify the nature of the enterprise or did not include the name of the organization or business (summarized in Table 1).

<center>***** Insert Table 1 about here *****</center>

In addition to the data collected through the survey, each top manager or owner responding to the questionnaire verified the name of the organization and the contact details, and provided a free text description for the publicly available directory. This text was examined for each enterprise to determine the precise nature of their activity. Data provided on self-perception as a non-profit, cooperative, social enterprise and/or environmental (green) enterprise, and on funding regimes, alongside the free text, was used to code the type of enterprises. Data was confirmed, where possible, through the web address details and secondary data available from the original online scanning exercise, including websites, newspaper reports and blog posts.

Complementing the data collected through the survey, we gathered country-wide economic and institutional data from a variety of external sources. These sources included the Afrobarometer, the World Bank, UNECA, Transparency International and UNDP (summarized in Table 2).

<center>***** Insert Table 2 about here *****</center>

Empirical Strategy

The exploratory hypotheses suggest that an African country's poverty levels, informality, colonial history, and strength of ethnic identities is likely to influence its social ventures' self-perception as social enterprises and their choice of activities. We measure these different concepts through variables constructed from questionnaire items and from external sources, thereby reducing potential issues related to single method bias. A table describing each variable in detail can be found in Table 3.

We constructed three dependent dichotomous variables to capture self-perception as a social enterprise and the social mission, based on questionnaire data collected through the survey: self-perception as a social enterprise and choice of activities. One variable captures self-perception as a social enterprise, but we include two dimensions for the choice of activities: the specific targeting of the poor and the choice of including the community in decision-making, thereby incorporating both the business model and the organizational processes in the measure of social mission. Through these three dependent variables, we therefore capture not only the self-perception of being a social enterprise but also the social mission of the enterprise, two typical proxies for the definition of social entrepreneurship in the literature (Doherty, Haugh, & Lyon, 2014; Lyon, Teasdale, & Baldock, 2010; Mair, Battilana, & Cardenas, 2012; Meyskens, Robb-Post, Stamp, Carsrud, & Reynolds, 2010; Santos, 2012). Since our reasoning suggests that we should expect different determinants of self-perception and of social mission, as seen through the actual activities of the venture in the sub-Saharan African context, it is important to disentangle these two dimensions into three different constructs.

We constructed four independent variables to capture the contextual dimensions in sub-Saharan Africa through secondary sources. The measure for the level of poverty was imported from the multidimensional Human Poverty Index (HPI) calculations of the United Nations Development Program (UNDP, 2010). The UNDP replaced the HPI in 2010 with a new measure of poverty, the Multidimensional Poverty Index (Alkire, Conconi, & Roche, 2012). The new index, however, is only available for a subset of African countries, leading us to opt for the older HPI as our measure of poverty.

Measuring informality is a particularly arduous task, due to the inherently hidden nature of the concept being measured (Godfrey, 2011). Existing measures of informality through employment (e.g., ILO, 2012) could not be used due to a lack of data for many African countries, so we opted for a novel approach. We built a scale using nine items from various Afrobarometer surveys that are all related to the respondent's opinion around the avoidance of taxes, aiming to capture a country's general feeling

about taxation, and, as a consequence, about the formal economy. Given a high Cronbach's Alpha (0.78) for the scale, we could extract the main underlying factor, which we used as a measure of informality in our models.

The nationality of the country's ex-colonizer is coded as a dichotomous variable, corresponding to whether the region was under British rule on the one hand, or under German, Belgian, Portuguese, or French rule, on the other, in 1914. Whilst the German, Belgian, Portuguese and French empires varied in their colonial approaches, the literature suggests that the British Empire, in particular through its focus on indirect rule, stands apart from the others (Herbst, 2000), thereby justifying the creation of a dichotomous variable. Finally, we used data from the Afrobarometer surveys to measure the strength of ethnic group identities in a given country (Robinson, 2009).

We included four control variables in our models. We use items from our survey to control for the size of the venture, the age of the venture, and the venture activity, which we coded as a dichotomous variable reflecting the venture's focus on selling a product or service vs. transferring knowledge, training, or consulting, as these represent two very different types of social business models.

Given the binomial nature of the dependent variables, we opted for a binary logistic regression, using the PROC LOGISTIC procedure in SAS 9.3, to test our exploratory hypotheses. Table 4 presents the descriptive statistics and correlations for our variables. From the correlation table, it is interesting to note that, whilst our three dependent variables are correlated, the correlation levels (0.53***, 0.30*** and 0.19 respectively) suggest the existence of three different constructs. These results highlight the need for researchers to be careful when using self-identification as a proxy for social entrepreneurship, as significant differences seem to exist between perception and reality in this case.

***** Insert Table 4 about here *****

Results

The results of the models are presented in Table 5. Model 1 predicts the probability of the venture's

self-perception as a social enterprise. The fit indices suggest that the model fits the data well and the model supports the predictions of our exploratory hypotheses. A country's higher poverty level significantly increases the probability of social ventures to view themselves as social enterprises (0.10, $p<0.10$), informality does not have a significant impact (-0.09, n.s.), British colonization reduces this probability (-2.25, $p<0.01$), and strong ethnic group identities increase this probability (0.30, $p<0.05$), when controlled for size, age, and the activity of the social venture.

***** Insert Table 5 about here ******

Model 2 predicts the probability of the venture's specific targeting of poor or marginalized populations in their business models, our first measure of the choice of activities reflecting a social mission. In this case the fit indices suggest that the model also fits the data well and that it supports the predictions of our exploratory hypotheses. A country's higher poverty level significantly increases the probability that social ventures will specifically target the poor in their business models (0.08, $p<0.05$) and strong ethnic group identities also increase this probability (0.30, $p<0.01$), when controlled for size, age, and the activity of the social venture, while informality and British colonization show no significant impact (0.24, n.s., and -0.25, n.s., respectively).

Finally, model 3 predicts the probability of the venture including the community in its decision-making. The fit indices suggest that the model fits the data well and the model supports the predictions of our exploratory hypotheses. A country's higher poverty level significantly increases the probability that social ventures will include the community in their decision-making (0.08, $p<0.10$) and strong ethnic group identities also increase this probability (0.20, $p<0.01$), when controlled for informality, size, age, and the activity of the social venture, while informality and British colonization shows no significant impact (0.01, n.s. and -0.64, n.s., respectively). Interestingly, our results suggest that informality does not significantly impact self-perception or the choice of activities of the venture, as predicted, although caution is needed when interpreting this result, given the inherently difficult task of measuring informality and our novel multi-item operationalization.

Among control variables, both the fact that the venture has an activity that focuses on

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knowledge transfer and training (as opposed to sales) and the size of the venture have a significant and positive impact on the three dimensions of social entrepreneurship (albeit with variations in significance levels).

Limitations

Of course, this exploratory study, like any academic endeavor, has limitations. In particular, the approach adopted in this research reflects its exploratory nature, and, more generally, the difficulty associated with collecting African data. Constraining factors included, amongst others, the absence of comprehensive, up-to-date and readily available datasets, and the difficulty of visiting potential social enterprises in 19 countries characterized by poor infrastructure. As a result, we adapted the data collection strategies to a certain extent, in order to reflect the characteristics of a non-traditional environment, as recommended by several scholars (Kriauciunas, Parmigiani, & Rivera-Santos, 2011). Our approach may be insightful for other scholars pursuing empirical research in such contexts.

First, efforts were made to disseminate information about the research and participation in the survey beyond online forums and through emails, to reach a broader set of potential respondents. Advertisements were placed in national and regional newspapers, for instance, and phone calls were made to potential participants in Kenya and South Africa, while the project was also publicized on radios and through interaction with regional academic and practitioner networks. This approach helped to reduce, albeit not completely, the bias towards larger, more formal, urban-based, and internationally connected social enterprises, which result from an internet-based instrument. Nevertheless, the representation of small and micro social enterprises, such as those often operating in rural areas and on the edges of, or fully within, the informal economy, may be limited for some countries. Such enterprises are an important component in the landscape of social entrepreneurship in Africa and require further attention in future research.

Second, collecting data in several African countries inevitably leads to uneven coverage between different countries, due to access to respondents, and, more generally, the quality of

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infrastructure. As a result, it was easier to collect data in Kenya and South Africa than in unstable and often post-conflict countries like Angola, Burundi and the Democratic Republic of the Congo (Kolk & Lenfant, Forthcoming). Similarly, language barriers can pose a challenge when collecting data in sub-Saharan Africa, and it was not possible to provide a translated version of the questionnaire for all languages spoken across the region. The fact that languages often have positive or negative connotations also makes things complicated. In the Eastern part of the Democratic Republic of Congo, for instance, certain versions of Kiswahili have been associated with the language of slave traders for a long time (Stigand, 1915), and can lead to biased responses even if the researcher speaks the language. Future research in the area may benefit from deeper collaborations with local scholars who have a better understanding of these nuances.

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Table 1: An overview of respondents

Distribution by country		Distribution by age	
Angola	3	1 year or less	14
Botswana	10	2-3 years	48
Burundi	1	4 or 5 years	62
DRC	4	**Distribution by self-perception**	
Kenya	104	For-Profit Enterprise	168
Lesotho	9	Social Enterprise	139
Madagascar	10	**Distribution by size**	
Malawi	18	Small (2-50)	94
Mauritius	4	Medium (51-500)	123
Mozambique	7	Large (over 500)	18
Namibia	5	**Distribution by age**	
Rwanda	9	3 years or less	62
Seychelles	1	4-10 years	159
South Africa	113	10 years or more	106
Swaziland	3	**Distribution by activity**	
Tanzania	23	Sales-focused activity	204
Uganda	23	Knowledge transfer-focused activity	180
Zambia	13		
Zimbabwe	15		
Worldwide	9		

Note: Different total numbers in each category reflect respondents in multiple categories and missing data for some variables.

Table 2: An overview of national environments

Country	HDI Rank	Ease of Doing Business Rank	World Bank Income Status	GDP / capita	Corruption Rank	Colonial Power (1914)	Independence
Angola	Low	172	Upper Middle	5485	very high	Portugal	1975
Botswana	Medium	59	Upper Middle	7191	low	UK	1966
Burundi	Low	159	Low Income	251	very high	Germany	1962
DRC	Low	181	Low Income	272	very high	Belgium	1960
Kenya	Low	121	Low Income	862	very high	UK	1963
Lesotho	Low	136	Lower Middle	1193	low/med	UK	1966
Madagascar	Low	142	Low Income	447	med/high	France	1960
Malawi	Low	157	Low Income	268	low/med	UK	1964
Mauritius	High	19	Upper Middle	8124	low	France	1968
Mozambique	Low	146	Low Income	579	med/high	Portugal	1975
Namibia	Medium	87	Upper Middle	5668	very high	Germany	1990
Rwanda	Low	52	Low Income	620	very high	Germany	1962
Seychelles	High	74	Upper Middle	11758	low/med	UK	1976
South Africa	Medium	39	Upper Middle	7508	low/med	UK	1910
Swaziland	Medium	123	Lower Middle	3044	low/med	UK	1968
Tanzania	Low	134	Low Income	609	med/high	Germany	1961
Uganda	Low	120	Low Income	547	med/high	Germany	1962
Zambia	Low	94	Lower Middle	1469	low/med	UK	1964
Zimbabwe	Low	172	Low Income	788	very high	UK	1980
Worldwide							

Note: Sources from the World Bank, United Nations, Ease of Doing Business Reports, and Transparency International.

Table 3: Variables and measures

Variable	Type	Construction
Self-perception as a social enterprise	Dichotomous	Survey item: "We are a social enterprise that is part funded by the monies we generate from our goods and services, or from donor funds." (0 = not a social enterprise /1 = social enterprise)
Specific targeting of the poor	Dichotomous	Survey item: "Describe your customers." (Responses coded as 0 = no specific targeting of the poor and disenfranchised /1 = specific targeting of the poor and disenfranchised)
Inclusion of the community in important decisions	Dichotomous	Survey item: "Who makes the most important business decisions or those for the future for this organisation?" (Responses coded 0 = internal / 1 = inclusion of community and stakeholders)
Human Poverty Index	Continuous	Multidimensional index by the United Nations Development Program
British colonization	Dichotomous	Coding of colonial situation in 1914 (0 = German, Belgian, Portuguese, or France rule / 1 = British rule)
Ethnic identity	Continuous	Afrobarometer survey item: "Let us suppose that you had to choose between being a [Ghanaian] and being a [R's Ethnic Group]. Which of the following best expresses your feelings?"
Informality	Continuous	Factor extracted from the following Afrobarometer survey items (Cronbach's alpha = 0.78): - "In your opinion, how often, in this country: Do people avoid paying the taxes that they owe the government?" - "Here is a list of actions that people sometimes take as citizens. For each of these, please tell me whether you, personally, have done any of these things during the past year. If not, would you do this if you had the chance: Refused to pay a tax or fee to government?" - "I am now going to ask you about a range of different actions that some people take. For each of the following, please tell me whether you think the action is not wrong at all, wrong but understandable, or wrong and punishable: Not paying the taxes they owe on their income?" - "For each of the following statements, please tell me whether you disagree or agree: The police always have the right to make people obey the law." - "For each of the following statements, please tell me whether you disagree or agree: The tax authorities always have the right to make people pay taxes." - "Regardless of whether you are able to pay them, are you required to pay each of the following, or haven't you been able to find out about this: License fees to local government, for example, for a bicycle, cart, business or market stall?" - "Regardless of whether you are able to pay them, are you required to pay each of the following, or haven't you been able to find out about this: Property rates or taxes?" - "Regardless of whether you are able to pay them, are you required to pay each of the following, or haven't you been able to find out about this: If you have paid employment, are you required to pay an income tax, that is, a tax deducted from your wages by your employer?" - "Regardless of whether you are able to pay them, are you required to pay each of the following, or haven't you been able to find out about this: If you are self-employed, are you required to pay a tax on the earnings from your business or job?"
Size of the enterprise	Scale	Survey item asking for the number of people working in the organization, coded into three categories (1 = low / 3 = high)
Age of the enterprise	Scale	Survey item asking for the age of the organization, coded into three categories (1 = low / 3 = high)
Venture's sales- vs. knowledge transfer-focused activity	Dichotomous	Survey item asking about the activities of the organization, coded into a dichotomous variable (0 = activities focused on sale of product or service / 1 = activities focused on knowledge transfer, training, and consulting)

Table 4: Descriptive statistics and correlation table

Variable	N	Mean	Min	Max	SD	1	2	3	4	5	6	7	8	9	10
1. Self-perception as a social enterprise	307	0.45	0.00	1.00	0.50	1.00									
2. Specific targeting of the poor	384	0.41	0.00	1.00	0.49	0.53***	1.00								
3. Inclusion of the community in important decisions	239	0.30	0.00	1.00	0.46	0.30***	0.19	1.00							
4. Human Poverty Index	374	28.79	9.50	46.80	4.80	0.19***	0.20***	0.14**	1.00						
5. British colonization	375	0.82	0.00	1.00	0.38	-0.25***	-0.08	-0.04	-0.21***	1.00					
6. Ethnic identity	355	8.43	3.00	14.00	2.33	0.03	0.14**	0.14**	0.06	0.29***	1.00				
7. Informality	358	0.00	-0.87	2.21	1.00	0.16**	0.23***	0.11	0.24***	-0.16***	0.10*	1.00			
8. Size of the venture	235	1.68	1.00	3.00	0.61	0.20***	0.26***	0.12*	0.08	-0.05	0.01	0.21***	1.00		
9. Age of the venture	327	2.13	1.00	3.00	0.71	-0.03	0.06	-0.03	0.04	0.06	0.07	-0.03	0.28***	1.00	
10. Venture's sales- vs. knowledge transfer-focused activity	384	0.47	0.00	1.00	0.50	0.13**	0.29***	0.08	0.05	0.01	-0.03	0.07	0.03	0.03	1.00

*Significance levels: *** = <.01 / ** = <.05 / * = <.1*

Table 5: Binomial logistic regression models

	Model 1	Model 2	Model 3
	DV = Self-perception as a social enterprise	DV = Business model that specifically targets the poor	DV = Inclusion of the community in decision-making
Intercept	-3.83**	-6.18***	-4.99***
Level of poverty	0.10*	0.08**	0.08*
Informality	-0.09	0.24	0.01
British colonization	-2.25***	-0.25	-0.64
Ethnic identity	0.30**	0.20***	0.20***
Size of the venture	0.88**	1.05***	0.54
Age of the venture	-0.54*	-0.10	-0.12
Venture's sales- vs. knowledge transfer-focused activity	0.88**	1.40***	0.29
LR	34.72***	59.80***	20.21***
Score	29.43***	53.37***	20.67***
Wald chi-square (df)	23.29*** (7)	41.75*** (7)	16.33** (7)

*Significance levels: ***=<.01 / **=<.05 / *=<.1*