

**NATIONAL DEVELOPMENT AGENCY (NDA) SUPPORT FOR NON-PROFIT
ORGANIZATIONS TO BECOME SUSTAINABLE SOCIAL ENTERPRISES:
PIXLEY KA SEME DISTRICT, NORTHERN CAPE**

By

**Malake Bopape
(201657560)**

A Mini-Dissertation Submitted in Partial Fulfilment of the Master's Degree in
Development Studies in the Faculty of Economic and Management Sciences at
the University of the Free State

BLOEMFONTEIN

**30 November 2022
Supervisor: Prof. D Van Rooyen**

DECLARATION

I hereby declare this dissertation is my unique work submitted towards the Masters of Development Studies; to the best of my understanding and knowledge, it comprises no material previously published by any other person or material that has been recognized for the award of any degree at the university, excluding where acknowledgement has been made in the text.

A handwritten signature in black ink on a light-colored background. The signature appears to be 'Malake Bopape' written in a cursive style.

Malake Bopape
(2016057560)

30 November 2022

Date

ACKNOWLEDGEMENTS

I thank the Almighty, who gave me the strength and health to complete this journey. Thank you to my supervisor, Prof Deidre van Rooyen, for her patience, understanding, wise contributions, and guidance. Thank you to my precious daughters, Thoriso and Bonolo, for the unwavering support, love, and understanding that I could not be as present at times as I would have loved to be. Thank you to all of the people I met through the journey.

I dedicate this research study to my father, Shiko, in heaven, who taught me patience, calmness, and to keep my head up. To my mother, Marumo, thank you for believing in me and your encouragement.

ABSTRACT

This study explored how the National Development Agency (NDA) can support Non-profit organizations (NPOs) to become sustainable social enterprises in Pixley Ka Seme, Northern Cape. NPOs are the closest organizations to the communities in which they operate. NPOs contribute immensely to development, and their unsustainability creates problems for founders, funders, and the communities they serve. Government and the institutions working directly with them recognize the importance of sustainable community development organizations. However, community development organizations still need to improve with a lack of good governance and long-term planning, which can be traced to inadequate or improper capacity-building interventions and a lack of understanding of social entrepreneurship.

The study applied a qualitative methods approach, and data was collected through face-to-face interviews. Interviews were conducted with three state institutions and nine organizations from the NDA database in Pixley Ka Seme. The data were analyzed thematically and presented. The study shows that within the sector, there needs to be more understanding of NPO and social enterprise. Only the participants from the government institutions understood the concept of social enterprise and agreed that they only knew how it is defined. However, its registration of it needs to be more explicit in South African legislation.

Furthermore, NPO support in the sector is only widely known to some organizations as they heavily depend on the Department of Social Development. The need to be aware of the importance of capacity building and the opportunities that organizations can benefit from if they can have good governance, innovation, and creativity to ensure that they are only sometimes dependent on state or private funding. Organizations can become sustainable if they are self-reliant with skills and finances. The study revealed that NPO managers and administrators in Pixley Ka Seme need to be made aware that they can creatively find and use ways to bring income to their organizations. The income can be utilized to further the organization's objectives, thereby ensuring its sustainability. The study shows that the NDA needs to have a time frame for its funding process to ensure that CSO can comply with the conditions of the funding agreement.

Table of Contents	Page
CHAPTER ONE NATURE AND SCOPE OF THE STUDY	1
1.1 Introduction and Background	1
1.2 Clarification of Terms	2
1.3 Problem Statement	3
1.4 Research Aim and Objectives of the Study	4
1.5 Intended Contribution to the Body of Knowledge	4
1.6 Dissertation Outline	7
1.8 Conclusion	8
CHAPTER TWO THE NON-PROFIT ORGANIZATIONS, THROUGH LITERATURE	10
2.1 Introduction	10
2.2 The concept of non-profit organizations (NPOs)	10
2.3 NPO across the globe	12
<i>2.3.1 The Importance of NPOs globally</i>	<i>17</i>
2.4 NPOs in the African context	18
2.5 NPOs in South Africa	21
<i>2.5.1 How the NPO sector came about in South Africa</i>	<i>26</i>
<i>2.5.2 Legislation on NPOs in South Africa</i>	<i>27</i>
<i>2.5.3 Challenges NPOs face in South Africa</i>	<i>30</i>
2.6 Conclusion	30
CHAPTER THREE THE CONCEPT OF SOCIAL ENTREPRENEURSHIP	31
3.1 Introduction	31
3.2 Concept of Social Enterprises	31
3.3 Administration of Social Enterprises	37
3.4 Sustainability of Social Enterprises	38
3.5 Support of Social Enterprises- Where and how they get support	39
3.6 The National Development Agency	40
3.7 Conclusion	41

CHAPTER FOUR RESEARCH DESIGN AND METHODOLOGY	43
4.1 Introduction	43
4.2 Research Methodology and Design	43
4.3 Data Collections Strategy	44
4.4 Validity and Reliability	45
4.5 Sampling Design	45
4.6 Research Ethics	46
4.7 Limitations of the Study	47
4.8 Conclusion	48
CHAPTER FIVE: PRESENTATION, ANALYSIS, INTERPRETATION OF DATA, AND DISCUSSION OF FINDINGS	48
5.1. Introduction	48
5.2 Participants	49
5.3 Themes	51
<i>5.3.1 Understanding the concept of SEs and NPOs</i>	<i>51</i>
<i>5.3.2 Social problems addressed by CSOs</i>	<i>52</i>
<i>5.3.3 Support in the sector</i>	<i>53</i>
<i>5.3.3.1 Capacity Building</i>	<i>53</i>
<i>5.3.3.2 Funding</i>	<i>54</i>
<i>5.3.4 Success</i>	<i>54</i>
<i>5.3.5 Challenges</i>	<i>55</i>
5.4 Conclusion	55
CHAPTER SIX SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS	57
6.1 Introduction	57
6.2 Summary of the Study	57
<i>6.2.1 Understanding the NPOs and Social Enterprise concepts</i>	<i>57</i>
<i>6.2.2 The current practices in funding and capacity-building</i>	<i>58</i>
<i>6.2.3 Approaches need to guarantee success NPOs</i>	<i>58</i>

6.3 Recommendations	59
<i>6.3.1 Support in the sector</i>	<i>59</i>
<i>6.3.2 Funding in the sector</i>	<i>59</i>
<i>6.3.3 Capacity-building in the sector</i>	<i>59</i>
<i>6.3.4 Challenges in the sector</i>	<i>59</i>
6.4 Limitations of the study	60
6.5 Future Studies	60
6.6 Concluding Remarks	61
References	62
ANNEXURES	
A. Informed consent	70
B. Interview questions	75

List of Figures

Figure	Description	Page
Figure 1	<i>National Compliance Statistics in SA</i>	26
Figure 2	<i>chart indicating the noncompliance statistics in the Northern Cape Province</i>	27
Figure 3	<i>outlook of noncompliance within the province</i>	27
Figure 4	<i>The Continuum of Social Entrepreneurship</i>	35

List of tables

Table	Description	Page
Table 1	<i>Clarification of Terms</i>	3
Table 2	<i>Dissertation Outline</i>	7
Table 3	<i>Social Entrepreneurship Matrix</i>	34
Table 4	<i>Participants of the Study</i>	50

CHAPTER ONE

NATURE AND SCOPE OF THE STUDY

1.1 Introduction and Background

Non-profit organizations (NPOs) are the closest organizations to the communities in which they operate. They are the leading role players in socioeconomic development in the local communities where they are based (Choto et al., 2020). Sen (1992) asserts that voluntarism started between 1000 BC and 1453. However, large-scale voluntary activities commenced around 1800 and focused on socioeconomic development. According to Lewis and Kanji (2009), the leading intercontinental NPO formed around 1839 was the Anti-Slavery Society. Lewis (2010), as quoted by Littlewood and Holt (2018), states that the leading kinds of voluntary attempts at socioeconomic development were pioneered by the missionaries around 1810 as they travelled around the world promoting Christian evangelism while at the same time building colleges, schools as well as orphanages. In South Africa, the government invests billions of rands into the NPOs to facilitate and implement development programs and projects. There are over 264 thousand organizations registered as non-profit organizations in South Africa. The Northern Cape has a minor proportion of registered NPOs. There are currently 4357 NPOs registered with the NPO Directorate, including 391 early child development centers (Department of Social Development, 2020).

NPOs rely mainly on donors and the government, such as the Department of Social Development and the NDA promulgated under the National Development Act No. 108 (1998). NDA is an entity that reports to parliament through the Department of Social Development minister. The NDA was formed to assist the government in eradicating poverty by funding various development projects (National Development Agency, 2016). The NDA funds NPOs and other community development structures. Since the NDA was established, over 2 billion rands have been spent on financing NPOs, excluding capacity-building interventions and other programs. However, most of the funded NPOs lasted only a short time. Over 80% of NPOs funded in the first ten years of NDA establishment have

perished, rendering NPOs unsustainable. Nearly 70% of the registered NPOs need to comply with the NPO Act 71 of 1997 (DSD, 2020).

Furthermore, a study conducted by the NDA in 2016 proves substantial investment and allocation of funds in the sector. In the 2013/2014 fiscal year, the sector was funded with 38 billion rands, excluding funding from the private sector (NDA, 2016). However, most organizations need to be more sustainable amid financial investment in the sector (Pevcin, 2012).

According to Dupuy et al. (2015), state policies and regulations play a significant role in the survival and sustainability of NPOs. According to Jonson (2003), the not-for-profit sector currently faces increasing demands for better usefulness and sustainability because of weakening financial backing from customary funders and amplified competition for the same limited means. Hence, social entrepreneurship has recently emerged in the non-profit, public, and private sectors. According to Swanson and Zhang (2012), social entrepreneurship describes ecological and viable ventures combining business philosophies with a desire for a social cause (Wolk, 2008). Social importance becomes the main organizational objective by using business concepts to endure operations to achieve this goal (Weerawardena et al., 2010). More so, Swanson and Zhang (2012) put social enterprises on the list of organizational forms because of how organizations plan to implement social change and execute business practices.

1.2 Clarification of Terms

Terms	Clarification
A non-profit organization (NPO)	Trust, company, or other association of persons established for a public purpose. The income and property are not distributable to members or office bearers except as reasonable compensation for services rendered (RSA, 1997)
The non-governmental	Organizations formed aside from the government to pursue particular communal challenges are formed to keep the

organization (NGO)	government in check. SA does not have formal registration for NGOs but NPOs (Corruption Watch, 2019)
Faith-based organization (FBO)	churches and organizations that adhere to the moral imperative to assist all people in need regardless of faith (Adeogun & Muthuki, 2017)
Community-based Organizations (CBO)	NPOs, NGOs, or any charitable organizations that represent community needs and work to help them (Austin et al., 2012)
Third sector	The voluntary sector consists of NGOs, NPOs, FBOs, CBOs, and Social enterprises mainly for the benefit of the public. The third government and private sectors are regarded as the first and second sectors (Banks & Hulme, 2012)
Civil Society Organisation (CSO)	In the context of the discussion, Civil Society Organizations (CSOs) refer to a range of organizations, including community groups, NPOs, Cooperatives, Foundations, Trusts, and Non-profit companies, irrespective of their registration status (NDA, 2017)
Social Enterprise (SE)	A business with its primary objective is to address a specific social problem; this business seeks to address a particular problem and be profitably sustainable to continue (Manyaka-Boshielo, 2017)

Table 1: Clarification of Terms

1.3 Problem Statement

NPOs contribute immensely to development, and their unsustainability creates problems for founders, funders, and the communities they serve. Government and the institutions working directly with them recognize the importance of sustainable community development organizations (Gugerty, 2010). However, community development organizations still need to improve their governance and long-term planning, which can be traced to inadequate or improper capacity-building interventions and a lack of understanding of social entrepreneurship (Manyaka-Boshielo, 2017). Firstly, supporting interventions should assist these organizations in becoming sustainable. Despite these interventions, most NPOs do not succeed as they fail to realize their goals. The NPOs

needs to strengthen their in order to place organizations in a better position to become sustainable social enterprises (National Development Agency, 2016).

Secondly, capacity building and funding interventions have been reviewed to adjust to the sector's needs. However, the challenges remain resolute, prompting a further and thorough investigation. In summary, there is a need to understand better how the NDA can support NPOs in Pixley Ka Seme to become more sustainable. There is a need to support these social enterprises to ensure these organizations become sustainable social enterprises as critical organizations in facilitating development (NDA, 2016).

1.4. Research Aim and objectives

The research explores how the NDA can support NPOs in Pixley Ka Seme district to become sustainable social enterprises. The study will contribute to designing and implementing NDA programs for NPOs. Notably, the study has the following objectives:

- To understand international literature on NPOs and social enterprises.
- To identify the current practices in funding and capacity-building development in the NPO sector.
- To explore the approaches needed to guarantee the continuation of the NPOs in Pixley Ka Seme to become sustainable social enterprises.
- To understand the mandate of the NDA.
- To offer recommendations on how to support NPOs with sustainability towards social enterprises.

1.5. Intended Contribution to the Body of Knowledge

This part focuses on exposing research gaps to increase the empirical evidence reported in the literature about the phenomenon studied. The debaters, commentators, and scholars of social entrepreneurship discourse agree that social entrepreneurship means different things to different interpreters (Masseti, 2008). The definitions of social entrepreneurship relate closely to offering entrepreneurial actions with an intrinsic purpose of offering social upliftment (Austin et al., 2012). According to Yunus (2007), social entrepreneurship application and definition cannot be uniform as poverty is

distributed unevenly globally; therefore, social entrepreneurship has different forms of application and context. The various definitions of social entrepreneurship closely indicate the importance of social enterprises critical in catalyzing development (Baporikar, 2016). Yunus (2006) and Patel (2012) define social enterprises mainly for registration and legalization, as many forms of entrepreneurship are rooted in addressing social problems. However, the forms and methods utilized are commercial or charity (Austin et al., 2012). In contrast, DiMaggio and Anheier (1990) believe that it does not matter the organization's legal registration. They are a social business if they exhibit social enterprise traits and contribute to social value.

Despite the different understandings of the social entrepreneurship concept, a consensus exists about social entrepreneurship's social problem and compassion element (Baporikar, 2016). Furthermore, Massetti (2004) believes social entrepreneurship is integral to the third sector. Moreover, social entrepreneurship is where a community cooperates to pursue specific developmental goals and social values (Austin et al., 2012). It is clear from the literature that many scholars often define social entrepreneurship by its legal form rather than its aim and objectives.

Sahlman (1996) developed an analytical framework that captures a commercial entrepreneur's critical elements; it differentiates between traditional and social entrepreneurship. The model interrelates four main complements, people, context, deal, and opportunity (PCDO) framework (Sahlman, 1996; Austin et al., 2012). The PCDO framework says that each framework pillar is critical in the setting and development. *People*- include attitudes and values of the people involved in the enterprise and their investment. *Context*- every element the entrepreneur is not in control of, such as policies, political environment, and natural environment. The context contributes to the setting of the venture. The context can also influence the investors, attitudes and values. The *deal*- is the value the beneficiary, the funders, and the founders gain from their ventures; it can influence the other elements. The deal, the context, and the people can create the *opportunity* for the entrepreneur. In this instance, the context to which the venture is applied may be social or commercial. The PCDO framework is further applied in commercial entrepreneurship (Austin et al., 2012).

In social and commercial entrepreneurship, an opportunity requires scarce resources to achieve a certain development level. Social entrepreneurship will see such an investment as an opportunity to archive absolute social value in the community. However, social and commercial entrepreneurs (Swanson & Zhang, 2012) can also see similar opportunities. Therefore, there are vast opportunities for social entrepreneurs as they have various forms of sporting an opportunity, either through investment expecting returns to become sustainable in solving problems or through donor funding to address the same challenges, which was an opportunity according to the model (Clark, 2006). In essence, a social entrepreneur sees an opportunity to supply water tanks in the community and uses that opportunity to be creative and cost-effective while addressing the problem or merely mobilizing external resources to address the same challenge (Clark, 2006). According to the PCDO, the context of social entrepreneurship is similar to the commercial entrepreneurship context. Thus, policies, the environment, and the funding sector are the context that people may also influence within the sector; for example, the funding sector has been affected by the same challenges of economic downturns as traditional businesses. The context of opportunities will affect the beneficiaries and the framework (Austin et al., 2012).

Scholars agree that social entrepreneurship cannot utilize a one-size-fits-all approach (Austin et al., 2012; Massetti, 2008). However, it needs to exhibit certain traits further depicted by the PCDO framework (Massetti, 2008). Most scholars and commentators define social entrepreneurship as creating social value. Massetti (2008) introduces the Social Entrepreneurship Matrix (SEM), which states that social entrepreneurs exist in a continuum. The SEM states that social-oriented organizations will be on the left side of the continuum, depending on their definition. In contrast, profit-oriented organizations will exist on the far-right side of the continuum, and hybrids will be in the middle of the continuum. Therefore, as a result, social entrepreneurship can exist in several quadrants (Abraham, 2006).

The NPO sector has been debated concerning its origins in socialism, neoliberalism, and capitalism. These traits of which maybe be found in all ideologies (Littlewood, 2018). According to Lebowitz (2016), socialism advocates for overall human development, giving

people more power and responsibility to direct their development. Furthermore, Lebowitz asserts that socialism has critical links with democracy, where NPOs flourish. The United Nations (UN) definition of an NPO is a socialist movement with human development objectives rather than gains (Lebowitz, 2016). However, the private sector advocates for civil society organizations' empowerment, favouring neoliberal ideology. Economic efficiency, which the ideology encourages, benefits the public and private sectors. In a poll of experts ran by Globe scan, NPOs played a leading role in achieving sustainable development in developed countries; the poll results show that NPOs contribute 30% to development, the private sector 35%, and the government 24%. However, the government assumes a critical role (Banks & Hulme, 2012). It is well acknowledged globally that neoliberal policies' current development agenda encourages privatization and reduced service delivery costs (Feldman, 2003). Feldman (2003) and Gal and Ajzenstadt (2013) agree that the shift from socialism to neo-liberal policies represents a break from the notion that social development is the state's responsibility.

1.6. Dissertation outline

This research study consists of six chapters. The study is expected to contribute to designing and implementing NDA sustainable programmes for NPOs.

CHAPTER	OVERVIEW
Chapter One -	Introduction and the overview of the study
Chapter Two	Review the literature surrounding the NPOs, their benefits, and their challenges.
Chapter Three	Focuses on the concept of social enterprise
Chapter Four	Focuses on providing an outline of the methodologies, model specification, research strategies, and empirical techniques
Chapter Five	Presentation of research findings after the estimation of the models and data analysis.
Chapter Six	A synoptic presentation of the research findings coupled with policy recommendations as well as challenges and suggestions for future research

Table 2: Dissertation outline

1.8 Conclusion

Chapter one introduces the dissertation; it further describes the study's background and outlines its contribution to the literature. The study overview is given in this chapter, and the aim and objectives that underpin the research are clearly stated. The chapter also clarifies certain concepts and contextualizes them for the study. Furthermore, the chapter outlines the project's structure and the study's limitations.

Chapter two reviews the non-profit organizations (NPOs) through literature.

CHAPTER TWO: THE NON-PROFIT ORGANIZATIONS, THROUGH LITERATURE

2.1 Introduction

The previous chapter provided an introductory presentation of the research topic concerning NDA support for non-profit organizations (NPOs) to become sustainable social enterprises in Pixley Ka Seme District, Northern Cape. This chapter looks at the literature surrounding NPOs needing more good governance and long-term planning. In addition, despite reviewing the NDA's programme to adjust the sector's needs through capacity building and funding, the challenges remained definite, encouraging further and thorough research.

2.2 The concept of Non-profit Organizations (NPOs)

The concept of NPO is a broad idea comprehended and depicted contrastingly by various elements; different views have been utilized to explain this concept. These typologies include civil society organizations (CSO), faith-based organizations (FBO), charities, voluntary associations, philanthropy groups, advocacy groups, and non-state actors' also known as non-governmental organizations (NGOs) (Smith et al., 2006). The new inclusive term that includes all NPOs was also developed by civil society organizations (CSOs) in the development discourses. These terms are often used interchangeably. Habitually, CSOs are logically described in this way: authoritative (auxiliary), sound, and community-driven. CSOs are portrayed as community associations or organizations built up for a genuine reason concerning the authoritative-driven view. The income received is not appropriated to individuals or workers of the organization (Kearns, 2017).

The functional definition of NPOs is that organizations' capacities fluctuate due to their size and type of work in the community (Morris et al., 2008). In any case, they are built up with the principal motivation behind arranging and managing deliberate social activity coordinated at the philanthropic solution (Mokwa, 1990). Their activities are for non-profit objectives to produce a social advantage for a particular segment of society (Gonzalez et al., 2002). Arshad et al. (2013) agree that CSOs are consistently dedicated to a specific

social reason or upholding a specific perspective while getting non-profitable income. Income created is frequently utilized to facilitate the primary goal. According to Frasier (2008), the individual's driven viewpoint sees NPOs as substances that are built up to be responsible, reliable, and transparent to their beneficiaries, whom they serve and have contributed time, cash, and confidence to the association; they esteem connections more than anything (Behn et al., 2011).

Batti (2014) and Hasenfeld (2015) further clarify that there is no exact definition for portraying an NPO. However, some qualities differentiate NPOs from other enterprises (Tabaku & Mersini, 2014). These involve the need to address particular social ills by mobilizing resources with no intention to benefit (Tabaku & Mersini, 2014). Furthermore, NPOs' aim is focused on the product they give. For example, the NPOs would seek housing and shelter without focusing on specifics such as quality. Similarly, the South African Early Childhood Association claims that NPOs are organized around a crucial significance vital to their work. As Hasenfeld (2015) indicated, NPOs are limited by the standard strategy to meet the social needs of poor people. Their targets satisfy a social strategy and various exercises and activities (Kitonga, 2017). Aside from being mission-led, NPOs work for non-financial advantage; their benefits are not distributed among staff or anybody with a gainful enthusiasm for the association (Courtney, 2002). Equally, Van Pletzen et al. (2013) agree that CSOs seek a predefined objective without the expectation of giving out extra income to individuals or pioneers. Gonzalez et al. (2002) concur that CSOs need more money to support the public. Including, Claeys and Jackson (2012) portrayed CSOs as "private, self-administering, willful, non-profit dispersing association working, not for business purposes yet in the open enthusiasm, for the advancement of social assistance and improvement, religion, a noble cause, training, and researches."

CSOs likewise perform open assignments sought after, which neither the government nor the profit-driven community can satisfy. Typically, the government (Mishra et al., 2005) designates these undertakings. They advance exercises and activities valuable to the general population (Salamon et al., 2013). According to Rosenthal (2012), NPOs are made to propel a reason in the open intrigue and address social needs. In this manner,

statistical surveying gets critical for CSOs to have the option to distinguish these social needs.

Dupuy et al. (2015) assert that the knowledge gap in NPOs is viewed as positively affecting the public, particularly when taking an accumulated viewpoint. In any case, being an NPO does not generally imply that the organization is viable, sustainable, or supportable, as it requires specific approaches to run the organization, not just having a social goal (Baporikar, 2016). The literature review shows that corporate manageability and social undertaking are exceptionally related (Albreda et al., 2007). However, it is still being determined whether they can exist at the same time. According to Bushe (2019), it can be accepted that different sides of sustainability and manageability exist for an NPO (Iwu et al., 2015). The first is the monetary supportability viewpoint which guarantees corporate perseverance throughout some undefined time frame. At the same time, the other perspective is identified with its social effect on accomplishing its social goals (Karnani, 2010).

The NPO sector is a circle or relationship between the community, the state, and the predominant financial framework, where individuals with the same interests collaborate deliberately (CIVICUS, 2002). Regarding their tasks and serving various networks, CSOs interface with numerous partners, including the individuals they serve, funders, government representatives, board individuals, volunteers, staff, and other specialist co-ops (DSD, 2015).

Because of the communications with various partners, NPOs structure inter-organizational connections, and the associations and the individuals working in the area are regularly connected with others (Austin et al., 2012). Systems can be a collective undertaking, familiar funding sources, or overhauling a similar customer base. NPOs are ordinarily firmly connected and generally contact individuals accomplishing comparable work. As Abraham (2006) noted, these NPOs honour casual connections with willful interest and endeavour to keep these connections.

Many NPOs work with restricted funds; they depend on donations and funding to cover operational expenses. Mazibuko (2013) stated that NPOs rely for the most part upon benefactor funding to conduct their business within the communities they serve, and these funding or donations may come from local or international philanthropists and conglomerates, establishments, or organizations such as Corporate Social Investment projects (CSIs). Over the years, there has been an overall expansion in NPOs, which has expanded interest in benefactor subsidizing (Behn et al., 2010; Zainon et al., 2011). Nonetheless, Behn et al. (2010) suggest no proportionate increment in assets accessible to NPOs. Thus, numerous CSOs face resource shortages to differing degrees and extents (Balabanis et al., 1997).

All-inclusive, NPOs assume an essential job, able to redress different financial issues, advertise disappointments, and arrange available merchandise and ventures not given by the state (Feldman, 2003). They are recognized as the principal driver of social development, advancing excellent conduct in public (Omura & Forster, 2014). Weerawardena et al. (2010) concur that NPOs offer essential assistance and add to the public value through worthy social development; they focus on the public's needs that are not attended to by corporate or governments (Wright, 2013).

2.3 Non-profit organizations across the globe

In the US, NPOs get undeniably less government support than most European and Asian nations and thus need to depend on their financial activities (Albreda et al., 2007). This custom, profoundly established in US history, became progressively significant during the 1970s against the setting of an economy debilitating because of the oil emergency. Numerous NPOs had to extend their monetary practices with additional cuts in the philanthropic area (Miller et al., 2012). They started selling items and administrations frequently not connected to their beneficent work. This improvement established the framework for developing two diverse social business streams. From one perspective, there is the 'Social Enterprise School of Thought, which, as the name proposes, centres around the executive association. Perhaps the most popular model is the Grameen Bank,

established by Muhammad Yunus, which depends on the rule that financial backers give their cash with no interest and without a profit (The World Bank, 2017).

After World War II, Europe dealt with intense issues like destitution and housing deficiencies. During the 1970s and 80s, difficulties, for example, tenaciously high joblessness and a critically required decrease in public debt, were included. Simultaneously, it proved that the current government instruments lacked working answers for the general public (Banks & Hulme, 2012). These institutions started to manage previous government assignments. The nature and type of the inclusion of associations in this area fluctuated broadly in Europe, fundamentally because of the individual nations' diverse government assistance state models (Beaudoin, 2007).

The Bismarck and Beveridge model, dependent on Otto von Bismarck, focuses on pay-reliant and federal retirement aide-financed representatives (Feldman, 2003). This idea appreciated extraordinary prominence in numerous European nations until around 1980. A differentiating approach by William Beveridge centres on fundamental security for everybody, including women and children, financed by charge incomes. Because of the difficulties of the 1980s, this methodology was frequently seen as an answer for the government (Gal & Ajzenstadt, 2013).

Esping-Andersen schematized the European nations during the 1990s and built up the hypothesis of the government assistance system (Patel, 2012). The distinctive element is the connection between the state and the market concerning social advantages. In the accompanying, the quality and effect of social approach on society, for example, reallocation issues, are inspected. For a more critical look, the accompanying order dependent on Esping-Anderson can be made: firstly, the Nordic nations; secondly Joined Realm; thirdly, nations nearest to the model by Bismarck, that is, Belgium, France, Germany, and Ireland, and fourth the southern nations (Gal & Ajzenstadt, 2013).

The Nordic nations are portrayed by how, until the 1980s, social spending was state-claimed, and they had probably the most elevated on the planet. Many ascribed to the expense-escalated government assistance framework because of the frail financial presentation during the 1990s. The restrictions on the exacting division of assignments

started to break up. This additionally energized the rise of new third-area cooperatives (Feldman, 2003).

Rather than that, the circumstance appeared to be unique in the United Kingdom, where government social spending was low (Ravallion, 2016). The social area comprised the private sector finances a generally enormous willful. Solely after the ending of The Second Great War, a fundamental security framework dependent on the Beveridge model was set up (Gal & Ajzenstadt, 2013). The third area started to profit from this during the 1980s when the state opened the chance of social advantage contributions for various authoritative structures (Vidyasagar, 2006).

NPOs have consistently assumed a significant part within the Bismarck nations, particularly social administrations and federal retirement aid. During the 1980s, affiliations were progressively used to help public establishments and NPOs coordinate efforts. This kind of economy became well known in France and Belgium and continued under the terms social economy or fortitude economy (Kerr et al., 2017).

Within the southern nations of Europe, expenditure by the government on welfare and social development and upliftment has consistently been lower than in other nations (Wang Xi, 2002). The feature was especially a significant job of the family and, at any rate, until the state limited it in the twentieth century with the foundation of the Christian Church (Sen, 1999). Appropriately, there were few NPOs, yet a solid agreeable development. When the current social security aid network revealed some failing steps during the 1980s against the foundation of a maturing populace and changing family structures, new cooperatives were made in Italy (World Bank, 2016). Dissimilar to previously, these zeroed in on the interests of society overall and included various partners. Against this foundation, the paper called *Impresa Sociale* of around 1990 typified social enterprise ideas and interestingly attempted to catch the development depicted above officially (Kolb, 2008). The Italian parliament reacted by drafting the authoritative document of social development in one year, which is currently viewed as the root of the NPOs development in Europe (Feldman, 2003). The previously mentioned issues of the 1980s and the development of different new types of association in the third

area, which recently took on government activities, drove numerous governments to follow the Italian one and start making their authoritative documents for social business people. Afterwards, the social purpose organization was created in Belgium, and in the UK, the local area interest organization' was created (Clark, 2006). Support and extended social venture effects are also significant in supporting its performance (Gal & Ajzenstadt, 2013).

Even so, the practical social venture is one area that the writer has regularly ignored. Few have examined a corporate manageability model explicit to a social undertaking, especially in health services. Eade (2001) asserts that familiarity with worldwide duty resulted from the two wars that oppressed nations and affected families. These repercussions brought about the establishment of organizations like the League of Nations (and its replacement, the UN), the Bretton Woods framework, and the legislative bodies made for cross outskirts activity like the Red Cross and Red Bow Social orders (Gabel, 2015).

DiMaggio and Anheier (1990) note that NPOs were separated from profit firms in the USA through the nineteenth century and the last part of the 1800s. The impulse for forming these associations originated from high society residents who needed to control urban situations. During the supposed "Dynamic Period" in America, government assistance arrangements moved from the hands of high society residents to experts. In the 1920s, specialist doctors hired by NPOs overwhelmed talks on social assistance (DiMaggio & Anheier, 1990).

DiMaggio and Anheier (1990) noted that during the 1960s, voluntarism had moved to state responsibility, leading to the development of the "Third Sector." By 1975, the government had supplanted private benefactors as the most significant wellspring of NPO income. The historical backdrop of NPOs in England is somewhat different from the one in America. The historical backdrop of the NPOs in England shows how the arrangement was sorted out in a generous yet conventional class-based framework (Iwu et al., 2015). In England, in Iwu's (2015) view, the circumstance transformed from a congregation-ruled arrangement of social assistance arrangement in the seventeenth and eighteenth

centuries to a framework in the nineteenth and mid-twentieth centuries where the state and NPO sectors performed discretely. DiMaggio and Anheier (1990) also assert that from the 1930s forward, the NPO sector went about as a supplement to public assistance until the 'Third Way' methods of the labour government made strides. The Third way saw the market, government, and willful associations as entities tackling social issues. The so-called "Third Way" thinking has generally impacted the government assistance talk, and proof of this can likewise be found in Europe (Madzivhandila & Dlamini, 2015).

Young (2000) indicated that the connection between the government and the non-profit sector could be seen in three distinct manners. One way of reasoning perceives CSOs as valuable to the state. This idea is that the government must address and fulfil residents' issues by providing public goods and services. Be that as it may, those residents whose requirements remain neglected will have their necessities met by the NPO area. Another methodology involves seeing the relationship between the state and NPOs as integral. That is where the state and CSOs are occupied in unison and in a legally binding relationship, which sees the government subsidizing public services, and the NPOs conveying the administrations (Young, 2000).

According to Herman and Renz (2000), CSOs and the government are associated; while the government depends on NPOs to support a few needs, the NPOs require government financing. Consequently, this commonly beneficial relationship encourages administration conveyance to society. On the other hand, governments and NPOs can be seen as foes when they participate in antagonistic or promotion jobs. In regions where the minority are not included in the development, the minorities, with the assistance of NPOs, could activate themselves to disturb open administrations to squeeze the government into addressing their issues (Young, 2000). In Russia, the overregulation of the sector provides various challenges. However, in Africa, due to the level of education of NPOs, many prefer to remain informal to avoid the administration requirements brought by registration with relevant authorities. NPOs are also discouraged by multi-registration requirements.

The World Bank (2017) reported that 197 million individuals are jobless worldwide. In the second quarter of 2019, joblessness increased by 0.1% to 29.1%, with the most elevated rate recorded among the young (Dlamini, 2019). This social venture approach is acquiring a foothold because of the guarantee that NPOs will want to support themselves through self-generated income in the more drawn-out term, accordingly depending less on grants and gifts. According to Baporikar (2016), social enterprise is a developing business venture in the nations with a place within the Organisation for Economic Cooperation and Development (OECD) because this methodology plans to improve the prosperity of individuals by decreasing imbalances and expanding social unions.

2.3.1. Importance of Non-profit organizations

NPOs encounter many challenges in establishing and sustaining business operations and objectives, and these challenges are worsened for NPOs serving low-resource, high-need societies. The main difference between income and NPOs is that for-profit organizations increase wealth versus NPOs, giving these organizations a more significant advantage. In NPOs, creative tensions may improve to hold work with profit (or income). The literature review describes vital ideas and discoveries that may change processes and decision-making associated with improving sustainability in such organizations (Lebowitz, 2016).

In NPOs, resources are distributed to make the intended people or beneficiaries content. Unlike profitable organizations, NPOs may not get costs higher for their programs if they should be charged. Like productive organizations, aid requests and multi-year programs at NPOs must be considered during the budgetary planning operation. The general premise within the sector is that NPOs are not sustainable because of the many challenges, including funding (Batti, 2014).

According to Morris et al. (2011), NPOs exist to attend to public necessities by conveying administrations or projects that would change in some way or another and be inaccessible to those out of luck. Chimucheka (2013) states that these charitable organizations are characterized by two key attributes: advancement of social worth and preclusion of benefit circulation to investors. These organizations are predominately made due to social objectives venture exercises (Weerawardena & Mort, 2006) and emerge when an

individual or a gathering centers on making social worth to mitigate or cure social issues (Swanepoel & De Beer, 2006). These associations incorporate co-agents, affiliations, clubs, good causes, trusts, volunteers, and grassroots associations as social undertakings (Swanson, 2010).

Weldeelassie et al. (2019) assert that although the accentuation on income age is more noticeable than in the revenue-driven area, NPOs are yet need to be financially viable to keep working. Weerawardena et al. (2010) also state that charitable organizations are progressively innovative because of decreased admittance to suitable and solid funding sources. Pioneering conduct requires inventive, proactive, and prepared to face challenges (Rosenthal, 2012). This conduct in philanthropic NPOs is driven by three key reasons (Dupuy, 2015). Firstly, the prerequisite is to be monetarily suitable and develop new income streams—secondly, the need to react to developing quantities of recipients who need help. Thirdly is the craving to address new freedoms for worthwhile social creation. Muthuri et al. (2012) assert that non-NPOs envelop the exercises and cycles attempted to find, characterize, and use open doors to improve social well-being by making new pursuits or imaginatively overseeing existing associations. These exercises and cycles incorporate receiving plans of action to support innovative answers for social issues generally of considerable scope and hard to address. This exploration centres around philanthropic social undertakings as organizations that embrace exercises make social esteem and create income through labour and products. The vital distinction between friendly ventures and conventional NPOs is that social undertakings effectively exchange exercises. Such exchange exercises are a central segment of these organizations. They decrease reliance on outside subsidizing sources, such as government funds, gifts, and inheritances, which might be temperamental and may not proceed into the future (Rosenthal, 2012). Weerawardena and Mort (2012) note that as CSOs ordinarily offer novel types of assistance and items to a particular gathering of recipients, there would be a vast adverse consequence should the social venture not proceed with its tasks.

2.4 NPOs in the African context

While universal improvement help, Africa keeps facing the squeeze due to the insecure worldwide monetary atmosphere, and resource streams are noteworthy. Likewise, some changes can be tapped into private charity, strict altruism, and corporate establishments through CSR activities. Institutions drawn in with African volunteers are progressively encountering issues raising financial resources for their primary functions as givers move to extend financing projects. Diminutive volunteer projects battle to raise financial resources, as contributors want to help set up national and universal NGOs. This test should be continually overseen (Dupuy et al., 2015).

The prevalence of poverty in developing countries calls for a different approach to development. NPOs, referred to as NGOs, have risen rapidly to fill the gaps in the development process. Essentially, NPOs and NGOs are positioned between the government and the developing community. NPOs emerge as critical development organizations better placed to address development at the grassroots level (Banks & Hulme, 2012). The sector has evolved over the years; these social enterprises catalyze development. Simultaneously, governments worldwide have invested billions in developing NPOs, and sustainability plays a role in development (Davids et al., 2009). Across Sub-Saharan Africa, millions of citizens are excluded from basic human needs, such as health care, education, water, and sanitation. As a result, governments need help to address these challenges (The World Bank, 2017). Interestingly, the change in regulations in Ethiopia banned international funding to their local human rights NGOs.

In many African countries, NPOs have been reduced to extensions of government departments (The World Bank, 2017). This sector faces the challenges of implementing its objectives in a highly regulated environment where it cannot disagree with the government of the day; this *modus operandi* plays a role in local funding allocations (Davids et al., 2009). In many underdeveloped countries in Africa, freedom of speech and expression may damage access to funding for NPOs. Hence, the sector becomes a volunteer programme for the government with limited transparency. However, NGOs from

international organizations and countries play more roles as they have more power to express themselves on local issues (Banks & Hulme, 2012).

2.6 NPOs in South Africa

The South African economy is filled with overwhelming difficulties yet stunning potential. NPOs in the economic sector play a significant role in assisting the government in solving overwhelming difficulties. CSOs assume a critical part in the requirements of vulnerable groups in the public arena and assist the government with conveying proper administration. Moreover, the ordinary private sector also assumes a part by producing pay, making occupations, giving tax income, working with business visionaries through significant business improvement, and tackling social issues through corporate social ventures (Banks & Hulme, 2012). Even so, the massive size of these issues implies that these endeavours may need to be revised (Britannica, 2018).

Choto et al. (2020) indicated that the politically sanctioned racial segregation period in South Africa uncovered indigenous African individuals to various social injustices. Under the principal constitution in 1910, the then government produced a great deal of social imbalance (Jagwanth, 2003). Strategies created during politically sanctioned racial segregation in 1948 supported the white populace, who were, at that point, well off (Kumaran et al., 2012). Therefore, NPOs rose because of the imbalances made to a great extent by politically sanctioned racial segregation. In any case, NPOs offered social assistance to the distanced populace. For example, NPOs assumed to contact those denied access to social insurance administrations by the politically sanctioned racial segregation government, especially in health services. Mazibuko (2013) indicated that the late Steve Biko and Dr Mamphela constructed a health centre in the Eastern Cape to give social insurance during politically sanctioned racial segregation. Portable centres were likewise presented through an NPO venture called Black People Convention to accommodate helpless networks (Mazibuko, 2013).

The move from politically sanctioned racial segregation, which started in 1990, caused the recently chosen government to recognize the job of NPOs and adopt strategies that

could help improve the situation; however, the strategies did not deliver as envisioned (Pevcin, 2012). The NPOs still confronted antagonism from the state authorities, who needed to be more open to everyday society's advancement. Heinrich (2001) states that after the politically sanctioned racial segregation period, South Africa encountered a character emergency; the state was at risk of accommodating the whole populace with resources and services (Deegan, 1999).

Notwithstanding, the administration could not viably complete this task as various issues were managed in the early post-politically sanctioned racial segregation period. The state started to partner with NPOs to provide the necessities and support to residents that the administration could not reach (Deegan, 1999; Kumaran et al., 2012). According to Kumaran et al. (2012), a few NPOs should have adjusted to the change and stopped their administrations, while some rushed to progress to the state's new working relationship. The association prompted the arrangement of three gatherings in the division: NPOs working in an organization with the state to offer assistance in the state's interest, NPOs working locally inside minimized networks, and NPOs working to influence strategy change at the government level. According to Weideman (2015), after the majority rule races in 1994, the NPOs stayed in turmoil as they tried to rethink their associations with the state, characterizing its tasks, systems, and personality, and recently settled popularity-based structures. Along these lines, the chosen government consumed the expert and experienced staff, particularly those in executive positions, leaving the area with few experienced workers. This constricted segment constrained a scale-down (Weideman, 2015).

Even though the area, bit by bit, improved in the last part of the 1990s, it stayed tinier, less working, and disconnected than it had been during the 1980s (Weideman, 2015). Just those NPOs who could adapt to administrative bodies, with the ability to agree to reveal responsibility and checking and assessment necessities of the funder endure (Weideman, 2015). In the mid-2000s, when the ruling government executed the Growth, Employment, and Redistribution (GEAR) strategy, it prompted increments in disparity and

destitution in South Africa. Moreover, the worldwide financial emergency in 2008 brought about a further decrease in donor financial support (Weideman, 2015).

The NPO community utilizes more individuals contrasted with different parts like government, transport, development, and budgetary administrations (Habib, 2002). The NPO division gives over a million business openings, paid and unpaid (Dlamini, 2019). In this manner, NPOs contribute hugely to decreasing joblessness levels. Other critical roles played by the NPO sector include inequality and poverty alleviation; provision of public goods and services, providing even better services and goods than those provided by the public sector; and supporting and strengthening social systems (Dlamini, 2019).

A broad scope of associations describes the civil Society in South Africa under the umbrella term of the NPOs of various sizes and shapes in all sectors. These span from confidence and local area-based associations, noble cause (government assistance), conventional affiliations like social and sports clubs, and many other turns of events and social associations working indefatigably on the system's social structure together. According to Rankhumise and Letsoalo (2019), these associations are likewise considered CSOs, NGOs, or (FBOs). NPOs in South Africa, as such countless different nations, experience genuine limited issues on a decrease in social government assistance spending (Turton, 2000). The new financial instability has brought about a sharp decrease in grant funding, just as precarious, inaccessible, and generous giving (Wiggill, 2014). South Africa has encountered a twofold blow in such a manner because, notwithstanding the monetary emergency, the nation is not, at this point, seen as a low-income country and has consequently seen a decrease in international aid, which is being diverted to different nations (Wyngaard, 2013).

According to Behn et al. (2011), the UK planned two per cent of the £816.9 million designated for Eastern and Southern Africa to South Africa in 2010 and 2011. South Africa got the second most minor share after South Sudan. In South Africa, NPOs are indispensable in improving financial insights and decision-making for policymakers, organizations, and city pioneers (Modi, 2011). They assume a fundamental job in propelling network improvement and shielding residents from dehumanizing experiences

and conditions (DSD, 2015). A portion of the significance of NPOs incorporates job creation. Berg (2013) recognizes NPOs as suppliers of stable jobs. They require particular faculty to run their everyday activities with merchandise and enterprises efficiently, for example, PCs, internet providers, utilities, and telephones to produce income for providing organizations.

The legal framework for NPOs in South Africa comprises four basic levels. The first level (foundation or establishment) considers the foundation under the legal and custom-based law of the three types of NPOs. Intentional affiliations, set up under custom-based law; non-benefit trusts, built up under legal law; and NPOs fused for an open advantage objective or a goal identifying with at least one social or social exercises or public or gathering interests, set up under legal law (Banks & Hulme, 2012). Among different prerequisites, the entity's sole reason must be to embrace at least one open advantage exercise completed in a not-revenue-driven way and with a charitable or generous purpose. Finally, the fourth administrative level (contributor deductibility status- donor deductibility status) permits public advantage associations to apply for the option to get charge-deductible gifts (Batti, 2014). NPOs engage networks; they create jobs and access business opportunities in networks set up (AbouAssi, 2012). Suresh (2013) included that not all individuals utilized by NPOs are volunteers because many organizations have paid staff even though they get lower pay than private businesses. Moreover, NPOs utilize internships and students during their holidays, which require practical experience. Emel et al. (2012) indicated that the NPO division utilizes more individuals than other significant economic sectors.

Where supply cannot meet demand, in this specific situation, scientists, strategy formulators, and individuals from the NPOs people group are investigating the customary model of NPOs, which is to a great extent reliant upon the grant for its endurance (Albreda et al., 2007). From one perspective, they recognize that the absence of adequate and solid financing sources compromises the maintainability of numerous NPOs and, like this, their ability to keep conveying the fundamental administrations to vulnerable society groups (Banks & Hulme, 2012). Then again, they perceive that numerous NPOs can receive a more pioneering and efficient way to handle all undertakings (Davids et al.,

2009). Specifically, the government's meaning of NPOs was utilized: businesses with basically social targets whose overflows are mainly reinvested for that exact reason in the business or locally, as opposed to being pushed by maximizing profit (Development Policy Research Unit, 2018).

Social undertakings and organizations can work in various spaces of this continuum, as indicated by their entire pay segment through exchanging exercises (Banks & Hulme, 2012). Nonetheless, it is primarily acknowledged that a social endeavour or business has a social and ecological evenhanded as its principle justification presence, rather than conventional organizations whose essential goal is benefit expansion (Austin et al., 2012).

2.5.1 How the NPO Sector came about in South Africa

The factors that lead to the emergence of NPOs are linked mainly to government failure to provide access to basic human needs, such as food and water. The public sector's failure is attributed to corruption, civil wars, politics, and poor governance (Davids et al., 2009). In the modern world, NPOs are regarded as the third sector worth over 1 trillion dollars a year globally, with over 20 million paid workers employed (Hall-Jones, 2006). NPOs are independent organizations run privately or in groups by social entrepreneurs who aim to address a particular social ill or development challenge in a specific community (Gal & Ajzenstadt, 2013).

Expanding the provisioning of social services to individuals in South African Society involves an interaction that requires an interconnected, intersectoral and coordinated help conveyance model (Manyaka-Boshielo, 2017). The model requires participation and collaboration and reinforces good working relations and organizations in numerous areas, like each of the three levels of government, NPOs, civil society organizations, and the private sector (DSD, 2018). This way, NPOs have assumed a huge part in offering social assistance and tending to social issues in South Africa (Weideman, 2015). The collaboration between the state authority and NPOs can be depicted as a relationship established by acknowledging the two players' shared vision, standards, and obligations regarding the conveyance of services inside the acknowledged arrangement structure

(SABC, 2018). The Department of Social Development gives the public a call for administration designs and a Memorandum of Understandings (MOU) with every one of the associations for financing to deliver government assistance services to the less fortunate populace. The associations consent to give the office progress reports of their experiences observing and assessing service agreements (Lebowitz, 2016).

2.5.2 Legislation on NPOs in South Africa

In South Africa, NPOs are government extensions that significantly address socioeconomic challenges. According to the NPO Directorate, the sector consists mainly of small informal organizations, which indicates that 95 per cent are small emerging NPOs. The NPO Act No.71 of 1997 has created an enabling environment for emerging organizations (DSD, 2020). The South African legislation allows NPOs to manage and conduct their resource mobilization. The Department of Social Development and the National Development Agency is responsible for capacitating the NPOs (NDA, 2015) to enable them to achieve good governance. NPOs operate in a changing environment with the change of political leadership. Therefore, they require active capacity-building interventions to ensure that they can provide poverty and eradication services in their respective communities (Macdonald, 2018).

The overarching regulation, the NPO Act through the Department of Social Development (DSD) and National Development Agency (NDA) creates an environment where NPOs should flourish. The NPO Act encourages NPOs to maintain governance, transparency, and accountability standards and improve those standards (DSD, 2020). The regulation creates an environment where the public may access information about registered organizations. Furthermore, the act promotes cooperation and shared responsibility among government donors and other interested persons (DSD, 2020). The legislation mandated the Minister of DSD to establish the NPO Directorate; the directorate creates and maintains a database of registered NPOs within the country. Moreover, the NPO Directorate creates templates to ensure uniformity in registration and reporting within the sector. The NPO Act ensures that templates used are clear on objectives and the non-sharability of NPO assets.

Even with the government's responsibility to maintain the database of registered organizations to capacitate and ensure compliance within the sector, NPOs have a role to play in ensuring that they remain registered and legal. According to the NPO Act, organizations are required to submit their annual reports within nine months after the end of the NPO's financial year as determined by the NPOs constitution. However, organizations need to comply with the submission requirements. The statistics from the NPO Directorate in 2018 indicated that 69 % of NPOs in South Africa needed to comply with the NPO Act. The graphs below show noncompliance to the NPO Act per province. Moreover, Figure 2 gives an indication of the noncompliance with the NPO Act in the Northern Cape, clarifying the registration and noncompliance of the NPOs. Furthermore, figure 3 showcases the registration and noncompliance of NPOs, specifically in the local municipalities of the Pixley Ka Seme District Municipality.

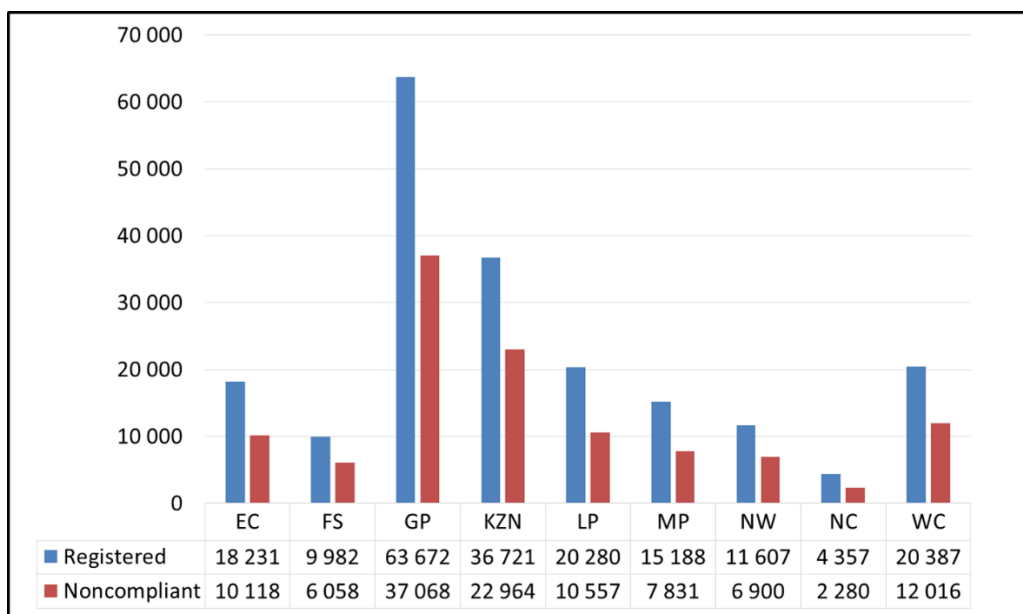


Figure 1: National Compliance Statistics in SA (DSD, 2018)

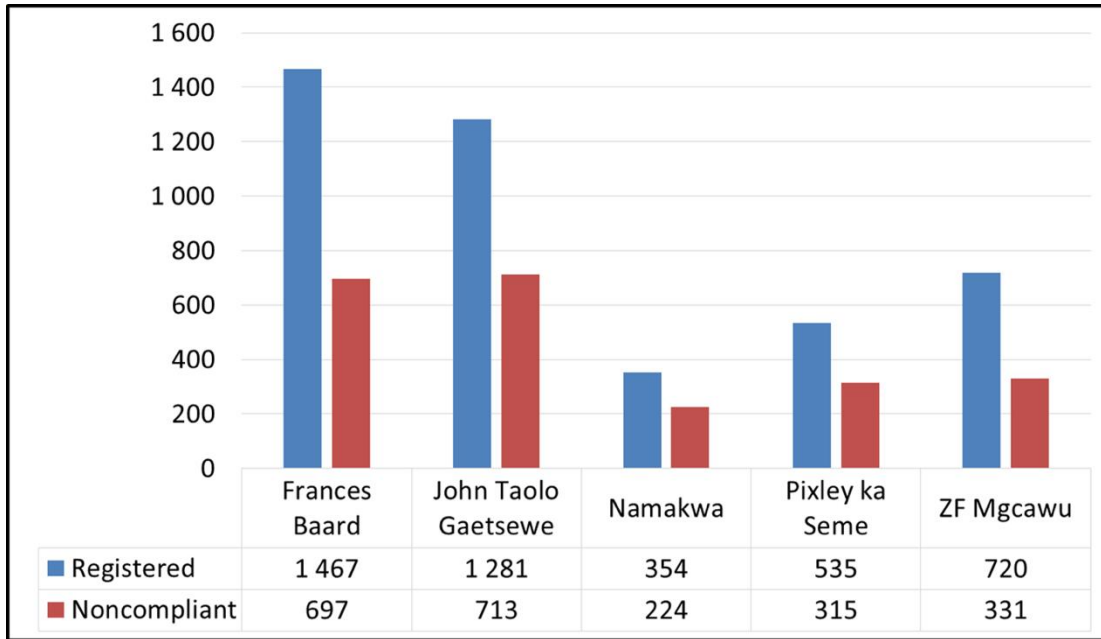


Figure 2: Noncompliance statistics in the Northern Cape Province

District	LM	Registered	Noncompliant	%
Pixley ka Seme	Emthanjeni	101	76	75.2
	Kareeberg	19	10	52.6
	Renosterberg	29	11	37.9
	Siyancuma	180	106	58.9
	Siyathemba	45	24	53.3
	Thembelihle	50	21	42.0
	Ubuntu	31	19	61.3
	Umsobomvu	80	48	60.0

Figure 3: Pixley Ka Seme District (DSD, 2018).

The outlook of noncompliance within the province and the particular district calls for organizations mandated with the capacitating and awareness to relook at the current methods (DSD, 2018).

2.6.3 Challenges associated with NPOs in South Africa

Manyaka-Boshielo (2017) agrees that NPOs require their boards to participate in capacity-building interventions to carry out their mandates. There are different norms and standards for the operations of NPOs with varying challenges. For example, to register

as an early childhood centre, the crèche must register with the NPO Directorate and separately with the Department of Social Development as partial care (NDA, 2016). Emerging organizations endure the most challenges, and the fact remains that compassion drives this organization to change a specific social ill in their communities. However, due to inexperience, the path the organization embarks on to address social ills may not be the best or the correct path (Wynngaard, 2013).

Furthermore, compassion and the urge to address a social challenge may be all a founder of an organization have. Therefore, capacity-building becomes imperative to establish and successfully running the organizations (Banks & Hulme, 2012). The significance of good governance in non-profits is immeasurable, and it remains an essential stepping-stone to the survival and sustainability of any community development-driven interventions (Iwu et al., 2015). As indicated by the NDA Act (1998), the essential item of the NDA is to fund poverty alleviation and its reasons by giving resources to common society associations. The motivations behind completing activities or projects planned for addressing the improvement needs of the impoverished and fortifying the institutional limit of other CSOs engaged with direct assistance arrangements to the needy (Clark, 2006).

The questionable and sporadic financing makes it hard for NPOs to prepare for the long haul, improve their administrations, and manufacture maintainability. The capacity to ensure resources are currently reliant on how well an NPO can contend with different institutions and how great it can investigate different choices to source assets (Batti, 2014), just as how well the connection between the NPO and the subsidizing source (Mazibuko, 2013). According to Modi (2011), it can be presumed that market direction is indispensable for pulling in assets in NPOs.

The non-profit area faces explicit (sectoral) difficulties, particularly with funding. Funding in the sector is always a critical question (AbouAssi, 2012). NPOs are challenged by insufficient coordination and concerted effort in mobilizing funding for the sector and themselves individually (Department of Cooperative Governance and Traditional Affairs, 2016). A case in point is where funding is not similarly spread across the provinces or regions. In the vast province of the Northern Cape, there are no prompt organizations

with relevant facilities. Although Northern Cape has a smaller population in the country, NPOs, do not organize among themselves because, as per the members, they are all battling for a piece of a similar little cake (DSD, 2019). Furthermore, beneficiaries additionally playoff organizations against each other. Joining and coordinating various government divisions need to be revised (DSD, 2019).

The absence of good governance and management entails that administration and the board structures are regularly not set up, or the significance of sound administration is underestimated or misjudged (Wyngaard, 2013). There is an absence of the board's abilities in the NPOs sector—several attempts in the sector to capacitate NPOs to carry out their duties. However, as per NPO's constitutions, the board cycles provide for inconsistency-related challenges, as most boards are elected for a year or two (NDA, 2016). Despite the challenges associated with the NPO boards, NPOs staff individuals are unwilling to work when funding is unavailable, especially for their stipends, further challenging the sector (Bushe, 2019).

NPOs are generally faced with financial constraints. Monetary administration is fundamental for the financial sustainability of an NPO (Rankhumise & Letsoalo, 2019), and the present decrease in accessible financing has featured the significance of monetary administration for the supportability of NPOs in troublesome financial climates (York, 2009). Monetary administration is possibly the most challenging territory that directors of NPOs need to manage. The financing, generally from the DSD, is rarely enough. There is an existing criticism that, in NPOs, pay rates are low, and advantages need to be more generally set up; therefore, NPOs' work is generally not seen as proper employment in South Africa. In addition, non-profit organizations establish an excellent work shortage (Webster et al., 2008). This is usually so since they often lack the supporting set-up to bring to the table more significant compensations either on a venture premise or for the centre assignments of the NPOs and afterwards utilize easygoing or subcontracted labourers or even volunteers (York, 2009).

The public sector funding is allocated annually; subsequently, congruity, manageability, and anticipating the non-profit organizations are troublesome. The functional conditions

likewise add to issues with the maintenance of staff. In an NPO, employees are frequently overworked and constrained into troublesome conditions. Financing and donations are not generally guaranteed. When funding is unavailable, organizations that do not have savings set up will most likely be unable to proceed. This also causes NPOs workers at all levels to leave NPOs looking for better-compensated situations in the public or private sector (Feldman, 2003). The Department of Social Development has yet to be able to screen and assess the supported associations reliably (DSD, 2019).

2.7 Conclusion

The thrust of this chapter two was an overview of the non-profit organization arrangement and exploration of funding arrangements and governance within the non-profit sector. The notion concerning financial management by the non-profit organization was also explored. The next chapter presents the concept of social enterprises and the legislative mandate of the NDA.

CHAPTER THREE

THE CONCEPT OF SOCIAL ENTREPRENEURSHIP

3.1 Introduction

Chapter 3 conceptualizes the literature on social enterprises and their relationship with the NPO sector. The chapter further explores the NDA, its mandate, and its relationships with the sector.

3.2 Concept of Social Enterprises (SEs)

There is no plain meaning of social enterprises. According to Organisation for Economic Cooperation and Development (OECD) (2003), the SEs are not-for-profits in the middle of the public and private sectors. It incorporates the working strategies for enterprises and the social duty of non-profit associations. SE benefits are primarily utilized as a steady venture of organizational objectives or direct investment of local area businesses instead of expanding the benefits of investors and holders. It underlines social business and advancement and defines social endeavours as associations that accomplish social goals through livelihoods. In 2003, Miller et al. (2006) proposed the generally acknowledged idea of SE, which views SEs as a polynuclear blend in the middle of unadulterated charity and pure profit. Lampadarijos et al. (2017) assert that SEs incorporate the non-benefit making of undertakings and the commercialization of non-benefit associations and are associations that accomplish social focuses through business approaches at the underlying pioneering stage.

According to Urban (2015), social enterprises and NPOs operate in the same environment pursuing economic and social motives. However, the rationale for social enterprises is based on their customers' welfare rather than profit maximization. Manyaka-Boshielo (2017) attests that social enterprises are a medium used by social entrepreneurs to balance social and economic challenges in communities through non-profit organizations, businesses, and government sectors. Social entrepreneurs see a problem in society and develop a mechanism to address that problem, i.e., soup kitchens in Israel six hundred years ago addressed poverty and malnutrition (Manyaka-Boshielo,

2017). Mari and Marti (2006) assess that the social enterprise concept needs to be better defined. The authors present the two sides of social enterprises, describing them as non-profit organizations through funding from donors and businesses through their social responsibility investment.

The discourse of social entrepreneurship focuses on non-profit and for-profit businesses. However, commercial entrepreneurs play an essential role in the community through corporate social responsibility, where they have their community development projects or donors (Mari & Marti, 2006). As donors, commercial enterprises fund social enterprises to implement community development projects. Therefore, an element of social function exists in business enterprises. Miller et al. (2012) postulate that traditional social enterprises are other-oriented than commercial enterprises' self-interests. In essence, social enterprises are prosocial and founded on compassion. However, Austin et al. (2012) argue that commercial enterprises' presumption of economic self-interest is dangerous and can lead to expensive mistakes.

The debaters, commentators, and scholars of social entrepreneurship discourse agree that social entrepreneurship means different things to different interpreters (Masseti, 2008). The definitions of social entrepreneurship relate closely to offering entrepreneurial actions with an intrinsic purpose of offering social upliftment (Austin et al., 2012). According to Yunus (2006), social entrepreneurship application and definition cannot be uniform as poverty is distributed unevenly globally; therefore, social entrepreneurship will have different forms of application and context. The various definitions of social entrepreneurship closely indicate the importance of social enterprises' critical catalyzing development (Baporikar, 2016). Yunus (2006) and Turton (2000) define social enterprises mainly for registration and legalization, as many forms of entrepreneurship are rooted in addressing social problems. However, the forms and methods utilized are commercial or charity (Austin et al., 2012). In contrast, DiMaggio and Anheier (1990) believe that legal registrations do not matter. They are a social business if they exhibit social enterprise traits and contribute to social value.

Despite the different understandings of the social entrepreneurship concept, a consensus exists about social entrepreneurship's social problem and compassion element (Baporikar, 2016). Furthermore, Massetti (2004) believed that social entrepreneurship is integral to the third sector. Moreover, social entrepreneurship is where a community cooperates to pursue specific developmental goals and social values (Austin et al., 2012). It is clear from the literature that many scholars often define social entrepreneurship by its legal form rather than its aim and objectives. Sahlman (1996) developed an analytical framework that captures a commercial entrepreneur's critical elements, thus drawing a distinct from social entrepreneurship. The model interrelates four main complements: the *people, context, deal, and opportunity* (PCDO) framework (Sahlman, 1996; Austin et al., 2012). The PCDO framework says that each framework pillar is critical in the setting and development. **People**, the attitudes and values of those involved in the venture, and their investment. **Context** is every element the entrepreneur is not in control of, including policies, political environment, and natural environment. The context contributes to the setting of the venture. The context can also influence the investors, attitudes and values. The **deal** is the beneficiary, funders, and founders' value from their ventures; it can influence the other elements. The deal, the context, and the people can create the **opportunity** for the entrepreneur. In this instance, the context to which the venture is applied may be social or commercial. The PCDO framework is further applied in the commercial entrepreneur context; however, it defines social entrepreneurship (Austin et al., 2012).

In social and commercial entrepreneurship, an opportunity requires scarce resources to achieve a certain development level. Social entrepreneurship will see such an investment as an opportunity to achieve absolute social value in the community. However, social and commercial entrepreneurs Swanson and Zhang (2011) can also see similar opportunities. Therefore, there are vast opportunities for social entrepreneurs as they have various forms of sporting an opportunity, through investment expecting returns to become sustainable in solving problems or through a donor, and funding is to address the same challenges, which was an opportunity according to the model. In essence, a social entrepreneur sees an opportunity to supply water tanks in the community and uses that opportunity to be creative and cost-effective while addressing the problem or merely

mobilizing external resources to address the same challenge (Patel, 2012). According to the PCDO, the context of social entrepreneurship is similar to commercial entrepreneurship (Sahlman, 1996). Thus, policies, the environment, and the funding sector may also influence the sector. For example, the funding sector has been affected by the same economic downturn challenges as traditional businesses. The context of opportunities will affect the beneficiaries and the framework.

Social purpose organisations					Commercial purpose organisations				
Social value first		Blended societal and financial value					Financial value first		
Impact only		Impact first				Finance first			
Charities		Revenue-generating social enterprise			Social purpose business	Traditional business			
Grants only: No trading, includes traditional philanthropy	Trading revenues and grants	Potentially sustainable social enterprise: Some income in trading revenues	Break-even: All income from trading revenues	Profitable social enterprise: Surplus reinvested (no dividends to shareholders)	Profitable social enterprise: Surplus profit distribution	CSR/CSI/CSV* company	Company allocation of a percentage of profits to charity	Mainstream market company	

* CSR/CSI/CSV = Corporate Social Responsibility / Corporate Social Investment/ Corporate Social Venture [Reproduced with the kind permission from the publisher. Source: Balbo, Hehenberger, Mortell and Oostlander (2010:18)]

Table 4: Social Entrepreneurship Matrix (Rankhumise & Letsoalo, 2019).

All scholars agree that social entrepreneurship cannot utilize a one-size-fits-all approach (Austin et al., 2012; Massetti, 2008). However, it needs to exhibit certain traits further depicted by the PCDO framework (Massetti, 2008). Most scholars and commentators define social entrepreneurship as creating social value. Massetti (2008, p. 3) introduces the Social Entrepreneurship Matrix (SEM), which states that social entrepreneurs exist in a continuum. The SEM states that social-oriented organizations will be on the left side of the continuum, depending on their definition.

In contrast, profit-oriented organizations will exist on the far right side of the continuum, and hybrids will be in the middle. Therefore, as a result, social entrepreneurship can exist in several quadrants (Abraham, 2006). According to Gonzalez et al. (2002), the four quadrants of social entrepreneurship can help entrepreneurs choose the correct form of social enterprise in line with their objectives and mandates.

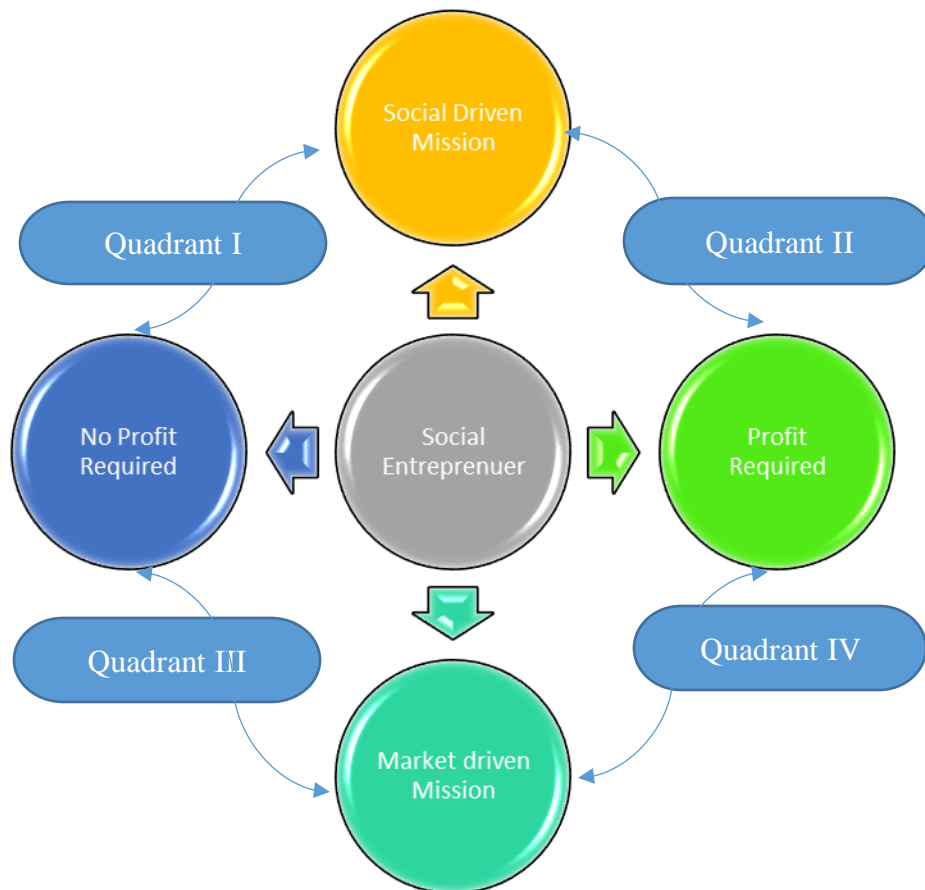


Figure 4: The Continuum of Social Entrepreneurship (Massetti, 2008).

Quadrant IV is the traditional profit-orientated business using the classic approach to business. The business in this quadrant is the old traditional enterprises such as banks and consulting agencies that offer services and profit. This organization ensures that they are upfront through research and innovation to keep up with the markets. These organizations are not traditional social enterprises; however, if a social course exists to position their brand further to attract more customers and make more profits, the organization will invest in a social mission through their corporate social investment. The

organizations in this quadrant are also motivated to invest in social values if the market indicates that particular social values benefit the organization (Weerawardena & Mort, 2006).

Quadrant III is organizations driven by market needs, yet they do not exist merely to make profits. These social enterprises' characteristics exist for a particular course, and it does not matter whether they profit as long as they solve some social issues. Medical and research organizations are in the process of developing vaccinations for various viral diseases. These organizations might make a profit; however, what is notable is that they exist merely to solve the current pandemic. Their profits may be from investments from various stakeholders or countries that need their service. Organizations in this quadrant may only exist once they achieve their vaccination objectives. (Choto et al., 2020). Quadrant II organizations are often called hybrids. These organizations exist in the middle of the continuum, motivated by their social objectives; however, they need profits to remain operational and sustainable (NDA, 2016).

The quadrant I organizations are the traditional NPOs (Masseti, 2008); they do not need profit to achieve their social missions. According to Gal and Ajzenstadt (2013), NPOs can be traced to six hundred years ago. Social welfare services entailed the provision of free food to the hungry. NPOs such as soup kitchens have been providing meals free through different times and diverse civilizations for a very long time. NPOs emerged in the Second World War because trade unions, the first civil society organizations, paved the way for NPOs after the war (Hall-Jones, 2006).

SEs contribute 30% of employment opportunities; internationally, SEs employ about 20 million workers (Hall-Jones, 2006). SEs play a critical role globally in social development. Like NPOs, SEs are grass-root-oriented organizations committed to sustainable social development (Claeye and Jackson, 2012). They have a high percentage of influence on the development and the number of people they employ. SEs are attractive employers due to their institutional independence and innovativeness (Hall-Jones, 2006). Baporikar (2016) confirms that social enterprises are becoming more attractive. They are attracting the best talent, money, and bright ideas. Furthermore, SEs are a better solution to

sustainable development, built on compassion and primacy of social benefit; social enterprises have a role in ensuring sustainability in the sector (Baporikar, 2016).

3.3 Administration of Social Enterprises

Social enterprises' hierarchical lawfulness and development are straightforwardly connected with association administration (Cant, 2012). Examination of social enterprise administration is centred on administration designs, impact components, and administration challenges. Social business administration includes the rights designation and equilibrium among investors, the board, and the activity level. The board assumes significant social enterprise administration parts (Dahlsru, 2008). Hong et al. (2018) imagine that the board individuals, utilizing their social assets, can efficiently advance the administration and improvement of social enterprises. Business Environment Specialists (2012) suggest that creating board members is critical in keeping up the substance of social venture blended associations and choosing the extraordinary administration examples of social undertakings. Hong et al. (2018) noted that social ventures in South Korea are administered by five designs: compliance design, partnership design, political design, cooptation design, and rubber stamp design. Defourny and Swanson (2010, 2011) and Suresh. (2013) propose that social ventures in the developed part of West Europe ordinarily receive administration examples of high independence and democratization, social belonging, participatory, and assorted participation by the stakeholder. Compared with Western nations, the social undertaking administration in China is still at the fundamental level.

Yunus (2006) believes that the enlistment designs of Chinese social undertakings and the inclusion of partners are primary considerations in choosing authoritative administration. The above investigations show that the board assumes significant parts in the administration and examples of social businesses. Lately, social venture administration's difficulties have become an area of interest. As detailed, social enterprises' administration challenges are fundamentally shown to relocate hierarchical goals prompted by twofold logic conflict (Wiggil, 2014).

3.4 Sustainability of Social Enterprises

According to Hong et al. (2018), research outcomes unveil four predictors of social enterprises: administration, stakeholders' focus, versatility improvement, and sharing experiences. They have direct and constructive outcomes on corporate supportability execution yields estimated by brand value, financial execution, and ecological execution.

Suresh (2013) states that since social enterprises address a subcategory of business, a significant portion of it alludes to the traditional term of the business venture. Richard Cantillon presented the theoretical business system in the eighteenth century in light of the French word *entreprendre* (Rankhumise and Letsoalo, 2019). The business visionaries, particularly dealers, artisans, and ranchers, were portrayed as taking a significant business move. Rather than in professions where a fixed compensation was expected per month, business visionaries needed to face the challenge of the business sectors' ideas. Afterwards, Schumpeter presented his concept of the business person as the change specialist in the imaginative obliteration of harmony. Then again, Drucker contended that business visionaries could be found in existing associations and administrative organizations (Zainon, 2011).

The methodology suggested by Rankhumise and Letsoalo (2019) is frequently utilized for portraying business research as the insightful assessment of how, by whom, and with what impacts freedoms to make future labour and products are found, assessed, and misused (Urban, 2015). The marvel of the social business venture was consistently near, yet it was not marked as such. However, the presentation of the notion is fundamental to becoming closer to a detailed comprehension of the idea. Social business is a reasonably youthful examination field that is a subcategory of good business research (Wiggil, 2014). Analysts on social business ventures come from diverse fields, like administration, business, political theory, financial matters, promotion, social science, and education. All these viewpoints make it hard to track down a shared understanding. Albeit the term has been utilized in logical talk for quite a few years and the quantity of distributed papers has expanded immensely, there is, at this point, no available material definition (Van der Westhuizen & Swart, 2015). This is because investigators, like professionals,

comprehend the idea differently; it implies various individuals. Thus, reaching a consensus on the term's meaning has not been feasible (Swanson & Zhang, 2011).

3.5 Support of Social Enterprises- Where and How

Social enterprises have grown interested in many countries as the best organizations to address community development and social problems effectively (International Labour Organisation, 2016). Social enterprises have been identified as combining social and economic goals. However, there needs to be more clarity regarding how these organizations are supported and legitimized. In many countries, social enterprises have no specific registration requirements and are often mistaken for NPOs (ILO, 2016). Furthermore, there is no single enterprise operating model for social enterprises, thus making it difficult for such organizations to be easily categorized (Allinson et al., 2011).

According to Allinson et al. (2011), the needs of social enterprises and that of traditional enterprises are almost similar. However, social enterprises often receive less funding because of their social objectives, and most governments need to look for the return of sustainability. Funders often need to understand the term social entrepreneurship; they see these organizations as other CSOs unable to become sustainable; this has also been evident with the terms of funding in the sector (Allinson et al., 2011).

Governments and the private sector in many countries across the globe often fund social enterprises. The UK government allocates substantial funding specific to social enterprises (Omura, 2014). However, the challenge is identifying social ideas and beneficiaries. According to Omura (2014), funders need to look at where outstanding social entrepreneurship comes from, who drives them and how they grow. The questions assist the government in countries with high funding allocation thinking outside the box (Rankhumise & Letsoalo, 2019).

Despite the development and allocation of funding for social enterprises globally, anecdotal evidence suggests that access to finance is a growth constraint for many social enterprises in South Africa (Allinson et al., 2011). The limited access to funding in the sector may be due to a misalignment between supply and demand (International

Monetary Fund, 2016). Allinson et al. (2011) state that most social enterprises need access to financing because they are seen as high-risk organizations. Therefore, they are often funded by government starter packs instead of having access to other financial packages such as loans. Furthermore, the need for more precise definitions and positions for these organizations makes them financial risks for philanthropists and governments. More so, most social enterprises are small organizations with big world-changing ideas that require significant funding (ILO, 2016)

3.6 The National Development Agency (NDA)

The NDA was formed under the NDA Act No. 108 of 1998. The NDA reports to the National Assembly through the Minister of Social Development in the Social Development Portfolio consisting of SASSA, NDA, and the Department of Social Development. The agency was established to contribute toward poverty eradication and its causes through grant funding to CSOs to carry out development projects and programmes (NDA, 2017). The NDA funding model and distribution focus on CSOs' institutional development and capacity building. According to the NDA, CSOs are the most important partners for NDA in its quest to contribute toward poverty eradication. CSOs are seen as representative of the whole society in less privileged societies. These organizations reach more marginalized communities than other structures in South Africa and many countries (NDA, 2016).

Furthermore, the NDA acts as a critical conduit for funding from government, foreign governments, and local and international donors. The mandate of the NDA further gives the organization the power to become a conduit organization in development projects with funds that may derive from external funders and donors locally and internationally. Through its programmes, the NDA solicits funds through various resource mobilization processes for developing communities through CSOs, where the organization works directly. The NDA legislative mandate allows the organization to create and maintain a database of CSOs within the republic. The database will include the names, members, subject matter of their work, and the geographical area of the CSOs (NDA, 2017).

3.7 Conclusion

Chapter 3 examined the concept of social enterprises and their relationship with the NPO sector. The chapter further explored the NDA, its mandate, and its relationships with the sector. The next chapter presents the methodology adopted in answering inquiries regarding the problem statement.

CHAPTER FOUR

RESEARCH DESIGN AND METHODOLOGY

4.1. Introduction

This section focuses on the research design and methodology of the study that will be applied to this topic. The methods and design are discussed in depth with relation to this study, an in-depth description of the qualitative strategy for this study of the NDA support to NPOs in Pixley Ka Seme to successful social enterprises. In addition, sampling methods, validity, and reliability of the methods applied ensure that the same topic and methods could invariably yield the same results. Furthermore, the chapter discusses the ethics applicable and how they will be pursued and closes with the analysis and limitations of the study.

4.2. Research Methodology and design

The research adopts a qualitative approach to provide an insightful understanding of NPOs in the Pixley Ka Seme District, Northern Cape Province. The qualitative approach is explorative as the researcher can study the respondents in their natural settings within the locality. Moreover, they can become sustainable social enterprises through government entities such as the existing NDA to capacitate and fund NPOs to ensure sustainable development. This method is considered suitable as it generates textual data exploring the reason that governs the status of the NPOs. Using smaller samples, the qualitative research method investigates the why and how, not just the where and when (Kumar, 2011). The approach gives a view from the insider perspective of NPOs managers and boards.

Kumar (2011) defines a research design as an arrangement or structure for the investigation to acquire answers to research questions or issues. The arrangement is the finished plan or program of the inquiry. It incorporates a layout of what the researcher does, from composing the speculations or hypotheses and their operational ramifications to the last data collection. According to Bhattacharjee (2012), a traditional research design is a road map or nitty-gritty arrangement for how an exploration study is to be

finished, operationalizing factors so they can be estimated, choosing a sample essential to consider, gathering data to be utilized as a reason for testing theories, and breaking down the outcomes. Bhattacharjee (2012) asserts that a research design is the game plan of conditions for assortment and investigation of information in a way that intends to join importance to the exploration reason with the economy in technique'.

The research design for this study is a single case study. The case study explores how the NDA can assist NPOs in Pixley Ka Seme district to become sustainable social enterprises. According to Massetti (2008), NPOs do not require profits to become sustainable enterprises. However, they must have a particular typology of traits to become sustainable. NPOs rely on conducive environments to flourish. The political and policy environments are very critical. Moreover, NPOs need to be capacitated to access funding; government entities exist in several developing and many developed countries to ensure sustainability. Hence the study seeks to utilize the single case study to explore the details of Pixley Ka Seme and how the NDA can assist.

4.3. Data Collection Strategy (Qualitative)

The research uses a semi-structured interview. An interview schedule is utilized, and participants from NPOs in the area under investigation are interviewed. An interview schedule is utilized to conduct an interview. The research strategy uses a semi-structured interview schedule as the researcher explores how the NDA can support NPOs in becoming social entrepreneurs. The researcher scheduled appointments telephonically with the NPOs. Thematic analysis is employed in the study to analyze the collected data (Bhattacharjee, 2012).

According to Bhattacharjee (2012), an interview is the most personalized data collection form. They have their limitations. For this study, the interviews are conducted face-to-face with respondents. During the interviews with the respondents, the interviewer ensures that the interview's purpose is straightforward and does not create any form of expectation from the respondents. The schedule avoided yes, and no questions were possible, as the study seeks to explore how the respondent needs to be assisted in ensuring their

organizations are sustainable. The interviewer adhered to the interview's basics without driving respondents in a specific direction.

NPOs are the third sector of the economy worldwide; they exist as quadrant I social enterprises that seek to address a particular social issue in communities or add social value (Arshad et al., 2013). In the UK, NPOs are sustainable social enterprises that can become self-sustainable while maintaining their social values. However, they can receive support from their government to continue helping the government address the social needs of their communities. NPOs in other parts of the world are in different folds; to understand the challenges and needs of these organizations, an interview assists through probing to find out the needs of the NPOs to ensure their sustainability (Bryman, 2012).

4.4. Validity and Reliability

According to Bhattacharjee (2012), validity is the accurate method used to measure what is intended. Reliability refers to how consistently a method measures something. If the same results can be consistently found using the same methods, the method is considered reliable under the same circumstances. Bhattacharjee further indicates that a measurement can only be reliable by being valid. However, if a measurement is valid, it is usually also reliable (Kumar, 2011). A researcher needs to stand firm when defending the study; no other variables, except the one, caused the study result. The methods for this study ensure that if the same NPOs are selected, the same findings can be yielded.

4.5. Sampling Design

The sampling process refers to selecting a subset from a defined population for inclusion in a study (Guest, 2020). In this regard, the purposive non-probability sampling method is used for this study. Purposive sampling is a non-probability method that relies on data collection from population members who can provide relevant information. Purposive sampling ensures that key informants are chosen to answer specific questions. This study includes NDA and DSD managers, traditional NPOs that are donor-dependent, and hybrids that make a profit (Guest, 2020). The sampling method was selected because of its ability to gain the respondents' unique perspectives, experiences, attitudes, and

perceptions. OpenLearn (2022) alluded that working with a large qualitative research sample is unnecessary. For the purpose of this study, 12 participants will be interviewed. The participants consists of 2 officials from the NDA and DSD and 10 NPO and SE organizations.

4.6. Research Ethics

It is very critical that a research study adheres to certain ethical norms. Ethical considerations ensure that research avoids as many errors as possible. The following form the ethical considerations of the study:

- Ensuring participants give informed consent- The participant's consent was obtained before the interview. The researcher explained the purpose of the study to the respondents. According to Chinomnso (2010), to ensure participants are fully informed and give informed consent in their participation in the interview. The participants were informed of the researcher's details, the study's background the importance of their contribution. Moreover, the participants will also be informed why they have been selected for the study (Chinomnso, 2010).
- Ensuring no harm to participants during the interview – the participants were informed that the research does not harm them, the environment, their NPOs, and their communities. Ethical considerations have a particular resonance in a qualitative study due to the in-depth nature of the study process (Arifin, 2018). In this study, the interview process does not harm participants. The participants' emotional well-being was considered when asking and probing participants. The interview process was conducted within the participants' institutions in their offices, where safety measures were taken into account.
- Ensuring permission is obtained – Participants' permission was required when scheduling interviews. NDA and DSD participants were contacted in advance to request their permission in the study. According to Arifin (2018), permission must be requested from the University to conduct research, and approval must be granted to conduct the study. The University of the Free State approved the interviews with the 12 participants, including the two bodies.

- Ensuring confidentiality and anonymity – Confidentiality, privacy, and anonymity were considered. The researcher ensures that participants' and their organization's confidence and privacy are guaranteed. The participants were informed that the information they provided would not put them in any position not to receive funding or advantage them to do so as the NPO sector relies heavily on donor funding. The data obtained is only for analysis, and where the researcher needs to quote, the researcher would maintain anonymity and confidentiality (Arifin, 2018).

4.7. Limitations of the study

This section lists any problems that might be encountered concerning, for example, the availability of data, securing permission from the agency/organization to carry out the study, obtaining the sample, or any other aspect of the study (Bhattacharjee, 2012). The study is limited to Pixley Ka Seme district area with the primary data. Therefore, the results of this study cannot be generalized to other areas nationwide. In future studies, primary data should be broadened to allow for comparisons between the experiences of different NPOs.

The qualitative approach presents intrinsic limitations such as bias, lack of rigour in its findings, and small sampling. According to Bhattacharjee (2012), qualitative samples are small and often not necessarily representative of the broader population, so the findings will only represent a certain few, and the results cannot be generalized. The researcher is a full-time Development Officer and is employed by the NDA. The NPOs, donors, and managers of both NDA and DSD have a working relationship with the researcher, which may lead to the respondents being biased in their responses to the interview. Due to the nature of the field and the NDA as a funding agency, respondents may also be biased in their responses. However, the research ethics addressed this limitation as NPOs or respondents were explained in detail about the study, its impact or non-impact to their funding applications, and their relationship with the NDA and DSD (Guest, 2020).

4.8. Conclusion

This chapter aimed to present the research methodology used in the study. Research design and methodology were defined. The data collection strategy, reliability, and validity study were discussed, followed by data collection methods, ethical considerations, and limitations to the study. The target population is NPOs in the Pixley Ka Seme district; the sample size was 12 respondents, including NDA and DSD Managers. Purposive sampling was used to select the respondents to collect the data. The data collection was carried out using semi-structured interviews, all ethical values were observed in the research as a whole, and the data were analyzed using thematic data analysis.

The next chapter is based on the analysis and presentation of the data.

CHAPTER FIVE: PRESENTATION, ANALYSIS, INTERPRETATION OF DATA, AND DISCUSSION OF FINDINGS

5.1 Introduction

The previous chapter presented the research methodology for this study. This chapter will present the data generated from the study. The data is analyzed qualitatively using thematic analysis. The respondents are divided into two groups of NPOs or social enterprises and the agencies and departments offering support in the sector as outlined in chapter four. The participants' responses are used to substantiate the aim and objectives of the study. The study themes were extracted from the data, and a comprehensive discussion was presented.

5.2. Participants

The participants were selected from the NDA database, which is available for public use; information about the services offered by the participants is summarized from the interview process with the organizations.

Participant Organization	Type	Funded or Non-funded	Received Capacity Building	Services Offered	About organization
Participant 1	Government entity	N/A	N/A	Funding and Capacity Building	Government agency with a mandate to fund and capacity building
Participant 2	Government entity	N/A	N/A	Funding and Capacity Building	Government departments support and regulate.
Participant 3	Government entity	N/A	N/A	Coordination	Coordinate SMME development programs with stakeholders.
Participant 4	NPO	Non-funded	Yes	Waste management and Recycling	Founded in 2015 to address the waste issues in the community received funding from the private sector, profitable.
Participant 5	Cooperative	Funded R 800 000	Yes	Sewing and Skills development	Established in 2008, have five full-time members tender for government jobs. Own its shop in its community.
Participant 6	NPO	Non-Funded	None	Awareness	The NPO was unavailable to respond
Participant 7	NPO	Funded monthly grant by DSD	Yes	Awareness and Youth Development	Provide youth programs, receives grants for its services

Participant 8	NPO	Funded R 484 213,80	Yes	Skills development for people with disabilities	Established to serve people with disabilities, it relies on DSD funding
Participant 9	NPO	Funded R 75 908.00	None	Skills development and health	Established to provide activities for older persons, registered nationally with branches countrywide
Participant 10	Cooperative	Non-funded	Yes	Job opportunities and local empowerment	Formed by unemployed youth to provide bricks in the community as bricks are only 50 km away and expensive.
Participant 11	Cooperative	R 895 000	Yes	Food security and women's empowerment	Food security in a household through farming, registered in 2020
Participant 12	NPO	Non-funded	Yes	Gender-based and jobs	To address gender violence victims with counselling and exit services such as job opportunities and economic empowerment. Further, offer psychological services founded by a psychologist. Have been funded continuously by the government, NDA, and DSD

Table 4: Participants of the study

5.3 Themes

The following themes were extracted from the data collected and are explained in detail in the following paragraphs:

5.3.1 Understanding of the Social Entrepreneurship concept

The study's first objective is to understand the concept of social entrepreneurship in the sector from the leading role players, such as the government and its agencies, moreover through the literature discussed in chapter three. It was necessary to confirm that the respondents understood the concept of SE. Below is an extract of the views of some of the participants.

Participant 1 *“...Cooperatives or social enterprises are businesses with a community focus on addressing empowerment and enhancing job creation”.*

Participant 2 *“...organizations dealing mostly with poverty alleviation and development at the local level rely on funding and are community driven”.*

Participant 3 *“...organizations with the main objective to address a particular social problem in society, it can be environmental, social or economic; however, profit is secondary to this organizations”.*

According to the ILO (2016), social enterprises prioritize social problems within a particular locality or group. The organizations are addressing a particular issue as a priority; secondary is profit for their sustainability. The respondents understand the concept of social entrepreneurship and how it works. The consensus from the three participating organizations is that NPOs and SE are funding-dependent and development driven. However, social entrepreneurship is not necessarily funding-dependent. Social value is driven but profit-dependent, as discussed with the social entrepreneurship continuum (Masseti, 2008). It is generally understood that profit is not the driver of their existence.

5.3.2 Social problems addressed by organizations

The main thrust of this theme is based on the focus of social enterprises and NPO on social problems as a standard scholarly definition. NPOs and SEs exist to address a particular social ill within the community or society. These organizations are further funded to assist the government in extending their development agendas (Morris et al., 2008).

Participant 1 “... organizations must be registered as an NPO or cooperative to access funding from our agency. The funding prioritization is often in line with the State of the Nation Address, the State of the Province Address, district and local Integrated Development Plans, and the specific needs of the organizations”.

Participant 4 “... create jobs in our community with prioritization of the youth, provide cleaning services fruitful to the municipality while making a profit from the collected waste.”

Participant 7 “...we offer youth development services, such as intervention on drug abuse, life coaching and mentoring, and employment readiness services. We do this through sport and recreation to draw youth away from the streets, alcohol, and drug abuse”.

Participant 8 “...the organization aims to improve the quality of life for people with disabilities, mainly children and youth, through stimulation and integration through therapy in activities”.

Participant 11 “...our organization focus on the lack of supply of vegetables in the area, to assist the students from families from an impoverished family with basic foods with planned outreach for the upliftment of such students and their participation in agriculture”.

Participant 12 “...our community is plagued with alcoholism and women and child abuse; hence when the organization was first established, it became the first to have a white door house where we provided care service to the victims of abuse”.

The participants cited above show that CSO's compassionate services seek to address a social ill in their respective community. It is a consensus shared by the funders that such organizations qualify for support if they address specific social, economic, or environmental problems within their specified area or field. The participants further prove Manyaka-Boshielo (2017) assessment that they exist solely for their social values rather than for profits.

5.3.3 Support in the sector

The NPO and SEs sector thrives on support globally, and the support may be given through the allocation of funds. The environment, through regulations, ensures whether organizations can flourish. Therefore, the thrust of this theme is to find out the support NPOs or SEs receive in the sector. The first support is capacity building and funding.

5.3.3.1 Capacity-Building

Participant 4 “... Yes, one representative attended capacity-building offered by the NDA on compliance with the NPO Act”.

Participant 5 “...Yes, we attended training on Health and Safety and Quality Management in 2018. The training was organized by NDA and presented by SEDA”.

Participant 7 “...Yes, we were trained on Governance, conflict management, and compliance with the NPO Act”.

It is evident from the participants that they received capacity building from the NDA. However, the training required only one board member to represent an average board of five members. The NDA participant said that the Pixley Ka Seme district's vastness often means that representatives are transported to a central area, which is very costly. Furthermore, the National Treasury's compliance requirements further dictate the number of organizations trained. The training is often soft skills; technical training seems to be arranged and funded when required. The NDA further indicates that training is included in project funding for specific equipment operations in some instances.

5.3.3.2 Funding

Participant 5 “...Yes, we received R800 000 from the NDA in 2017 for equipment and materials.’

Participant 7 “...our application for the Gender-based Violence program was regretted in 2020. We receive a monthly grant of R 30 000 from the DSD”.

Participant 8 “...Yes, the organization was funded for R 484 213, 80”.

Participant 9 “...Yes, we were funded for R 75 908.00”.

Participant 12 “...Yes, a total amount of R 950 000 was allocated to us through two projects”.

The participant cited shows above that funding in the sector are provided. However, the recent economic downturns may slow the funds being able to be allocated annually. The DSD provides support through monthly grants to specific priorities such as ECD and health. However, further funding is available in other organizations, such as the NLC.

5.3.4 Success

The study further seeks to explore the approaches needed to guarantee the success of the NPOs in Pixley Ka Seme to become sustainable social enterprises. To achieve that, participants responded to what CSOs need to do to become successful in their endeavors. According to Weldeelassie et al. (2019), NPOs require incomes to become sustainable. Furthermore, these organizations need the knowledge to remain sustainable enterprises vital to development. The following responses indicate the theme of success from the government entities:

Participant 1 “...no high level of non-compliance”.

Participant 2 “...very few organizations take up the opportunities on offer... and they do not go beyond the funding period”.

Participant 3 *“...the response rate to opportunities is stagnant, and only a few take advantages, often the same organizations”.*

The participants on the success of NPOs further indicate that NPOs in Pixley Ka Seme must take up opportunities presented. According to the DSD (2017), organizations in the district were the least to take funding opportunities from organizations such as the National Lotteries Commission (NLC) and several community Trusts from several solar companies operating in the area.

5.3.5 Challenges

The study seeks to recommend the approaches that will ensure the success and sustainability of the NPOs in Pixley Ka Seme. To achieve those objectives, the participants must identify challenges preventing CSOs from succeeding. Extracts from the views of some respondents are given below.

Participant 4 *“...the costs of transport and challenges regarding getting transport and the vastness of the province”.*

Participant 5 *“...the costs of travelling to Kimberley for meetings and workshops”.*

Participant 7 *“...exclusion of new organizations into the funding opportunities”.*

Participant 8 *“...distance to major cities to access major workshops and to participate in dialogues”.*

The challenge of the vastness of the district and the province means that costs are incurred to procure goods and services. For example, the furthest point between the district headquarters and a local municipality in Douglas is 400 KM. For the CSOs in that area to attend training, it is costly. The government representatives illustrated that calling organizations to a central point is costly and that organizations can only send one representative per organization.

5.5 Conclusion

The purpose of this chapter was to present the data analysis of the research study. The data collected through interviews in the study was appropriately analyzed from a qualitative perspective using thematic data analysis. The participants raised several challenges concerning their inability to attend. Pixley Ka Seme has high non-compliance, as illustrated by the participants from the government.

The next chapter summarizes the study and recommends supporting NPOs to become sustainable.

CHAPTER SIX:

RECOMMENDATIONS AND CONCLUSIONS

6.1 Introduction

The previous chapter presented the data generated from the study and the analysis. The qualitative data were analyzed using thematic analysis. The themes of the study were discussed comprehensively with the research objectives. Therefore this chapter will summarize the study in line with the objectives and provide recommendations—the recommendations from the participants, the literature, and funding organizations. Finally, the limitations and future research will be discussed, and the study will conclude.

6.2 Summary of the study

The main aim of this study is to explore how the NDA can support NPOs in Pixley Ka Seme to become sustainable social enterprises. The study seeks to contribute to designing and implementing NDA programmes for NPOs through the following objectives:

6.2.1 Understanding social entrepreneurship and NPOs

The first objective seeks to understand the international literature on NPOs and social enterprises. In chapter two of the study, page 9, NPOs are defined as organizations built as community associations or organizations to address social issues in the community (Kerns, 2017). According to several scholars in the literature of the study, Kitonga (2017), Claeys and Jackson (2012), on page 10, allude to the NPO Act No. 71 of 1997, that profit from activities in NPOs is not distributable amongst the members of the organizations. However, such incomes are reinvested in the organization to achieve its objectives.

Furthermore, the literature conceptualizes social entrepreneurship in chapter three. On page 31, Manyaka-Boshielo (2017) defines social enterprises as organizations that use their operations to balance community challenges by providing cheaper services to address the challenge rather than make a profit. Urban (2015) states that social enterprises and NPOs operate in the same environment, pursuing economic and social motives.

According to the participants representing the state institution, there is a good understanding of the NPOs from these organizations.

6.2.2 Current practices in Funding and Capacity-Building

The study's second objective identifies the NPO sector's current funding and capacity-building development practices. Chapters 2 and 3 discuss the capacity-building needs of the CSOs in the sector. In chapter two, page 27, challenges associated with NPOs are discussed. According to Banks and Hume (2012), compassion and the urge to address a social challenge may be all a founder of an organization have. However, capacity building becomes imperative to establish and successfully run the organization.

Furthermore, funding is discussed in the same chapter on page 28. The sustainability of social enterprises discussed the current funding ways utilized in the sector on page 38 and page 39, under the support of social enterprises and where and how they get funding. The NDA on page 40 thoroughly discusses how funding and capacity building is managed. During the study, the participants discussed the support they offer in the sector. The participants from the social enterprises and NPOs further agreed on the available support and how it is currently administered.

6.2.3 The approaches needed to guarantee the continuation of the NPOs to become sustainable social enterprises.

This objective investigated the sector's approaches that ensure the sustainability of NPOs and social enterprises. The literature on the NPOs on page 14 discusses the NPOs in a global context and indicates how they are succeeding. Albreda et al. (2007) indicate that social enterprises and NPOs are less dependent on the government to remain sustainable in the US. In agreement, the literature further proposes that these organizations must become financially viable; organizations can achieve this by becoming innovative and creative to remain sustainable.

6.3 Recommendations

The researcher makes a few suggestions to the NDA and other institutions that took part and played a role in the NPO and social enterprise sector to improve the sustainability of these organizations.

6.3.1. Support in the Sector

The NDA programs are highly recommended to include organizations in the registration process. This study showed that only registered entities could approach government entities to seek support. Including non-registered will ensure that organizations are offering development interventions at a basic level and progress to the next level through inclusions in programs such as a capacity building.

6.3.2. Capacity-building in the sector

It is recommended that the NDA and DSD capacity-building interventions not be limited to one or two members per CSO. However, it should focus on the board of organizations. It is recommended that capacity-building support be timed so that when a new board is elected, the members can benefit through interventions such as Governance, financing, grant writing and entrepreneurial initiatives, which focus on the board and what they will be doing during their term.

6.3.3. Funding in the sector

It is highly recommended that NDA funding be advertised in the districts rather than the NDA selecting organizations through their systems. Despite the need for more response in Pixley Ka Seme, it is recommended that the NDA engage local municipalities in collaboration with DSD to formalize a forum for NPOs and social enterprises.

6.3.4. Challenges in the sector

There is a need for the NDA in Pixley Ka Seme to make provision for the inclusion of all board members, as training one member per organization is not fruitful. The district and local municipality need to update the latest list of registered NPOs in their locality to

ensure they are included in municipal programs. Organizations need to become innovative through technology to minimize travelling costs.

Furthermore, it is recommended that the NDA employ virtual platforms to conduct capacity-building interventions where possible to minimize costs.

6.4 Limitations of the study

The study focused on the NPOs in Pixley Ka Seme district, including government entities, i.e., NDA, DSD, and the Pixley Ka Seme district municipality. Therefore, the findings of this study can only be applicable to the study area. According to Bhattacharjee (2012), qualitative samples are small and often not necessarily representative of the broader population, so the findings will only represent a certain few, and the results cannot be generalized. The study interviewed 20 organizations, including three social enterprises, 5 NPOs, and three government entities. The other organizations selected for sampling were no longer in existence.

The other inherent limitations of the qualitative methods may have been applicable, such as bias.

6.5 Future research

The study method was qualitative, focusing on a smaller sampling. It is recommended that for future studies, researchers should use mixed methods be utilized to limit the inherent limitations of a qualitative study. Furthermore, the study was limited to 12 participants. For further research, the number of participating government entities can be increased to include organizations such as the NLC, National Youth Development Agency, and the Solar Community Trust, which play an active role in the sector. The increment of both funders and CSOs will allow for more study findings.

6.6 Concluding Remarks

The study's key findings were discussed, the researcher made suggestions for future studies, and the study's limitations were discussed. The study's data analysis shows that the NDA support of NPOs to become sustainable social enterprises needs to change its

focus from only registered organizations to all CSOs that play a role in development. It was also determined that NDA funding could be faster to be finalized, which creates challenges for organizations. Most organizations in Pixley Ka Seme have been trained through the NDA capacity-building programme. However, the representation is limited to one or two participants in an average board of five members per organization. The researcher recommends that the NDA increase the number of participants to ensure the impact and timing of the training to ensure that board members receive the capacity building before they serve in organizations.

List of References

AbouAssi, K., 2012. Hands in the Pockets of Mercurial Donors: NGO Response to Shifting Funding Priorities. *Non-profit and Voluntary Sector Quarterly*, 42(3), pp. 584-602.

Abraham, A., 2006. Financial Management in the non-profit sector: a mission-based approach to ratio analysis in the membership organizations. *Journal of American Academy of Business*, 10(1), 212-217.

Albreda, L., Ysa, T. & Lozano, J., 2007. Public Policies on Corporate Social Responsibility: The Role of Governments in Europe. *Journal of Business Ethics*, 74, pp. 391-407.

Arifin, R. B. M., 2018. Ethical Considerations in Qualitative Study. *International Journal of Care Scholars*, 1(2), pp. 30-33.

Arshad, R., Bakar, N. A., Sakri, F. H. & Omar, N., 2013. Organizational Characteristics and Disclosure Practices of Non-profit Organizations in Malaysia. *Journal of Asian Social Science*, 9(1), pp. 209-217.

Austin, J., Stevenson, H. & Wei-Skillem, J., 2012. Social and commercial entrepreneurship: same, different, or both. *Entrepreneurship: Theory and Practice Journal*, 47(3), pp. 370-384.

Balabanis, G., Stables, R. & Phillips, H., 2012. Market orientation in the top 200 British Charity Organisations and its Impacts on their Performance. *European Journal of Marketing*, 31(8), pp. 583-603.

Banks, N. & Hulme, D., 2012. The Role of NGOs and Civil Society in Development and Poverty Reduction. *Brooks World Poverty Institute Working Paper No. 171*, pp. 3-39.

Baporikar, N., 2016. Boundaries and challenges for social entrepreneurship. *IGI Global*, pp. 1-21.

Batti, R. C., 2014. Challenges Facing NGOs in Resource Mobilization. *Journal of Humanities and Social Sciences*, 2(3), pp. 57-64.

Behn, B. K., DeVries, D. D. & Lin, J., 2011. The Determinants of Transparency in Non-profit Organizations: An Exploratory Study. *Journal of Advances in Accounting*, 26(1), pp. 6-12.

Berg, M., 2013. *The Importance of Non-profits in Our Economy*, Chicago: Burgeon Project.

Beaudoin, S., 2007. *Poverty in World History*. New York: Routledge.

Bhattacharjee, A., 2012. *Social Science Research: Principles, Methods, and Practices*. Second Edition. Florida: Creative Commons Attribution-Noncommercial-Share Alike.

Bushe, B., 2019. The causes and impact of business failure among small to micro and medium enterprises in South Africa. *Africa's Public Service Delivery and Performance Review*, 24 January, pp. 2-29.

Business Environment Specialists, 2012. *SMEs and Employment in South Africa: SME Growth Index Thematic Paper*, Johannesburg: Business Environment Specialists.

Britannica, 2018. *Community-based rehabilitation*. [Online] Available at: www.britanica.com [Accessed 24 October 2022].

Bryman, A., 2012. *Social Research Methods*. Fourth Edition. Oxford, New York: Oxford University Press.

Chinomnso, A., 2010. Informed consent in research. *Afrimedical Journal*, 1(2), pp.22-27.

Chimucheka, T., 2013. Overview and Performance of the SMMEs Sector in South Africa. *Mediterranean Journal of Social Sciences*, 4(14), pp. 784-795.

Choto, P., Iwu, C. G. & Tenge, R. K., 2020. *Non-profit Organizations and Socio-economic Development in South Africa: A Literature Analysis*, Cape Town: Cape Peninsula University.

CIVICUS, 2002. *Two Commas and a Full Stop: A Preliminary Report on the Civicus Index on Civil Society Project in South Africa*, Johannesburg: CIVICUS.

Clark, D. A., 2006. *The Elgar Companion to Development Studies*. Northampton: Edward Elgar Publishers.

Claeye, F. & Jackson, T., 2012. The iron cage revisited Institutional Isomorphism in South African NPOs. *Journal of International Development*, 24, pp. 602-622.

Courtney, R., 2002. *Strategic Management for Voluntary and Non-profit Organizations*. First Edition. London: Routledge.

Corruption Watch, 2019. *Corruption Watch Act Report*, Pretoria: Corruption Watch.

Dahlsru, A., 2008. *How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions*. pp. 1-22.

Davids, I., Theron, F. & Maphunye, K., 2009. *Participatory Development in South Africa*. Pretoria: Van Schaik Publishers.

Deegan, H., 1999. *South Africa Reborn: Building a New Democracy*. First Edition. London: Routledge.

Department of Cooperative Governance and Traditional Affairs, 2016. *Integrated Urban Development Framework*, Pretoria: COGTA.

Development Policy Research Unit, 2018. *SMMEs in South Africa: Understanding the constraints on growth and performance*, Cape Town: University of Cape Town

Department of Social Development, 2020. *NPO Directorate*. [Online] Available at: <http://www.dsd.gov.za/npodirectory> [Accessed 27 March 2022].

DiMaggio, P. J. & Anheier, H. K., 1990. The Sociology of Non-profit Organizations and Sectors. *Annual Review of Sociology*, 16, pp. 137-159.

Dlamini, N., 2019. *#BizTrends2019: NPOs Need to be Nimble*. [Online] Available at: <http://www.ngopulse.org/article/2019/02/07/biztrends2019-npos-need-be-nimble> [Accessed 11 August 2022].

DSD, 2015. *Strategic Plan 2015-2020. Building a Caring Society Together*, Pretoria: Government Printers.

Dupuy, K., Ron, J. & Prakash, A., 2015. Who survived? Ethiopia's regulatory crackdown on foreign-funded NGOs. *Review of International Political Economy*, 2 (22), pp. 419-456.

Eade, D., 2001. *Debating Development: NGOs and the Future (Development Practice)*, Kumarian Press.

Emel, J., Makene, M. & Wangari, E., 2012. Problems with Reporting and Evaluating Mining Industry Community Development Projects: A Case Study from Tanzania. *Journal of Sustainability*, 4, pp. 257-277.

Feldman, S., 2003. Non-governmental Organizations, Governance, and the Development Project. *Development Practice*, pp. 429-444.

Fracer, C., 2008. The National Centre for Charitable Statistics. *Journal of Business and Finance Librarianship*, 10(1), pp. 73-79.

Gabel, M., 2015. Regenerative Development, Going Beyond Sustainability. *Journal for Global Transformation*.

Gal, J. & Ajzenstadt, M., 2013. The Long Path from a Soup Kitchen to a Welfare State in Israel. *The Journal of Policy History*, 25(2), pp. 240-264.

Global Journal, 2013. *The Top 100 NGOs 2013 Edition*. New York: Global Journal.

Gonzalez, L. I., Vijande, M. L. & Casielles, R. V., 2002. The Market Orientation Concept in the Private Nonprofit Organisation Domain. *International Journal of Nonprofit and Voluntary Sector Marketing*, 7(1), pp. 55-67.

Guest, G., 2020. Sampling in Qualitative Research. [Online] Available at: <http://www.samplingmethods.2020o123> [Accessed 11 August 2022].

Gugerty, M. K., 2010. The Emergence of Nonprofit Self-Regulation in Africa. *Non-profit and Voluntary Sector Quarterly*, 39(6), pp. 1087-1112.

Habib, A., 2002. *Presentation on Size and Scope of Non-profit Organizations in South Africa*, Pretoria: Parliamentary Monitoring Group.

Hall-Jones, P., 2006. The Rise and Rise of NGOs. *Public Service International*, pp. 3-8.

Hasenfield, Y., 2015. What exactly is Human Services Management? *Human Service Organizations: Management, Leadership, and Governance*, 39(1), pp. 1-5.

Heinrich, V. F., 2001. The role of NGOs in Strengthening the Foundation of South African Democracy. *International Journal of Voluntary and Non-profit organizations*, 12(1), pp. 1-15.

Herman, R. D. & Renz, D. O., 2000. Board Practices of Especially Effective and Less Effective Local Non-profit organizations. *American Review of Public Administration*, 30(2), pp. 146-160.

Hong, T. M., Bui, A. K. & Tuan, T. C., 2018. Female entrepreneurship in a patriarchal society: motivation and challenges. *Journal of Small business and Entrepreneurship*, 1(1), pp. 1-19.

International Monetary Fund, 2016. *Regional Economic Report*, WorldWide: IMF Publishers.

International Labour Organization, 2016. *Global Report on NGOs*, ILO Publishers

Iwu, C. G., Kapondoro, L., Twum-Darko, M. & Tengeh, R., 2015. Determinants of Sustainability and Organisational Effectiveness in Nonprofit Organisation. *Journal of Sustainability*, 7, pp. 9560-9573.

Jagwanth, S., 2003. *Democracy, Civil Society and the South African Constitution: Some Challenges*. New York: United Nations Educational, Scientific and Cultural Organisation.

Johnson, S., 2003. *Literature Review on Social Entrepreneurship*, Canada: Canadian Centre for Social Entrepreneurship.

Karnani, A., 2010. The Case Against Corporate Social Responsibility. *The Wall Street Journal*, pp. 1-4.

Kearns, K., 2017. *Non-profit Organizations: Theory, Management, and Policy*. Second Edition. Chicago: Work Press.

Kerr, P. S., Kerr, W. & Xu, T., 2017. *Personality Traits of Entrepreneurs: A Review of Recent Literature*, Havard: Havard Business School.

Kitonga, D., 2017. *Strategic Leadership Practices and Organisational Performance in Not-for-profit Organizations in Nairobi County in Kenya*, Kenya: Jomo Kenyatta University of Agriculture and Technology.

Kumaran, M., Samuel, N. & Winston, L., 2012. The NGO sector in South Africa: History, Issues, and Prospects. *Journal for Development and Leadership*, 1(2), pp. 31-43.

Kumar, R., 2011. *Research Methodology*. London: SAGE Publishers.

Kolb, B., 2008. *Marketing Research for Non-profit, Community, and Creative Organizations*. Burlington, USA: Butterworth-Heinemann Publishers.

Lampadarios, E., Kyriakidou, N. & Smith, G., 2017. Towards a new framework for SMEs succes: a literature review. *International Journal of Business and Globalisation*, 18(2), pp. 194-232.

Lebowitz, M. A., 2016. What is Socialism for the 21 Century? *Socialist Magazine*, pp. 2-4.

Lewis, D., 2010. Non-governmental Organizations, Definition, and History. In: H. Anheier & S. Toepler, eds. *International Encyclopedia of Civil Society*. New York: Springer US, pp. 1056-1062.

Lewis, D. & Kanji, N., 2009. *Role of Governments and Non-governmental Organizations*. First Edition. London: Routledge.

Littlewood, D. & Holt, D., 2018. Social Entrepreneurship in South Africa: Exploring the Influence of Environment. *Business and Society*, 57(3), pp. 525-561.

Macdonald, D., 2018. *21st Century Skills for Non-profit Managers: A Practical Guide on Leadership and Management*. New York: Business Expert Press.

Madzivhandila, T. S. & Dlamini, M. S., 2015. *Woman and youth-owned businesses in South Africa: Assessing the needs, opportunities and challenges*, Pretoria: SEDA.

Mari, J. & Marti, I., 2006. Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41, pp. 36-44.

Manyaka-Boshielo, S., 2017. Social Entrepreneurship is a way of developing sustainable township economies. *Theological Studies*, 73, pp. 1-10.

Masseti, B. L., 2008. The social entrepreneurship matrix is a tipping point for economic change. *Emergence: Complexity and Organisation*, pp. 1-6.

Mazibuko, F. D., 2013. *The Role of Non-governmental Organizations (NGOs) in Educational Advancement in Developing Countries: The South African Experience*, Johannesburg: Trust for Educational Advancement in South Africa.

Miller, T., Grimes, M., McMullen, J. & Vogus, T., 2012. Venturing for others with heart and head: How compassion encourages social entrepreneurship. *Journal of Academy of Management*, 37(4), pp. 616-640.

Mishra, D., Biswas, S. & Roy, S., 2005. Governance of NGOs: Contextualizing the Indian Experience. *International Journal of Rural Management*, 1(2), pp. 185-201.

Modi, P., 2011. *Market Orientation in Non-profit Organizations: Innovativeness, Resources Scarcity, and Performance*, New Delhi: Institute of Rural Management Ananda (IRMA).

Mokwa, M. P., 1990. The Policy Characteristics and Organisational Dynamics of Social Marketing. In: S. H. Fine, ed. *Social Marketing: Promoting the Causes of Public and Non-profit Agencies*. Needham Heights: Allyn and Bacon Publishers, pp. 43-50.

Morris, H., Kuratko, D. F. & Covin, J. G., 2008. *Corporate Entrepreneurship and Innovation*. First Edition. Mason: Southwestern Publishers.

Muthuri, J. N., Moon, J. & Idem, U., 2012. Corporate Innovation and Sustainable Community Development in Developing Countries. *Journal of Business and Society*, 51, pp. 355-381.

National Development Agency, 2016. *South African government funding to non-profit organizations: what is the investment value?* Johannesburg: National Development Agency.

National Development Agency, 2017. *Civil Society Organisations Development Framework*. Johannesburg: National Development Agency.

Omura, T. & Forster, J., 2014. Competition for Donations and the Sustainability of Not-for-Profit Organisations. *Journal of Humanoids*, 3, pp. 255-274.

OpenLearn, 2020. Research strategy. [Online] Available at: <https://www.open.edu/openlearn/money-management/understanding-different-research-perspectives/content-section-6> [Accessed 11 August 2020].

Patel, L., 2012. Developmental Social Policy, Social Welfare Services and the Non-profit Sector in South Africa. *Social Policy and Administration*, 46 (6), pp. 603-618.

Pevcin, P., 2012. Analysis of Cross-country differences in the non-profit sector size. *Prague Economic Papers*, 2, pp. 186-206.

Rankhumise, M. & Letsoalo, E., 2019. Owners' Perspective of factors associated with the performance of small, medium, and micro enterprises. *International Journal of Entrepreneurship*, 23(3), pp. 1-18.

Ravallion, M., 2016. *The Economics of Poverty: History, Measurement, and Policy*. New York: Oxford University Press.

Rosenthal, R., 2012. *The Independent Code of Governance for Non-profit Organizations in South Africa*, Pretoria: The South African Institute for Development.

RSA. 1996. Constitution of the Republic of South Africa. Act No. 103 of 1996, Pretoria: Government Printers.

RSA. 1997. Non-profit Organisations Act. Act No 71 of 1997, Pretoria: Government Printers.

RSA. 1998. National Development Agency Act. Act No. 108 of 1998, Pretoria: Government Printers.

SABC, 2018. *State of the Nation Address*. [Sound Recording] (Parliament of South Africa Productions).

Sahlman, W. A., 1996. Some Thoughts on Business. In: W. A. Sahlman, H. Stevenson, M. J. Roberts & V. A. Bhide. *The Entrepreneur Venture*. Boston: Harvard Business School Press, pp. 138-176.

Salamon, L. M., Sokolowski, S. W., Haddock, M. A. & Tice, H. S., 2013. *The State of Global Civil Society and Volunteering: Latest Findings from Implementing the UN Non-profit Handbook*, New York: Centre for Civil Society Studies.

Sen, A., 1992. *Inequality Re-examined*, New York: Harvard University Press.

Smith, D. H., Stebbins, R. A. & Dover, M. A., 2006. *A Dictionary of Non-profit Terms and Concepts*. Bloomington: Indiana University Press.

Suresh, N., 2013. *Concepts and Functions of NGOs*. Bangalore: Rai Technology University.

Swanepoel, H. & De Beer, F., 2006. *Community Development*. Lansdowne: Juta and Company.

Swanson, L. A., 2010. The Social Entrepreneurship Zone. *Journal of Nonprofit and Public Sector Marketing*, 22(2), pp. 71-88.

Swanson, L. A. & Zhang, D. D., 2011. Complexity Theory and the Social Entrepreneurship Zone, Emergence: Complexity and Organisation. *Complexity and Organisation*, 13(3), pp. 39-56.

Swanson, L. A. & Zhang, D. D., 2012. *Social Entrepreneurship*. Saskatchewan: University of Saskatchewan.

Tabaku, E. & Mersini, M., 2014. An Overview of Marketing Means used by Non-profit Organizations: A Detailed Overview of NPOs Operating in Elbasan District. *Journal of Marketing and Management*, 5(1), pp. 66-83.

The World Bank, 2017. *Emerging social enterprise ecosystem in East and South African countries*, Washington DC: The World Bank.

Turton, C., 2000. *The Sustainable Livelihoods*, London: Overseas Development Institute.

Urban, B., 2015. An Exploratory Study on Outcomes of Social Enterprises in South Africa. *Journal of Enterprise Culture*, 23(2) pp. 271-291.

Van Der Westhuizen, M. & Swart, I., 2015. The Struggle against Poverty, Unemployment and Social Injustice in present-day South Africa: Exploring the involvement of the Dutch Reformed Church at a congregational level. *Stellenbosch Theological Journal*, 2, pp. 731-759.

Van Pletzen, E., Zulliger, R., Moshabela, M. & Schneider, H., 2013. The Size, Characteristics and Partnership network of the health-related non-profit sector in three regions of South Africa: Implications of changing primary Healthcare Policy for Community-based care. *Journal of Health and Policy Planning*, 29(6), pp. 742-752.

Vidyasagar, D., 2006. Global notes: counting the world's poor – how do we define poverty? *Journal of Perinatology*, pp. 325-327.

Wang Xi, W. X., 2002. *Implementing law for sustainable development in china*, Shanghai: Shanghai University.

Weerwardena, J., McDonald, R. E. & Mort, G. S., 2010. Sustainability of Nonprofit Organisational. An Empirical Investigation. *Journal of World Business*, 45(4), pp. 346-356.

Weerwardena, J. & Mort, G. S., 2006. Investigating Social Entrepreneurship: A multidimensional model. *Journal of World Business*, 41, pp. 21-35.

Weldeelassie, H., Vermaack, C. & Kristos, K., 2019. Contributions of Micro, Small and Medium Enterprises (MSMEs) to Income Generation, Employment and GDP: Case Study Ethiopia. *Journal of Sustainable Development*, 12(13), p. 46.

Weideman, M., 2015. *The Changing Status of Civil Society Organisations in South Africa. 1994-2014*, Johannesburg: HSF Background South Africa.

Wiggill, M., 2014. Donor relationship management in the South African non-profit sector. *Public Relations Review*, 40, pp. 278-285.

Wolk, A. M., 2008. *Advancing Social Entrepreneurship: Recommendations for Policy Makers and Government Agencies*. Johannesburg: The Aspen Institute.

Wright, A., 2013. *Challenges in Achieving Non-Profit Sustainability. A Study of Social Service Non-profit Organisations in the Central Okanagan*. Dakota: Scotiabank Centre for Non-profit Excellence.

Wyngaard, R. G., 2013. The South African NPO Crisis: Time to Join Hands. *International Journal of Not-for-Profit Law*, 15(1), pp. 5-12.

Young, D. R., 2000. Alternative Models of Government Nonprofit Sector Relations: Theoretical and International Perspective: *Non-profit and Voluntary Sector Quarterly*.

Yunus, M., 2006. *Creating a World without Poverty: Social Business and the Future of Capitalism*. First Edition. New York: Public Affairs.

Zainon, S., Atan, R., Wah, Y. B. & Nam, R. Y., 2011. Intuition Donors Expectation of Information from the Non-profit Organizations (NPOs) Reporting; A Pilot Survey. *International NGO Journal*, 6(8), pp. 170-180.

ANNEXURE A: Informed consent



Dear Participant,

RE: INFORMED CONSENT

I, Malake Bopape, a postgraduate student at the University of the Free State (UFS). I am doing a research for academic purposes to fulfill the requirements for the award of the Master of Development Studies at the University of the Free State.

TITLE OF THE RESEARCH PROJECT

Support of non-profit organizations to become sustainable social enterprises: Pixley Ka Seme District, Northern Cape

WHAT IS THE AIM / PURPOSE OF THE STUDY?

The research explores how the NDA can support NPOs in Pixley Ka Seme district to become sustainable social enterprises. The study will contribute to the design and implementation of NDA sustainable programmes to NPOs. The study wishes to explore the approaches needed to guarantee the sustainability of the NPOs in Pixley Ka Seme to become sustainable social enterprises. This study also wishes to formulate a set of recommendations on how to support NPOs to become sustainable.

FACULTY AND DEPARTMENT:

Name of Faculty: Faculty of Economic and Management Sciences

Name of Department: Centre for Development Support (CDS)

STUDY PROCEDURE: The study has two main phases. The first phase involves interviewing those who work with social enterprises to understand their role in the sector. The second phases involves conducting in-depth interviews with social enterprises to understand how can the NDA support the NPOs/ social enterprises to become successful and sustainable in Pixley Ka Seme, Northern Cape. The interview schedule is designed for quick reference and will not take more than an hour (60 minutes) of your time. Therefore, the study will be conducted in a form of semi-structured face to face interviews. The semi-structured interviews will be conducted with donor institutions, social enterprises/ NPOs and the other supporters of the sector.

BENEFITS: *There are no direct benefits whatsoever to participants in this study. The indirect benefits of your participation in the study are that you will contribute towards formulating a set of recommendations to support NPOs to become sustainable social enterprises in Pixley Ka Seme, Northern Cape.*

CONFIDENTIALITY: *This study is anonymous. The researcher will not be retaining any information about your identity. We will not include any personal information in any report published using this research that would make it possible to identify you. The records of this study will be kept strictly confidential. Research records will be kept in locked files, and all electronic information will be coded and secured using a password protected file. The information will be destroyed after five years of submitting the final research report to the university. The conversations will be voice*

recorded for record keeping. This information will be locked up and deleted after the contents have been typed up. If audio recordings are made, only the researcher and the University of the Free State will have access to them for academic purposes only. They will be destroyed after five years of submitting the final research report to the university. Your answers may be reviewed by people responsible for making sure that research is done properly, the researcher including the research leader as well as members of the UFS Research Ethics Committee. This means records that identify you may be made available only to people working on the study, unless you give permission for other people to see the records. Note that an anonymous data from the research may be used for other purposes, such as research reports, journal articles, future project documents and conference presentations. Excerpts from the interview may be included in the final dissertation and may also be published in journals, but specific names of the interviewees will not be included. If the information from the research is used for these other purposes, your identity will remain anonymous. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report. While every effort will be made by the researcher to ensure that you will not be connected to the information that you share during the focus group discussions, the researcher cannot guarantee that other participants in the focus group discussions will treat information confidentially. The researcher shall, however, encourage all participants to do so. For this reason, the researcher advises you not to disclose personally sensitive information during the focus group discussions. The respondent might encounter cultural embarrassment by talking about their failed venture. This will be mitigated as the researcher will explain to the respondent that this research will assist the entrepreneurs in De Aar in the future. The information will also remain confidential. No names will be mentioned in the report and data will be used in the collective with no names attached to the aspects.

WHY ARE YOU INVITED TO TAKE PART IN THIS RESEARCH PROJECT?

You were chosen as a possible participant in this research because you are involved in the NPO sector or partake in social enterprise management or board in Pixley Ka Seme, Northern Cape. If you do not or did not own an entrepreneurial venture, you have been chosen because of you are a donor or a support institution assisting social enterprises ventures in Pixley Ka Seme District, Northern Cape. Your contacts were accessed through the NDA database. 10 organisation will take part in the research as well as 3 donors or support institutions (NDA, Provincial DSD and Pixley Ka Seme Municipality).

RISKS: There is no risk anticipated that will be encountered by your participating in this study, as confidentiality and respect will be maintained throughout the research process, one has the option of giving consent before participating and participants participate voluntarily and has the right to withdraw at any point in time they feel like doing so. There will be loss of work time but a time that is most convenient for the participant will be used.

VOLUNTARY PARTICIPATION: Participation in this study is voluntary and you are under no obligation to conduct the interview. If you have any concerns with the way the research is being conducted, please feel free to contact and discuss it with my supervisor, whose contact details are given below.

WHAT IS THE ANTICIPATED INCONVENIENCE OF TAKING PART IN THIS STUDY?

The participants will be fully briefed about the research and their right to accept or refuse to participate in the study. The researcher will also not provide any financial incentives to the research participants to avoid the risk of influencing responses. Secondly, there might be concerns over the risk of revelation of identities of participants in the study, which may attract reprisals over their views expressed in the study. This will be mitigated by ensuring that all information collected from the participants is anonymous. Identities of all participants in the study will be concealed. Any publication about this research will not contain any names and identities of any participants. Thirdly, the participant might encounter personal or cultural embarrassment by talking about their venture failure. To mitigate this, the participant will be briefed that the research will assist youth entrepreneurs in De Aar in the future. The information will remain confidential and no names will be mentioned in the report and data will be used in the collective with no names attached to the aspects. For the targeted participants, informed consent will also be solicited from them to accept or refuse to participate in the research. The participants will also be asked to provide informed assent before the interviews or focus group discussions. Finally, all participants in the study will have the right to choose to accept or refuse to participate in the study and all information will be anonymous.

HOW WILL THE INFORMATION BE STORED AND ULTIMATELY DESTROYED?

Voice records will be stored by the researcher for a period of five years in a locked cupboard/filing cabinet at UFS and his residence for future research or academic purposes. Electronic information will be stored in password-protected files and computer as well as personal email accounts, OneDrive and Google Drive – all protected with passwords. Future use of the stored data will be subject to further Research Ethics Review and approval if applicable.

WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?

No payment, reward or incentive, financial or otherwise, will be offered for participating in the research. Any costs, such as transport costs, incurred by the participant should be explained and justified.

HOW WILL THE PARTICIPANT BE INFORMED OF THE FINDINGS / RESULTS OF THE STUDY?

If you would like to be informed of the final research findings, please contact Malake Bopape on 082 593 1699 or email: jim.bopape@gmail.com or website: www.ufs.ac.za. The findings are accessible from June 2022. Should you require any further information or want to contact the researcher about any aspect of this study, please contact Malake Bopape 082 593 1699 or jim.bopape@gmail.com. Should you have concerns about the way in which the research has been conducted, you may contact Prof. Deidre Van Rooyen on 051 401 3812 or griesd@ufs.ac.za.

Please feel free to ask any questions on any aspect of this study that is unclear to you.

Yours sincerely,

Malake Bopape
Supervisor: Prof. Deidre van Rooyen
Email: griesd@ufs.ac.za

INFORMED CONSENT PAGE

Study: How the NDA can support NPOs to become social enterprises sustainable

Researcher: Malake Bopape

By signing below, I agree to the following statements:

- 1) I have read and understood the attached information sheet giving details of the project.
- 2) I have had the opportunity to ask the researcher any questions that I had about the project and my involvement in it, and I understand my role in the project.
- 3) My decision to consent is entirely voluntary, and I understand that I am free to withdraw at any time without giving a reason.
- 4) I understand that data gathered in this project may form the basis of a report or other form of publication or presentation.
- 5) I have given the researcher permission to audio record the interview.
- 6) I understand that my name will not be used in any report, publication or presentation and that every effort will be made to protect my confidentiality.

Participant's Signature¹: _____ Date: _____

Researcher's Signature: _____ Date: _____

Please fill in and return this page. Keep the letter above for future reference.
Please only sign this form if you agree to participate in the study.

ANNEXURE B: Questions

Interview questions: NPO/Social Enterprises

1. Tell me about your organisation.
2. What are your responsibilities as an organisation in addressing social problems?
3. If the organisation would be successful, what do you need to get there?
4. What do you think about the support the sector (NPO/Social enterprise) generally receives?
5. How do you see the future of your organisation? (will you achieve the purpose / objectives)?
6. What challenges does your NPO face in achieving its objectives while remaining sustainable?
7. Have you received any training/capacity building from the NDA? Elaborate?
8. Have you received any grant funding from the NDA?
9. How do you feel about the support you received from the NDA?
10. What support can the NDA give your enterprise to become successful and sustainable?
11. Do you obtain any support from the local municipality?
12. Do you obtain any support from the department of social development?
13. What support do you need from the local municipality?
14. What support do you need from the department of social development?
15. What do you think about the NDA capacity building?
16. What do you think about the NDA grant funding?
17. How has the support improved your organisation?
18. How do you feel the NDA support can be improved?
19. What are your challenges in getting NDA to assist, and what do you think should be done?

Interview Questions - Officials

1. What do you understand of social enterprises/NPOs?
2. Do you think NPO/social enterprises in Pixley Ka Seme are succeeding?
3. What do you think organisations need to become successful and sustainable?
4. What role do you play in the NPO/social enterprises sector in Pixley Ka Seme?
5. Do you know any support that exists for these enterprises?
6. What support do you give social enterprises/NPOs in Pixley Ka Seme District?
7. Do you give any capacity building to these organisations?
8. Do you give any financial support to these organisations?
9. How are the organisations responding to the capacity building offered?
10. What are the main challenges that these organisations experience?