



# Evaluation Summary



International  
Labour  
Office

Evaluation Unit

## Social Entrepreneurship Targeting Youth in South Africa (SETYSA)

### Quick Facts

**Countries:** South Africa

**Final Evaluation:** Jan 2011

**Mode of Evaluation:** Independent

**Technical Area:** Enterprise Development

**Evaluation Management:** Pretoria Office

**Evaluation Team:** Simon White

**Project Start:** 1 January 2009

**Project End:** 28 February 2011

**Project Code:** SAF/07/51/FLA

**Donor:** Government of Flanders (US\$1.25m)

**Keywords:** Social enterprise, social entrepreneurship, corporate responsibility, youth employment

### Background & Context

#### Summary of the project purpose, logic and structure

The project was designed to target young unemployed women and men as the “ultimate beneficiaries” and sought to create new employment opportunities for these people through the promotion of social enterprise and social entrepreneurship.

The project strategy was built on a systemic approach to enterprise development that worked at three levels.

At the macro-level the project worked with national partners and stakeholders with a mandate for defining and coordinating a conducive policy and regulatory framework

for social enterprise and social entrepreneurship.

At the meso-level the project worked with partners and stakeholders with a mandate to facilitate or physically deliver business development services that promote social enterprise and social entrepreneurship.

At the micro-level the project worked with partners and stakeholders directly involved in the market exchange for a good or service, either by taking a stake in the production and provision of the product, or by buying it.

#### Purpose, scope and clients of the evaluation

The goal of the external evaluation of the SETYSA project is to validate actual achievement of immediate project objectives/outcomes and contribution towards the pursuit of the project development objective, as per project log-frame.

The scope of the evaluation in terms of time is January 1st 2009 through to 28th February 2011, thus representing the entire project period. The SETYSA geographical coverage area was national in South Africa with pilot activities in Western Cape and Eastern Cape Provinces.

The primary clients of the evaluation are the tripartite constituents of the ILO and project partners and stakeholders, ILO field office director, technical backstoppers at headquarters, field technical specialists,

responsible evaluation focal points, and the donor.

### **Methodology of evaluation**

The evaluation was conducted in February 2011 and involved a review of all project documents as well as consultations with project partners, stakeholders and beneficiaries. Three stakeholder workshops (one main one at national level and one in each of the pilot provinces, namely Eastern Cape and Western Cape) and two focus group meetings with ultimate beneficiaries were the main source of information for the evaluation report.

Additionally, the evaluation was based on a review of key documentation and individual meetings with the stakeholders.

## **Main Findings & Conclusions**

The evaluation found that the project performed well in achieving most of its eight designated outputs:

The project produced a wide range of research and assessment reports dealing with social enterprise and social entrepreneurship development in South Africa as well as internationally. (Output 1).

The project commissioned research into social business opportunities in South Africa. While it did not focus on priority industries, as specified in the Project Document, the project took a comprehensive, area-based approach to social enterprise and social entrepreneurship development (Output 2).

The project produced a number of tools that can be used by local agencies in the promotion of social enterprise and social entrepreneurship and were based on local assessments (Output 3).

The project produced a range of training materials for use by organisations that support the development of social enterprise and social entrepreneurship. (Output 4).

The project successfully raised awareness about the role of social enterprise and social entrepreneurship and stimulated demand for

support services in the pilot communities. The principle means of doing this was through the use of social business plan competitions (Output 5).

While the project supported the establishment of a referral system that bundled social business development services in the pilot communities, there are concerns as to how effective this was and how sustainable it is in the long-term (Output 6).

While the Project Document described how the project would establish business partnerships between tertiary students and nascent businesses, this proved not to be feasible and was not achieved (Output 7).

Local assessments in the pilot communities found there were no formal or semi-formal coordination structures specifically related to social enterprise development. In response, the project sought to develop these and was partially successful in this regard (Output 8).

The evaluation also found that the project was successful in achieving most of its four immediate objectives.

First, the project strengthened the capacity of South African policy level stakeholders to conceptualize social enterprise development in the context of key policy debates in South Africa. The inclusion of social enterprise and social entrepreneurship in the government's strategic plans are notable examples of this success.

Second, the project strengthened the capacity of local organizations to facilitate and provide both financial and non-financial social business start-up support services. This was achieved through the commissioning of research and assessments, the development of resource material and the piloting of new approaches.

Third, the project mobilized the pilot communities to embrace a more self-reliant approach to local economic and social development, and stimulated their demand for social business start-up training and related services. It tested a range of tools and

processes in these communities and has provided valuable lessons in this regard.

Finally, the project found some synergies between its activities and those of other employment promotion initiatives.

The project worked well with a wide range of national, provincial and local partners and stakeholders. It also established an effective monitoring and evaluation system.

The development objective of the project was to “boost employment opportunities and access to social services for the youth in South Africa, with particular emphasis on traditionally disadvantaged groups of the population”. Achievement of this objective was to be measured by the net number of jobs for young people created in the pilot communities and by an increase in the number of people in these communities with access to social protection and environmental protection services. While it is understood that the ultimate goal of job creation is central to the ILO’s work in this field, the evaluation found a wide range of other extremely positive outcomes from the project that are not reflected in this development objective.

Indeed, a major achievement of the project is the introduction of a model for social and economic development that can improve policy-making and service delivery at national, provincial and local levels. While it is possible that the anticipated generation of jobs and provision of social protection may eventually be realised, the more tangible outcomes of this project has been to improve the way government and its social partners can work together to address the major challenges facing South Africa today.

The strong focus on young people outlined in the *Project Document* proved not to be feasible without an established policy framework for social enterprise and social entrepreneurship development. While the project has clearly contributed to the creation of this framework, it could have been more

careful in how it documented changes in project strategy and focus.

## Recommendations & Lessons Learned

### Main recommendations and follow-up

1. It is recommended that the findings of this evaluation be presented to all project partners and stakeholders in order to provide an opportunity for these actors to reflect on the project’s experiences, achievements and lessons, and to consider future support requirements for the promotion of social enterprise and social entrepreneurship in South Africa.
2. It is recommended that the ILO Pretoria Office pay urgent attention to the distribution of the development tools produced by the project. This should include an awareness raising campaign to help potential users learn of the tools and how they can be applied, along with a series of introductory seminars.
3. It is recommended that the ILO Pretoria Office liaise with ASEN regarding the design of a capacity building programme that can help the association design and implement a range of income generating strategies that improve its prospects for long-term sustainability.
4. It is recommended that the ILO Pretoria Office and NEDLAC consider the creation of a NEDALC technical sub-committee that deals specifically with the projects within the employment portfolio of the DWCP (i.e., Outcome 4).
5. It is recommended that the Government of Flanders explore new lines of support for social enterprise and social entrepreneurship in South Africa. This could include the testing of development tools and the development of interventions, such as public procurement, that support the development of the social economy.
6. It is recommended that the Department of Trade and Industry consider ways of

incorporating cooperative development within a broader social economy portfolio.

7. It is recommended that the ILO Pretoria, in collaboration with donor agencies (such as the Government of the Flanders) consider expansion of a social enterprise and social entrepreneurship development programme in the Southern African region.

### **Important lessons learned**

The lessons learned are divided into two kinds: strategy lessons and management lessons.

#### **Strategy lessons**

8. The SETYSA project was a supply-oriented project. While this kind of project is somewhat unfashionable in enterprise development circles, projects like this have an important role to play in helping policymakers and practitioners to deal with the challenges they face. However, when designing and implementing a project of this sort, care should be taken to avoid distorting markets at the local or micro level.
9. It is important to establish a sound policy and institutional base for the promotion of social enterprise and social entrepreneurship before specific attention is given to special target groups or sectors. However, once this base is formed, there may be value in exploring the potential of social enterprise as a model for social and economic development among specific groups and job-rich sectors.
10. Building networks and creating space for dialogue among key government and non-government actors has proven to be an important function of this project. This space builds local alliances, encourages the sharing of knowledge and experience, and supports the introduction of new programmes and services.
11. Business plan competitions are a useful way of mobilising local communities and stimulating a demand for services, but they have their weaknesses. The level of frustration and dissatisfaction among

competitors, even finalists and winners, can be discouraging in the long term. Competitions can also distort markets and create artificial incentives.

12. The promotion of social enterprise and social entrepreneurship has particular resonance in the community sector. While social enterprise often falls between the policy and programme silos of economic development and social development, an important field that was not fully pursued by the SETYSA project is to help community organisations to become more entrepreneurial or business like in their approach.
13. Care should be taken in the promotion of “micro social enterprises”. This is a rare model of enterprise and can be difficult to pursue. Enterprise development in poor communities can be frustrated by supply-oriented interventions that force aspiring business people to provide a social good or service. Business development in these locations is hard enough without forcing unemployed people to take on these idealist models of development that are largely untested.

#### **Management lessons**

14. The lessons listed below refer to the ways a social enterprise and social entrepreneurship can be managed. The role of the project steering committee should be clearly described. In the case of a project such as this, which focuses on policy reform and programme innovation, the steering committee should invest its time in carefully assessing and debating the documents and resources the project produces.
15. A sound monitoring and evaluation system is essential. Within this system, care should be taken to ensure the indicators used accurately measure the progress and outcomes of the project.