Social Enterprises: How to succeed in the renewable energy sector in Sub-Saharan Africa

BACHELOR DEGREE PROJECT
THESIS WITHIN: Business Administration
NUMBER OF CREDITS: 15 ECTS
PROGRAMME OF STUDY: International Management, Marketing Management
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JÖNKÖPING May 2019
Abstract

In 2015, the United Nations developed 17 goals to work towards sustainable development by 2030. Among these goals, goal number seven focuses on providing clean and affordable energy for all, to solve problems such as poverty and to reduce greenhouse gas emissions around the world. In Sub-Saharan Africa, 600 million people live without access to electricity. Furthermore, millions of people in Sub-Saharan Africa die each year because of indoor air pollution that comes from combustible and inefficient energy solutions. Because of these issues, social enterprises are a vital component to be able to work towards providing renewable energy solutions and efficient cooking solutions to households in Sub-Saharan Africa.

This thesis analyses social enterprises working within the renewable energy sector in Sub-Saharan Africa, and investigates what a social enterprise must do to succeed. To answer this question, the authors carried out interviews to identify the factors that contribute to success and barriers that prevent the success of social enterprises active within the mentioned sector and region. The answers from the interviews were later on compared with findings from existing literature discussed in a literature review.

Social enterprises in Sub-Saharan Africa that works within the renewable energy sector must work together with local employees to access knowledge about external factors that could engender barriers. Other barriers that a social enterprise might encounter are linked to profitability and affordability, and what the business is primarily focusing on achieving.

Social networks and financial institutions are of importance for social enterprises to succeed in Sub-Saharan Africa. Furthermore, by providing excellent customer service together with having the right abilities and knowledge, a social enterprise will have a higher chance of success. One of the most critical variables when aiming for success in the renewable energy sector in Sub-Saharan Africa is to have a well thought out business model before entering a new target market.

This thesis concludes that the identified success factors and barriers, along with the explanation behind them, can be used as guidelines for future social enterprises that want to establish in the renewable energy sector in Sub-Saharan Africa.
Definitions

**Affordability:** The ability or non-existent ability to afford a certain product or service.

**Barriers:** Factors that are or could prevent a business operational success.

**Entrepreneurs:** A group of people developing a new innovative idea and turns it into a business.

**External factors:** Economic and political factors affecting i.e. companies in a certain area. For example, it could be political instability, governmental aspects or a country’s economic state.

**Institutional theory:** Comes from the Institutional Model that talks about informal and formal institutions as support for the emergence and implementation of social enterprises

**Intrapreneurs:** A group of people working within an organisation with an innovative idea.

**Least developing country:** Low-income countries which is vulnerable to environmental or economic shocks.

**Mobile money:** A service where people can transfer money through their mobile phones.

**Power outages:** Loss of electricity or power. Also known as power-cut or power blackout.

**Renewable energy:** Energy collected from resources considered renewable. These sources could be wind, rain, waves, sunlight and geothermal heat.

**Rural areas:** An area located on the countryside, outside a town or a city.

**SIDA:** Swedish governmental institution working to reduce poverty all around the world.

**Social Enterprise:** Created by social entrepreneurs that contribute to sustainable social change through an innovative use of resources by combining economic and social values.

**Social Entrepreneurs:** Entrepreneurs working with a passion for social impacts, through social entrepreneurial organisations such as sustainable ventures.

**Solar system:** A renewable energy source that comes from solar panels extracting energy from the natural sunlight.

**Sub-Saharan Africa:** The area in the continent Africa, south of Sahara

**Success factors:** Factors that are or could be of importance to succeed with one’s business operations.

**Sustainable Development Goals:** United Nations’ 17 goals for sustainable development by the year of 2030, adopted by all the united nations’ member state in the year 2015.
Acknowledgement

This thesis was written during the spring of 2019 at Jönköping International Business School as a part of the programs International Management and Marketing Management. The authors of this thesis would like to delegate a special thank you to the companies that responded and participated in the interviews. We want to show great appreciation towards the participants from Emerging Cooking Solutions, BRIGHT, Fenix International, WidEnergy, VITALITE Group and ZOLA Electric. That shared their experiences and insights about the companies of interest. From this, we were able to come to conclusions that can provide guidelines for future social enterprises that want to work within the renewable energy sector in Sub-Saharan Africa.

Another thank you that we would like to delegate is towards our contacts working at Swedish International Development Corporation Agency (SIDA) and the Swedish Embassy in Zambia. That provided us with the information and sources about the active social enterprises in Sub-Saharan Africa today. Furthermore, we would like to thank our tutor Carolina Teh, who helped guide us through the process of writing this thesis by providing useful insights about writing a bachelor thesis.

Thank you!

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Jönköping, 2019-05-20
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1. Introduction

This chapter will present the background of the current research about Sub-Saharan Africa and the renewable energy sector. Following, the problem, purpose and delimitations of this thesis will be explained.

1.1. Background

In 2015, the members of the United Nations (UN) established The Agenda for Sustainable Development, where it states that all countries, of all stages, should work together to reach 17 sustainable goals by 2030 (Sustainable Development Goals, 2019): whereas one of these 17 Sustainable Development Goals (SDG) is affordable and clean energy for all (Sustainable Development Goal 7, 2018). Following Rahdari, Sepasi and Moradi (2016), for the SDGs to be realised, three groups have to get involved, that being social entrepreneurs, social enterprises and social intrapreneurs. According to UN and the SDG number seven, establishing renewable energy is one way to tackle some of the most extensive problems that the world is facing today, such as climate change, poverty, and inclusive growth (UN Forum, 2018). Therefore, one of UN's Sustainable Development Goals is introducing renewable energy for all as a way to solve the problems of the world's greenhouse gas emissions (Sustainable Development Goal 7, 2018).

Today, renewable energy is contracted from different sources, such as from the sun, moving water and wind power (Energy Committee, 2010).

Solar power could be considered as the best option for renewable energy as it is the most powerful of all the renewable energy alternatives (Energy Committee, 2008). The most used energy source of today is fossil fuels, a usage that has to be shortened to its minimum to fight the environment and health issues it is causing. The usage of fossil fuel is argued to have reached the level where the supply can no longer reach the requested demand, which is considered to have both global and civilisation risks (Leggett & Ball, 2012). Also, research presented by Leggett and Ball (2012) proves that the level of fossil fuel will be critical by the year 2020. On a positive note, studies by the Royal Swedish Academy of Science's Energy Committee show that the use of fossil fuel as an energy source is decreasing (Energy Committee, 2010).
In Sub-Saharan Africa, 70% of the population, that is 600 million people, lives without access to electricity (US Aid, 2017). Sub-Saharan Africa is the region with the lowest rate of access to electricity, where electricity access is measured to be only 24.9% of the households in rural areas in 2016 (The World Bank, 2017). During the year 2013, an initiative called Power Africa was established to increase the number with access to power. Together with legal and technical experts, governments and the private sector worked intending to provide access to electricity to more than 60 million new Sub-Saharan households (US Aid, 2017).

The electrification plans used in Sub-Saharan Africa has typically been focused on hydropower and large scale of fossil fuel facilities (EIA, 2018). More recently, investments have been made in solar power, which is of vital importance for reducing costs and increasing the rural access to renewable electricity (European Investment Bank, 2018). This disparity suggests why more social entrepreneurs, working in the renewable energy sector in Sub-Saharan Africa, is needed.

According to Sokona, Mulugetta & Gujba (2012), access to electricity plays a significant role to work towards reducing poverty and increasing socio-economic development. Today, it is difficult for the Sub-Saharan African economy to perform due to the high costs for fossil fuel. Moreover, the electricity provided in Sub-Saharan African countries today is unstable, where the people experience a large number of power outages every year. These power outages leave households without any electricity, they last approximately between 5-12 hours, which makes the current sources for electricity unreliable. By establishing modern energy solutions, living conditions will be improved along with an increase in rural and urban development (Sokona et al. 2012).

## 1.2. Problem

### 1.2.1 Existing Knowledge

Social entrepreneurship has a significant role for generating economic growth, where entrepreneurship is said to stimulate improvements of the living conditions in societies and plays an essential appearance especially in developing countries with a low GDP (Wronka, 2013). Existing studies, e.g. presented by Alvord, Brown, & Letts (2002); Bewayo, & Portes (2016); Aldrich & Zimmer (1986); Sharir and Lerner (2006), have researched in the fields of success factors within social enterprises and failure experiences of entrepreneurs. More of the up-to-date research focuses on either social entrepreneurship in general (Harding, 2004), within a specific region (Rivera-Santos, Holt & Littlewood, 2015), or within the renewable energy sector (Surie, 2017). Rivera-Santos et al. (2015) is focusing on the Sub-Saharan region of...
Africa, where they pinpoint the importance of an increased understanding and managerial insights before establishing a social enterprise to increase its chances of succeeding. Previous research findings show that both internal and external factors have a significant impact on the cause of success and failure of entrepreneurs (Atsan, 2016). Failure and success of a business may be related to environmental (external) and organisational/individual (internal) factors. External events are actions taking place outside the control of the management while the internal operations and decisions are issued under the management's authority (Zacharakis, Meyer & DeCastro, 1999). Internal factors, such as financial resources, is crucial for the success of an entrepreneur (Liao, Welsch & Moutray, 2008).

1.2.2 Gap Identified
One motivating factor for this thesis is that there are gaps in the existing literature where social enterprises, within a specific region, working in the renewable energy sector are discussed. There is a need for further research with a greater focus on the success factors and barriers that social enterprises meet when working within the renewable energy sector in Sub-Saharan Africa. This because the literature existing today is lacking that focus, but mostly because of the importance of the concept of renewable energy.

1.2.3 Importance of this Thesis
The United Nations are currently working with the 2030 agenda of Sustainability Goals, where one is clean and affordable energy for all (Sustainable Development Goal 7, 2018). UN is working with providing governments around the globe with advice, awareness and information about the importance of implementing sources of renewable energy in our societies. They are doing this to encourage governments to invest in, and lower the risk for renewable energy projects to increase the number of businesses that will enter the renewable energy sector. The goal was developed to reduce greenhouse gas emissions, to transform economies, and since more than one billion people lack access to electricity (UN Forum, 2019). After reading the existing literature, the authors of this thesis identified a demand for a greater understanding of the renewable energy sector: to increase the possibility of social enterprise’s success within Sub-Saharan Africa. The importance of studying specifically about the renewable energy sector in Sub-Saharan Africa is because of the 600 million people that live without access to electricity (US Aid, 2017). The number of 600 million people living without electricity in Sub-Saharan Africa is almost double the number of people living without electricity in developing Asia (Cozzi, Chen, Daly & Koh, 2018).
1.2.4 Intended Contributions

As a response to the gaps in the current literature, this thesis will investigate the success factors and barriers to suggest future guidelines for social enterprises that want to work within the renewable energy sector in Sub-Saharan Africa. The intention is to contribute with a recipe with the success factors and barriers outlined; to educate future social entrepreneurs and together with the information about the importance of renewable energy inspire future entrepreneurs to enter this market.

1.3. Purpose

The purpose of this thesis is to identify the success factors and barriers for social enterprises in the renewable energy sector in Sub-Saharan Africa from the management’s point of view. The thesis’s vision is to create extra value for potential social enterprises in Sub-Saharan Africa and to get a greater understanding of today’s social enterprises active within the region. With the vision in mind, the authors of the thesis aim to provide a recipe to future entrepreneurs, with clear guidelines of what they need to consider when establishing and operating in a market in Sub-Saharan Africa to succeed. The authors want to spread awareness of the potential barriers that could be faced by future social enterprises, for them to be able to prepare appropriately before establishing in Sub-Saharan Africa. This thesis aims to cover the gaps in the current literature about social enterprises in the renewable energy sector in Sub-Saharan Africa. The aspiration is to help spread the UN’s mission with Sustainability Goal 7; to guide and motivate social enterprises towards working with renewable energy projects. For this reason, the two research questions for this thesis are:

1. What are the success factors of social enterprises in the renewable energy sector in Sub-Saharan Africa?

2. What are the barriers that social enterprises encounter in the renewable energy sector in Sub-Saharan Africa?

1.4. Delimitations

Firstly, the scope of this thesis is focused on social enterprises in the renewable energy sector in Sub-Saharan Africa. The topic was studied between January and May 2019. It is essential to mention that this thesis only includes some countries located in Sub-Saharan Africa and not the
whole region. The countries covered are Zambia, Nigeria, Kenya, Ghana, Rwanda, Côte d’Ivoire and Tanzania. Furthermore, this topic could also be studied from the perspective of social enterprises and entrepreneurs working in other sectors, but this will not be included in this thesis. Therefore, the advantages and disadvantages of social entrepreneurs and social enterprises in the renewable energy sector in this thesis should not necessarily be considered as examples for other actors.

Secondly, this thesis focuses on the success factors for social enterprises within the renewable energy sector. However, the actual impacts that renewable energy solutions will bring to society and the population of these Sub-Saharan countries are not discussed. Although this topic is relevant for researching social entrepreneurs and their work towards social change, this is not something that is mentioned in this thesis but is to be suggested for further research.
2. Literature Review

This chapter presents already existing research within the field of social entrepreneurship and enterprises, sustainability and the renewable energy sector. Furthermore, the focus of the literature review is on the Sub-Saharan Africa region.

2.1. Sub-Saharan Africa

Sub-Saharan Africa consists of 50 countries divided into the west, south and east Africa, where the majority is considered to be a low-income country (The World Bank, 2019). The population has grown to be 1.061 billion people in 2017, where 41% of the people in Sub-Saharan Africa are living in extreme poverty (The World Bank, 2017; UNDP Africa, 2019).

The Structural Adjustment Programme that took place in the mid-1980s was the start to both the financial sector and economic reforms in most Sub-Saharan African countries, whereas the overall economy and savings rates have remained at a low level. The performance of Sub-Saharan Africa countries seen through an economic perspective is not favourable compared to other developing countries and regions. As mentioned above, the flat saving rate of Sub-Saharan Africa countries indicates that economic growth and investment is unstable and extremely dependent; for example, foreign savings. Furthermore, the high-risk and unpredictable economic and political environment plays a significant role in the overall investment market. The environment has affected the asset composition for saving portfolios by the private agents, and more importantly, the structure of the private investments in Sub-Saharan Africa. Today, observations of different innovative financial programmes and methods are increasing rapidly. The development of enterprises and income generated activities with a purpose to reach “the poor” with the aim of poverty lending, and micro-enterprise finance is being adapted to Sub-Saharan Africa countries to solve problems as enforcement and information problem. Methods like these are adopted in African economies to find solutions to the development of microenterprises (Nissanke, 2001).

External relationships are one crucial aspect for success when developing a company in developing countries; the network strategy is significantly vital for organisational resilience. Additionally, Nissanke (2001) also states that there is evidence pointing out a sizeable shortfall in the arrangements of social enterprises in Sub-Saharan Africa, the gap being discovered is directly correlated to the distinct fragmentation of the financial market.
2.2. Renewable Energy

The availability and accessibility of energy are factors of social, environmental and economic development. Hence, renewable energy is demonstrated to create a sustainable future, poverty reduction and tackle the challenge of climate change (Obeng-Darko, 2019). Energy Committee at the Royal Swedish Academy of Sciences (2010) argues that the implementation of solar energy is of vital importance when aiming for the goal of providing renewable energy by the year 2050. Energy Committee (2008) presents the fact that the direct sunlight received by the earth, in less than one hour, is measured to be the same amount utilised by all humans during one year.

Since energy consumption is expected to increase with almost 60% during the next 20 years, El-Farra and Christofides (2017) argue for the importance of implementing more renewable energy sources for long-run sustainability. Today, society is deeply dependent on fossil fuel, since fossil fuel provides about 85% of the world's power consumption (Beardsworth, 2018). Current research promotes the importance of a shift in the energy sector, where more energy needs to be produced by renewable energy sources rather than sources dependent on fossil fuel (El-Farra & Christofides, 2017). The effect of nuclear catastrophes has increased the awareness and attractiveness to renewable energy as an alternative energy source (Chen, Kim & Yamaguchi, 2014).

Woo, Lloyd and Tishler (2003) argue that renewable energy technologies are costly to implement. Destouni and Frank (2010) continue this argument by stating that high investment capital in research and development is crucial for expansion and establishment of a greater extent of renewable energy.

2.2.1 Renewable Energy in the Least Developed Countries

United Nations defines least developed countries to be low-income countries which are exposed to environmental and economic shocks (United Nations, 2019). Additionally, the least developed countries are confronted with severe difficulties in obtaining sustainable development (Sustainable Development Goals, 2019). Developing economies are argued to have less financial capital to invest in renewable energy technologies than prosperous economies. Social entrepreneurs within least developed countries may be discussed to do more with less due to the limited resources. Thus, the possibility for a state to implement renewable energy sources is dependent on the national income level. Hence, the availability of external financial resources is crucial for the expansion of renewable energy in the least developed
countries (Berg, 2013). Pfeiffer and Mulder (2013) raise the issue of the rather late awareness of investing in renewable energy when the superior outcome would be that the investment was made several years before the movement for more renewable energy begun. The issue mentioned is argued to be of a greater extent in developing countries rather than wealthy countries.

To speed up the process of implementing renewable energy, increase market efficiencies and meet targets, different strategies, such as implementing solar power, are encouraged to attend the objectives of sustainable economic development within the developing countries (Stambouli, 2011). Developing countries are argued to lack enough energy supply to provide for the whole population. This lack of electricity could explain the political, economic and innovation development obstacles a least developed country might encounter (Urmee & Md, 2016).

Berg (2013) describes the difference in the cost of implementing cost-effective renewable energy technologies between developing countries and wealthier countries. It is argued that more prosperous countries have more opportunities for financing the implementation, which generates a beneficial aspect of having the resources of financing different renewable energy projects. However, another point of the possibilities of implementing renewable energy technologies is the possibility of the rapid increase and the growth rate of renewable energy (Pfeiffer & Mulder, 2013).

When talking about energy access, the Asian Development Bank (2019) defines it as the combination of improvement and access to electricity, and efficient cooking solutions for households. This combination of access to electricity and cooking solutions would provide “energy for basic human needs, productive uses and modern societal needs” which will improve the everyday life and sustainably enhance the economic development (Sokona et al. 2012, p 4).

2.3. Social Entrepreneurship and Enterprises

Social entrepreneurs are facing some of the most severe challenges in today’s society, with interest to solve social problems (Harding, 2004). According to Wolk (2008) social entrepreneurs are working with a passion for social impact, through social entrepreneurial organisations such as sustainable ventures. Generally, social entrepreneurship can be explained as an economic activity that challenges business models with a focus of making a profit by
taking on projects to work towards social change and create social value (Bjerke & Karlsson, 2013). According to Johanisova, Crabtree and Frankov (2013, p 11), social enterprises are “organisations involved at least to some extent in the market, with a clear social, cultural and/or environmental purpose, rooted in and serving primarily the local community and ideally having a local and/or democratic ownership structure (one-member-one-vote rather than one-euro-one-vote)”. Alternatively, a more shortened explanation of social entrepreneurship is “entrepreneurial activity with an embedded social purpose” (Austin, Stevenson & Wei-Skillern, 2006, p. 1).

According to Austin et al. (2006) the range of definitions about social entrepreneurship goes from narrow to broad. A broad view would be following the idea presented by Dees and Anderson (2003), that innovative activity performed by social entrepreneurs has a social objective, such as commercial ventures that have a social purpose. A narrow view of social entrepreneurship could be following the definition by Zadek and Thake (1997), which is built upon the idea that social entrepreneurship has an underlying drive to create social value, rather than focusing only on wealth.

The definition used for this thesis of social entrepreneurship and social enterprises is interpreted from the article by Mair and Marti (2006); social entrepreneurship is combining social and economic values and the involvement of innovative use of resources to pursue opportunities, whereas social enterprises are operations that are driven to address and implement social change when operating in a sustainable way. The authors of this thesis believe that social enterprises and social entrepreneurs are linked to each other, as social entrepreneurs are the ones operating the social enterprises.

### 2.4. Social Entrepreneurship and Sustainability

According to the Cambridge English Dictionary (2019) sustainability is the “the quality of causing little or no damage to the environment and therefore able to continue for a long time”. For another author, sustainability’s only meaning is to survive and maintain business viability (Berns et al. 2009). One often used citation on sustainable development in existing articles is “meet the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987, p.16). Cambridge English Dictionary (2019) continues by arguing that sustainability for business advocates for the idea that the production of goods and services shall be made in a way, which does not damage the environment by not using limited
resources. Sustainability is not something that can be limited to environmental issues only, but it covers reaching social needs as well (Buser & Koch, 2014). The need for long term sustainable development goals is becoming increasingly more significant for businesses, compared to short-term financial goals (Bocken, 2015). Costanza et al. (2012) argue for the fact that continuing doing business “as usual” towards the direction we are headed right now threatens our survival. Because today, enterprises have more significant challenges, and they need to work towards creating both social, economic and environmental value (Elkington, 1997). Whereas the UN World Commission is calling for international action to create social, economic and ecological benefits; by proposing that businesses should take on long term strategies for sustainable development (Bocken, 2015). According to Zhang and Swanson (2014) social entrepreneurship and sustainability are evidently linked to each other. In their article, it is stated that to become a social entrepreneur one must have; “the ability to recognise social issues, develop them into opportunities, and provide innovative solutions” (p. 185). Furthermore, a social enterprise has to adapt its mission to the current dynamic environment to be sustainable.

Sustainability is being explained to have the key elements; human well-being, economic well-being and environmental well-being. These elements later form the basis for social entrepreneurship, i.e., achieving ecological and human well-being through economic prosperity in society (Muralidharan & Pathak, 2018). Social entrepreneurs combine social, environmental and economic goals through social enterprises, whereas the social goals address communities’ sustainable development by incorporating it in their business model (Littlewood, Holt, Kolk & Riveria-Santos, 2018). Moreover, according to De Ruiter, Schaveling, Ciulla and Nijhof (2018) social entrepreneurs have it easier facing obstacles when establishing a socially responsible enterprise, as they are creating values with the stakeholders in mind. This is supported by Stephan, Uhlner and Stride (2014), that states that the stakeholder support will emerge as long as the social entrepreneur’s objectives are coordinated with the social, environmental, and economic well-being goals.

According to Zhang and Swanson (2014) both internal and external factors are influencing what a social entrepreneurial organisation is and if it is sustainable. External factors being government regulations, social and economic environment, and internal factors being leadership resource endowment and network embedment. From these factors, the authors also came up with nine propositions to why and what makes an organisation a social enterprise and sustainable, i.e. “for a social entrepreneurial organisation to be sustainable, it must develop effectuation capabilities” (Zhang & Swanson, 2014, p 186). The article by Baker and Nelson
(2005) support the argument presented above by writing that to pursue new opportunities and solve problems, one needs to effectively and in a quick manner utilise scarce resources. This also goes along with the explanation that to be successful, social entrepreneurs need to employ effective use of resources (Corner & Ho, 2010).

For this thesis, the authors believe that sustainability for social enterprises is to create social, economic and environmental value without compromising the future of others (Brundtland, 1987; Elkington, 1997)

2.5. Success Factors and Barriers to Social Enterprises
A successful entrepreneur is defined by Armstrong (n.d.), as an entrepreneur that has a high commitment towards business and the aim to achieve success along with being motivated and open to change. According to Bewayo and Portes (2016), a large amount of existing literature within the subject of a successful social enterprise can be found, but the result of studies in different countries and regions differs a lot from one another. It is therefore essential to take institutional differences, approaches to entrepreneurship and chosen social problems into account when elaborating if the specific outcome can be considered as a success. This because one result that can be regarded as a success in one region does not have to apply to another region (Bewayo & Portes, 2016).

One pivotal study by Alvord et al. (2002) pinpoints that several important patterns have identified exceedingly successful social enterprises over the world. Their study examined seven prosperous social enterprises, including Plan Puebla of Mexico and the Grameen Bank of Bangladesh, where similar characteristics were found among them. Two of the most distinctive features that play an essential role when analysing the success of social enterprises are adaptive leadership capacity and core innovations (Alvord et al. 2002). Looking at entrepreneurship from a broad perspective, entrepreneurial activities that involve acquiring resources, acting on opportunities and the establishment of an organisation creating something valuable, are the main tasks often included in entrepreneurial enterprises (Schumpeter, 1934; Timmons & Spinelli, 2004). A fundamental finding according to Alvord et al. (2002), is that the critical patterns of a highly successful social enterprise are the capacity to build bridges and connections between external sources of support, and particularly financial aid and social enterprises. Other critical factors leading to the success of entrepreneurship, particularly in social ventures, are social capital and social networking (Aldrich & Zimmer 1986; Rooks, Klyver & Serwanga 2016).
Sharir and Lerner (2006) identified eight factors that contribute to success within social enterprises where the most crucial factor identified was the founder's social network. New findings prove that in movement-based social enterprises, social networking and social capital are highly relevant. Other common characteristics being found that has a significant impact on social ventures are the realisation that there are no quick fixes to success. The importance of the founder's social network, along with entrepreneurial spirit, are two beneficial traits for a favourable outcome (Sharir & Lerner, 2006).

Schumpeter (1934) states that successful entrepreneurship can be defined in terms of the growth appertaining the venture when focusing on social entrepreneurship. The expansion of the social impact is said to be the most visible prediction of success. Furthermore, another pattern of success is the capacity to build bridges and connections between external sources of support, particularly between financial aid and social enterprises (Alvord et al. 2002). Bewayo and Portes (2016) has identified three classifications when scaling up the social impact of entrepreneurial ventures; "Expanding geographical coverage to provide services to more people, expanding the range of services/products to the initial group or groups targeted by the venture, and undertaking activities that change the behaviour of other allies/actors who directly or indirectly influence a given social problem" (p.45). As the authors continue, they pinpoint that political and economic institutions have considerable influence on the process and success of social entrepreneurship in countries all over the world.

By analysing the start-up process of small enterprises, possible obstacles can be encountered, which can prevent entry into new markets. Difficulties as misunderstandings, deficiency of language and technical skills may affect the development of a new business in underdeveloped countries (Bates, 1993). One of the main barriers for social enterprises to succeed is the social entrepreneur's focus on generating profit (Harding, 2004). Other walls social enterprises experience in the process of starting and maintaining a business, are obstacles of declining economies, inflation and government-created regulations (Edmiston, 2008). Davis (2002. p.4) states that "If we assume that promoting an entrepreneurial culture is a desirable means of achieving our end (social and economic development), then we must clearly define what elements, behaviours, traits, and characteristics we want to encourage and value". He also proposes that social entrepreneurship should be cultivated, promoted and valued as a profession. Highly motivated entrepreneurs are the ones who succeed best with their enterprises and entrepreneurs are triggered by making a social change, at the same time as aiming to create
a difference for others, are said to be more likely to establish and maintain a sustainable enterprise (Harding, 2004).

2.5.1 Social Enterprises in Developing Countries

Individuals that are living in deprived urban neighbourhoods are experiencing various barriers to social entrepreneurship. There are indirect barriers that are described to be associated with fear of violence, while direct obstacles are connected to sparse workspaces and an absence of confidence and self-belief. The more significant barriers to social enterprises in developing countries are the lack of wealth and availability to finance (Williams & Williams, 2011).

Entrepreneurs are generally encountered by multiple obstacles when creating new social enterprises. The barriers which entrepreneurs typically face originate from government policies, individual characteristics, the chosen location of the business and methods of financing (Acs & Kallas, 2007). Regulations and tax policies, regulatory burdens and subsidy programs are other significant encumbrances that can harm businesses. In turn, this causes complications when gathering information about companies and targeted markets. The entry phase for starting and developing a sustainable enterprise requires adequate access to financing, markets, infrastructure, skilled employees and capital. Hence, the physical environment and the surrounding businesses are crucial for the success of social enterprises (Friedman, 1986; Klein and Hadjimichael, 2003). Usually, rural communities and urban areas have a limited customer base, and this could lead to a problematic entering process, less available market, and a feeble welcoming of foreigners. Subsequently, preceding management experiences among with lack of credit, capital, knowledge and undeveloped sales potential are factors that can be seen as barriers to social enterprises operating in developing countries (Gladwin et al., 1989).

2.5.2 Social Entrepreneurship and Social Enterprises in Sub-Saharan Africa

According to Bewayo and Portes (2016), weak economies of the Sub-Saharan African region are creating widespread disease and poverty. Additionally, the fight against rural poverty can be mostly seen in Africa and is primarily seen among African social entrepreneurs. Poverty is an observable phenomenon around the world, and especially in Sub-Saharan Africa.

Rivera-Santos et al. (2015) argue that visible poverty, derived from the combination of high inequality and full stages of poverty, is expected to impact the specific activities and the self-perception of the venture. As a result, expectations of high levels of poverty may lead to a more stable self-perception. Therefore, this can affect social entrepreneurs in a positive way when
the process of choosing activities to emphasise the venture of the social mission. Hence, their study highlights the need for better understanding of differences and irregularities in the least developed countries. The necessity of African data is of importance for future entrepreneurs, to facilitate the planning of their future business-models and increase the understanding of managerial insights of the chosen country to establish an enterprise in (Rivera-Santos et al. 2015).

2.6. Social Entrepreneurship through an Institutional Perspective

“Institutions are the rules of the game in a society, or more formally, institutions are the constraints that shape human interaction” (North 1990, p3). The two groups of institutions often discussed are the formal and informal institutions. Formal institutions would, for example, be economic rules and federal rules, as informal institutions are social values, code of conducts, attitudes and norms (North, 1990).

Urbano, Toledano and Soriano (2010), explain that the emergence of social entrepreneurs and enterprise is based on the social values, social networks and the expected attitudes of the social entrepreneur provided by the informal institutions (See Figure 1). Meanwhile, people’s behaviour, living in a society, is highly influenced by the values of both the informal and formal institutions in the same community (Mitchell, 1914). Institutional values then lay the ground for the desirable actions taken by the enterprises. The actions taken are then of a beneficial social nature, which in turn classifies the enterprise as social (Urban et al. 2010).

Figure 1 below illustrates that informal institutions are a part of the emergence of social entrepreneurs and that both informal and formal institutions are of importance in the implementation of social entrepreneurs. One key informal institution is the social enterprise’s social network (Urbano et al. 2010). Sharir and Lerner (2006), support this by stating that social networks are of high importance in the social entrepreneurial success and that they are essential for social enterprises to consider, and give time to develop a social network when establishing their social projects. Informal institutions, such as social networks that have a close relation and urge to facilitate social change through cooperation, will encourage the emergence of a social enterprise (Urbano et al. 2010).

Urbano et al. (2010), argues that one critical formal institution is the social enterprise’s support mechanisms and that formal institutions are affecting the implementation of social enterprises, where formal institutions are the social enterprise’s support mechanisms. A formal institution
would, therefore, be an economic institution which offers to fund social enterprises. Shaw and Carter (2007), supports this argument by stating that to implement a social enterprise; formal institutional support mechanisms, such as economic capital, is of importance when establishing social projects. Additionally, financial resources are of significance for the development and to ensure the social enterprise’s survival.

Figure 1: Institutional Theory Model

This thesis will utilise the Institutional Model for analysing the relation of social networks and support mechanisms for the implementation of a social enterprise.

2.7 Summary

To sum, as presented above in the literary review, social entrepreneurs have the drive to work towards creating social impact through their social enterprises (Wolk, 2008). When implementing a social enterprise, several factors contribute to the enterprise’s success. By analysing the success of social enterprises, several factors are considered. Among these, two critical factors found are the core innovations and the adaptive leadership capacity (Alvord et al. 2002). Other success factors found in the current literature are the social capital of the enterprise and its social network (Aldrich & Zimmer 1986; Rooks et al. 2016).

Barriers to social enterprises identified in the current literature are misunderstandings regarding language differences, and lack of technical skills are common (Bates, 1993). More than that, regulations, tax policies, financial capital, infrastructure and access to skilled employees are barriers preventing a social enterprise’s success (Friedman, 1986; Klein & Hadjimichael, 2003).
3. Method

This chapter will describe the method utilized throughout the thesis with a presentation of the research philosophy, research approach and the research strategy. The data collection will be presented and a description of the trustworthiness that needs to be considered.

3.1. Research Philosophy

The research method chosen for this thesis was a qualitative method. The purpose of a qualitative study is to understand and adapt dimensions of different perspectives and social worlds, meanwhile illuminate personal meanings of a study’s participants (Fossey, Harvey, Mcdermott & Davidson, 2002). The choice, made by the authors, of adopting a qualitative method was since the research was based on the understanding of different perspectives rather than statistic data.

The research philosophy the authors of this thesis have chosen was the interpretivist perspective. The research structure of an interpretivist is, according to Edirisingha (2012), defined as being personal, flexible and interpret human interactions. The one who is researching with an interpretivist perspective is open-minded throughout the researched topic and base the thesis on aspects of informants (Hudson & Ozanne, 1988). The value of understanding rather than predict and generalising is of high importance to the interpretivist researcher (Neuman, 2000; Hudson and Ozanne, 1988). The thesis aimed to interpret the information given by the informants, which support the decision of adopting an interpretivist perspective.

The choice of methods is supported by the fact that the authors of this thesis wanted to understand different perspectives received from the interviews conducted during the empirical data collection phase. After leading the interviews, the authors compared the results with the facts presented in the literature review to identify similarities and differences.

3.2. Research Approach

The research approach chosen for this thesis was an inductive approach, as the information provided by the empirical research was analysed together with relevant theories with the aim to draw objective and researched based conclusions. By having inductive reasoning, throughout the report, researchers aim to base the analysis on observational elements rather than existing theories (Williams, 2007). Inductive reasoning includes the researcher’s objective to understand and find relationships between different aspects, presented by the empirical study (Saunders,
Lewis, & Thornhill, 2012). Saunders et al. (2012), continue by stating that an inductive approach is open-ended and create possibilities of exploration of the topic. Therefore, the question designed for the interviews of this thesis was primarily formulated as open-ended questions, where the interviewees had an opportunity on elaborating on their experience rather than only proving existing assumptions. A semi-structured interview is one of the most commonly utilised techniques in a qualitative method (Kitchin & Tate, 2000. p. 213). Clifford, Cope, Gillespie and French (2016) explained that a semi-structured interview generates an open-response from the participants, unlike close-ended questions which only provide limit information.

3.3. Data Collection
The collection of the data was made by conducting a literature review and collecting primary data. The primary data was collected through the empirical study conducted by interviews, while the literature review of this thesis discusses the current literature of the chosen subject matter. For answering the research questions, the primary data conducted from the interviews were used. This method goes along with having an inductive approach as researchers, from the empirical findings, draw conclusions (Locke, 2007).

3.3.1 Primary Data
The primary data was collected through the empirical study, which was conducted through interviews with the selected participants. As mentioned above, the interviews were built on a semi-structured outline to receive more information than expected. In some of the interviews, additional questions were asked to obtain more accurate information regarding the research questions. During the primary data collection, the interviews were audio-recorded where the data was saved until the end to limit the possibility of misconception.

The primary data was conducted from eight semi-structured interviews with confirmed representatives from 6 different social enterprises in the renewable energy sector in Sub-Saharan Africa. After contacting the relevant participants for this thesis via email, Skype interviews were scheduled due to geographical locations. The interviews started with a brief presentation about the thesis, the research purpose and the addressed topic. The interviewees were informed that the interview would be recorded.
The authors of this thesis utilize the technique of coding, explained in the research approach, to get a more comprehensive understanding of the interviewee's perspectives and answers. Table 1 presents the names of the companies interviewed and the duration of each interview.

The companies' websites were used as an additional source of data to get more information about the participating companies.

Table 1 Companies interviewed and interview duration

<table>
<thead>
<tr>
<th>Company</th>
<th>Interview duration (min)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging cooking solutions</td>
<td>50:43 + 43:23</td>
</tr>
<tr>
<td>Vitalite</td>
<td>58:07</td>
</tr>
<tr>
<td>Bright</td>
<td>46:33</td>
</tr>
<tr>
<td>Fenix International</td>
<td>45:02 + 52:47</td>
</tr>
<tr>
<td>ZOLA Electric</td>
<td>43:56</td>
</tr>
<tr>
<td>WidEnergy</td>
<td>44:32</td>
</tr>
</tbody>
</table>

3.3.2 Literature Review

The method utilised, when collecting data for the literature review, was of the systematic literature research approach; by identifying, analysing and integrating the findings to the chosen study. Limitations were highly valued by the authors when searching for articles to collect articles of relevance. Therefore, the filter applied when searching for items in Jönköping University’s library was limited to peer-reviewed articles.

First, the authors of this thesis searched for the areas within the topic “Social enterprises in the renewable energy sector in Sub-Saharan Africa”, to get a broader understanding of existing research. The areas which were chosen to begin the research phase was; Social enterprises and Renewable energy in Sub-Saharan Africa. There was not much to be found when including Sub-Saharan Africa as a critical word and therefore, the authors needed to broaden the perspective and research to developing countries, not specific Sub-Saharan Africa. Research about different social enterprises from different areas was conducted. However, due to the well-studied field; Renewable Energy, the authors could include the chosen sector throughout the research.

To narrow down the number of articles presented in Jönköping University’s library, the authors chose to focus on the critical factors of success and barriers to social enterprises in the
renewable energy sector. This limitation generated a lack of information, and one research gap was discovered. To enhance the research, the following keywords were implemented in the continued search within the topic; social enterprises in the renewable energy sector, renewable energy in developing countries, social enterprises in developing countries and barriers and success factors of social enterprises.

One model, The Institutional Theory Model, were discussed in the literature review. The Institutional Theory Model that points out that support from formal and informal institutions are of importance in the emergence and implementation of social enterprises. The arguments of this model are supported by the primary articles used to research the success factors and barriers to social enterprises.

After evaluating the relevance of the articles utilised for this literature review, 28 of the articles used for this literature review were chosen as the basis for this thesis (see Appendix I). From the existing literature, discussed in the literature review, five themes were extracted, see table 2; Social Enterprises & Sustainability, Success Factors to Social Enterprises, Barriers to Social Enterprises, Developing Countries and Renewable Energy. Appendix II illustrates each article by number and by which theme(s) they are identified with. These themes were then utilised to develop the research questions.

Table 2 Themes extracted from the existing literature and key findings of each theme

<table>
<thead>
<tr>
<th>THEME</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of theme</td>
<td>Social enterprises &amp; sustainability</td>
<td>Success factors to social entrepreneurship</td>
<td>Barriers to social enterprises</td>
<td>Developing countries</td>
<td>Renewable energy</td>
</tr>
<tr>
<td>Key findings</td>
<td>Solve social problems</td>
<td>Management motivation</td>
<td>Opportunistic behavior</td>
<td>Sub-Saharan Africa</td>
<td>Availability of financial resources</td>
</tr>
<tr>
<td>within the theme</td>
<td>Create social impact</td>
<td>Knowledge and abilities</td>
<td>Availability of financial resources</td>
<td>Poverty</td>
<td>Ability to innovate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resource utilization (financial, network, political/economic institutions)</td>
<td>External factors</td>
<td>Government regulations, laws &amp; environment</td>
<td></td>
</tr>
</tbody>
</table>

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3.3.3 Interview Question Design

According to Turner (2010) interview questions for a study with a qualitative method should include the following elements: The questions should be open-ended, should be as neutral as possible, should be asked one at the time, should be clearly stated, and the interviewer should avoid asking why-questions. These recommendations were utilised during the interviews for this thesis. Open-ended questions are questions designed to discover the spontaneous perspectives of the participant in each interview, which avoids bias as a result of suggesting answers (Reja, Manfreda, Hlebec & Vehovar, 2003). The primary data collection was designed to include a majority of open-ended questions to receive a more vibrant and more valuable response from the participant. Furthermore, the interview questions were designed to be as neutral as possible to receive honest answers. The interviewees were asked questions one at the time and questions which did not include why.

The structure of the interview was divided into four different sections to have a clear structure and flow throughout the interview, at the same time as receiving the information needed for this thesis. The first section was built on questions regarding a short presentation about the enterprise and its background. The second section included questions about the establishment of the enterprise. The third section opened up for a discussion about the challenges and opportunities of the enterprise. The fourth and last section presented questions where the participant could elaborate on prospects about business survival and expansion (See Appendix II). The choice of dividing the interview questions into different sections was designed to avoid collecting information not needed for this thesis.

3.3.4 Selection of Participants

The selection of participants for this thesis was based on the following criteria:

- Had to be a representative from an active social enterprise.
- Had to work in the renewable energy sector by distributing renewable energy solutions or sustainable cooking solutions to citizens
- Had to be operating in Sub-Saharan Africa

The definition of a social enterprise, stated in the literary review of this thesis, was used to evaluate if the company fulfilled the criteria of being a social enterprise. The information about participants chosen for this study was initially given by the Swedish International Development Cooperation Agency (SIDA). Since the authors had a personal contact working at SIDA, the
organisation provided the authors with information regarding Innovations Against Poverty and the Beyond the Grid Fund that invests in social ventures in Sub-Saharan Africa. On Innovations Against Poverty’s website, one can search for companies within a specific country in Sub-Saharan Africa and within a particular sector (Innovation Against Poverty, 2019). In order to increase the opportunity to get in contact with more social enterprises, the authors also utilised information provided by GOGLA; The Global Association for the Off-Grid Solar Energy Industry. GOGLA lists their members of social enterprises that, around the globe, work with delivering renewable energy sources to people living off the grid (GOGLA, 2019).

The availability of employees decided which type of employee that could participate in the interview. However, the employee had to have knowledge about the company’s operation strategies, implementation strategies and have knowledge about the concept of social enterprises and entrepreneurs.

3.3.5 Participating companies
All of the interviewed companies are active social enterprises based in Sub-Saharan Africa. The representatives interviewed in the empirical study was from a social enterprise that is operating within the renewable energy sector in a country located in Sub-Saharan Africa. The representatives, from the social enterprise, varied from being the founders of the company to employees on other levels having valuable knowledge about the topic of this thesis. The people from each company that participated in the interviews will be kept anonymous, but the company names will be presented. Table 3 illustrates the companies interviewed and in which country/countries located in Sub-Saharan Africa they are operating within.

Table 3 Companies interviewed and the countries they are operating within and a presentation of the company size

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Size (employees)</th>
<th>Emerging cooking solutions</th>
<th>Vitalite</th>
<th>Bright</th>
<th>Fenix International</th>
<th>ZOLA Electric</th>
<th>WidEnergy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging cooking</td>
<td>Zambia</td>
<td>Approx. 100</td>
<td></td>
<td>Zambia</td>
<td>Kenya</td>
<td>Zambia &amp; Nigeria</td>
<td>Tanzania, Rwanda, Côte d’Ivoire, Nigeria &amp; Ghana</td>
<td></td>
</tr>
<tr>
<td>solutions</td>
<td></td>
<td></td>
<td></td>
<td>Approx. 100</td>
<td></td>
<td>14</td>
<td>2000 across 5 countries</td>
<td></td>
</tr>
<tr>
<td>Vitalite</td>
<td>Zambia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Zambia: 200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bright</td>
<td>Kenya</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nigeria: 140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fenix International</td>
<td>Zambia &amp; Nigeria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ZOLA Electric</td>
<td>Tanzania, Rwanda, Côte d’Ivoire, Nigeria &amp; Ghana</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WidEnergy</td>
<td>Zambia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12</td>
</tr>
</tbody>
</table>
3.3.6 Data Analysis

One commonly utilised method within qualitative research is a Thematic Analysis, which can be employed when analysing qualitative data (Braun & Clarke, 2006; Nowell, Norris, White, & Moules, 2017). According to Nowell et al. (2017) a thematic analysis should be made in six phases. These six phases are; Familiarising yourself with your data, generating initial codes, searching for themes, reviewing themes, defining and naming themes and producing the report. The authors of this thesis went through all six phases in the coding process in the analysis of the qualitative data.

3.3.6.1 Step 1: Familiarising with the Data

After conducting the interviews, the authors of this thesis listened to the material recorded and scripted the interviews to familiarise themselves with the data. After the script of the interview was written, the authors of this thesis read through the text to reduce the risk of misunderstanding the material and to avoid misinterpretations.

3.3.6.2 Step 2: Generating Initial Codes

While reading through the manuscripts from the recorded interviews, the commonly utilised words and explanations of the phenomena was listed. Since the research questions of this thesis are focusing on the success factors and barriers to social enterprises in the renewable energy sector in Sub-Saharan Africa, the main focus was to identify code words that were connected to the research question. The first number of code words defined was about 160 words. These 160 words were then categorised in groups with similar meaning.

3.3.6.3 Step 3: Searching for Themes

After categorising the code words into groups, the groups were named to a descriptive title of the group. The authors then organised themes from the particular code words and concepts to develop and make sense of the theme connections. In this step, the authors of the thesis identified fourteen themes.

3.3.6.4 Step 4: Reviewing Themes

The fourteen themes identified were linked to the data in the literature review to see if each theme were suitable for the thesis. The themes were then narrowed down to eliminate the excess themes from fourteen to six main themes.
3.3.6.5 Step 5: Defining and Naming Themes
The themes, which arose after the elimination of the excess themes, were named: Preparing a Business Model, The Importance of Knowledge & Abilities, Institutional Support, Lack of Communication & Organizational Culture Challenges, Affordability & Profitability and External Factors. Sub-themes extracted were: Ability to Innovate, Support from Social Networks and Support Mechanisms.

3.3.6.6 Step 6: Writing the Report
Step one to five were executed and approved by all the authors of this thesis.

3.3.7 Trustworthiness of the Thesis
The thesis' main objective was to collect and present a nuanced perspective from the social enterprises which participated in the interviews conducted for this thesis. The trustworthiness of the thesis can be discussed to be limited to the sample size of the participants. Since it was six different enterprises, participating in this thesis, one can argue that not all perspectives of the operating social enterprises in the renewable energy sector in Sub-Saharan Africa were presented.

The choice of conducting interviews was based on the thesis purpose and the research questions. Since the research question was designed to investigate the success factors and barriers of social enterprises in the renewable energy sector in Sub-Saharan Africa, a qualitative method was the most suitable option for this thesis.

To increase the trustworthiness of this thesis, writing a transcript of the interviews conducted were done after the interviews. In order to avoid biases, the interviews were prepared in advance, where the questions were designed not to be leading the interviewee in a particular direction but instead letting the interviewee elaborate on the questions from their perspective and experience about the topic. The interview was audio-recorded to ensure that the interviewer has interpreted the material correctly. During the interviews, when there was a risk of misunderstanding of the content, the interviewer summarised the answer for the interviewee to give the interviewee an opportunity of correcting the answer. Since the interviews were mainly conducted by one interviewer, to avoid research bias, the other two authors of this thesis listened to the audio-recorded interview and one of the two authors, who did not participate in the interview, constructed the transcript.
3.3.8 Ethical Considerations

All the interviews conducted were started by asking the interviewee about consent to audio-record the conversation to analyse the material afterwards. The interviewees were informed about the purpose of the thesis where all the interviewees permitted us for audio-recording the interview, for using the name of the company and the answers given in the interviews in the thesis. The interviewer tried not to reveal information about the thesis that could affect the responses of the participants before the interview. After deciding on which quotes to present in the empirical findings, the authors sent the quotes chosen in a mail to the interviewees to give the interviewees a chance to correct or erase the quote. Data collected from the empirical findings were, to the greatest extent possible, communicated correctly and objectively by the authors of this thesis.
4. Empirical Findings

This chapter will present the empirical data conducted. Information about each company that was interviewed will be given. Data supporting the research questions will be presented by interview quotes to give different insights from the observed data. The order of the displayed data is not according to relevance or significant prevalence.

4.1. Emerging Cooking Solutions

Emerging Cooking Solutions (ECS) is a company operating in Zambia in Sub-Saharan Africa. They provide a non-fossil fuel cooking stove, using pellets for burning instead of charcoal, for the citizens living off the grid in Zambia. Together with another company, ECS came up with an innovative low-cost stove with the cleanest burning on the market. Along with solar energy solutions, they work intending to change the energy landscape of Africa. Their innovation and business have the mission of decreasing the annual deaths that happen every year because of air pollution, and to stop the environmental damages caused by using charcoal.

The founders Per and Mats together founded ECS because they noticed a significant problem with the household deaths in Africa as well as they saw an opportunity of providing a new cooking solution that no one did, up until that point. After establishing in Zambia, they got a suggestion from the Swedish institution SIDA to start working with solar panel systems together with a financial contribution to implement these products into their business model. (Emerging Cooking Solutions, 2019).

With Emerging Cooking Solutions, two interviews were held with one month apart from each other to get more answers that would be valuable for our thesis.

4.2. VITALITE

VITALITE is a company operating in Zambia that was created to increase the rural electrification and to make services and quality products affordable and accessible to the Zambian households. VITALITE has a mission of becoming the leading asset financing company of Zambia that provides customers with financing solutions to contribute to the development of the country. The service VITALITE is selling is called PayGo, which is a system that enables financial services through their innovative payment mechanisms. A focused range of products that are being sold, such as solar products, cooking products and agro-
innovations. The company states that the customer is always first prioritized and their physical presence on the local market allows direct contact with their customers. The company culture of VITALITE consists of four core values; Professional, Proactive, Productive - with Attention to Detail.

The company aims to improve the everyday life quality for people living in Zambia: “Our team believes the VITALITE way will transform the communities we work with by making previously inaccessible opportunities available to all Zambians” (Vitalite Group, 2018).

4.3. BRIGHT

BRIGHT is a Norwegian company that is developing solar products to people that requires being less dependent on electrical grids, either if it is because of one's own choice or if it is due to the reason of living in bad-grid or off-grid communities. The products BRIGHT are offering are stated to be functional, durable and beautiful. The solar technology among with field-tested materials and electronic components are the foundation of the multifunctional, long lasting, rugged and portable products. The critical value of BRIGHT is sustainability; the company believes that spreading the knowledge about benefits of solar energy, innovating products, financing of small-scale products and distribute it among the people who are the key to solve the charging and lightning needs of millions of businesses, entrepreneurs and families.

Products being offered by BRIGHT are for example solar lamps that make it possible to charge smartphones on the go, a compact and portable efficient solar lamp with an included mobile charger, a solar light and a home system for lamps, USB ports and phone charging. The product is developed for a better life and to create improved life quality. "A world where people see new possibilities" (BRIGHT, 2019).

4.4. Fenix International

We had two separate interviews with Fenix International, and this was done to identify if there were any differences in the answers to the interview questions depending on the country they are operating within. One interview was to get the perspective of the company’s activities in Nigeria, and the other was to get the view from Zambia. Fenix has been active in Zambia since late 2017 and in Nigeria since late 2018.

Fenix International provides solar panel systems for citizens living off the grid in Zambia. Together with their energy product, they work with a Ready Pay Power, a mobile money system
that allows their customers to pay at a rate that suits them. The system transforms the sunlight into energy so the customers can run their phones, radio, lights etc. With this product, households of Zambia are provided with lighting, radio, TV and phone charging. With their headquarters based in Uganda, they are today operating and offering their service in five countries in Sub-Saharan Africa. Fenix International is a company with a mission to improve the life quality of their customers through financial services and inclusive energy. ReadyPay Solar Power System is the product that is designed for high quality and radical affordability, that delivers technology to off-grid households.

“Fenix International has used one of the most common tools in Africa today – the mobile phone – to overcome one of the biggest constraints to renewable energy – up-front cost. With its simple and easy payment system, it has made electricity accessible to everyone. ReadyPay Solar is ready-made for Africa.” KY. Amoaka (president, African Center for Economic Transformation (Fenix International, 2019).

4.5. ZOLA Electric

ZOLA Electric was founded in January 2012, with a mission to make it possible for everyone to access the distributed renewable energy. ZOLA states that affordable, reliable and clean solar energy will improve health, education, environmental outcomes and employment. The company believes that a responsible business model is the best one when focusing on maximizing the impact of access to energy. ZOLA Electric provides transformative and clean energy to those households that don’t have access to unreliable grids or no access at all. Their service is stated to be non-exclusive so that everyone can benefit from it. The company is active in Tanzania, Rwanda, Ghana, and Côte d’Ivoire, and is currently expanding to Nigeria.

ZOLA Electric is focusing on investing in their customers. “We are committed to offering clean power at a price within our customers’ existing energy budget. They are able to pay for our product over time and choose the service level that best suits their household’s needs. We also offer financing for appliances like radios and TVs so customers can enjoy additional benefits of modern energy at a low cost. By collecting these payments via mobile money, our customers have control over how and when they pay for our service” (Zola Electric, 2018).
4.6. WidEnergy

WidEnergy stands for Women's Initiative for Delivering Clean Energy; it is a women-led social enterprise that is co-founded by the Swedish company BiziSol and two local females from Zambia. Bizisol is a company that is engaged in addressing the challenges of availability and affordability of connectivity and energy solutions in the rural parts of Africa. The company is offering solar home tv's, charging solutions with external and internal radios, portable solar lamps: a stand-alone solar system that can run a freezer, fried, lights, laptops etc.

WidEnergy is the official distributor of the solar products "Little sun" in Zambia. The products the company is offering are solar lamps and solar phone chargers. The company is soon starting to distribute clean cooking stoves, the aim of launching and selling these products is to contribute to the reduction of the deforestation rate in Zambia, which is known as Africa's highest. WidEnergy is offering the product HOME 120 PLUS, which is a lighting system that is entirely powered by sunlight. The product features four lamps with wall-mountable switches among with a motion-sensing security lamp to improve the brightness and security of the homes. WidEnergy has a mission of making African women champions in the clean energy distribution and role models for climate change. The company states that they believe that everyone should have access to energy for cooking, lightning to make the quality of life better. "We believe in a world where every African woman, girl, has access to clean affordable and sustainable energy for lighting and cooking, can take advantage of energy access to live better, with a positive impact on health, education and household income" (WidEnergy, 2019).


4.7.1 Preparing a Business Model

Before entering a new market, social enterprises have to be aware of the market they are aiming towards. Good enough preparations and analysis of the external environment is a critical factor for succeeding in a new market. Before establishing their enterprise in a new country, Fenix International’s business development team looks at a series of factors that are significant for them to increase the possibility to be successful in a further expansion:

“A lot of those factors has to do with the size of the population, our ability to operate within our current business model, to make sure we can own our entire process. Also, the availability
of local talent, our ability to emigrate expatriates and possibilities for work permits for the expatriates.”

To have a well-prepared business model before you start your establishing process is of vital importance for ZOLA Electric:

“The critical thing like with any business is to have your plan and business model right. To figure out ways how a business can both achieve the impact goals and creating a sustainable business model.”

Both BRIGHT and Fenix International have one business model developed that they, later on, make changes to according to the market they will be setting up their operational activities. This to have one robust business model but with local adaptations, because not all markets look the same. BRIGHT explained their strategy:

“We have the framework set up at BRIGHT, and then we always discuss with our partners about their strength and capacities and what we can do to make it work better. The details are individually developed with them, but the framework is similar.”

An essential tool to succeed with the establishment process of a social enterprise is to have a vision that is realistic and based on the environment you are about to operate within; this is something that VITALITE sees as a critical factor for success:

“If you have a clearly articulated vision that is not grounded in reality, then when you start and try to implement it, your operation will go off the rails and collapses very quickly, because it is not based on the truth of the environment which you are operating in.”

What this means is that everything you do should be based on reality. You need to be honest with your business model, and your vision should be clearly articulated to lead people in the direction that is aligned with your vision.

WidEnergy continues to explain the importance of choosing the right country to implement your business model:
“Zambia is an attractive country to do business in, and it is better to implement the business model in Zambia and then extend it in neighbourhood countries than starting the business in other countries where it’s very complicated to start doing businesses in.”

4.7.2 The importance of Knowledge & Abilities

What can be seen in Sub-Saharan Africa today is that social enterprises are applying the same strategy to different countries in the same region, and taking a vision that is honest and clearly articulated in one place and then tries to implement the same approach in another place. Without knowing about the market, one can easily make a mistake and apply an ineffective strategy. According to VITALITE, these are critical factors to consider when establishing your business in a new market in Sub-Saharan Africa:

“For example, the charcoal in Zambia is of a different quality than the charcoal used in Uganda. So, you can’t necessarily take the same cooking stove model that worked in Uganda and translate that into Zambia.”

When a social enterprise is establishing in an environment that they are not familiar with, one should think of having a system with the ability to deal with both cultural and language differences. Fenix International described this by explaining the importance of having excellent customer service:

“One of our six core values are ‘Providing exceptional customer experience’. We apply that in all of our markets, where we also have an excellent after-sale service system; a call centre, open seven days a week and speaks up to 27 languages. In Zambia, they can help you in 15 different languages.”

A social entrepreneur establishing a social enterprise cannot back down after the first set-back. Knowledge about the market and the ability to learn are critical success factors for operating in the renewable energy sector and the Sub-Saharan African environment. According to Fenix International, one essential tool for a social entrepreneur to consider when establishing its social enterprise would be:

“Being willing to learn; which involves taking risks and being comfortable with failing from time to time.”
ZOLA Electric expressed the importance of knowledge as a success factor by distributing knowledge to the people whom their enterprise may concern:

“Try to tell your story to the people you are trying to reach, whether that is to customers or the general public. Try to do this creatively so you can build a brand and awareness of what you are trying to achieve.”

4.7.2.1 Ability to Innovate
To have a successful social enterprise, one has to be able to keep innovating and to come up with new solutions to serve unmet needs of their end customers. The findings show that these success factors are something the social entrepreneurs interviewed have in common. Fenix International expressed this as:

"Our ability to continuing innovating on our product line across all of our markets, specifically addressing customer needs and working towards making the products as affordable as possible."

Social enterprises have to be innovative and work on meeting unmet needs in more areas than just one. Because meeting one need with one innovative solution can help the business in selling their core product. VITALITE explained this when talking about supermarkets in Sub-Saharan Africa importing products that their end customers are trying to sell. For VITALITE to generate profits that their customer's needs to be able to buy their products. Therefore, if VITALITE could help their customers with getting the supermarkets to obtain their customers’ products, the people living in rural areas would be able to keep purchasing VITALITE’s products and services:

"If we can provide a steady stream of products for them and maintain the quality, then maybe they will stop importing products that they could be getting locally. As long as we can identify more needs and solutions to meet those needs, we will hopefully do good."

4.7.3 Institutional Support
Institutional support is the formal and informal institutions mentioned in the institutional model that was brought up in the literature review:
“Formal institutions would, for example, be economic rules and political rules, as informal institutions are social values, code of conducts, attitudes and norms (North, 1990).”

4.7.3.1 Support from Social Networks
The importance of networking can be seen in a lot of current literature and models. To share knowledge about the area you are operating in with other social entrepreneurs and to create robust social networks could be of great help in the establishing process for both parties. ZOLA Electric explained that receiving support from experienced social entrepreneurs and knowledge sharing are critical factors for their success:

“Getting good support and good role models from experienced social entrepreneurs and business people within the specific field that you are working in, so they can help you with their expertise and their interest.”

WidEnergy sees many advantages with recruiting and working together with local people. The company then looks at networking being of importance by having an excellent with the UN who social network with the local people in communities you want to operate within:

“It’s very important to work with people from the community you will operate in because you get the information easily about the market and trends. It’s all about the network.”

4.7.3.2 Support Mechanism
Financial support is a critical part for social enterprises, to finance their activities and to be able to keep implementing social change. Some companies in Sub-Saharan Africa today work together with institutions that provide financial support.

BRIGHT works together with the UN, who was their first customer. BRIGHT, therefore, is focusing on sustaining the sales with UN and mentioned this as their critical factor for success:

“UN was the first big customer, especially UNHCR. We started to sell to UNHCR at the beginning of 2014, and collaborating with the UN gives us a competitive advantage.”
For Emerging Cooking Solutions, the Swedish Embassy first invited them to work in Zambia. When the enterprise decided to establish their business in Zambia, the Swedish governmental institution SIDA was a great support in the implementation phase of the company:

“Late in 2011, we built our prototype ourselves when getting a financial contribution from SIDA. And then we established the company in 2012.”

For WidEnergy, SIDA has also been a part of their implementation:

“We have been awarded 500 000 SEK by SIDA to start these operations, that’s is now a lot of money for this project, and it was a good support.”

A French company, ENGIE, has acquired Fenix International and is today their sole investor; this allows them to keep their activities going and to continue to improve the living conditions for households in Sub-Saharan Africa:

“The financing on the business side is from the investor ENGIE, they have allowed us to expand to those markets we wanted to expand to.”

However, this does not mean that Fenix International is not still applying for other grants:

“We do still apply for grants. There is the Beyond the Grid Fund in Zambia. There is the UN, USA World Bank and governments that partner with companies. There is a lot of funding opportunities.”
4.8. The Barriers of Social Enterprises working in the Renewable Energy Sector in Sub-Saharan Africa

4.8.1 Lack of Communication & Organisational Culture Challenges

Fenix International is a company active in several countries in Sub-Saharan Africa, giving them a quite considerable distance between offices. For example, the Zambian office is of great help in the new establishment process of the late Nigerian office. In the interview with the Nigerian division, Fenix International explains the importance of a supportive company culture:

“We at Fenix are a very value driven company, and we are good at helping people located at different levels of offices of the company. If there is something that you are unsure of there will always be someone that could help you learn.”

Communication is essential, and because of cultural differences and the numbers of different languages spoken in Sub-Saharan Africa, it is one barrier many social enterprises face: this is something that VITALITE has recognized as one of their biggest challenges when training local people:

“There are a lot of different local dialects, but there are four languages outspoken primarily where we operate where one of them is English. One challenge would be training people, particularly over long distances when they speak a variety of languages and cannot necessarily read.”

One of Fenix International’s problems is when recruiting new people, mostly local people, that must have values that are aligned with the company’s mission. And the challenge is trying to communicate that mission to those they are recruiting. This is something they think very highly off, that people from all levels at the company should have personal values aligned with the company’s six core values:

“We are cautious about hiring the right people. And we want employees who believe in what we do. Everyone that works at Fenix is very passionate about what we do and what we are trying to achieve.”
Another barrier mentioned by Fenix, when it comes to communication and understanding, is that the end customers have it hard understanding what buying their product means and what a loan is. Getting that across to people that are not familiar with the concept of banks and loans is difficult because of cultural differences:

“And for a lot of customers, this could be the first time they encounter the formal economy and first time they have any financial literacy and financial education. Sometimes, they don’t fully understand that it is a loan, so this takes more customer education and awareness.”

Cultural differences are also a barrier when it comes to creating a great organizational culture when there already is a lot of differences when comparing, e.g. the USA to countries located in Sub-Saharan Africa. VITALITE explained this by saying that a company, created by people that are used to organizational cultures from the western world, where one might expect that people from all levels takes on more personal accountability:

“Because we are working in a wider culture that does not quite match the one that we want to create, and that could be a challenge.”

VITALITE continues to explain the cultural differences as being a challenge by telling the issue with gender inequality:

“Let say that a woman would like to purchase one of our products. And to purchase it, she can only go through her male partner. And if he does not get persuaded to buy it, then the product would not get bought. And the women might not have as much agency making those decisions.”

For example, Emerging Cooking Solutions was first established because of one reason that there is a high number of women and children that dies each year because they are affected by the lousy cooking stoves and electricity products:

“Between three to four million people die each year from smoke when cooking inside. This is a huge problem, and it is mostly women and children that are affected who sits inside all day where the smoke builds up.”
4.8.2 Affordability & Profitability

Working in rural areas, as in communities around Sub-Saharan Africa, the affordability of the customers to social enterprises is one critical barrier for success. As explained in the interview with Fenix International:

“The biggest barrier is affordability, and in a series of studies that we have done we come to the conclusion that over the half of the population in Zambia can’t afford our product, and Fenix’s product is the most affordable in the market in terms of a high-quality product.”

Fenix’s solution to the barrier mentioned above is to try and work together with their customers and figuring out solutions that fit them economically:

“We are working out a way to make our product as affordable as possible.”

For WidEnergy, a proper amount of capital and thinking of the profitability aspect is significant. Without income, a company cannot continue with its operations, and this is something they mentioned as a barrier and a challenge that other social enterprises encounter:

“It’s important to have a big capital when starting of the business. The social businesses that are more impact driven; they forget about the profitability aspect of the business. If you don’t make the business profitable, and only rely on donors, the business won’t become sustainable.”

Emerging Cooking Solutions raised their issue about not collecting capital before establishing the business and that this was one thing that created implications with not gaining the desired profits:

“To be preferred, you should probably find the money long before you establish, and not while you are trying to sell your product as we did. You should always be more careful with expenses and work much more carefully than we have done, and work much faster with collecting revenue.”

The empirical findings of this study suggest that social enterprises and social entrepreneurs are working towards creating social change, but like any other business, it has to think of the fact that without profit you cannot succeed. ZOLA Electric mentioned this as one critical tool in the establishment process:
“To figure out ways how a business can both achieve the impact goals, and to create a business model that is sustainable, that has enough customers that can pay enough money, and enough margin to generate enough profit so you can pay staff and build a business.”

Emerging Cooking Solutions has come a long way with their business idea, but they are still heavily depending on grants to finance the business and talked about this being one barrier for their success:

"But it is still not a profitable company that stands on its own, but it is still dependent on all kinds of grants since sales are so incredibly expensive."

4.8.3 External Factors
A standard solution is providing a mobile money service where customers can pay off their product using a mobile phone to make the transfer and settling on a daily, weekly or monthly basis. However, because of differences in economic development, when operating in rural areas, it makes it more challenging to implement this solution to help their customers financially. Fenix International, among other social enterprises, stumble upon this problem continuously:

"Depending on the infrastructure in the country and geographical issues etc. mobile money may not reach all parts or not exist in all parts in a country."

How the payment can be made for the social enterprise's products is not the only issue when discussing financial barriers. Another common problem is that social enterprises have to consider the environment they are operating in and the seasons that come with it. This because customers that are generating income based on, for example, selling agricultural products, are heavily depending on a great raining season. Which, in turn, according to VITALITE, affect the profits of the social enterprise:

“If for example, there is a poor rain season, it is likely that we will see that come through in our sales and our payment performance.”
The social enterprises working in countries in the Sub-Saharan Africa region is continuously looking at government policies and laws of the country they are operating in. Which is one essential area to consider as it is different from what social entrepreneurs coming from the outside are used to; this because political uncertainties can cause companies ill. Fenix International explained this by stating what they had to consider before establishing in Zambia:

"Our ability to emigrate expatriates and work permits for the expats. Also, the state of the political and the economic environment where we are looking for instabilities and things like exchange rate fluctuation."

A country's political and economic environment is a barrier when operating in a country in the Sub-Saharan African region. The countries located in Sub-Saharan Africa is often classified as least developed countries with unstable economies and political state, and therefore, a company need to be careful with which country they decide to enter into. This is one reason why WidEnergy decided to establish in Zambia is that the country is seen to be safer when it comes to the political and economic environment. So, they saw the opportunity to develop in Zambia, and from there they can plan to expand into the neighbour countries:

“*You need to operate in a country where the regulations are very attractive, like Zambia. For investors, it’s more attractive to invest in a company operating in Zambia than in any other country where it is less safe.*”

BRIGHT also recognized external risks as challenges when operating in countries located in Sub-Saharan Africa. Because of the external environment in Sub-Saharan African companies are vulnerable as the political and economic state can change rapidly:

“*There is a lot of risks, and some of the countries do have especially political risks, where the environment changes very quickly.*”

From the interview with Fenix International in Nigeria, they raised concerns linked to the economic and political environment as well:

“*The main barriers faced when establishing in Nigeria would be that we are paying rather high tariffs, and there is a lot of problems with the customs.*”
External risks are one of the key challenges the company WidEnergy is experiencing. Due to their customers having a lean income and that they rely on their farming activities to generate income. They are very sensitive to the behaviour of the climate, and their farming activities are usually linked to the climate. WidEnergy explains that this can affect their repayment rate:

“Some people in certain areas can experience climate problems which are affecting their harvest. Due to this, some customers could get in a position where they can’t pay us back. The repayment rate is one of the key challenges we experience. This is not because people don’t want to pay; it is because they rely on external factors, which are out of their control.”

The customer base of the Sub-Saharan African market is discussed by BRIGHT to be significant:

“It is a huge market, 600 million people in Sub-Saharan Africa alone who do not have access to electricity.”
5. Analysis

In this chapter, the analysis of the researched study is presented. A summary of the success factors and barriers discussed in the literature review will be shown. The empirical findings will be analysed by comparing the answers with the theoretical framework.

5.1. Brief summary of the analysis of the empirical findings

The data presented by the literary review shows different success factors and barriers for social enterprises in Sub-Saharan Africa. The success factors presented are the following: adaptive leadership, social capital, social networks, entrepreneurial spirit, they want to create social value and the social enterprise's ability to innovate. The barriers presented in the literature review are laws and regulation, communication challenges, affordability & profitability and external factors.

The primary data collected from the conducted interviews present different success factors of a social enterprise; to prepare a useful business model, ability to innovate, handling the risk portfolio, recruiting the right staff, ability to train staff, social networks, institutional support and availability of local talent. The barriers discussed by the participants from the interviews is summarised to be: communication challenges, training staff, affordability & profitability, laws & regulations, resource availability and environmental impact.

To briefly summarise the following analysis, some similar success factors and barriers presented by both the primary data and the literature review can be seen. As expected, some success factors and barriers, which are discussed in the literature review, are not elaborated upon by the participants who provided the primary data. Following sections will present a nuanced perspective by comparing the different success factors and barrier discussed in the literature review and the empirical findings. By analysing the empirical observations and the existing literature, the authors of this thesis will summarise the results in a conceptual framework as a tool for future social enterprises to use.
5.2. The Success Factors of Social Enterprises in the Renewable Energy Sector in Sub-Saharan Africa

In table 4, the success factors of social enterprises that are discussed in the literature review are shown. The empirical findings show that some success factors are aligned with the current research and some new elements for success that were not mentioned in the existing literature. The empirical results show that there are no linkages between the success factors and which country in Sub-Saharan Africa the social enterprise is working within.

Table 4 Success factor to social enterprises extracted from the literature review

<table>
<thead>
<tr>
<th>Adaptive leadership</th>
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<tbody>
<tr>
<td>Social capital and social networking</td>
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<tr>
<td>Entrepreneurial spirit</td>
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<tr>
<td>Effective use of resources</td>
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<tr>
<td>Creating asocial value</td>
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<td>Institutional support</td>
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<tr>
<td>External financial resources</td>
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<tr>
<td>Provide innovative solutions</td>
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<tr>
<td>Stakeholder support</td>
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5.2.1 Preparing a Business Model

Something that the more established companies interviewed mentioned was the importance to have a clear and well-prepared business plan before entering a new market. A social enterprise entering the renewable energy sector in Sub-Saharan Africa needs to be aware of the market they are approaching; where companies should consider the political, economic, environmental, technological and social factors before establishing business activities in Sub-Saharan Africa. One of the more prominent companies, interviewed mentioned that their process before entering a new market was to consider all the external factors that could influence the company's
operations. This is to be compared to other social enterprise interviewed, that also stated that it is of great importance to developing a well-established business model before entering a market in Sub-Saharan Africa and that this is essential to consider when one does not have much knowledge about the country beforehand. Existing literature found for this thesis does not explicitly talk about the business model being significant for a social enterprise's success.

One of the social enterprises interviewed took the chance to establish their business in Sub-Saharan Africa when they got the question from the Swedish Embassy to bring their product there. Beforehand, the company researched the issues that households in Sub-Saharan Africa faced with the mission that they wanted to help solve those issues. According to Harding (2004), by being a social enterprise that is motivated by making social change and with the business idea to create a difference for others is more likely to maintain a sustainable enterprise. The company interviewed went into the Zambian market to make a difference because they identified the issue about millions of people dying because of the air pollution created by inefficient cooking stoves. The same company did not, however, mention that there was any research done about the external factors that could influence the company's operations, nor any preparation of sufficient operation strategies. What the company did not consider investigating was the political and economic state or the consumer behaviour in the market they established within. A company that sets its operations in a market, and only considers the social issues will not have the same outcome as a company that combines both its economic and social values.

As stated by Littlewood et al. (2018), social entrepreneurs must combine economic, environmental and social goals in their business model to achieve sustainable development of the organisation. One outcome, when analysing the answers given by this company, is that they did not consider combining their economic, social and environmental goals when preparing their business model. This could explain why their social enterprise is not yet a profitable company which could be explained by the fact that they did not develop a well-established business model beforehand. Defined by another enterprise interviewed; a social entrepreneur that only focuses on being impact driven in their business model and forget the profitability aspect will not be able to maintain business viability. These findings suggest that to succeed a social enterprise must combine its economic, social and environmental goals when preparing their business model. Therefore, this provides the authors of this thesis with the first part of the conceptual framework (Figure 2).
5.2.2 The Importance of Knowledge and Abilities

A social entrepreneur that is highly motivated to contribute to social change and that can effectively utilise scarce resources have a better chance to success (Harding, 2004; Baker & Nelson, 2005). For example, in one of the interviews on the company mentioned that knowledge about a market and to have the abilities to adapt to that market is of vital importance. Social entrepreneurs entering a new market cannot necessarily apply the same strategy used in one country and take that and apply that to another country. For this company, knowledge about the market was one of their critical factor for success. Another essential success factor discussed in the current literature is the ability of adaptive leadership (Alvord et al., 2002). Which could be applied to the company interviewed that answered that they are not afraid to take risks to gain new knowledge and create new abilities, as they learn from their past mistakes and adapt after that.

The existing research suggests that the ability to employ efficient use of resources is of significance, primarily when operating in communities suffering from extreme poverty and when working with scarce resources (Corner & Ho 2010; Rivera-Santos et al., 2015). Following the empirical findings, Sub-Saharan Africa is a region where local employees, with the desired capacities, are considered a scarce resource. Many of the companies interviewed stated that working with the local people of the markets they operated in is preferable. Because of the limited access to skilful employees, social enterprises in Sub-Saharan Africa active in the renewable energy sector needs to employ that effective use of resources in a quick manner that is suggested to be a success factor by the existing literature as well (Baker & Nelson, 2005).

One social enterprise presented the importance of having a system in place that can care for its customers. The evidence from the empirical findings suggests that focusing on providing excellent customer service is one significant factor for success. The existing literature did not,
however, discuss the aspect of providing customer service as being a success factor. Social enterprises, with the focus on providing excellent customer service, are evidenced to be the most well-established companies.

5.2.2.1 Ability to Innovative

Our data suggest that social enterprises working in rural areas cannot only consider providing solutions for one need as renewable energy solutions are expensive for their customers living in rural areas in Sub-Saharan Africa. The companies are suggested to offer solutions that cover more than one need. One social enterprise described that they work toward solving issues regarding their customers generating income so that they would be able to afford to buy their solar power solutions. In the end, their end customers ended up with both an income and access to renewable electricity. Following the existing literature, social enterprises must identify social issues and provide new innovative solutions (Zhang & Swanson, 2014). Alvord et al. (2002), supports this by arguing that social enterprises core innovations play a significant role in the enterprise’s success. One company interviewed answered that one of their critical factors for success was their focus on keep innovating on their core product in accordance to their customer’s needs; making their core product as affordable as possible. The abilities and knowledge required to succeed in the renewable energy sector in Sub-Saharan Africa will present the second figure for the conceptual framework (Figure 3).

Figure 3 The second part extracted in the process of the conceptual framework that adds the success factors of knowledge and abilities

5.2.3 Institutional Support

Institutional support comes from formal institutions such as governments and other organizations that can provide financial aid; and informal institutions such as social networks, that could be a group of civilians or other social entrepreneurs (Urbano et al., 2010).
Development agencies, governments and social networks are of significance for a social enterprise to improve and preserve its business strategy (Littlewood & Holt, 2018).

5.2.3.1 Support from Social Networks

One social enterprise interviewed mentioned the importance of having role models guiding them through their establishment process. The company valued knowledge-sharing and appreciates other social enterprises who share their expertise. While another company explain their social network emerge from the communities they are working within. Following the empirical findings, having a close relationship with the communities that could provide the social enterprise with valuable information about the market situation is one factor for success. Especially in the renewable energy sector because of its complexity and because the product being relatively expensive, a social enterprise must gather information about the market and the affordability before they establish. The existing literature supports these findings. According to Rooks et al. (2016), social capital and networks are critical factors that lead social enterprises to their success. Furthermore, by considering the stakeholder's thoughts when establishing a social enterprise by interacting with the communities, the enterprise will receive support from the stakeholder that could be of help when facing obstacles (De Ruiter et al., 2018; Stephan et al., 2014).

The empirical findings do not support the combination of social networks and entrepreneurial spirit as being a crucial success factor. The definition of entrepreneurial spirit is not elaborated upon and not discussed in the empirical findings. However, the companies interviewed are dedicated to their business idea and are committed to working with and recruit people who are equally as dedicated to their values and goals. This is therefore interpreted as entrepreneurial spirit and could be found in several interviews.

5.2.3.1 Support from Financial Institutions

The authors Bewayo and Portes (2016) explains the influence that economic institutions have on the success of social enterprises, the empirical findings of this thesis support this. The social enterprises interviewed rely on grants and other financial aids to finance their operations, some ventures more than others. A fundamental factor for success is a social enterprise ability to establish relationships with external organisations that provide financial aid (Alvord et al., 2002). This is supported by Destouni and Frank (2010), as they explain the affordability aspect of the development of renewable energy projects, where high investments are needed. The availability of support mechanisms, such as governments and financial aid organisation is of
significance for the success of a social enterprise working in the renewable energy sector (Berg, 2013). These existing studies support the findings of this thesis. The companies interviewed worked together with organisations such as SIDA, the UN and ENGIE that provided financial support for the establishment of these ventures and their operations. These mentioned organisations serve the purpose of formal institutions as discussed in the literature review (Urbano et al., 2010).

All of the companies interviewed relied on financial support from external organisations to be able to thrive. One company interviewed relies on financial aids more than the others as they do not consider themselves as a profitable company yet. While another company, considered profitable, were acquired by a larger organisation that provides financial means for the company to be able to expand into more markets, still apply for other grants to have a higher chance of success. Another company explained this by saying that a social enterprise cannot solely rely on donation but must consider the profitability aspect. These findings suggest that applying for grants is not enough for a social enterprise to succeed. For a social enterprise to succeed, the combination of grants and being able to finance its business with its profits is essential. The success factor regarding institutional support, both internal and external, is the third part of the conceptual framework (Figure 4).

Figure 4 Part three of the conceptual framework constructed adds the institutional support as a success factor

5.3. The Barriers of Social Enterprises working in the Renewable Energy Sector in Sub-Saharan Africa

In table 5, the barriers of social enterprises that are discussed in the literature review are presented in a listed form. The empirical findings show us that the obstacles mentioned in the interviews and discussed in the literature review are relatively aligned with each other. The
barriers mentioned in the literature review are identified in the empirical findings with some new individual perspectives.

The empirical findings show that there are some linkages between the barriers and which country in Sub-Saharan Africa the social enterprise is operating within. For example, we could see that Zambia is a country considered to be safer to operate in than other countries in Sub-Saharan Africa. Which could explain why so many companies are working in Zambia today, and why many companies start with Zambia before expanding to other countries as well.

Table 5 Barriers to social enterprises extracted from the literature review

<table>
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<tr>
<th>Barriers</th>
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<tbody>
<tr>
<td>Laws and regulations</td>
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<tr>
<td>Misunderstandings and language obstacles</td>
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<tr>
<td>Focus on profitability</td>
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<tr>
<td>External factors</td>
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<tr>
<td>Lack of wealth</td>
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<tr>
<td>Limited customer base</td>
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5.3.1 Lack of Communication and Organisational Culture Challenges

Lack of communication is presented to be one barrier for a social enterprise, which is supported in the study by Bates (1993). Communication can be described to be broader than only internal communication within the organisation. Communicating adaptively towards external stakeholders is stated to be prioritised in multiple of the interviews conducted for this thesis. One social enterprise informs about the challenges of communicating with employees with different backgrounds, cultures and languages. Where one communicated aspect of the business activity, can be interpreted differently by another due to cultural differences or perspectives affected by culture. Another company discuss the importance of recruiting locally to gain knowledge about how to communicate in a specific country towards the targeted customer segment. As mentioned in the literary review, a success factor for a social entrepreneur is to have adaptive leadership (Alvord et al. 2002). One aspect of adaptive leadership may be that
the internal stakeholders need to adapt their communication towards the receiver. This could be a suggestion for a solution, when analysing and comparing both the interpretation of the statement presented by Alvord et al. and the empirical findings, on how to handle the barrier: lack of communication throughout the organisation.

Suggested barriers presented in this thesis, which a social entrepreneur need to tackle, is barriers that may affect the organisational culture. Evidence from this study suggests the internal challenges within an organisation where internal corporate culture problems may be one of the most significant barriers keeping a company from reaching its fullest potential and becoming successful. One aspect that may affect the organisational culture may be different work cultures within the organisation and how cultural differences can be a barrier if it is not considered and acted upon. Evidence from the interviewees suggest the barrier of when a social entrepreneur from the western world establish a social enterprise in Sub-Saharan Africa where the cultural differences are significant, the creation of the visualised enterprise may be jeopardised due to the difference in organisational cultures. As Sharir and Lerner (2006) discuss, the social entrepreneur needs to be aware that there are no quick fixes to become a successful business. Therefore, one solution to prevent that organisational cultural differences become a barrier is to be patient, open-minded and learn from the local employees. This may result in long-run knowledge creation and experience gaining for the social entrepreneur that operates in the Sub-Saharan African region. Lack of communication and culture challenge described above is an illustrated barrier in this thesis and the forth part of the conceptual framework (Figure 5).

*Figure 5 The fourth addition to the conceptual framework that presents culture challenges and lack of communication as barriers*

5.3.2 Affordability and Profitability

The technology behind the renewable energy product delivered, by the social enterprises presented in this thesis, is argued by several social entrepreneurs to be costly for households in Sub-Saharan Africa. Some social enterprises are more concerned with this issue than others. To solve this issue, some of the social enterprises offer their customers different payment plans or
loan opportunities for the customer to purchase their product without having liquidity directly. The fact of having a product that is affordable for all the individual in need of the product is argued to be of high importance for most of the social enterprises interviewed. This can be an indication of the importance of making a social impact on the social enterprises operating in Sub-Saharan Africa. According to Williams & Williams (2011), lack of wealth and ability to finance can be a barrier for social enterprises. Therefore, the different payment solutions offered by the social enterprise participating in this thesis may be a solution for the barrier mentioned. The focus on solely being a profit-driven company is for the majority of the interviewees a barrier for a social entrepreneur which is operating in Sub-Saharan Africa. Harding (2004), supports the interviewed social enterprises perspective by stating that one of the main barriers for social enterprises to succeed is the social entrepreneur’s focus on generating profit, lack of wealth and ability to finance. Thus, this creates the fifth part of the conceptual framework (Figure 6).

Figure 6 The fifth part of the process of making the conceptual framework that presents the barriers of the affordability and profitability aspects

5.3.3 External Factors

External factors are barriers discussed throughout all of the conducted interviews for this thesis. Such as governmental decisions, declining economies, infrastructure challenges, laws and regulations are presented both by the literature review and primary data to be barriers for a social enterprise in Sub-Saharan Africa (Edmiston, 2008). Bewayo and Portes (2016) concludes that political and economic institutions have considerable influence on the process of social entrepreneurship supports the social entrepreneurs operating in Sub-Saharan Africa’s perception about the situation. Bewayo and Portes (2016) also presents the fact that countries vary and a social entrepreneur cannot apply one successful approach in another region and assume it will be successful in that region as well. Evidence from the interviews also discusses the difficulties of entering different countries and the variation of regulations between the different Sub-Saharan African countries. The need for recruiting local talents, who are familiar with the political situation and various external factors current for a specific country, is stated to be a solution to the barrier mentioned above. Acs and Kallas (2007) argue that one barrier is originated from government policies. The evidence from the empirical findings suggests that to
avoid this barrier, one should operate in a location where the regulations are attractive and non-counteracting for the social enterprise. Aligned with the answers presented by the interviews, research performed by Klein and Hadjimichael (2003) suggests that the physical environment and surrounding businesses, which the social enterprise is operating within, are crucial for success.

In according to this thesis findings, the customer base for renewable energy solutions is huge in Sub-Saharan Africa since 600 million people are living without access to electricity. However, Gladwin et al. (1989), states that one barrier is the limited customer base in rural areas. This research is not proven to be correct in this thesis. The companies interviewed for this thesis argues that they can recognize many opportunities for establishing the enterprise in the rural areas of Sub-Saharan Africa because of the broad market. The differences between existing literature and the empirical findings may be due to the different years the data was collected.

Bates (1993), discuss one barrier to be a lack of technical skills which is not mentioned in any of the conducted interviews. Therefore, this is one barrier that differs from the existing literature and the empirical findings from one another. One barrier not discussed by the current studies but that was mentioned in the interviews for this thesis were the environmental challenges that affect the communities of Sub-Saharan Africa. The majority of the customers of these social enterprises rely on generating income from selling agricultural products and are therefore heavily depending on a proper rain season. If these customers are unable to sell their products, they will generate income and would not be able to buy the social enterprise’s renewable energy solutions as they are expensive. This is one significant barrier, discussed by the interviewees but not discussed by the current literature, which prevents the ventures from generating profit. The barrier that external factors can imply is the sixth and last barrier presented in the conceptual framework (Figure 7).
Figure 7 The sixth and last addition to the conceptual framework that show the barrier of external factors

- Environmental
- Governmental decisions, declining economies, infrastructure, laws and regulations
5.4. Conceptual framework for future entrepreneurs establishing a social enterprise in Sub-Saharan Africa

The analysis of the empirical observations brings out three categories of success factors and three groups of barriers to social enterprises operating within the renewable energy sector in Su-Saharan Africa. By summarising these categories, the authors of this thesis can construct a conceptual framework: Entrepreneurship in Sub-Saharan Africa (SSA) (Figure 8).

Figure 8 The conceptual framework, Entrepreneurship in SSA, constructed by combining the previous figures presented in the analysis of this thesis. This framework summarises the realisations from the study of the empirical observations.

The intended use of this conceptual framework is to provide clear guidelines for future entrepreneurs who consider establishing a business in Sub-Saharan Africa. The aim is to spread awareness of potential barriers one may experience, as well as highlight the success factors.

The vision of the framework is to set out an explanation and provide a more precise definition of the conclusions identified in the analysis. The conceptual framework was developed to display different factors that are of importance to take into account when considering starting a business in Sub-Saharan Africa.
6. Conclusion

This chapter includes a representation about the conclusions drawn about the success factors and barriers of social enterprises operating in the renewable energy sector in Sub-Saharan Africa from the findings of the thesis, including the literary review, empirical findings and analysis.

Evidence from the analysis shows that a lack of internal and external communication can prevent business development. Therefore, adaptive leadership and adjusting the message communicated after the receiver is crucial. To avoid that cultural differences becomes an issue, one must be patient, open-minded and learn from local employees. Additionally, it is essential that the social enterprises operating in the renewable energy sector in Sub-Saharan Africa provide a product with a suitable payment-plan structure and the right price for the target customer segment. A primary focus on either generating profit or only trying to implement social change are proven to be barriers for a social enterprise operating in the renewable energy sector in Sub-Saharan Africa. Instead, the social enterprise must have an equally combined focus on making a profit and on implementing social change. Other barriers social enterprises encounter in the mentioned sector and region are laws and regulations, governmental decisions, declining economies and infrastructure challenges. To tackle these barriers, there is a need for recruiting local talents with experience and knowledge about the external factors of Sub-Saharan Africa.

To succeed, a well-prepared business model, which is developed before entering a new market in Sub-Saharan Africa, is essential for success when operating in the renewable energy sector. Knowing the market, the ability to employ efficient use of resources, the ability to provide excellent customer service and the ability to innovate are vital components to succeeding within the researched business sector in Sub-Saharan Africa. Also, the enterprise's social network and support from financial institutions are two factors that can help the social enterprises that want to implement their renewable energy solutions in Sub-Saharan Africa.

The conclusion presented above answers the research questions and is a presentation of how a social enterprise in the renewable energy sector in Sub-Saharan Africa can implement and avoid different factors to succeed. The authors of this thesis, believe that the conclusions and supporting evidence can be utilised as guidelines for future social entrepreneurs in the renewable energy sector in Sub-Saharan Africa. By increasing the chance of success, more
social enterprises will be able to work towards the United Nations Sustainable Development Goal 7, clean and affordable energy for all, and to decrease the number of 600 million people living without access to electricity today in Sub-Saharan Africa.

6.1. Discussion

To receive a more unobstructed view of the renewable energy sector in Sub-Saharan Africa, a field study would have been preferable to develop a greater understanding and collect data that would have been essential for the research. This thesis does not measure the social enterprises’ contributions to the communities they are serving. Therefore, we cannot determine to what extent the social enterprises interviewed are contributing to social impact. Another criticism of the thesis is the small sample size of companies that were interviewed to answer the research questions. To validate our findings of this thesis, an expansion of the number of companies interviewed would be needed, along with a sample that spans more countries of Sub-Saharan Africa. Additionally, criticism about our thesis would be that we do not measure the companies’ success and can therefore not provide back-up to the findings presented and whether any outcome is weighing more than the others.

After conducting interviews with the social enterprises active within the chosen sector and region, we feel that we have learned more during our observations that we can express in the reporting of empirical findings.

6.2. Suggestions for Future Studies

One suggestion for future research would be to investigate to what extent the social enterprises are creating a social impact towards the communities they are active within. Another suggestion would be to compare findings associated with the renewable energy sector in Sub-Saharan Africa to other social enterprises that are active within another region or business sector.
References


## Appendix I

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Appendix III

Section 1
Can you start by telling us a little bit about your company?
Which countries are you active in today?
What is your role in the company?
Which country did you first establish in and when?
Where did the idea, about working with renewable energy, come from in the beginning?
Which opportunities did you see by establishing in (country/countries you are working in)?
Describe your view of how the renewable energy sector is looking right now in the (country/countries you are working in)

Section 2
Describe how the establishing process looked like
What risks did you see before establishing in (country/countries you are working in)?
Which were the main barriers that you faced when establishing in (country/countries you are working in)?
Which were the main success factors when establishing in (country/countries you are working in)?

Section 3
How is your company funded?
How difficult or easy is it in obtaining funding?
Describe how you are using (financing method) today to finance your activities?
How many employees are working at your company today?
What are the obstacles faced when recruiting employees?
What are the advantages of recruiting local people/expatriates?
What are the disadvantages of recruiting local people/expatriates?

Section 4
What are the major mistakes social enterprises are doing today when establishing a renewable energy company in (country/countries you are working in)?
Have you noticed any major obstacles that businesses similar to yours in your sector are facing today?
What do you think of the future of the renewable energy sector (country/countries you are working in)?
What do you think are your critical factors for success right now, to keep the company moving?
What do you think of the future of your company?