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## Social Entrepreneurial Activities for Rural Livelihood Improvement and Poverty Reduction.

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### Abstract

Many countries have begun to pay more attention to the concept of social entrepreneurship simply because it is considered as an efficient method for the sustainable development of underserved areas as well as for the acceleration of government initiatives and private investment. The activities of social entrepreneurship have emerged as an efficient method for the creation of solutions for social issues including accessibility to education, healthcare, water, food, and electricity supply. A researcher collected the data in the field and analyzed it using a qualitative case study methodology. This study was conducted at CHEMA (Community Habitat Environmental Management), a non-governmental organization in a rural area located in Karagwe, Tanzania. The research sample yielded a total of 16 important informants, including 10 employees and 6 peasants who participated in focus groups. The research findings indicated that social entrepreneurship projects relieve poverty and improve rural livelihoods in Tanzania by increasing and strengthening agricultural production, increasing people's ability to deal with hunger, preserving the environment, maximizing household income, and enhancing the effectiveness of agricultural activities. Even though social entrepreneurship has helped rural communities improve their lives and reduce poverty through its activities, the projects have not made a big difference because of problems like donor dropout, lack of knowledge, and poor infrastructure in rural areas. Despite all the advantages of social entrepreneurship projects, the social entrepreneurship concept is still in its infancy stage in Tanzania, which brings a lot of questions to society. It is advised that more research on impacts of social entrepreneurship projects should be done by scholars to gain more attention to contribute more awareness for both government and private organizations.

**Keywords:** Social Entrepreneurship, CHEMA, Poverty Reduction, Rural Tanzania.

### Introduction

The term "social entrepreneurship" refers to a reputable type of business enterprise that has the potential to provide services to various groups or categories of people in the local community. It is all about aiding those who are poor so that they may advance in their lives, especially on a social, moral, and economic level, so that they can break the cycle of poverty (George, 2009).

Entrepreneurship's main function is commonly acknowledged to be boosting financial activities and social growth (Acs & Audretsch, 2003). Moreover, the rapidly increasing gap between rich and poor, damage to society, and the recent financial crisis have all led many people to question our society's prevailing market economy. Individuals, societies, businesses, and governments are aiming for feasible and ground-breaking solutions to the world's "wrong problems" (Churchman, 1967). The UN adopted the eight global strategic objectives called the millennium development goals in 2000, to be achieved by 2015. The last fifteen years have seen a thriving business sector aimed at improving the well-being of society and the environment (Bond et al., 2014).

Nevertheless, the recent literature on entrepreneurship has concentrated on how projects leverage capital from external sources of funding (e.g., Dushinitsky & Lenox, 2005; Sapienza & Gupta, 1994). It has not yet been discussed how resources may have been mobilized in impoverished societies lacking basic access to education, healthcare, and even human rights. But these are the same situations and environments in which this is occurring (Mair & Marti, 2009). Spending time learning how entrepreneurship transforms society, how it enables individuals to manage their time and create wealth, it is important that researchers strive to learn and incorporate proper models of social-wealth creation (Venkatraman, 1997:135). According to Dees (1998), social entrepreneurs play the role by pursuing a goal to create and sustain social value. They play the role of change agents in the social sector by making agents extremely accountable. In turn, to identify and unrelentingly pursue new ways to fulfill the role committed to social alert, participating in a cycle of constant development, adaptation, and learning, acting confidently without being constrained by the tools currently in hand by giving the constituencies a better sense of accountability for the results produced.

Mair (2009) proposed that social entrepreneurship refers to unmet human needs and could be human rights as well. She found out that people's basic needs and rights are not fulfilled to varying degrees in most communities. As a result, social entrepreneurship is a popular 21st-century trend. It appears to me that to mobilize a social coalition (i.e., the relevant stakeholders in social entrepreneurship), there must be a clear and shared perception of the social need.

### **Case Analysis CHEMA (Community Habitat Environmental Management)**

CHEMA is one of the development programs operated under the Kayanga Diocese. Its focus is on natural resources management and sustainable agriculture to enable the community to manage their own natural resources towards increased productivity and economic growth in a sustainable way. The friendship between Michael Schlosser and Didas Kasusura, a priest of the congregation Mkamilishano, was the basis for a feasibility study, which was initiated and partly financed by the One-World-Group. The study aimed to identify the most urgent social problems and to find possible solutions. The study, carried out by Thomas Grottker in 1989, made clear that the lack of wood and trees is existential and leads to poverty. Therefore, on this basis, a reforestation project to alleviate poverty was initiated and it has existed until today.

CHEMA operates in four main components, whose activities are set out as follows: 1) (PLA) "Participatory Learning and Action approach" Involvement of the target groups and beneficiaries in the feasibility study of the life of the community from the beginning (2) Natural resource management, which includes activities such as afforestation and tree planting. of beekeeping, community-based natural resources management, efficient use, and alternative

sources of energy at the community level. (3) food security through sustainable agriculture, which includes agroforestry, banana management, soil and water conservation, soil fertility management, and seed security. (4) Cross-cutting issues include gender mainstreaming in all development projects and HIV/AIDS mainstreaming in all development projects.

### **The Social Deficit: Environmental Threats, Poverty Eradication**

CHEMA, as an NGO, plays an important role in fostering social, environmental, and economic resilience as well as helping the poorest members of the community to counter the unequal implications for their survival of the economic and environmental impacts. After Tanzania's independence in 1961, Mwalimu Nyerere, the first president, pinpointed three areas, which were poverty eradication, hunger, and illiteracy. Lack of economic equality creates people's rivals, such as hunger, illiteracy, sickness, as well as corruption (Nyaki, 2015 and Bjerck, 2017). If only these enemies were defeated, the people would have had more income to get along with and reduce poverty. When men and women are given equal opportunity and paid equal wages for equal work,

Other social deficits in Karagwe and Kyerwa districts pinpointed by the CHEMA program include the needs for agricultural development and innovation, especially in rural areas; beekeeping; preventing and alleviating bush fires and educating society on their impact; reducing unnecessary deforestation; educating people on environmental conservation and better ways of land utilization. The cutting-across issues include HIV/AIDS education and seminars; energy-saving stoves from bio products, which reduce the use of firewood, which impacts massive tree cutting; The CHEMA program has managed to impact society by working on the above-mentioned social needs, and they are improving the ways and methods of improving social lives in the community.

The aims of a shift to sustainability are to solve human needs over existing and potential generations while reducing hunger and poverty and maintaining our support for the climate. The study to do this will only continue under resource and environmental restrictions. Many researchers have suggested that if we do not undertake drastic improvements in our human activities, the production required to fulfill potential human needs will threaten destructive impacts to the earth's livelihoods, which will in consequence naturally preclude society from achieving its objectives. I therefore pose the following questions as follows:

### **Data Analysis and Discussion**

Discussion started with one of its co-founders, and his team reacted favorably to the demand to include CHEMA in my research project in February 2020. The meeting was a constructive response and interaction with all members of the organization was positively achieved. Research topics were fully briefed regarding the study priorities and all elements of the research agenda were discussed by each employee. The collection of documents was then launched. The CHEMA organization has been carefully read throughout the literature. Any member of the CHEMA team received an e-mail encouraging the research respondents to actively participate. The interviewees and focus group members communicated via e-mail to plan dates and times for face-to-face discussion.

### ***What are the Dominant Social Needs?***

Most respondents were able to clarify and contribute knowledge about their organization as a voice for changing lives in their community through environmental improvement and hunger alleviation. And some of the knowledge discussed regarding rural

social needs included the following: As previously said, CHEMA is an acronym for Community Habitat Environmental Management Program. According to respondents, social needs include (i) afforestation and natural forest regeneration (ii) promotion of beekeeping (iii) kitchen garden (iv) creation and use of energy-efficient stoves as well as energy from bio products (v) modernized agriculture (innovative agriculture), e.g., banana improvements, seed security for food (vi) Cross-cutting-issues activities like HIV/AIDS programs Gender and equality, basic sanitation and hygiene in the home, as well as environmental education in their homes.

Those mentioned above are previous and current needs of society, but due to social, economic, technological, and environmental changes, CHEMA is motivated to keep changing and improving social lives in rural areas.

*“Everything was set in motion and in motion..... You may decide whether you are young and interested in bringing about change.... (laughs). After so many years behind bars, it's amazing to see what one can do in only a matter of days! Changes were made within the community, for better or worse. Changing social surroundings, rather than trying to improve the environment itself, is an effective strategy for tackling social problems. Those are the improvements we see in the environment.”* (Informant number 1 on 03/18/2020)

*“It takes one sacrifice for one to make changes and impact lives of thousands in a secretor example family time, friends and personal projects had to be sacrificed to save the society said”* (Informant number 2 on 03/18/2020)

### ***(i) Natural Forest Regeneration and Afforestation***

This company prioritizes environmental conservation, which occurred often during the interview. Afforestation and disease control are popularly used to refer to the process by which new trees replace the ones that have been removed or destroyed from the forest. Artificial reproduction usually refers to planting fresh seedlings. The regeneration mechanism is time sensitive. Timely reforestation may be crucial whether a landowner's goal is wood development or the preservation of forested habitat. Each year in which a forest is understocked results in a reduction in timber growth. Additionally, delaying planting may cause brush, weed, or other undesirable vegetation to take over a location, complicating and increasing the cost of establishing desired trees. Additionally, certain states' forest-management statutes permit reforestation after a few years of timber harvesting.

*“Whether to regenerate a forest by natural regeneration or tree planting is partly determined by the geographical region in which the forest is situated.” Action is critical for healthy forestry and may be achieved in two ways: natural regeneration, which happens as trees left on or near the site grow new seedlings or sprouts (as with aspen), or artificial regeneration, most generally referred to as reforestation.”* (Informant number 4 on 03/18/2020)

### ***(ii) Beekeeping Promotion***

This was explained by participants as being one of the projects that motivated their start up at CHEMA. Keeping bees goes along with environmental conservation, whereby planting trees and creating sheds creates a good environment for bees. The beekeeping project has helped societies have healthy and organic products, on top of that, generating income from honey and other bee products. For example, farmers in Karagwe are being trained on how to keep bees in a modern way which is easy and productive as well as an environmentally friendly way. As seen in the quotes below, one participant explained.



(Informant number 8 on 03/16/2020) *“With a little support, you will build resources and allow others to profit from the material environment, such as through planting trees around your house (.....) Of course, I am inspired to address a genuine need and to set an example in my community!”*

(Informant number 11 on 03/16/2020) *“I have been able to generate income through honey harvest, which has helped me to pay school fees, feed my family and overcome other life burdens. The education I received from CHEMA on beekeeping has been very helpful to my family.”*

*(iii) Kitchen garden.*

This is one of many initiatives and innovations done by CHEMA. Sustainable agriculture focuses on improving all areas that relate to each other, and the kitchen garden is among projects that are conducted at CHEMA to solve social problems. The main objectives of a kitchen garden are:

To sensitize groups to the dangers of poor nutrition and the importance of kitchen gardens and to train these groups in the establishment of kitchen gardens. production of different types of vegetables and their utilization. Types of vegetable seeds provided to farmers at household level include spinach, sweet peppers, onions, as well as tomatoes. The benefits of kitchen gardens include ensuring that societies in rural areas get nutrients from vegetables that are simple to prepare and manage.

**(Informant number 14 on 03/16/2020)** *“We are trying our level best to educate and provide seeds in our society to improve health-affordable food like vegetables, which are, of course, easy to plant and cook. But we sometimes encounter challenges like... Farmers are often not aware of how to cultivate vegetables and fail to prepare a good kitchen garden as we instruct them to do.”*

**(Informant number 16 on 03/16/2020)** *“Some farmers don’t want to go through the long process of garden preparation. They want something ready-made, but our project is dedicated to encouraging and emphasizing more on saving time and money by using modern local and cheaper stoves to preserve our environment instead of randomly cutting down trees.”*

**(Informant number 7 on 03/16/2020)** *“This kind of stove I have received from CHEMA has been helping me to save money and time, especially on firewood collection from the forest. It is also a fast-cooking method, which saves time during cooking. By doing so, I have been able to use my time to do other activities together with my family members.”*

***(iv) Developing and Deploying Energy-efficient Stoves, as well as Energy Derived from Bio-products.***

One of the social needs explained at CHEMA was collaboration with some donors on the production and delivery of improved cooking stoves (ICS). These are a viable solution to widely used cooking devices such as three-stone fires (a rural traditional method of cooking) or charcoal burners, which are both resource-intensive and emit polluting substances. To begin with, in rural Tanzania, wood and charcoal are the primary energy sources used for regular food preparation. This places a strain on local forestry owing to the high demand for firewood. Additionally, purchasing charcoal may be a significant financial strain on households, and wood collection is a time-consuming, laborious activity that is often done by women and children. Additionally, burning wood and charcoal produces a lot of smoke and

emits unhealthy fumes, which has a negative impact on people's health, especially eye disorders, while cooking takes place in poorly ventilated rooms. Every year, almost four million people die because of these health threats (WHO, 2014). Women and children are disproportionately affected since they are mainly responsible for cooking.

Three separate methods for estimating the demand and availability of kitchen products were devised based on the findings of a community survey showing how much people cooked and what kind of food they ate and what services they had access to. In cooperation with three families who had used the test several times in their everyday lives, the outcomes were determined and fine-tuned for improved efficiency. 50 families are currently engaged in CHEMA jobs. During workshops, environmental issues and obstacles and opportunities are addressed, including problems and complications from using the common cooking techniques and challenges of using ICS. In addition to working in the community, students frequently display their capabilities and prepare and eat their own meals. Based on the family members' preferences, the families determine which software they want to use so that they can make technological and functional improvements, and a designated person can discuss and report back. Using renewable fuels like sawdust and coffee grounds often gives you the option to switch to a different gasoline. Expanding business activity that has no impact on the local community and allows for self-determined community/regional engagement is critical to our company's growth. Both computerized control systems may be built using readily available materials and equipment.

*"For us..., empowering local communities and grassroots structures is a premise for permanent successful collaboration" (Informant number 1 on 03/18/2020)*

*"When incorporating users into the production, we expect to raise the acceptance rate and make community members feel involved." (Informant number 3 on 03/18/2020)*

#### **v) Modernized Agriculture (innovative agriculture), such as Banana Improvements, Food Seed Security, and Water Conservation**

The project includes banana improvements, seed security for food security, agroforestry, soil fertility, and conservation techniques. It works to make farmers and farmers aware of the problems of other communities and the risks of not having enough food security, as well as to improve their productivity.

**(Informant number 7 on 03/19/2020)** *"At the same time, we want to decrease the pressure on the environment as we are also increasing the food supply and availability, which will have ecological impacts...."*

**(Informant number 5 on 03/19/2020)** *"In the 21st century, it was finding ways to get along with each other. In one word, that which enables us to provide answers to the world's major challenges is creativity in agriculture."*

#### **What are the motives for the SE project at CHEMA?**

The motivation for establishing this firm is derived from a quotation by one of the participants **(Informant number 1, 03/19/2020)**, who was a member of the founding team: *"making differences and influencing the world on different facets of daily life"* The main goals of CHEMA community projects were to inspire communities to use the tools and opportunities they had in a sustainable way to improve their quality of life, to work with the community to find economic problems in households and what caused them, and to work together to find solutions using the people and things that were already there.

*“You know something in a small amount when joined together... it can have a huge impact on the community.” We are sacrificing for society to see changes. As you have noticed, there have been a lot of community impacts in various kinds of life aspects since this organization's establishment.” (Informant number 2, 03/18/2020)*

Improvement of rural wellbeing since the 1990's has been promoted through effective natural resources management and sustainable agriculture through developing the resources of small, local farming communities. By promoting natural resources and small farm development in villages, environmental expansion often gives small local farmers more overall access to the means of a better life. Since the beginning of the project, the essential and natural ecosystem of small farmers in the chosen region have been well provided for by agricultural natural resources management and sustainable agriculture to ensure equitable access and lead to the development of livelihoods in rural communities.

### ***What are the Company's Emphasis, as well as the Anticipated Social Impacts?***

Having reliable infrastructure resources at CHEMA has a good effect on the organization's ability to supply essential services to the community, as it was regarded as a source of significant satisfaction by employees interviewed. It is argued that “the connective tissue of a society” comprises three components of a connected community which includes accessibility, involvement, and support.

The accessibility of available resources like education and training on sustainable agriculture and environmental conservation has been a role on transforming local society. For example, reaching people in their villages by educating them on the use of kitchen garden, use of stoves which consumes agricultural end materials rather than using firewood for all cooking activities. CHEMA has making its level; best to make their available resources to be accessible to its society by using different means of communication for instance the use of website, social media and reaching out people to provide them required materials and education.

Involvement is one of strategy explained during interview, whereby social members are being part of the society. Social members are involved in various social activities and CHEMA depends on their feedback to improve services and to reach out of people who needs support. The support provided by CHEMA program to its society involves activities like training on various matters. For example, gender equality, modern farming methods, sanitation which includes construction and providing toilet, educating the society about basic environmental education and conservation method.

*“Involving people in the society on discussing issues surrounding them, helps us to understand the root cause of social problems and it is the easiest way to obtain firsthand information” ..... (informant number 7 on 03/20/2020)*

*“It is up to us to strengthen our community environments and communicate with our neighbors and involve everybody in the society to participate in keeping our environment healthy” ..... (informant number 3 on 03/18/2020)*

### ***What Strategies do Social Entrepreneurs use to Mobilize Resources? (Resource Mobilization for Sustainability and Poverty Alleviation)***

As one of the main objectives of this study, resources are the main platform for all social entrepreneurship firms. Social entrepreneurs identify underutilized resources, people, buildings, and equipment and find ways of putting them to use to satisfy unmet social needs. They innovate on new welfare services and new ways of delivering existing services (Drayton,



2002). I insisted on this idea that the defining quality of leading social entrepreneurs is that they cannot come to rest until they have changed the pattern in their field across society. Their life vision is this new pattern (Drayton, 2006). The ideal social entrepreneur is supposed to be driven by the need to positively impact society. She is described as a visionary, almost a fool, someone who can follow an idea up to the point where this idea becomes true.

Large corporations have an impact that may well be global and involve many people. However, this does not apply to the social entrepreneurs who are part of this study, whose means and resources are limited. Also, there is a problem with the scalability of social enterprises, as when an enterprise grows it is much more difficult to combine the economic and social aspects.

There are many resource limitations for social ventures when trying to solve problems that are not being addressed by existing public or private entities. Even when there aren't many resources and there aren't any good prospects, authorities, or copyrights, (Kodithuwakku & Rosa, 2002; West et al., 2008) ventures always succeed in making high-quality services and products.

As evidenced by instances from technological social projects, the institutional cognitive, normative, and regulatory pillars (Scott, 2001) create enabling and constraining conditions for resource mobilization. While embedded social enterprises may have an advantage in terms of influence and access to standard resources due to institutional support, non-embedded individuals can still succeed. Since entrepreneurs are not bound by established institutional frameworks, rules, and customs, they might engage in bricolage activities that call into question present institutional frameworks, rules, and norms to solve social problems. See the following response:

**(Informant number 13 on 5/17/2020)** *“For far too long, knowledge, opportunity, and resources have served as bottlenecks; now they must serve as bridges. Our goal is to reach every individual in our society and make everyone advance socially, economically, and technologically.”*

CHEMA has been working hard to mobilize and maintain resources by using various strategies, but it operates in a challenging environment characterized by competition for limited resources from profit-making organizations, national and local regulations, technology and infrastructure challenges, employee turnover, donors' drop out, gender imbalance, illiteracy, and those are a few of the challenges mentioned during conducting this study. The participants suggested that having partners and volunteers was very important, especially in the establishment of their company, because it ensured the organization's survival. Respondent **(Informant number 8 on 5/17/2020)** illustrated this idea when he said:

**(Informant number 8 on 5/17/2020)** *“Societal entrepreneurs, in contrast to for-profit business owners, cannot solely evaluate the success of their endeavors based on monetary value alone.” Consequently, when it comes to mobilizing the resources required to make endeavors feasible, we run into a variety of barriers as well as opportunities.”*

**(Informant number 6 on 5/17/2020)** said that: *“Whenever we have a project set and we want to change society from various crises, we call on both local and international donors to help us donate and volunteer on some of the activities.... By doing so, you can see we have been able to transform our society at least to some extent.”*

**(Informant number 15 on 5/17/2020)** said that: *“There is no way we can succeed by not coming together as a group that needs our society to grow and live in a good environment by doing small things that change the lives of many individuals.”*

Generally, after all the discussion with CHEMA on resource mobilization, it was discovered that social entrepreneurs know they cannot affect socioeconomic development on their own. Cross-sectoral cooperation is critical for social transformation and the creation of social value for social entrepreneurs. Not only do social entrepreneurs and the customers they serve stand to gain from this kind of partnership, but everyone else as well. It's not only the nonprofit sector that may benefit from engaging with social entrepreneurs; many other industries can as well. Because of their penchant for short-term effects, neither governments nor corporations have yet caught up with social entrepreneurship as an emerging industry, and they often stand in the way of its development. Governments that encourage social entrepreneurs contribute to the creation of a better environment by removing costly laws, arbitrary decision-making, and other practices and restrictions that limit social entrepreneurs' ability to succeed. Working with social entrepreneurs may benefit companies in three ways. Working alongside social entrepreneurs that have spent decades inventing, executing, and refining novel methods to bring previously excluded populations into the marketplace may substantially assist in accessing previously untapped customers financially.

#### ***What do the Actors Consider Regarding their Experiences?***

Many stakeholders, together with representatives from social enterprises, believe that the social entrepreneurship sector is severely lacking human capabilities, specifically in the skills required to manage entrepreneurial ventures, such as financial management, marketing, and other aspects of running a business. Social entrepreneurs are often very socially aware people who can quickly identify and fulfill unmet social needs in their respective communities. However, they often lack a solid economic or entrepreneurial background that would allow them to run their enterprises in a sustainable manner.

Overall, social entrepreneurship was not seen as a particularly developing or competitive industry by stakeholders in this survey. Some of them are worried that social entrepreneurship will never make it to the high-tech or IT industries because of this fear of extinction. The poor and vulnerable were viewed as the key beneficiaries of social entrepreneurship in the early days. In this way, the idea that social entrepreneurship doesn't make much money and isn't competitive in the market is linked to it.

**(Informant number 12 on 05/09/2020)** *“When it comes to investing, knowing your end goal before you start investing is critical” ...*

Cooperation with local government is viewed as slightly less constant and exciting. Greater involvement of social companies in public procurement processes is considered notably absent. A lack of competitive ability is the reason why social companies seldom satisfy the criteria of public procurement tenders, and hence additional social value should be considered as a significant condition, in addition to cost. There is some experience that local governments tend to offer little grant assistance for certain social entrepreneurship ventures, but that form of support is more ad hoc than systematic and institutionalized. There is intermittent and poor cooperation with the business sector regarding public perception. Social enterprises believe that they are not treated as equal partners.

**(Informant number 10 on 05/09/2020)** *They believe that “they are attempting to take advantage of us” and that they are unable to compete effectively in the market, but they also believe that others do not recognize that what they are doing is more than “just entrepreneurship.”*

In general, there is a shortage of collaboration and networking opportunities between social entrepreneurs and other sectors. Most of the time, social businesses interact with civil society groups via training and education, as well as through sharing and renting space and/or facilities. According to the findings of the research, there is a general lack of understanding of the potential advantages of cooperating or networking with stakeholders from other sectors. Often, such collaboration does not occur because “there was no initiative,” a phrase that has been echoed in interviews repeatedly. Other stakeholders, for the most part, anticipate that social enterprises will be the ones to establish such a link by reaching out and asking for collaboration or cooperation. On the other hand, social businesses expect that the collaboration will start with someone else.

In other words, CHEMA project actors consider sustainability through social ventures, whereby in the rural context, sustainability is more closely related to basic needs and development, as explained by the respondent’s below:

**(Informant number 8 on 05/09/2020)** *“Our projects are making a significant impact on rural lives by sharing and networking our activities through various means. It is important for an individual to get respect, not just for their own identity but also to gain support for their ideas... With a small sum of capital, you can do amazing stuff”.* This logic was supported by individuals who shared their experience of actors’ views with regards to CHEMA projects.

**(Informant number 14 on 05/09/2020):** *“Financial assistance is implemented as one of our initiatives to allow individuals to follow their core goal. Moreover, peer group support to exchange ideas, perspectives, and knowledge with other social enterprises is also needed. On the other hand, mentorship from people with practical experience related to their immediate and long-term strategic direction of the organization is rare. Lastly, we conduct specialized training, most notably in organizational success and finances.”*

#### ***What are the challenging areas? (Donor dropout, lack of resources, low level technology)***

When social entrepreneurs establish a company to serve a specific public need, most of the time they face several unique difficulties and obstacles that must be overcome before the enterprise can become stable. Many of these difficulties are largely unknown to several emerging social entrepreneurs, and in most situations, these constraints will result in the business failing or never reaching operating capacity.

At CHEMA even though the above experiences shared about actors on different activities are positive, there are still a lot of challenges associated with this organization. Most participants, including social enterprise representatives who were involved at CHEMA, explained that there is a severe shortage of human abilities, especially the knowledge needed to run innovation in various projects. Entrepreneurs who focus on solving social problems often have a high level of social awareness and are skilled at seeing the missing social needs in their surroundings. However, they often lack the economic and entrepreneurial foundation needed to run their initiatives over the long term.

**(Informant number 4 on 05/09/2020):** *“There is a pervasive lack of cooperation and interaction between social businesses and other sectors, which makes it harder for the social ventures to meet their target of solving social problems.” Without having strong unity among all sectors, we cannot achieve our goals.”*

During a study of CHEMA documentation, a researcher found that stakeholders from other sectors lacked knowledge of the mutual advantages that might be obtained through collaboration or networking. This kind of collaboration is often lacking because, as one interviewee expressed it, "There was no initiative." Other entities anticipate social ventures to be the ones that approach them first, offering a collaboration or partnership in exchange for their efforts. Social enterprises, on the other hand, seek others to initiate the partnership.

Donor dropout: having very few partners and donors drop out before the end of a project has been a huge challenge for our project. This makes it difficult to attain our goals and makes CHEMA projects lack enough funds to attain their intended goals. This was illustrated clearly by one of the interviewees.

**(Informant number 2 on 05/09/2020).** *Everyone said... “Well, you could generate money by approaching businesses or wealthy individuals, or you could attend charitable events and obtain a million shillings in a single night...” However, the reality is that our goal was not only financial. Our goal was to equip a generation with the ability to influence change at least two or three decades ahead of where they are today. Thus, rather than attending a fundraiser and attempting to raise millions of shillings in a single evening, I'd rather have 1,000 people each give a modest amount of money. Therefore, your impact will be diminished, which is contradictory. Generally, it is how the public sees charity; we believe that more money equals more impact. However, this is not always true since it would be great if everyone planned a swarm of charity galas and raised the maximum amount of money possible.”*

As evidenced by the quotations above, although sustainable development was considered early on, the sensitivity of the sustainability issue rose as the donor withdrawal challenge began. Once more, the issue of financial resources as a limitation emerged when the conventional donor financing structure was forced to be supplemented by new methods. This made CHEMA come up with new ways to make money, such as selling honey, cooking stoves, and trees, so that they could reach their goals.

Respondents at a focus group meeting held on March 18th, 2020, expressed worry about whether their business would be able to support itself. After the discussion, respondents recognized the need to focus more on social enterprises in their work. Many people were concerned about the long-term viability of the CHEMA's social purpose, as seen below:

**(Informant number 6 on 05/09/2020)** *“CHEMA must be more financially self-sufficient to survive on its own because by doing so it will make our intuition strong and avoid depending on donors, whereby you must wait or convince them on how your projects will benefit society.....So, to avoid delays and protocols, it is much better that we become independent financially.”*

**(Informant number 5 on 03/18/2020)** *“Financing is always a problem, especially when we launch a new project.” This is because it takes time for donors to get to understand a new*

*ideal project and how it will impact society. For that reason, sometimes we must create an idea and let it stay until other people understand what we intend to do.”*

The participants expressed a range of reactions, from actual and sincere worry to uncertainty and unwillingness to engage on the subject. While some were convinced that the organization had maintained its purpose throughout the years, others believed that clear plans remained to be devised. The more senior and/or financially oriented personnel recognized the need to secure and diversify the organization's revenue sources, therefore reducing the organization's dependence on basic donor funding. Donor support was a primary source of revenue that might be influenced by variables outside of CHEMA's influence. The drive toward social entrepreneurship (generating more revenue through activities and initiatives) that was lately designated as a major emphasis issue was viewed as the mechanism for accomplishing this goal. While there was some short-to medium-term stability, there was no shared understanding of a long-term economic sustainability framework.

The CHEMA receives 80% of its income from contributors and 20% from total sales, according to financial reports from 2010, 2012, and 2013. The purpose of CHEMA was to grow sales outside of existing market segments to groups to subsidize cost-effective offerings to lower groups. Because of the division's fast development over the previous five years, it is on track to accomplish its goals. Furthermore, research and consultancy services as a value-added service to other institutions are being promoted as a potential source of revenue. If CHEMA can significantly increase its revenue streams as planned, it will be able to build up its social mission on a more long-term basis.

While most employees agreed with the argument for financial sustainability, they felt that a broader range of financial sustainability efforts was necessary. According to the classifications made by Hartigan (2006) discussed in the literature review, the CHEMA has the features of a "hybrid not-for-profit" as the social enterprise recovers costs through the sale of goods and services, and elements of a "leveraged non-profit" because it has a diverse funding base. In addition to this, research, and consultancy as a value-added service to other institutions, this firm is being positioned as an additional potential revenue generator. During focus group discussions at the CHEMA on May 6th, 2020, participants highlighted several structural barriers that they experienced in the pursuit of financial sustainability.

**(Informant number 3 on 8/03/2020)** *“Social ventures represent tremendous commercial potential, as well as an area in which we believe we can have a significant positive effect.”*

Barriers to social entrepreneurship exist on two scales: macro and micro. The macro-level constraints are mostly due to the lack of a favorable macro-policy environment in Tanzania for the growth of social businesses. Two points were mentioned, including the fact that Tanzanian regulatory statutes refer to social initiatives as (not-for-profit). This generates the idea that organizations with a social mission are those that are not for profit. It was suggested that the emphasis should be on the non-distributive part rather than the non-profit aspect. The second concern was that most government services were obtained via competitive bidding systems meant for commercial enterprises, not social-purpose groups. Administrative barriers prevented non-governmental organizations from competing on government projects. Consider the yearly verification procedure, which requires a certain degree of knowledge and a collection of bureaucratic proof. It was argued that non-distributive firms get advantageous treatment since their profit is not allocated to stakeholders. Some supporting evidence can be seen below.



**(Informant number 9 on 03/18/2020)** *“Convincing people about the results of social entrepreneurship and its social impact was a bit tedious for the members.... Even business incubation doesn't have good roots in Karagwe; social incubation was never beneficial for the companies and government. Everyone believes that social support and services are part of the welfare state. So, no one was ready to spend for that.”*

***What are the phase and journey plans? (Vision and mission)***

Respondents recognized a connection between their personal calling and the goals of the organization, and this connection encouraged them to keep their effort on making a positive contribution to society. Throughout the conversations and in the materials, including the voices of participants, there was a strong sense of unity of purpose and shared vision.

CHEMA's vision and mission were cited by participants as one of the elements that encouraged their participation in the organization's various programs, *as seen in the quotes below*. The main goals were to ensure sustainable access, protection, and fair sharing of natural resources and to promote sustainable agriculture for the needs of present and future generations. This is done without destructing the environment and endangering human health and/or safety, for the prevention and control of land degradation, water resources thereof, plants, and air, which hold as a pillar our life support systems. To increase awareness and impart knowledge of the relationship between environmental protection, sustainable agriculture, and sustainable development to the community regardless of their race, ethnicity, religion, or ideology. (<http://chematanzania.org/>), accessed on the 20th of April 2020.

The CHEMA mission is to share with the community the identification of economic shortcomings found in households and their causes, as well as collectively finding solutions using existing human and material resources through the same household. And its vision is to work with the community to identify economic shortcomings found in households and their causes, and through the same household, collectively find solutions using existing human and material resources. That direction has influenced volunteers, shareholders, as well as donors by having a clear path to the success of social projects.

**(Informant number 10 on 03/18/2020)** *“I am driven by a desire to serve and enhance the quality of people's lives; I am aware of the impact of the environment on people's everyday lives.”*

**(Informant number 11 on 03/18/2020)** *“I like my work because it makes a difference in other people's lives.”*

These comments above imply that contributing to and making a difference in society is an integral aspect of an individual's life goal. When respondents were asked why social innovation was important to them, the participants in the CHEMA focus groups responded that it was all about "effect and achieving social impacts." They emphasized that this was not a one-time phenomenon, but rather a continuous activity, and it had huge impacts on social development.

**(Informant number 15 on 03/18/2020).** *“When we first started, the most difficult thing we had to deal with was raising funds for various development projects. Another method was assembling a competent team for training and follow-up. It was extremely tough to persuade people about the importance of our work. People in the immediate surroundings of the neighbors expressed some skepticism. Because the two founders are from different nations,*

*several people were confused as to why these individuals would come to Tanzania, especially in our community, and launch an enterprise.”*

### **Conclusion and General Remarks**

It was determined that the concept of social entrepreneurship was crucial to the long-term viability of CHEMA as well as the local community in general. It was observed that although the organization had not been given a comprehensive introduction to the terminology and concept of social entrepreneurship, it had been utilizing the ideas previously as a non-governmental entity. This was even though the organization had been using social entrepreneurship. Respondents to its reinstatement had shown ingenuity in program design, discovered methods for producing cash, and endeavored to make a positive effect on the lives of young people and society. The organization's founder was opposed to the idea because of the inherent risks that come with having a significant reliance on money from donors. The risk of having a dependent mentality should not be taken lightly. As a result, the organization has always been successful in looking for chances to generate cash to guarantee that it will continue to exist and thrive in the future. Even so, the idea of social entrepreneurship wasn't widely accepted until not too long ago, and it was already making a big difference in the community.

In addition, for this development to be successful, it was necessary to implement the appropriate business processes that would enable them to realize their goal. These aspects include the quality of the goods, how competitive the prices are, and how unique the business is strategically. The narratives of the respondents revealed that these aspects of business thinking were already second nature to them. Because of this, the company calls itself a "social enterprise" with the goals of reducing poverty, keeping the environment clean, making money for society through different social projects and initiatives, and coming up with new ideas.

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