

HOW TO GROW SOCIAL INNOVATION IN SOUTH AFRICA

“Necessity is the mother of invention, and in Africa it has been the mother of innovation.” [1] With the growth of the sector in South Africa this also holds true for social innovation. As the number of social innovations rise, an ecosystem has grown up around them, placing universities as key role players in their support.

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Sitting at the bottom of the African continent, South Africa has the third largest economy, and is its most developed country. Seen as the favoured destination for investment, and repeatedly receiving the largest amount of start-up funding on the continent, it has been a focus for social innovation in sub-Saharan Africa.

However, it also faces the ‘triple challenge’ of poverty, inequality and unemployment. With one of the highest rates of unemployment (25%) and as one of the most unequal countries – with the wealthiest four percent of households receiving 32% of total income, while over half of South Africans is living below national poverty line, and more than 10% live in extreme poverty. [2]

This tension between a favourable innovation climate and extreme social challenges creates an environment where many of the opportunities for innovation have an implicit social impact.

GROWTH OF SOCIAL INNOVATION IN SOUTH AFRICA

With an increasing recognition of the emergence of social innovation in South Africa in recent years, an ecosystem and support structures have grown. Universities, civil society and private sector foundations have led the way in delivering support to social innovators, with government showing considerable interest in different regions of the country. Incubators and social innovation competitions have been launched which have achieved considerable success. What has yet to happen for a consolidated strategy to be developed is to support the growth of social innovation in the country.

Similar to most countries, social innovation has been happening for decades before a label or directed support was provided. From grassroots movements to technology

start-ups, citizens have been empowering themselves and exploring new methods, tools, models and ways of organizing to accelerate social progress. Much of this work happened without much recognition or understanding of the terms social innovation or social entrepreneurship.

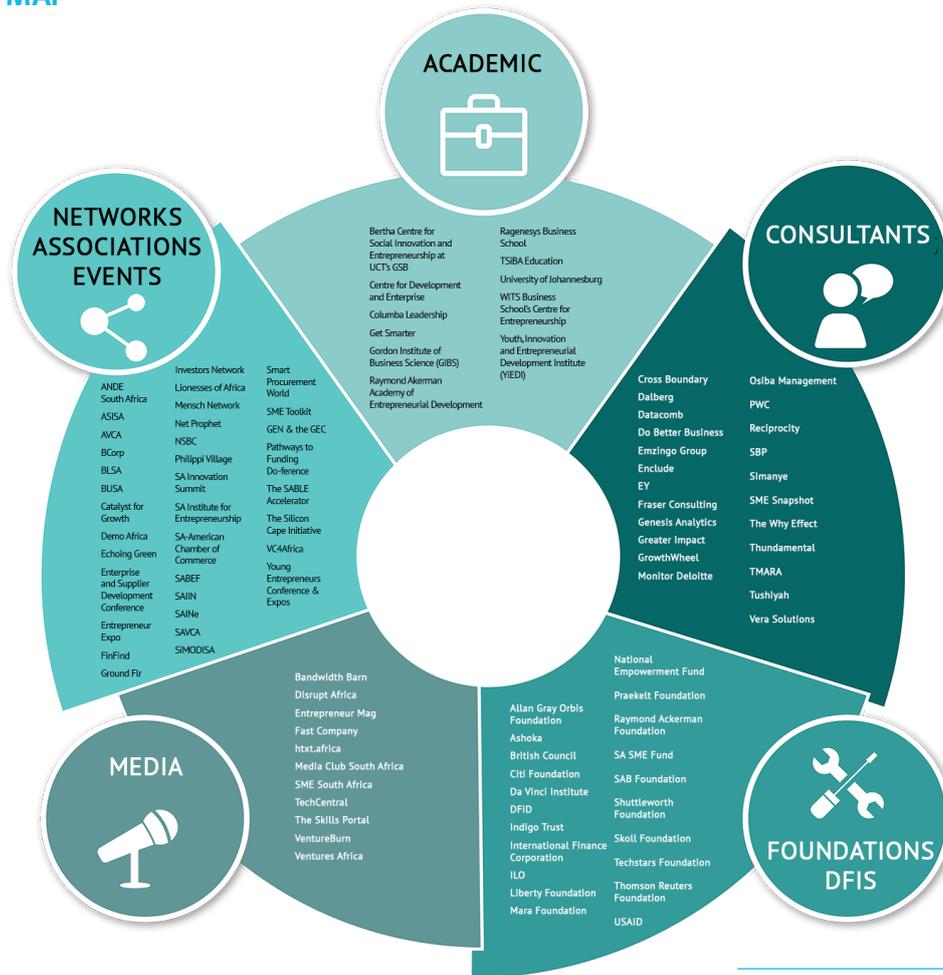
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Ashoka pioneered the early recognition and understanding of social entrepreneurship in South Africa. Early networks, such as the African Social Entrepreneurs Network also started to organize events and advocate for social entrepreneurs. Funders such as UnLtd (now LifeCo UnLtd South Africa) launched in South Africa and invested in what are now some of our most successful social enterprises.

Two university centres were pivotal in bringing legitimacy and recognition to the people and the innovations in this emerging field: the Network of Social Entrepreneurs at the University of Pretoria Gordon Institute of Business Science, and the establishment of the Bertha Centre for Social Innovation and Entrepreneurship at the University of Cape Town Graduate School of Business.

The majority of support for social innovation that has grown up is focused on South Africa’s two major cities – Cape Town and Johannesburg. Some activity has begun to expand to other towns across the country. However, expanding the support for social innovators across the country remains a real challenge as the size of South Africa is 1.22 million km².

SOUTH AFRICA'S ENTREPRENEURIAL ECOSYSTEM MAP



Map of South Africa's entrepreneurial ecosystem (Image courtesy of Aspen Network of Development Entrepreneurs (2017))

FOCAL AREAS FOR SOCIAL INNOVATION

There has been a growing interest from impact investors in social innovations. As more investors have entered the space, there has been some frustration as the limited number of social innovations that have reached a mature level and are ready for investment has yet to match the growing number of investors. But impact investing is not the only financial tool being developed for social innovation. Work is being done by the Bertha Centre on developing blended finance options, looking at peer to peer lending and supporting the growth of the crowd-funding sector in the country. In July 2017, South Africa's first social impact bonds were launched with the provincial departments of health and social development. The bonds focus on Early Childhood Development interventions and include funding for home and community based services for young children.

With government health services being underresourced and oversubscribed, the area of social innovation in health remains a real opportunity for development. With the

support of government, innovations in the health sector are beginning to take ground. The last couple of years have seen the introduction of MomConnect, a USSD text service for pregnant women through every stage of their pregnancy, and partnerships with Kheth'Impilo, which introduces innovations around HIV/AIDS and tuberculosis into governmental health services across the country. In 2015, one of the largest government hospitals in South Africa, Groote Schuur, introduced social innovation competitions for its staff in order to raise the profile and increase the impact of innovations that are happening on the ground. Finally, the Bertha Centre led a consortium of partners with the World Health Organization to research social innovation in health, not just in South Africa but also in other emerging economies. [3]

Innovation in the tech sector is well established in South Africa. It has the fourth most developed growing mobile communication market in the world, internet penetration is at 52 % and 37 % of the population have access to smartphones. It is no surprise then that social innovation

in the technology sector is growing. Technology-driven social innovations make up the majority of applicants for incubators and competitions. More to that, some programmes, such as Barclay's accelerator Think Rise, RLabs and Tech Lab Africa, are focusing solely on supporting technology solutions.

Education is a key area of concern in South Africa. Low performing schools, a lack of resources and a high drop-out rate before the end of high school are some of the issues the country is facing. From organizations that provide school principals with corporate mentors, to those which provide learning opportunities outside of school hours, these interventions remain on the periphery of the schools' strategy and significant change in the education system has yet to happen.

FUTURE OF SOCIAL INNOVATION IN SOUTH AFRICA

Addressing the social challenges that South Africa faces depends on the success of social innovation so that it becomes vital that the energy and resources invested in it continue to grow. Mills Soko, the Director of the Graduate School of Business, described it as such:

“When it comes to the development challenges facing this continent, we don't need bright glares or dazzling innovations – we need slow burning and sustainable fires that bring about systemic change.” [4]

A strategic approach to developing support for social innovation that involves government at national, provincial and local level, as well as companies, NGOs and universities could well be the next step that is needed. Ultimately, social innovation in South Africa needs to be about empowering people to develop their own solutions, whether they are citizens, public servants or professionals in civil society or the private sector. Institutions can support this journey, but need to put the citizens and their needs at the centre.

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