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# SOUTH AFRICAN UNIVERSITY STUDENTS' INTENTIONS TO ESTABLISH SOCIAL ENTERPRISES

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## ABSTRACT

Stimulating social entrepreneurship in South Africa has the potential to address not only the high youth unemployment rate in the country, but also other pressing social and environmental challenges. This study was conducted as part of the 2011 Global University Entrepreneurial Spirit Students' Survey and focused on South African university students' intentions to start social enterprises. The findings, based on 673 responses to an online questionnaire, reveal that the majority of respondents had such an intention. However, less than half of this group mentioned the specific type of environmental or social mission that they would like to pursue. Despite more males than females being currently engaged in social entrepreneurship activities in South Africa, no statistically significant difference was found in this study between the intentions of male and female respondents in starting a social enterprise. African language speakers and students enrolled for qualifications in the social sciences were, however, statistically more likely to start social enterprises. Education is a critical factor in achieving increased levels of social entrepreneurship activity; however, fundamental interventions in the education system are required to achieve this objective.

**KEYWORDS**

Entrepreneurship education; Environmental challenges; Generation Y; HIV and AIDS; Social challenges; Social entrepreneurship; Social enterprises; South Africa; Youth unemployment

## INTRODUCTION AND PROBLEM STATEMENT

Youth unemployment in South Africa has reached crisis proportions. According to recent statistics from National Treasury, approximately 42 per cent of adults under the age of 30 are unemployed compared with less than 17 per cent of adults over 30 years of age (Confronting youth unemployment: policy options for South Africa 2011:2). Statistics further reveal that only one in eight South African adults under the age of 25 (12.5%) have a job compared to 40 per cent in most emerging economies. A report by the National Youth Development Agency (2011:8) shows that the unemployment problem has persisted even during periods of relatively stable economic growth. Despite high levels of public and private sector spending on education and training, the education system does not produce an adequately skilled labour force to support economic growth.

On the one hand youth unemployment is the result of various social ills in the country, and on the other hand it contributes to a number of other social dilemmas such as crime and substance abuse.The South African Government realises that youth unemployment inhibits the country's economic development and imposes a large burden on the state to provide social assistance (Confronting youth unemployment: policy options for South Africa 2011:5). They are thus proposing a multi-pronged strategy to address the problem, which includes, amongst others, improving education and skills development.

The authors support this strategy and recommend that urgent attention be given to the quality of entrepreneurship education and training. Research has shown that education and training not only enhances the level of entrepreneurship in a country, but also the quality and sustainability thereof (Herrington, Kew & Kew 2009:153). By encouraging entrepreneurial activity among young people, the South African Government will furthermore contribute to the physical and psychological well-being of this growing sector of society, estimated at approximately half of the South African population (Statistics South Africa 2011:9). The authors further propose that particular attention be paid to a relatively new branch of entrepreneurship, namely social entrepreneurship. Although no generally-accepted definition of social entrepreneurship exists, most definitions allude to the activities of passionate, innovative entrepreneurs who pursue community, social and/or environmental goals rather than shareholder wealth.

Social entrepreneurs are seen as powerful change agents in the social sector who have contributed to the professionalisation of public services such as health, education and social work (Zahra, Gedajkovic, Neubaum & Shulman 2009:519; Harding 2006:5). Stimulating social entrepreneurship among South African youth would thus have an added benefit of addressing social challenges. According to the 2nd South African Social Attitudes Survey, the most serious of these challenges, in order of severity, include crime and security, poverty, service provision, affordable housing, corruption and education (Roberts, Kivilu & Davids 2010:40).

Given the important role that social entrepreneurs play in a developing economy context and evidence that better educated entrepreneurs are more successful at establishing sustainable enterprises, this study investigated the intentions of South African university students to establish social enterprises. To gain more insight into the topic, relevant concepts related to

social enterprises and social entrepreneurship are discussed. Details on the research methodology and empirical findings are presented along with recommendations for educationalists and policy makers.

## LITERATURE REVIEW

A definitive definition of entrepreneurship alludes researchers and practitioners alike, but essentially refers to a process of creating value by bringing together a unique combination of resources to exploit an opportunity (Stevenson & Jarillo-Mossi 1986:10). The entrepreneur plays a critical role in this process, especially in formulating the mission of the business. According to Peredo and McLean (2006:56), social entrepreneurship likewise refers to a process where 'individuals aim, either exclusively or in some prominent way, to create social value of some kind, and pursue that goal through some combination of recognizing and exploiting opportunities to create this value, employing innovation, tolerating risk and declining to accept limitations in available resources'.

Some definitions distinguish social entrepreneurship from mainstream entrepreneurship by stating that the profit generated in a social enterprise should be reinvested in the activity or venture itself rather than returned to investors (Harding 2006:5). It would, however, be unrealistic to expect university graduates and unemployed South African youth to establish social enterprises where all or most of the profit is ploughed back into the business. The authors are of the opinion that earning some form of an income and addressing social and/or environmental challenges need not be mutually exclusive goals and therefore propose a definition of social entrepreneurship in line with Dees (2001:4). He argues that a social mission is central to the organisation, but does not preclude the organisation from making a profit or serving the needs of customers. This definition of social entrepreneurship also concurs with what Oostlander (2010) calls 'revenue-generating social enterprises' or 'social-purpose businesses' (see Table 1).

**Table 1: The organisational-purpose continuum**

<table>
<tr><td>Primary driver is to create social value</td><td colspan="8">← Organisations can create 'blended' social and financial value →</td><td>Primary driver is to create financial value</td></tr>
<tr><td colspan="7">SOCIAL-PURPOSE ORGANISATIONS</td><td colspan="3">COMMERCIAL-PURPOSE ORGANISATIONS</td></tr>
<tr><td colspan="2">Charities</td><td colspan="3">Revenue-generating social enterprises</td><td>Social-purpose businesses</td><td colspan="3">Traditional businesses</td></tr>
<tr><td>Grants only: no trading, includes traditional philan-thropy</td><td>Trading, revenues and grants</td><td>Poten-tially sustaina-ble social enterprise (>75% in trading revenues)</td><td>Break-even: all income from trading revenues</td><td>Profitable social enterprise: surplus reinvested (no dividends to shareholders)</td><td>Profitable social enterprise: surplus profit distribution</td><td>Corporate social investment (CSI) company</td><td>Company allocates a percentage of profits to charity through its CSI programmes</td><td>Mainstream market company</td></tr>
<tr><td colspan="2">Yields a social return</td><td colspan="4">Yields a social and financial return</td><td colspan="3">Yields a financial return</td></tr>
</table>

Source: Adapted from Oostlander (2010)

The authors furthermore favour a definition that includes the pursuit of environmental goals as '…we all have a moral duty to ensure that whatever we do today does not compromise the needs of those who come after us. None of us is the owner of this Earth. We are all caretakers, and transient at that. As transient caretakers, we have a duty to save the planet' (King & Lessidrenska 2009:4). For the purpose of this study, a social enterprise was thus

defined as an organisation that is managed according to business principles, but whose primary purpose is to pursue a social and/or environmental mission in the South African context.

**Social entrepreneurship in South Africa**

In 2009, the Global Entrepreneurship Monitor (GEM) conducted a survey to assess the prevalence and scope of Social Entrepreneurial Activity (SEA) in 49 countries, including South Africa. SEA was established by asking respondents whether 'they - alone or with others - were currently trying to start or currently own and manage any kind of activity, organisation or initiative that has a particular social, environmental or community objective'. The early-stage of development of the SEA rate in South Africa (1.8%) is in line with other efficiency-driven economies such as Brazil and China, but lower than in innovation-driven countries such as Germany and the United Kingdom (UK) (Herrington et al. 2009:101). However, the South African SEA rate in established businesses is much lower compared to both efficiency-driven and innovation-driven economies. Urban (2008:356) found that most activities of student social entrepreneurs in South Africa centred on religious activities and ventures relating to sport and education.

The authors are of the opinion that, besides the usual barriers to entrepreneurship such as poor education, a lack of access to finance and a restrictive regulatory environment, one of the obstacles to starting a social enterprise in South Africa could relate to the overwhelming nature of requests from local communities and the apparent inability of one individual or enterprise to bring about social and environmental change.

**Demographics of social entrepreneurs**

Age, gender, race and level of education are four characteristics of social entrepreneurs which are relevant for discussion.

*Age*

According to Herrington et al. (2009:103), individuals between the ages of 18 and 24 are more likely to establish social enterprises. This age group is often called Generation Y, Echo Boomers, Millennials, the Internet Generation or Nexters (Eisner 2005:4).

Research has revealed that this generation differs significantly from their predecessors in that they have very different values, skills, attitudes toward work and authority, and degrees of socialization (Eisner 2005:4). According to McCrindle (2003:28), the American Generation Y has observed their parents receiving material rewards from hard work. 'They have benefitted from this being the most materially endowed and entertained generation of teenagers ever. Yet, they have also seen the costs of their parents' success in terms of broken marriages, absentee parenting and an epidemic of stress-related illnesses'. McCrindle claims that young people have been left disillusioned with the materialism they have enjoyed. The consequence being that salary is no longer viewed as the most important attribute of a job – it only ranks sixth in order of importance. Issues such as training opportunities, management style, work flexibility, staff activities and non-financial rewards are now deemed more important than a salary.

Similar preferences were reported among university students in the UK (Terjesen, Vinnicombe & Freeman 2007:504). These authors found that Generation Y job applicants mostly favour organisations that invest heavily in the training and development of their employees, care about their employees as individuals, offer clear opportunities for long-term career progression and variety in daily work as well as a friendly, informal culture. Despite

their diverse backgrounds, a study among 18 to 25 year old South Africans revealed that they have similar priorities as far as evaluating potential employers are concerned. They seek opportunities for learning and collaboration, quality of life, a flexible working pattern and meaningful work (Puybaraud 2010:4).

McCrindle (2003:5) further points out that Generation Y continually searches for fun, quality friendships, a fulfilling purpose and spiritual meaning. In recognition of these characteristics, some marketers refer to Generation Y as the 'cause-seeking' generation who factor environmental, social and human rights considerations into their consumption decisions (Cui, Trent, Sullivan & Matiru 2003:310; Bakewell & Mitchell 2003:95). This so-called 'cause-seeking' characteristic displayed by Generation Y is contributing to a number of fundamental shifts that are occurring in the public and private spheres of society. Cochran (2007:450) explains these shifts as follows: 'We are moving from philanthropy to strategic philanthropy; from investing to socially responsible investing; from entrepreneurship to social entrepreneurship; from venture capital funds to social venture capital funds and from an MBA to an MBA in corporate social responsibility'. Given Generation Y's desire for flexibility and their 'transformational' nature (Puybaraud 2010:3), it could be argued that entrepreneurship as a career, and social entrepreneurship in particular, is ideally suited for this generation.

*Gender*

Herrington et al. (2009:102) indicates that, although males are generally more likely to start new enterprises, the gender gap is less prevalent in the case of social enterprises. This is, however, not the situation in South Africa. The total early (mainstream) entrepreneurship male to female ratio in South Africa equalled 1.5:1, whereas the male to female ratio for SEA in this study equalled 2.6:1 (Herrington et al. 2009:102). These ratios suggest that South African females are under-represented in both mainstream and social enterprises, but more so in SEA. Despite this discrepancy, Urban (2008:358) found no statistically significant differences in terms of gender and SEA in South Africa.

*Race*

Racial differences were noted by Harding (2006:12) where Black Africans and Black Caribbeans were twice as likely to be social entrepreneurs compared to Whites. In South Africa, SEA is relatively evenly spread with respect to population group (Herrington et al. 2009:103).

*Education*

A positive relationship exists between an individual's level of education and the propensity of being engaged in either mainstream or social entrepreneurship activities (Herrington et al. 2009:101). In past GEM reports, the lack of education and training has, however, consistently been identified as a primary inhibitor of entrepreneurial activity in South Africa. Morrison (2000:65) argues that the formal education system in South Africa has led to the development of conformist and anti-entrepreneurial behaviour among learners. She claims that educational conditioning has even led to the 'population masses' being ambivalent to entrepreneurship.

A primary weakness identified in the South African education system relates to a skewed distribution of resources, financial and otherwise (Taylor & Yu 2009:54). This results in poorly qualified teachers and educators, inadequate facilities and conditions with low levels of teaching activity especially in areas where social and economic levels are low (Van der Berg 2008:146). Consequently, the current education system does not yield high levels of

creativity and innovation, but rather high levels of drop-outs. According to Van der Berg (2008:153), simply allocating more resources will not guarantee an improvement in the situation. Taylor and Yu (2009:54) agree and argue that interventions need to be needs-driven to have significant effect.

According to Kiggundu (2002:239), entrepreneurship research in Africa must produce useful knowledge, which can be attained by developing a holistic perspective. He claims that researchers have traditionally focused only on the firm, and suggests that they rather consider the interaction between the entrepreneur, the entrepreneurial firm and the external environment. 'It is like a three-legged pot - it needs all three legs to be effective'. Kiggundu (2002:241) further postulates that researchers have to 'scale up' their research in terms of conceptualising, designing, and conducting better research and producing 'useable knowledge'. He believes that entrepreneurship has been treated as the step-child in the education system and needs to be an integral part of the mainstream education and long-term vision of the country.

With regard to social entrepreneurship, Harding (2006:12) found that SEA rates doubled in cases where individuals received training, either at school, as part of a college or university course, workplace training or as part of a Government programme. The report noted that training had a particularly strong impact on women, with SEA being between two and two and a half times higher among women than men who have received training in the UK (Harding 2006:12).

The majority of South Africa's early-stage social entrepreneurs have completed their high school education (47%), with a further 12 per cent having some form of tertiary qualification. With regard to the nature of education, Urban (2008:358) found significant differences between students enrolled in different faculties at South African universities. Commerce students considered their abilities in financial and managerial-related matters to be more advanced than those from other faculties (notably engineering and the built environment faculty).

## RESEARCH DESIGN AND METHODOLOGY

Details on the questionnaire design, sample selection as well as the methods used to collect and analyse primary data are presented.

### Questionnaire design

The first Global University Entrepreneurial Spirit Students' Survey (GUESSS) questionnaire was designed in 2003 by researchers at the Swiss Research Institute of Small Business and Entrepreneurship at the University of St. Gallen and the KfW Endowed Chair for Entrepreneurship at the European Business School in Germany. Based on an extensive literature review, the international co-ordinators of the survey developed a set of 15 open-ended and closed-ended questions to measure entrepreneurial intentions and behaviour among university students. Respondents were also requested to provide biographical details such as gender, age, name of the university where they are studying at, the qualification for which they are enrolled, major subjects etc. By using the same questions, scales, methods and constructs across countries and universities, tangible comparisons of tendencies and trends have been made.

In 2011, country representatives had the opportunity to add country-specific questions to the existing, standard questionnaire. The authors added two South-Africa specific questions, namely home language (as a proxy for race) and the intention to establish a social enterprise (which forms the focus of this study).

**Sampling**

Each of the 26 countries participating in the 2011 survey had representatives who were responsible for contacting students in that country. The representatives were asked to inform as many students as possible of the survey, and encourage them to complete the questionnaire. The final international sample consisted of 93 265 students, with South Africa being one of the smaller contributors. The South African sample was drawn from 15 universities. Academics and administrative personnel at these universities marketed the survey by making announcements in lectures, placing advertisements on websites, sending e-mails to students, and displaying posters on university campuses.

**Data collection and analysis**

The survey was administered by means of a web-based questionnaire. Upon completion of the survey in June 2011, all data were processed by the international project coordinators in Switzerland, and the datasets were then distributed to the national representatives in each participating country.

Despite various and varied marketing efforts across the 15 participating universities in South Africa, only 697 students completed the South African questionnaire. All responses from exchange students from America, the UK, Europe and Asia were, however, eliminated from the original data set resulting in 673 usable questionnaires.

Quantitative data were analysed by computing descriptive and inferential statistics using the IBM SPSS Statistics (version 19) software programme. Qualitative data were coded and analysed using the general analytical procedure as proposed by Huberman and Miles (2002).

**Sample description**

As indicated in Table 2, the majority of the sample were aged between 18 and 24 and can thus be classified as Generation Y (82.6%). Slightly more males participated in the survey than females (54.4%) and the predominant home language of participants was fairly equally split between Afrikaans and English.

**Table 2: Sample description – demographic details**

| **Generation Y** | **N** | **%** |
|---|---|---|
| Yes - 24 or younger (born in 1987 or later) | 556 | 82.6 |
| No - Older than 24 (born before 1987) | 117 | 17.4 |
| **Total** | **673** | **100.0** |
| **Gender** | | |
| Male | 366 | 54.4 |
| Female | 307 | 45.6 |
| **Total** | **673** | **100.0** |
| **Home language** | | |
| Afrikaans | 269 | 40.0 |
| English | 268 | 39.8 |
| Other official South African languages[(a)] | 116 | 17.2 |
| Other[(b)] | 20 | 3.0 |
| **Total** | **673** | **100.0** |

[(a)] IsiNdebele, IsiXhosa, IsiZulu, Sesotho sa Leboa, Sesotho, Setswana, siSwati, Tshivenda and Xitsonga

[(b)] German, Swahili and Oshiwambo

As illustrated in Table 3, most of the respondents studied at Stellenbosch University (45%), North-West University (15.8%) and the University of Pretoria (10.1%).

**Table 3: Sample description – education**

| **Institution** | **N** | **%** |
|---|---|---|
| Stellenbosch University (including the University of Stellenbosch Business School) | 303 | 45.0 |
| North-West University | 106 | 15.8 |
| University of Pretoria | 68 | 10.1 |
| Nelson Mandela Metropolitan University (including the Nelson Mandela Metropolitan University Business School) | 66 | 9.8 |
| Rhodes University | 28 | 4.2 |
| University of Cape Town | 22 | 3.3 |
| University of Kwa-Zulu Natal | 14 | 2.1 |
| University of the Western Cape | 13 | 1.9 |
| University of Johannesburg | 13 | 1.9 |
| Other | 16 | 2.4 |
| Cape Peninsula University of Technology | 8 | 1.2 |
| University of the Free State | 8 | 1.2 |
| University of Venda | 8 | 1.2 |
| **Total** | **673** | **100.0** |
| **Level of study** | | |
| Undergraduate (Bachelor) | 583 | 86.6 |
| Graduate (Master) | 71 | 10.5 |
| PhD / Doctorate | 11 | 1.6 |
| Faculty / Post doc | 7 | 1.0 |
| MBA / Executive education | 1 | 0.1 |
| **Total** | **673** | 100.0 |
| **Faculty** | | 0.0 |
| Business and economic sciences | 480 | 71.3 |
| Natural sciences | 136 | 20.2 |
| Social sciences | 57 | 8.5 |
| **Total** | **673** | **100.0** |
| **Field of study** | | |
| Management / Business administration (including marketing, entrepreneurship, Human resource management, logistics and supply chain management) | 306 | 45.5 |
| Economics | 98 | 14.6 |
| Accounting / Financial Accounting / Internal Auditing | 55 | 8.2 |
| Computer Sciences / Informatics | 44 | 6.5 |
| Engineering Sciences (including architecture) | 42 | 6.2 |
| Mathematics and Natural sciences / Actuarial studies | 39 | 5.8 |
| Law | 18 | 2.7 |
| Other social sciences (sociology, political science, media, public administration) | 18 | 2.7 |
| Finance / Investments / Risk management | 17 | 2.5 |
| Education / Pedagogy | 7 | 1.0 |
| Agricultural sciences, forestry and nutrition science | 7 | 1.0 |
| Cultural studies (including religion, philosophy, psychology) | 5 | 0.7 |
| Medicine and health science | 4 | 0.6 |
| Tourism | 4 | 0.6 |
| Sustainable development planning and management | 4 | 0.6 |
| Sports | 2 | 0.3 |
| Art, science of art | 2 | 0.3 |
| Linguistics | 1 | 0.1 |
| **Total** | **673** | **100.0** |

It should be noted that all three of these universities are well-resourced institutions. Responses from students enrolled at these universities might therefore not be entirely representative of the average student population in South Africa. This limitation could be addressed in future surveys by employing purposive sampling techniques.

The majority of respondents (71.3%) were enrolled for undergraduate qualifications (86.6%) and qualifications in business and economic sciences faculties, specialising in Management / Business Administration, Economics and Accounting / Financial Accounting / Internal Auditing. Twenty per cent of students studied towards degrees in the natural sciences with the remainder enrolled for qualifications in the social sciences.

## EMPIRICAL FINDINGS

The following section presents pertinent findings on South African university students' intentions to start a social enterprise, the types of missions they would like to pursue and factors motivating their career choices. The outcomes and implications of the hypothesis tests are also discussed.

### South African university students' intentions to start a social enterprise

Students' responses to the question of whether they are interested in establishing a social enterprise was analysed in three steps. Firstly, the data were checked to ensure that students had the correct understanding of the concept 'social enterprise'. At this stage more than half of the students in the sample (54.8%) expressed an interest in starting a social enterprise.

If one had to support Ajzen's (1991:180) definition of an intention as 'a future course of action to be performed', the future for social entrepreneurship in South Africa seems very promising indeed. A growing body of research, mainly in the field of green marketing, is however questioning whether positive intentions necessarily result in actions. Bamberg (2003:21) for example found a weak relationship between environmental concerns and specific environmental behaviours. Vermeir and Verbeke (2006:169) likewise found that consumers generally had a positive attitude towards sustainability, yet very few purchased sustainable food products. Barber (2010:423) also found that the intention to pay more for environmentally friendly wine packaging did not always translate into actual purchase behaviour.

Respondents were asked to specify the type of environmental or social mission that they would like to pursue, to establish whether South African university students' positive responses to this question regarding establishing a social enterprise merely reflected a positive attitude towards society or whether it represented a more serious intention. Only 26.6 per cent of respondents mentioned a mission, some of which were vague (for example "I want to create jobs"). Closer investigation of the missions revealed that 9.4 per cent of respondents had specific ideas of the type of mission they would like to pursue. No comparison to the international data could be made as this was a country-specific question.

### Environmental and social missions contemplated by South African university students

An open-ended question was phrased to investigate the types of environmental and social missions that potential social entrepreneurs in South Africa would pursue. Some suggestions were quite vague (for example to create jobs), whereas others were much more detailed (for example converting highly radioactive waste to medium, low or non-radioactive waste). More

details on the specific environmental and social missions suggested by students will now be provided.

*Environmental missions*

Through a process of codification, the following environmental themes emerged:

- engaging in green projects and initiatives (such as recycling, transport, selling green products);
- providing green education and skills training; consulting on sustainable development issues;
- developing green technologies and products;
- protecting animals and the natural environment; and
- other environmental initiatives (such as establishing eco-tourism enterprises and creating community gardens).

With regard to the first green mission, which was also the most prominent one, most students envisioned starting an enterprise in the recycling sector. These students had innovative ideas to transform waste into commercially viable products, which would at the same time improve the standard of living in local communities. Other students saw opportunities to reduce greenhouse gas emissions, particularly in the transportation sector. Despite a growing emphasis on proper water management in South Africa (Adler, Claassen, Godfrey & Turton 2007: 33; Bohensky & Lynam 2005:11; Environmental problems in South Africa n.d.), only one student identified the need to start a social enterprise aimed at improving the supply and quality of water in the country. Other than engaging in green projects and initiatives, many students saw opportunities in providing environmental education, training and consultation. This might be as a result of the growing attention being given to environmental issues at South African universities (James 2009; Farrar 2008).

A number of students saw opportunities in developing new environmentally-friendly technologies, such as solar or wind power. Given the costs involved in projects of this nature, the question of whether they could be classified as social enterprises becomes important. Yet other students indicated that they were considering starting enterprises in eco-tourism, sustainable agriculture and construction. Several students recognised the interrelationship between green education and training, environmental protection and job creation.

An analysis of the above mentioned green missions suggests that are Generation Y is indeed very concerned about the future of the planet (Gen Y + Sustainability 2010).

*Social missions*

Nine social missions were identified from the qualitative data, namely:

- providing education and training (financial, legal, information technology and business management skills);
- creating job opportunities;
- engaging in construction and/or housing projects;
- engaging in projects to improve the welfare of children and adolescents;
- engaging in projects to improve health care (including community gyms);
- providing aid for under-privileged;
- combating human trafficking;
- developing sport; and
- other social initiatives (such as combatting corruption and assisting homeless people).

The two prominent ones social missions included job creation and the provision of education and training. From the comments received, it was clear that these two aspects were almost inseparable, and that both are seen as important mechanisms to reduce poverty and crime in local communities. Given the high unemployment rate in the country and its related socio-economic consequences, the majority of prospective social entrepreneurs wanted to address this problem. Unfortunately, few students had concrete ideas on how to achieve this, generally suggesting the recycling of waste products and construction. Despite students' vagueness on how they intended to create job opportunities, many agreed that 'job creation should satisfy the needs of the community', specifically as far as housing and financial stability were concerned. The students who wished to engage in social construction projects mentioned that these projects should be affordable and environmentally-friendly.

Prospective social entrepreneurs identified education and training needs in the areas of life skills, career guidance, personal financial management, technology and innovation as well as the skills required to establish and manage a small business. With regard to the latter, particular opportunities were identified in offering education and training in the fields of financial management, information technology and legal matters. Specific emphasis was placed on developing the skills of the youth and unemployed. Another social mission that was frequently mentioned dealt with improving the welfare of children and adolescents. Proposed projects ranged from providing housing and education to caring for their psychological and emotional needs. This theme ties in with the next one, namely providing aid for the under-privileged. Some students envisioned setting up charities, whereas one student contemplated the establishment of a micro-finance institution offering affordable loans to members of his local community. Although highlighted as a social mission, students were very uncertain in terms of how they wished to improve health care conditions in South Africa.

Despite South Africa having one of the highest HIV infection rates in the world, particularly among the youth (National Youth Development Agency 2011:8; Country progress report on the declaration of commitment to HIV/AIDS 2010:3), only one respondent in this sample, aspired to be a social entrepreneur working in this field. Some of the less frequently mentioned social missions dealt with combating human trafficking, sports development, eliminating corruption, establishing agri-businesses and vegetable gardens and fitness clubs in townships, and assisting homeless people and disabled children.

A common thread running through many of the missions mentioned was the students' desire to engage with communities to overcome their problems. This inclusive approach to social entrepreneurship was highlighted by Nobel prize winner and founder of the Grameen Bank, Muhammad Yunus, who remarked that: 'people can change their own lives, provided they have the right kind of institutional support. They are not asking for charity; charity is no solution to poverty' (The Nobel Peace Prize - 2006 2006).

To further explore university students' motives for selecting a specific career, respondents were asked to indicate, on a seven-point Likert-scale, how important they viewed a number of motivating factors. Table 4 contains a comparison of the mean scores of the South African and international student samples; ranked in descending order of importance, based on the South African responses.

**Table 4: Motivation for selected career choices**

| | South African sample | | | International sample | | |
|---|---|---|---|---|---|---|
| **My career should allow me to…** | **N** | **Mean** | **S.D.** | **N** | **Mean** | **S.D.** |
| Realise my own dream | 670 | 6.49 | .878 | 92 377 | 6.00 | 1.26 |
| Grow and learn as a person | 667 | 6.48 | .869 | 92 266 | 6.23 | 1.07 |
| Gain financial security | 665 | 6.25 | 1.094 | 91 914 | 5.92 | 1.28 |
| Gain greater flexibility for personal life | 669 | 6.23 | 1.064 | 92 089 | 5.73 | 1.39 |
| Gain a higher position for myself | 670 | 6.16 | 1.176 | 92 066 | 5.48 | 1.55 |
| Challenge myself | 669 | 6.17 | 1.069 | 92 388 | 5.68 | 1.35 |
| Achieve something, receive recognition | 669 | 6.07 | 1.207 | 92 164 | 5.75 | 1.38 |
| Earn a larger personal income | 669 | 5.97 | 1.162 | 92 288 | 5.69 | 1.38 |
| Be my own boss | 668 | 5.90 | 1.369 | 92 056 | 4.94 | 1.83 |
| Exploit a specific business opportunity that I recognised | 668 | 5.68 | 1.396 | 91 941 | 4.65 | 1.97 |
| Be innovative, at the forefront of technology | 667 | 5.50 | 1.478 | 92 093 | 4.57 | 1.93 |
| Develop an idea for a product | 670 | 5.47 | 1.536 | 92 025 | 4.45 | 1.98 |
| **Follow an environmental mission** | **670** | **5.04** | **1.583** | **92 160** | **4.60** | **1.89** |
| **Follow a social mission** | **668** | **5.01** | **1.583** | **92 126** | **4.81** | **1.83** |
| Build a business children can inherit | 669 | 4.81 | 1.851 | 92 027 | 3.61 | 2.12 |
| Follow the example of a person I admire | 667 | 4.75 | 1.838 | 91 989 | 3.43 | 2.13 |
| Continue a family tradition | 664 | 3.80 | 2.006 | 92 005 | 2.58 | 1.89 |

Students' career intentions were primarily motivated by the ability to realise their dreams, to grow and learn as individuals and to secure financial stability, respectively. The first two motivating factors named are consistent with the literature on Generation Y's career preferences in the UK (Terjesen et al. 2007:504) and in South Africa (Puybaraud 2010:4).

To investigate the importance students in different countries attached to pursuing an environmental or social mission, the mean scores for these two questions were computed and are reflected in Table 5. The countries participating in the 2011 GUESS Survey were categorised into three groups based on the World Bank's classification system which is based on gross national income per capita.

As indicated in Table 5, students were generally more interested in a career in which they could pursue a social mission (overall mean score = 4.81) than an environmental one (overall mean score = 4.6). Compared to the international sample, South African university students attached more value to a career in which they could pursue an environmental mission (5.04 vs 4.6) than a social mission (5.01 vs 4.81). However, this difference is not statistically significant.

**Table 5: Motivation to follow an environmental or social mission per country**

| | | Follow an environmental mission | | | Follow a social mission | | |
|---|---|---|---|---|---|---|---|
| **Classification** | **Country** | **N** | **Mean** | **S.D** | **N** | **Mean** | **S.D** |
| High income economies | Belgium | 185 | 3.89 | 1.689 | 185 | 3.98 | 1.816 |
| | Estonia | 1869 | 4.54 | 1.716 | 1866 | 4.61 | 1.667 |
| | Finland | 1432 | 3.78 | 1.749 | 1429 | 3.68 | 1.675 |
| | France | 1482 | 3.96 | 1.873 | 1482 | 3.96 | 1.799 |
| | Germany | 12392 | 3.92 | 1.861 | 12385 | 4.20 | 1.879 |
| | Greece | 447 | 4.47 | 1.662 | 449 | 4.95 | 1.628 |
| | Ireland | 328 | 3.88 | 1.839 | 329 | 4.26 | 1.807 |
| | Liechtenstein | 220 | 4.19 | 1.602 | 220 | 4.05 | 1.610 |
| | The Netherlands | 13085 | 3.85 | 1.686 | 13074 | 4.40 | 1.656 |
| | Portugal | 1004 | 4.52 | 1.720 | 1008 | 4.70 | 1.657 |
| | Switzerland | 8063 | 4.10 | 1.839 | 8060 | 4.39 | 1.861 |
| | Austria | 4522 | 4.16 | 1.879 | 4520 | 4.41 | 1.899 |
| | Hungary | 5658 | 4.79 | 1.740 | 5649 | 4.42 | 1.727 |
| | Japan | 554 | 4.57 | 1.571 | 553 | 4.90 | 1.551 |
| | Luxembourg | 437 | 4.23 | 1.870 | 439 | 4.50 | 1.767 |
| | Singapore | 2359 | 4.87 | 1.481 | 2358 | 4.91 | 1.417 |
| | United Kingdom | 641 | 4.33 | 1.944 | 639 | 4.58 | 1.913 |
| Upper middle income economies | Brazil | 28678 | 5.38 | 1.790 | 28687 | 5.56 | 1.673 |
| | Chile | 1232 | 5.33 | 1.695 | 1230 | 5.50 | 1.651 |
| | China | 838 | 4.89 | 1.563 | 839 | 5.06 | 1.550 |
| | Romania | 840 | 5.09 | 1.770 | 837 | 5.15 | 1.652 |
| | Russia | 2713 | 4.67 | 1.831 | 2714 | 4.69 | 1.764 |
| | **South Africa** | **670** | **5.04** | **1.583** | **668** | **5.01** | **1.583** |
| | Argentina | 1621 | 5.19 | 1.858 | 1616 | 5.44 | 1.751 |
| | Mexico | 552 | 5.43 | 1.710 | 552 | 5.51 | 1.691 |
| Lower middle income economies | Pakistan | 315 | 5.15 | 1.360 | 315 | 5.25 | 1.404 |
| | **Total** | **92160** | **4.60** | **1.889** | **92126** | **4.81** | **1.825** |

Source: World Bank - How we classify countries (2011)

**Characteristics of social entrepreneurs**

As indicated in the literature, age, gender, race and education have been shown to influence the intention to start a social enterprise. Given that the study was undertaken among a fairly homogenous group as far as age is concerned, null hypotheses were only formulated with regard to gender, race and type of education, more specifically:

$H_{0,1}$: There is no difference between the intentions of male and female students in starting a social enterprise in South Africa.

$H_{0,2}$: There is no difference between the intentions of different population groups (using home language as proxy) in starting a social enterprise in South Africa.

$H_{0,3}$: There is no difference between the intentions of students enrolled in different faculties in starting a social enterprise in South Africa.

*Gender*

The results of a Pearson Chi-Square test did not reveal a statistically significant difference between male and female students' intentions in starting a social enterprise in South Africa (two-sided asymptotic significance = 0.378). As a result, $H_{0,1}$ could not be rejected. This

finding corresponds with results reported by Urban (2008:358) who also failed to find a gender difference in respect of intentions to become social entrepreneurs.

*Race*

A statistically significant difference was observed between respondents with different home languages (two-sided asymptotic significance = 0.002). As indicated in Table 6, African language speakers were more interested in starting a social enterprise than respondents from other language groups.

**Table 6: The impact of home language on the intention to establish a social enterprise**

| | | Start a social enterprise | | |
|---|---|---|---|---|
| **Home language** | | **Yes** | **No** | **Total** |
| **English** | Count | 144 | 124 | 268 |
| | % within Language categories | 53.70% | 46.30% | 100.00% |
| | % within Start a social enterprise | 39.00% | 40.80% | 39.80% |
| **Afrikaans** | Count | 133 | 136 | 269 |
| | % within Language categories | 49.40% | 50.60% | 100.00% |
| | % within Start a social enterprise | 36.00% | 44.70% | 40.00% |
| **African languages** | Count | 81 | 34 | 115 |
| | **% within Language categories** | **70.40%** | **29.60%** | **100.00%** |
| | % within Start a social enterprise | 22.00% | 11.20% | 17.10% |
| **Other languages** | Count | 11 | 10 | 21 |
| | % within Language categories | 52.40% | 47.60% | 100.00% |
| | % within Start a social enterprise | 3.00% | 3.30% | 3.10% |
| **Total** | Count | 369 | 304 | 673 |
| | % within Language categories | 54.80% | 45.20% | 100.00% |
| | % within Start a social enterprise | 100.00% | 100.00% | 100.00% |

This finding is consistent with Brijlal (2011:821) who discovered that, of all population groups in South Africa, African students attached the most importance to corporate social responsibility. He also found that close to 90 per cent of African students believed that successful business owners should give something back to the community beyond providing employment.

The findings in Table 6 contradict those of the 2009 GEM report which indicate a relatively evenly distribution of SEA in South Africa with respect to population group. The higher level of interest in social entrepreneurship among African students (in this sample) could be due to the use of language as proxy for race. It might be that some African students indicated their home language as English, confounding the findings in Table 6. It might also be that African students are genuinely more concerned about finding solutions to the social and environmental challenges that South Africa faces.

Given that differences are observed in terms of home language and intention to start a social enterprise, $H_{0,2}$ can be rejected.

*Education*

A statistically significant difference was observed between the intention to start a social enterprise and the faculty in which a student was enrolled (two-sided asymptotic significance = 0.020). In this study, social science students were slightly more likely to establish social enterprises compared to their counterparts in economic and business sciences (71.9% versus 70.2%) (Table 7).

**Table 7: The impact of faculty on the intention to establish a social enterprise**

| | | Start a social enterprise | | |
|---|---|---|---|---|
| **Faculty** | | **Yes** | **No** | **Total** |
| **Business and economic sciences** | Count | 259 | 221 | 480 |
| | % within Faculty | 54.00% | 46.00% | 100.00% |
| | % within Start a social enterprise | 70.20% | 72.70% | 71.30% |
| **Natural sciences** | Count | 69 | 67 | 136 |
| | % within Faculty | 50.70% | 49.30% | 100.00% |
| | % within Start a social enterprise | 18.70% | 22.00% | 20.20% |
| **Social sciences** | Count | 41 | 16 | 57 |
| | **% within Faculty** | **71.90%** | **28.10%** | **100.00%** |
| | % within Start a social enterprise | 11.10% | 5.30% | 8.50% |
| **Total** | Count | 369 | 304 | 673 |
| | % within Faculty | 54.80% | 45.20% | 100.00% |
| | % within Start a social enterprise | 100.00% | 100.00% | 100.00% |

Urban (2008:358) also found significant differences between faculty enrolment and the intention to start a social enterprise. His findings, however, suggest that Commerce students, who have a greater affinity with business related matters (than social or natural science students), were more likely to establish a social enterprise. Given the presence of a statistically significant relationship between faculty enrolment and the intention to start a social enterprise, $H_{0,3}$ can be rejected.

The high level of interest in social enterprises among social students are very encouraging, given the magnitude of social issues the country is facing.

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Given that social entrepreneurs can act as powerful change agents, and that better educated entrepreneurs are more likely to establish sustainable businesses, this study set out to investigate the intentions of South African university students to establish social enterprises.

The findings revealed that quite a large number of South African university students were interested in establishing social enterprises. Less than 10 per cent of the overall sample, however, provided specific suggestions regarding their chosen social and/or environmental mission. These findings seem to suggest that although respondents are quite positive about the notion of social entrepreneurship, few are likely to convert their intentions into actual entrepreneurship actions.

Despite the fact that more males than females in South Africa are currently engaged in SEA, no statistically significant difference was found between the intentions of male and female respondents in this study to start a social enterprise. African language speakers and students enrolled for qualifications in the social sciences were, however, statistically more likely to start social enterprises.

The findings of this study are encouraging and suggest that the topic of social entrepreneurship needs to be brought into the mainstream education and long-term vision of the country. Even though South African universities are more aggressive in promoting entrepreneurship, the topic of social entrepreneurship could receive more attention. South Africa, a country with immense social and economic issues, offers much opportunity for social entrepreneurs. Although pockets of excellence exist in the South African context, it is the exception rather than the rule and as a result, the country suffers from a highly skewed skill distribution, with a relatively small percentage of highly skilled members of society and a

relatively large percentage of very low skilled members. The challenge for the country lies in operationalising the well-intended strategies, without a skilled middle management layer.

Specific educational interventions are required to transform the South African education system into one that will focus on innovativeness and creativity rather than being 'ambivalent to entrepreneurship'. These interventions should preferably be aimed at women and should be in line with those strategies already formulated by Government, such as those set out in the National Development Plan – Vision for 2030 (2011:3). Given that many young people in South Africa leave the school system before matriculating, a clear need also exists for technical and vocational forms of training, adult literacy programmes and other post-school educational interventions.

Finally, the authors strongly support suggestions by the National Planning Commission and authors such as Etzkowitz (2003:239) to strenghten ties between Government, industry and academia, the so-called 'triple helix'.

## SUGGESTIONS FOR FUTURE RESEARCH

As indicated earlier, research has revealed that individuals with higher levels of education are more likely to succeed in establishing sustainable social enterprises. These organisations have the potential to address various social, developmental and environmental challenges in a country. The question now becomes: why would a university graduate forego a career offering financial security (a particularly important motivator in the South African context) to pursue a social or environmental mission? Is passion alone sufficient? Further research into the 'push and pull' factors for social entrepreneurs in South Africa is thus required. Future research should also strive to incorporate the call from Muhammed Yunus to broaden our understanding of capitalism and social entrepreneurship to successfully transform our societies (The Nobel Peace Prize - 2006, 2006).

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