Entrepreneurship Summit: Does social entrepreneurship result from layoff/retrenchment: Short Communication

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Abstract

In South Africa, "training to retrench has become a reflection of the economic climate" (Brady 2018), with the government in 2009 responding to the economic crisis by introducing its Training Layoff Scheme (TLS) as expanded on by Ramutloa (2009). While the scheme was created as a 'strategy for staff retention' through the offer of incentives to employers, when they engage in skills training initiatives, employees who choose retrenchment or have to be laid off due to the company being in distress, now find themselves undergoing training prior to becoming unemployed. In effect, the TLS seems to be feeding the new-entry market to the entrepreneurial sector and requires study to determine its impact. Various training options for training of distressed companies' workers facing retrenchment and layoff (linked to employers' skills needs where possible), are dependent on the nature of the businesses, workers' positions at risk, and employers' future economic opportunities (Brady, 2018). By way of explanation, the Commission for Conciliation, Mediation and Arbitration (CCMA 2016) states that "The menu of training options [offered through the TLS] may include apprenticeships, learnerships and skills programmes of shorter duration. Training may also include generic workplace skills, such as Adult Basic Education and Training (ABET) courses and other generic skills that may further personal development". Regrettably, it has nonetheless been highlighted by labour minister, Mildred Oliphant, that mining companies are not utilising the TLS, which has a fund of more than R2bn to up-skill retrenched workers." The minister was quoted in an exclusive interview with Business Day (12 Sept. 2018) as stating that this was due to the mining companies threatening existing larger enterprises, as well as municipal infrastructure and services.

The article further points to the fact that the TLS "has recorded little success", with blame for this attributed to "the intransigent attitude of business." In addition, the minister pointed out that "even the services provided by Productivity SA to struggling companies" were not being taken up. As a process "involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs" social entrepreneurship was defined more than a decade ago by Mair & Martí (2006, p. 37), with researchers such as Seelos and Mair (2005, p. 48) proposing that "social entrepreneurship creates new models for the provision of products and services that cater directly to basic human needs that remain unsatisfied by current economic or social institutions". However, there is little if any discussion of either African social enterprise characteristics or the manner in which they may differ from the same type of ventures in other parts of the world (Littlewood and Holt 2018), with a need for more deliberation of 'variation across the African continent' (Rivera-Santos, Rufin and Kolk 2015). Because social entrepreneurship is conceived as a process, it can be defined, as "the process of identifying, evaluating and exploiting opportunities aiming at social value creation by means of commercial, market-based activities and of the use of a wide range of resources" (Bacq and Janssen, 2011 p. 388). With an unknown number of reskilled and even up-skilled workers entering the unemployment market, the entrepreneurial 'fallout' could be severe, with SME in previously unknown sectors potentially increasing, in the process researched and compared so we may learn from each other how to best grow from this.

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