

## **Ambulance as an Entrepreneurial Firm in Addis Ababa, Ethiopia**

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### **Abstract**

The study seeks to explore the possible contribution of social entrepreneurship towards social transformation for societies- at the microeconomic level to address specific social needs, and at the macroeconomic level to advance their socioeconomic status. In Ethiopia, it is embedded within non-profit or for-profit ventures and is treated as an emerging business model. But yet, it is a new hybrid-- independent business model primarily driven by social mission. To achieve the objective of the study, the research employed qualitative approach whereby, case study was used as a qualitative research tool. The study mainly administered primary data from case study using FGDs and KII guide techniques. The findings of the study revealed that social entrepreneurship practice lacks clear conceptual understanding and legal framework for its effective implementation in Ethiopia; and it is riddled with inconsistencies, overlapping definitions, and contradictions. It is also getting practiced in unframed and fragmented implementations -ultimately social impacts are limited. One of the core findings of the study was that the role of social entrepreneurship is to add value in social change via social value creation and foster through social assets formation, yet, the change is insignificant. The study concluded with framing the preliminary propositions and implications for the practice of social entrepreneurship and for further research.

**Keywords:** Social entrepreneurship; Social innovation; Social value creation; Social impact; Social change

### **Introduction**

The emergence of the term social entrepreneurship and the organizations which are recognized as such have evolved globally over the past 20 years due to the decline of state involvement in the planned provision of services for society. Social entrepreneurship was introduced in the 1970s (El Ebrashi, 2010) to address the issue of social problems sustainably. The term “social entrepreneur” was first mentioned in 1972 by Joseph Banks in his seminal work named “The Sociology of Social Movements,” where he used the term to describe the need to use managerial skills to address social problems as well as to address business challenges.

El Ebrashi (2010) also discussed the theoretical and sustainable social change impact in her study, and she pointed out that social entrepreneurship’s practices emerged in the 1980s with the establishment of Ashoka, which is the first organization to support social entrepreneurs in the world (Ashoka, 2009). In addition, the term “social innovation” was described in the work of Drucker (1990), who wrote about the need for using management practices in non-profit organizations to increase the efficiency and effectiveness of producing social good. Studying the phenomena of social entrepreneurship and explaining the social enterprises’ unique behaviors,

characteristics, and typologies would advance research for creating sustainable public wealth rather than just focusing on private wealth and business performance. While Schumpeter’s (1943, 2004) entrepreneurship theory led the literature on economic growth, social entrepreneurship theory might be a factor for social development through economically sustainable and viable models (El Ebrashi, 2010). Social entrepreneurs focus on the creation of social impact and social change (Nicholls, 2006; Mair and Noboa, 2006) and social transformation (Alvord et al., 2004).

Moreover, introducing and explaining new organization typologies focusing on social change and transformation could contribute to our understanding of how social organizations evolve, how conditions in the world affect these organizations, and how these organizations sustain social fabric (Courpasson et al., 2008).

The term Social Entrepreneurship was first coined in 1980 by Bill Drayton of Ashoka which is the global association of world’s leading social entrepreneurs’ association of the world’s leading social entrepreneurs. Accordingly, the perspective of social entrepreneurship ranges from a narrow perspective to a broader one. A narrow interpretation of the phenomenon considers social entrepreneurship as a process of non-for-profit initiative in search of alternative funding strategies or management schemes to create social value (Austin, 2006). On the other hand, contributors on social entrepreneurship view this phenomenon at a broader perspective by defining it as those social enterprises which are considered to be ‘organizations’ seeking business solutions to social problems (Thompson and Doherty, 2006) to match socially relevant goals with ‘efficient’ and ‘effective’ management practices. But Dees (1986) argues against social entrepreneurship concept differently from others; it is a composite phenomenon and can initially be explained by the strengthening requests from various stakeholders to the non-profit sector to enhance its economic efficiency and effectiveness, as well as to the for -profit sector to encourage the adoption of socially responsible behavior (Dees, 1986, PP. 59-60).

**Table 1: Schools of Thought and Their Corresponding Definitions**

<b>Social entrepreneurship schools of thought</b>			
<b>Schools</b>	<b>Definition of Social Entrepreneurship</b>	<b>Characteristics of Social Entrepreneurship</b>	<b>Foundations/ Enterprises</b>
Social Innovation School of Thought	Individuals tackle social problems.	Innovation is key; Revenue, replicability and scalability is desirable, but not mandatory.	Ashoka

Social Entrepreneurship School of Thought (Western)	Nonprofit and private ventures that generate income while serving a social Mission	Revenue, Replicability and Scalability are Mandatory.	Skoll and Schwab Foundations
Enterprise School of Thought (Eastern-Asian)	Non-profit venture which Generates income while serving a social mission.	Revenue is mandatory. Replicability and scalability are desirable, but not Mandatory.	Yunus Center

*Source:* Adopted from International Journal of Humanities and Social Sciences Journal, Vol.10, No: 5, 2016

People around the world are becoming more conscious of the need for sustainability in business and ethical solutions to the way we impact one another and the environment.

### **Social Entrepreneurship and its Definitions**

Nevertheless, the concept of social entrepreneurship and its role in social transformation can be understood as, McGrill (1998: 463-467) 2001: 347-354) defined it. It is engaged with activities like networking, infrastructure development, technology transfer, formal/informal sector development, services or products provision based on cross subsidizing or subsidizing scheme of business model for the innovative social ventured initiatives; indifferent from institutional development; integration; sustainability; and organizational, financial, budgetary and policy development. Hence, the concept of social entrepreneurship and its role in its societal transformation could be underscored as an innovative way of solving social problems in running some sort of social business (Nicholls, 2006, p.23). However, social entrepreneurship's role in Societal transformation aspect hasn't been clearly identified: whose contribution- civil society organizations, individual entrepreneurs, or governments? Whose role is significantly exhibited within social impact in the targeted society? To consider its dimension, and its opportunity tracing for a significant and diverse contribution, its role to respective community development must be understood, and its impact shall be measurable. And yet ,the goods and services which social enterprises provide (such as education, health care, employment opportunity and housing) have not been kept in place with ever increasing demand where social sustainability is a high demand for feasible social change (i.e. social equity, employment opportunity, service accessibility and affordability, and social value creation as well as social asset formation which seek social entrepreneurs innovative response to preserve the social assets for economic growth and the alleviation of poverty).

Thus, for this reason, the case was selected for study due to its nature of practicing mission- driven entrepreneurial initiatives which have a linkage to the historical background and its roles in social problem-solving perspective. To this effect, the social entrepreneurship endeavors helped me to come up to the purposive selection of decision making to undertake the Tebita Ambulance

enterprise as exemplar for the intended case study undertaking. To this end, the study seeks to explore roles that social entrepreneurship can play in social transformation initiatives; to examine the particular challenges and prospects of the Tebita Ambulance's practice in Addis Ababa; and to prove whether its mission has been truly solving social problems or not.

### **Statements of the Problem**

The concept of social entrepreneurship is of great interest to innovators, social mission-driven organizations, practitioners and entrepreneurs. It brings the possibility of solving social problems that affect the society, and its importance has been applied to sustaining development and enhancing human well-being in this rapidly changing environment. However, none of these entities are able to resolve the social problem with the established standard of operating schemes. Moreover, findings that revealed from review of related literature show that there exists neither any one single accepted definition nor framed concept on the social entrepreneurship essence. The emerging literature on social entrepreneurship also asserts that social entrepreneurs are practicing the social entrepreneurial initiatives with inconsistencies, over lapping definitions and with little essence. No research could be attributable to social entrepreneurship (*which is full-fledged with all its essence and principles*) has been practiced in Ethiopia.

Nevertheless, few social mission-driven organizations and for-profit ventures are running some entrepreneurial activities destined to their respective clients in some cities of Ethiopia like Addis Ababa, Dire Dawa, Bahir Dar, Arbamech, Dessie, Jimma, Hawassa, Shashemane, Adama, etc. While those social entrepreneurially ventured initiatives are trying to address social needs, they faced many problems. Specifically, lack of clear conceptual understanding and legal framework for their effective implementation are the core ones. In this connection, no attempt has been made to conduct a study based on the social entrepreneurship contribution towards societal change; no research could be attributable to social entrepreneurship in Addis Ababa enquires for systematic concepts and practices, or that reveals roles of social entrepreneurship. Therefore, the study attempts to bridge the theoretical knowledge -gap on social entrepreneurship practices while exploring its (Tebita Ambulance Pre- Hospital Emergency Medical Service) role in Addis Ababa.

### **General Objective**

The general objective of the study is to address the overall theoretical knowledge -gap on the social entrepreneurship practices in the selected case study-Tebita Ambulance Social Enterprise in Addis Ababa, Ethiopia.

### **Specific Objectives**

1. To assess the social entrepreneurial characteristics and typology of the case study, and
2. To examine the social entrepreneurial practices, challenges and future prospects of the case under the study.

## Research Questions

1. What do social enterprises do?
2. How are they different from conventional business types?
3. What business models do they encompass?
4. Who is eligible to be a social entrepreneur?
5. What role social enterprises could play in contributing towards social changes?

## Review of Related Literature

Although a comprehensive definition for social entrepreneurship has not been reached so far, a few scholars like Shane and Venkataraman (2000) defined social entrepreneurship as a process that is the identification of a specific social problem and a specific solution( set of solutions) to address it; and the evaluation of social impact in the business model and the sustainability of the venture and the creation of a social mission- oriented entity that performs for–profit or a business-oriented non-profit activity to pursue the double or triple bottom line. Austin et al. (2006b: 2) also defined social entrepreneurship as an “innovative, social value creating activity that can occur within or across the non-profit business, or government sectors. Zahra et al. (2009: 5) suggest that social entrepreneurship encompasses activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner. However, A broader definition of social entrepreneurship has been given recently by the European commission (2011), which considers the social economy whose main objective is to have a social impact rather than making a profit for their owners or shareholders; it operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profit primarily to achieve social objective.

Nevertheless, a key debate of concern is how broad or narrow the scope of social entrepreneurship might be. Light (2008), citing Dees’ (1998; 2001) call for an equilibrium between inclusiveness (defining social entrepreneurship very broadly) and exclusiveness (defining it very narrowly). An extreme response to this apparent confusion over definitions has been to suggest –contra empirical evidence– that there is nothing theoretically distinctive about social entrepreneurship when compared to entrepreneurship more generally (Dacin et al., 2010). In reality, the diversity of discourses that characterize the definitional debates around social entrepreneurship reflect the internal logics of a broad range of influential, resource holding actors who are actively involved in shaping the field, rather than any attempts at capturing the ‘reality’ of the field itself.

Despite the fact that it lacks globally agreed definition, in the overall literature, there is an increasing recognition of its contribution in making a nation’s social, economic, cultural and environmental wealth (Shaw & Carter, 2007; Fayolle&Matley, 2010). Martin and Osberg (2007: 35) assert that social entrepreneurship have the following three components: “(1) identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or capability clout to achieve any

transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stable state's hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable development around the new equilibrium, ensure a better future for the targeted group and even society at large.

Despite its varying definitions, social entrepreneurship has one communality that emerges in almost every description: Its innovative way of social problem-solving nature makes social entrepreneurship prominent, as agreed by many scholars; and the corresponding emphasis on developing and implementing initiatives that produce measurable results in the form of changed social outcomes and/or being impacted.

### **Evolution of Social Entrepreneurship**

Literature review shows that social entrepreneurship has evolved within the domain of non-governmental or not-for-profit organizations (Cook, Dodds, & Mitchell, 2001; Wallace, 1999). They suggest that social enterprises that carry out for-profit activity to support other non-profit activities could be viewed as social entrepreneurs. However, Welsh et al., (2013) argued that social Entrepreneurship was born as a highly engaged community, with social entrepreneurs and with students. Referring to its significant and diverse contributions to its communities and societies, Swanson and Zhang (2010), suggest adapting business models to offer creative solutions to complex and persistent social problems (Light, 2008), with any change-oriented activity. Social entrepreneurship has not evolved in a vacuum; rather, it has evolved within a complex framework of political, economic and social changes occurring at the global, national and local levels. Similarly, Garlic (2013) spoke in the interview about the evolution of social entrepreneurship that social entrepreneurship dramatically evolved in the 1980s when Bill Drayton, founder and CEO of Ashoka, realized that funding declined for not-profit organizations, from time to time while he was patronizing. Garlic remarked that it was the time social entrepreneurship evolved. Garlic added that since then, in its recent perspective, social entrepreneurs got interested and looked into market based scalable solutions for poverty, improving life and for massive social problems by revenue generating models for-not-profit activities. After scalable impact notions, merging meaning and money to improve life, things have moved forward through for-profit and hybrid models of socially entrepreneurial initiatives. Garlic concluded that the evolution of social entrepreneurship has come up as nonprofit, for-profit and hybrid models. Welsh and Krueger (2013) also concluded about the evolution of social entrepreneurship in the same way as Garlic (2013) pointed out; social entrepreneurship is evolving because a coherent and commonly accepted understanding of the term social entrepreneurship still doesn't exist. It is being held up as the solution to some of the society's most serious unsolved dilemmas.

Nevertheless, in the Ethiopian context, the root evolution of social entrepreneurship went back to 1960s and the concept of social entrepreneurship and its link with development through few

CSOs<sup>1</sup> INGOs, and faith-based CBOs who meant to play somewhat creditable roles and enjoyed relative autonomy during the last decade and a half of emperor Hialeselesises' reign (Since 1960s). And yet, currently the number of social enterprises is increasing paradoxically. British Council-Ethiopia (2016) survey shows that there are close to **55,000** social enterprises operating in Ethiopia. It is open to argue or it allows for future research directions and/or for clearer discourse why the number is increasing. Does the mentioned number really fit into the essence and principle of social entrepreneurship practice? Is it a pushing factor of funding constraints in non-profit environment; or are they evolved to solve social problems in innovative manner from for-profit making ventures? Are they supported by for only entrepreneurial business startups?

### **Social Entrepreneurship and Its End Goal**

There is much literature that necessitates the need for a goal and mission for social entrepreneurs, as pointed out by light (2008). Although researchers have not agreed upon the definition for social entrepreneurship, they have generally reached consensus on its goal. Social entrepreneurship strives to change the social equilibrium” (Douglas, 2008, light, 2008; Swanson & Hang, 2010). A similar goal was proposed by Martin and Sober (2007) that the decisive feature is that “the social entrepreneurs’ aim is for social value creation in the form of larger- scale, or in small- scale, transformational benefit that occurs either to significant segment of society or to society at large”. Martin and Sober (2007) also explained the end goals of social entrepreneurship to answer the question raised on how social entrepreneurship differs from traditional entrepreneurship; it is the goal and not the motivation of an entrepreneur seen as the distinctive feature. The two sets of entrepreneurs are different. It is the notion that the difference can be ascribed simply to motivation with social entrepreneurs who cannot be spared by money. However, Schwawize (1994) argues four implicit parts of defining values as goals: Interest to some social group, a motivated action to giving it direction, emotional intensity which serves as standard for individuals to judge and justify these actions, and the fourth one is an acquired socialization to dominant group values for individual learning experiences. But the emphasis could be given to the primary aspect of value, the type of goal or motivational concern that it expresses. Similarly, Peredo et al. (2006, 56) stated that social entrepreneurs have a strong resemblance to Dees (1998) and Sharis et al. (2006) in that social entrepreneurship is exercised where some person or persons (1) aim either exclusively or in some prominent way to create social value of some kind, and pursue that goal through some combination; 2) recognize and exploit opportunities to create this value; 3) employ innovation; 4) tolerate risk; and 5) decline to accept limitations in available resources. Social change (whether radical or limited) is the explicit goal of social entrepreneurs and their business mission.

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<sup>1</sup> Civil society refers to the large universe of nongovernmental entities found in virtually every society like Labour unions and trade guilds, professional associations, grass roots community organizations, cultural affiliations, and other voluntary associations Jeffrey Clark, “Civil societies, NGOs, and development agents.” In Ethiopia snapshot view, the World Bank, Washington DC.

## **Research Methodology and Materials**

Case study was selected purposively in order to help the study to meet the conditions or tests for its validation, reliability and flexibility. YIN, (2003a, pp.19) suggests the qualitative research which allows a recognition and assessment of unexpected patterns that would not be captured by more constrained methodologies. Non-probability or purposive sampling design Hartley, (2004) was applied to link the objective of the research and issues related to data collection, analysis and interpretation in a coherent way, because it was hard to access population for the study (there is no any social enterprise which is legally established and operating a licensed social business in Addis Ababa) or to draw sample size from sampling frame from the existing list. Thus, the case was selected to meet the following criteria and the objective of the research as well:

- Exhibiting at least some potential for catalyzing, or supporting the acceleration of social transformations in the social business contexts within which it has been implemented;
- The enterprise (Tebita Ambulance) has been considered as one of the practitioners of social entrepreneurship where its initiative for social impact is significant; and
- The enterprise (Tebita Ambulance) has been purposively selected for providing some sort of innovative solution for social problems and creating social value in offering jobs and much training.

## **Research Method**

Qualitative approach was employed

## **Data Source**

Primary data was collected from the case under study.

## **Data Collection Techniques and Tools**

The researcher applied different data collection tools and techniques (i.e. semi-structured interviews, in-depth interviews, Focus Group Discussions (FGDs), and informed observations in social entrepreneurs ‘trainings’) in Addis Ababa. Different data collecting techniques were used to generate information about the case under study from field observations and key informants (employees, clients, customers and local government officials). Indeed, key informants provided the most comprehensive knowledge and firsthand information about the case. Thus, the researcher has triangulated the data which was generated from primary as well as secondary sources. From secondary sources data from relevant documents about the case, published reports, electronics media and archives were collected. While conducting in-depth interviews and FGD with the founders, top management, and technical experts, the researcher used video recording -instead of a moderator- for comparative analysis, and to develop probes as they emerged during the in- depth interview session.



## Data Analysis

In one hand, during data analysis, the researcher has applied triangulation analysis techniques. Thematically coded data, in-depth interviews, personal interviews, semi-structured interviews, Focus Group Interviews (FGD), Key Informant Interviews (KII) and video recordings were transcribed verbatim and interpreted. The result was organized and coded systematically for comparative analysis. Then, using inductive approaches, findings emerged.

## Results and Discussion

In the early stage of its establishment, Tebita Ambulance services started simultaneously. It established the basic life support by establishing private ambulance service and first aid training, which was unusual and was full of risk. Besides, the capital requirement, basic to cover payroll and fuel cost, the first aid training free for first line respondent such as police and drivers were given free of service fee. At the same time, it provided big organizations such as the OAU that brought good money to overcome the cash shortages. Then, the ambulance service was provided with subsidized price supported from the training income. Through time the sub activities have been increased and the social contribution has been significantly increased. These include:

- Involving in intensive care unit in interfaculty and pre-facility gap was filled and significant number of patients were getting the service and come with good outcome.
- Gap filling on different pandemics and mass casualty: During the recent covid-19 pandemic, Tebita ambulance was the only private ambulance which provided the ALS ambulance service in collaboration with Ethiopia Public Health Institution under the supervision of the Ministry of Health for free.
- In addition to the covid-19 response, Tebita ambulance has renovated 22 public ordinary ambulances and changed them in to standard BLS ambulances and contributed in the response plan of free public health service.
- While renovating the ambulance service it has created jobs for fresh graduates in civil and electrical engineering.
- Opening the first private paramedic college, it has given trainings for 2 years and graduated 14 people from low-income group with a testimony from their residence or wereda, they are now working in Tebita ambulance and 2 of them got married.
- For covid-19n response, PPE was mandatory and expensive when imported. Tebita has created new Idea of sewing at home. It bought 3 sewing machines and deployed 3 people and continued production of first aid kit.

**Table 2: Description about the Enterprise (case study)**

<p><b>Tebita Ambulance Pre- Hospital Emergency Medical Service</b></p> <p><b>Essential innovation</b></p> <p>Mr.Kibret has renovated the Pre-Hospital Emergency Medical System to address the top deadliest road accident problem by owning private ambulances; acting upon emergency cases when accidents happen, handing the patients carefully on the spot; and taking the accident victims to referral hospital operation center.</p> <p>Slow scaling up has been seen while ensuring sustainability by implementing social business models.</p> <p><b>Scope</b></p> <p>It operates in Addis Ababa almost at all sub cities, in Oromiya (Sebeta, sululta, Beshoftu and Asela) and in Amara region at Debremarkos. So far, 40,000 clients have been served and 30,000 intensive paramedics’ trainings were given for professionals, students, police officers and stakeholders. Moreover, the number of ambulances has increased from 3-15/ 22; and it has been operating with:</p> <p>3 Dispatch Centers                  15 Ambulances and 5 moto - ambulances                  74 permanent and 28 temporary Staff</p>
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**Table 3: Organizational characteristics of the case study**

	Historical Intersection of Entrepreneurship in Each Case Study	Systematic connection of social entrepreneurship and social innovation
Tebita Ambulance	Through self-funding, Mr. Kibret has founded this social enterprise with three private owned second - hand ambulances by selling his private house. And he took potential risk to start up social enterprise with a focus of innovation.	Systematically, he linked self-funding and solicited grants for programmatic and financial sustainability, for social impact and return on investment  Voluntarily, he has been also working as a technical working group in the FMoH to combat emergency response in the pre-hospital settings.

*Source:* (Researcher’s survey during primary data collection, 2018)

An organizational characteristic in social entrepreneurship perspective describes the organization which adopts one of the legal entities, operating its commercial activity or non-profit organization that generates income for its financial and programmatic sustainability. The role of social entrepreneur in this regard is to be a visionary individual or team who is able to identify and exploit opportunity to achieve his/ her social mission and to find innovative solutions to social problems of his/ her community that are not adequately met by the local system. It adopts one of the organizational characteristics of social enterprise typology model for its existence. It employs people, and attracts volunteers, as well as adopts innovative strategies in its pursuit of social impact.

A social entrepreneurship is regarded as a more innovative way of addressing social needs by developing new and creative solutions (Weerawardena and Sullivan Mort, 2006). YitagesMengistu, operation manager of Tebita Ambulance, asserted this concept as:

*” Two decades back, in the health industry, establishing social enterprise is unthinkable though the business policy of Ethiopia was encouraging free market, and nobody was in a position to run entrepreneurship for social business, particularly in the Ambulance service. With all the challenges including finance, the founder took potential risk and decided in establishing the Business for social entrepreneurial initiative after selling his own house to startup the launched entrepreneurial venture”.*

**Table 4: The Enterprise’s role in achieving social mission**

<b>Organization</b>	<b>The problem identified in the case study</b>	<b>Innovative solution(s) which is given to solve the problem</b>	<b>Roles of social entrepreneurship and the social impact measurement methodology utilized</b>	<b>Programmatic and financial sustainability</b>
Tebita Ambulance	The gap to fill pre-hospital emergency care while taking the accident victims to referral hospital (especially the accident victims who used to be taken to referral	The founder sold his own house and bought three ambulances and started up a sole private business driven by social mission and social purpose. Also, he has mobilized individual asset and leadership skills to achieve his	The founder created social value proposition for the customers who were segmented according to the cost structure, and cross-subsidization model; each cost has been allocated to impact reinvestment, and to support achieving social impact through partnerships and networking with allies,	It has been providing social business models for core and supporting services  (i.e., pre-hospital emergency medical system and social cross-subsidy for 24/7 ambulance service). And set revenue

	<p>hospital at night; the operation might take 4 -6 hours, but ended up with less output). For this reason, the founder realized that while taking the accident victim to referral hospital, the victim should be assisted with pre- hospital emergency care by availing 24/7 Ambulance Service).</p>	<p>entrepreneurial vision and capacity</p>	<p>supporters, donors and social investors, etc.</p> <p>Connectedness underutilized capacity to productive and</p> <p>40,000 clients have been served. The number of ambulances increased from 3-11 Besides, in the city, one of the challenges for development is job opportunity. In this regard, Tebita Ambulance has created job for 45 permanent and 15 temporary staff. Although for social enterprise, the contribution is not in monetary terms and would not be seen in the balance sheet. 97% of the total respondents were satisfied with the service (Source: survey on customer satisfaction for internal use).</p>	<p>streaming models: trainings, and remote ambulance services</p>
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*Proposition 1: Historical intersection of entrepreneurship is a background for social entrepreneurship and social innovation in a systematic link to bring about social impact in Ato Kibret Abebe, CEO and founder of Tebita Ambulance Social Enterprise.*

*‘I have been contributing just a drop (Tebita) ... willingly with a clear social aim. And my role is to make sure that that aim creates social value to both launched social enterprise and for broad society who are being served.’*

*Proposition 2a: The role of social entrepreneurship while meeting societal change is social value creation.*

*Proposition 2b: The role of social entrepreneurship is social assets formation*

This paves way for further research. For example, in the case of Tebita Ambulance, the enterprise owned 8 additional ambulances. Since social enterprises in Ethiopia adopt one of the legal entities of commercialization type, and yet there is no legal framework for social enterprises to claim any legal issue. How did these ambulances become the social assets? This is open for policy enact and for further research. But our implication would be, the strategic integration of the founder's objective with the context "to use these assets for social good." It is also of paramount importance that the founder or the leader of the social enterprise needs to be clear as what outcome he or she wants to see; and the essence of the formation of the social assets and the entrepreneurs need to play a change agent role in urban development by utilizing the formed assets.

*I had a dream to have my own ambulance to give pre –hospital emergency care when I was working in the referral hospital as an anesthetist. And I preferred to establish sole private enterprise rather than NGO because I do not want to end up my dreams because of funding source constraints. I also want to be a part of the solution for pressing problems of my society instead of always complaining about the problems. Mr. Kibret Abebe, Founder & CEO of Tebita Ambulance (Source: his personal interview held in Press release at European Development Days, Brussels, and 16 June 2016).*

*Proposition 3: Leader's target of creating social value or addressing social problem through social innovative solutions; and its motivation and commitments to adapt and learn social business leadership is the explicit and central point of social entrepreneurship which distinguishes it from social activism or service provision.*

CEO and Founder of Tebita Pre- Hospital Emergency Medical Service (during personal interview with the researcher).

*'If you are for- profit venture, ROI is easy and you could raise million dollars from impact investors or venture capitalists .in fact, there is an interest and return on investment is fast. But social enterprises, like us, it is a big challenge to get startup fund or to raise money that is why I couldn't do it, and decided to sell my house to purchasing those three second -hand Ambulances. Besides, in the impact side, the return on investment is very slow and scaling up is difficult; for this effect, we are not impact full in scaling up as such for –profit ventures do since then it's founding.'*

While analyzing the case study, the research has given emphasize to what the most common identifiable challenges social entrepreneurs are facing in urban settings of Ethiopia when creating differentiated social enterprises was triangulated the typical challenges of the case study compared with the existing proclamations, legislations and commercial code of Ethiopia (Investment-proclamation No. 769/ 2012, Enterprise and Charities or Civil Societies legislation, proclamation No.147/1998 and 621/ 2009 respectively and commercial code 1960, proclamation No. 686/ 2010). Charities and Societies Agency (2009), Micro and Small Enterprises Agency (2011), Ministry of Finance and Economics Development of Ethiopia (2010, 20 12 and 2015), Ministry of Trade,

proclamation No. 686/ 2002 and revised proclamation on the procedures for the new licensing regulation 980/ 2016<sup>2</sup>.

### **Proposition**

#### **1. *Social entrepreneurs face unique challenges other than for-profit enterprises do not necessarily encounter in Ethiopia.***

The unique challenges which social entrepreneurs experienced more than for-profit ventures or charity organizations (NGOs, CSOs) in Ethiopia are:

- In addition to focusing on generating significant profits and building a viable business for financial and programmatic sustainability, they also focus on generating substantial social value that benefits the community which may have previously been socially or economically disadvantaged.
- It is a fact that operating a social enterprise is inherently different from running for-profit enterprise, conventional micro and small enterprises, or running charity organization. In their way of becoming sustainable, or addressing a particular social problem with the profit they have made for reinvestment, social entrepreneurs face unique challenges for owning a social venture with two separate missions: one focuses on generating profit and the other focuses on generating social impact.
- Funding for startups and programmatic implementation is another common challenge. The social entrepreneur is driven by social mission to implement innovative and creative ideas to solve long-scale social problems in a sustainable way. However, raising money for startup is a big challenge, because the social entrepreneur's objective is double bottom line: one is to make real profit that can sustain the business, and the other is focusing entirely on social mission which may cause the venture to fail or never reach operational scaling up. It may also produce negative consequences to miscalculated business decisions and loss, which can ultimately lead to the closure of the business and the inability to continue the social value.
- There is no regulatory framework to establish social enterprise (for registration, licensing and taxation) in Ethiopia.
- Regulatory frame work how to own physical assets as a social equity does not exist.
- This shows that social entrepreneur's face more challenge than for-profit enterprises because they are striving to fulfill triple bottom line (a social mission is associated with goals, seeking financial sustainability and lack of regulatory framework) in Ethiopia. In contrast, for-profit, they focus on only a business purpose and strive to achieve only financial profit. Yet social entrepreneurs set profit while also achieving a social mission. Financial success and social

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<sup>2</sup>Source: Charities and Societies Agency (2009), Micro and Small Enterprises Agency (2011), Ministry of Finance and Economics Development of Ethiopia (2010, 2012 and 2015), Ministry of Trade, proclamation No. 686/ 2002 and revised proclamation on the procedures for the new licensing regulation 980/ 2016<sup>2</sup>

mission are often oppositional in their means and their ends, surfacing paradoxical strategies. They are contradicting each other, but interrelated demands embedded in an organizational goal (Smith, 2014, P.2).

The data analyzed as well as interpretation under the case study suggest that to frame *the findings as a preliminary proposition* because generally conceptual understanding of social entrepreneurship is lacking the possibility of implementing, and empirical studies or efforts which often lack formal hypotheses and rigorous methodology (Short et al., 2009).

The following *four conceptual frameworks, in addition to the findings*, are identified and observed from the cases to be understood, in line with the principles and practices of social entrepreneurship practices in the Ethiopian context:

- ❖ **First:** Although the case study's visibility in social entrepreneurial role is significant, the relationship between the principle of social entrepreneurship and its role in positively impacting practice has been limited and, subsequently, challenged in Ethiopia for several reasons. One of these reasons is the practitioners faced problems due to mere understanding the concept where social entrepreneurship falls (for-profit or non-profit)? This leads to conceptual confusion in practicing social entrepreneurship's essence and principle that prevails in Ethiopia. However, this could be *completely different from the other in its geographic context, evolution patterns and for its various overlapping definitions*. Also, their engagement in different sectors let them understand the principle and its essence differently to envision their innovations for social impact outcomes. In addition to this, the relation between profit-seeking and social purpose is at the root of the development of the wider concept of *social economy*, in which the phenomenon of social entrepreneurship falls. Despite the recent attention, this is not an entirely new perspective; scholars and business practitioners from a wide range disciplinary background have deliberated over whether business influence or merely reflect social norms and expectations, Porter and Kramer (2006, 2011).

An American online founder, Journalist and article writer, Steve case (2005), after key note speaking to the Social Enterprise Alliance National Conference, in Wall Street, he wrote that:

*“Too many people still act as if the private sector and the social sector should operate on different axes, where one is all about making money and the other is all about serving society. A better approach is to integrate this into a mission, with businesses that are, not only for-profit but also for social service groups targeting to bring about social impact with their own earning income all the launched venture is contributing.”*

Another problem which the case study faces is that the leader's historical intersection of entrepreneurship and systematic link to social entrepreneurship role in social transformation and its domain, as a part of the solution throughout the organizational structure, implies that extended understanding of the need for action as well as for social impact with creativity and innovation has not been considered. If social entrepreneurship has been evolved from *the non-profit sector, it*

would lose its character of innovativeness in solving social problems and it would simply qualify as a tool of social service provider or any other entity of social sector. In the case of this research, social entrepreneurs aspire to create lasting, large –scaled change; this would be wise to look across sector boundaries. (Kramer, 2005) claimed to find solutions that attend to economic and social factors. Thus, they should have understood the concept of social entrepreneurships which do not want to be limited to a particular legal form of organization, a sector labeled ‘non- profit, or’ for-profit.’ However, social entrepreneurship has emerged as the rational and strategically better in its socially innovative and responsive characteristics, unlike non- profit, public or private sectors do. This innovative social entrepreneurial practice bears the advantage over others, blurring non-profit, for- profit or public sectors, it creates boundaries for service provision as thematic plat forms where it gives social entrepreneurship birth to hybrid social enterprises (Wallace 1999; Johnson 2002). Indeed, Robert Giloth (2003) argues, non –profits are a source of underutilized entrepreneurial capacity. Perhaps for this reason, social enterprises have been framed as a set of strategic response to challenges faced by non-profit organizations (Dart, 2004:413).

- ❖ **Second:** The objective of social entrepreneurship is common across the definitions, underlying to solve social problems. In this point, although each study had been based on different objectives of its existence (because of the lack of legal framework for social entrepreneurship entity in Ethiopia), the case has been contributing significant role, innovative solution in solving social problems as well (e.g., *EMT training, emergency service providing, in modernizing ambulance fleet, in emergency supply importing and manufacturing*). The review of related literature in this study also shares the same. In spite of the varying definitions social entrepreneurship has, one commonality emerges in almost every descriptions- the ‘social problem- solving nature’ of social entrepreneurship is prominent, and the corresponding emphasis on developing and implementing initiatives that produce measurable results in the form of changed social outcomes and/or impacts .Thus, social entrepreneurship as a *process* (Shane and Venkataraman, 2000) suggested that it is the identification of a specific social problem and a specific solution (or set of solutions) to address it; the evaluation of the social impact, the business model and the sustainability of the venture; and the creation of a social mission-oriented *for-profit* or a business-oriented *non-profit* entity that pursues the double (or triple) bottom line, was taken as an operational definition in this study. Hence, the findings for the objective or end goal of social entrepreneurship initiative, in the case undertaken was more intended to create social value than private profit-making objective. Significantly, its role shows job creation and social problem solving (i.e., *emergency service provision*).
- ❖ **Third:** The role of social entrepreneurship in transforming societies is also social value creation perspective – the explicit role of social entrepreneurship is social value creation. Even though it is complex to measure the impact that the social entrepreneurs have contributed, in social value creation and solving social problems with the activities through which each case is engaged in, the study shows that there is a significant social value created or social issues being addressed through innovative ways. This is the explicit and central point of departure, of social entrepreneurship, and



it is the distinction point where social entrepreneurs are different from conventional entrepreneurs (Martin and Osberg, 2007). *What are these values, and how can they be created? For social entrepreneurship: social impact outcomes are the values (i.e. employment, poverty alleviation, healthcare, education, life skill training, paramedic training, professional training, lifesaving, local community development, etc.)* They are both economic and social values which are required for sustainable social transformation. Let us make the concept of social value creation concrete taking ambulances as examples in Tebita, *this means for creating both economic and social values. In terms of economic value, jobs were created at least for drivers, engineers, and for professional nurses (During KII with Atokiberet- CEO of Tebita Ambulance). On the other hand, social value in it is solving the social problem of pre- hospital emergency service with fairly priced financial value.* Another testimony from Tenagne Degefu, Finance and Admin Manager at Tebita Ambulance (during FGD interview guide said,

*‘Once, internship team came from Michigan University, USA to visit our organization. They were interested in observing all the activities which our social enterprise is engaged in. specifically, the ambulance activity. They tried to structure the cost of single call in a kilometer. It was estimated about 51 USD, but we are incurring only 15- 20 USD ..., we are subsidizing about 33 USD for the service we are delivering because of our mission and objective as social entrepreneurs do. However, this cost could be cross-subsidized and screamed into our income by conducting much training.*

- ❖ **Fourth:** In the case study, the organizational structure shows that (vertical, or horizontal and diversified) growth was slightly linear (since its establishment its growth is slow). In this point, the researcher has examined the situation analysis of the case study when triangulation analysis was held. The data analysis also identified that there was a challenge that might be from either internal or external factors. To examine internal scenario, the researcher has cross- checked: the founder or leader’s entrepreneurial intersection with the enterprise’s (*vision, objective and social innovativeness*), *existing resources, social business leadership skill, marketing strategy, the type of the social enterprise launched for this purpose, and the correlation between the leader’s professional skill and the sector in which the social enterprise is engaged in as a potential variable for analysis.* In contrast to this, the study has also examined the external factors: *opportunities and threats.* In fact, in many cases, lack of legal frame work in Ethiopia has been the most amplified and got upper hand as a challenge. Meanwhile, Gregory Dees (1998), stated in the “*Meaning of Social Entrepreneurship*” and reinforced that *social entrepreneurs should act boldly without being limited by resources currently in hand; and should engage in a process of continuous innovation, adaptation, and learning, as a social purpose it embraces at the root of the development of the wider concept of social economy, through which practitioners should see this wider range of disciplinary background. This implies that the rational and strategically innovative and responsive characteristics of social entrepreneurship that, future prospective practitioners should carry out.*

## Conclusion

Although Tebita Ambulance social enterprise has been running a “profit seeking” business (i.e., it is registered and licensed as a PLC in Ethiopian Business Law), and has been distinguished from “traditional” ones (*innovative in its characteristics, typology and business model design*), the study has found out more similarities to social entrepreneurship practice than differences (Malki 2009; Massetti 2009). Despite the domain of social entrepreneurship essences and principles’ characteristics or for other subjective factors to which it is not a promising basis over the demarcation.--as the driving force behind social enterprise has a more profound function than is commonly envisaged. Although it is to foster a fusion of spheres that it has traditionally been regarded as disjoint, the critical distinction of social entrepreneurship lies in something real – the value proposition itself. Then, Tebita Ambulance social enterprise has been found as a promising business model for social enterprise pioneering, in the light of the provision of thematic and triangulations analysis, it has fulfilled these necessary conditions:

1. The founder (Ato Kibret Abebe, CEO Tebita Ambulance) is driven by a social mission (i.e., abstain from distributing profit to shareholders);
2. The Enterprise has been generating its profit for positive externalities (spillovers) for those who can’t afford the payment for the service they consume- its focus of service is on solving financially- disadvantaged society.
3. The Enterprise has been recognized for its centrality of the entrepreneurial function, principles and essence despite the current business entity it bears; and
4. The enterprise has achieved competitiveness on markets through effective planning, management, and business leadership. However, Tebita Ambulance is still registered and licensed in the PLC business category of Ethiopia.

## Implications

The following implications are drawn:

- Tebita Ambulance has been exhibiting at least some potential for catalyzing, or supporting the acceleration of social transformation in the social business contexts, within which it has been implementing, yet its initiative should be more responsive to the social impact outcomes through impact evaluation metrics by testing the propositions.
- The enterprise (Tebita Ambulance) has been considered as one of the practitioners of social entrepreneurship where its initiative has been considered as creating positive social impact. Indeed, it should diversify its business model design--- the cooperative model, social economy model, or the low-income client model, to achieve a significant and transformational social enterprise.

- Tebita Ambulance believes in business models by which the enterprise proves profitability, but the enterprise should work for measurable social impact- outcomes which should not be mutually exclusive – balancing business and mission coexisting as one.
- Since the purpose of establishing social enterprise is providing some sort of innovative solution for social problems and creating social value within the enterprise, social entrepreneurs should act boldly without being limited by resources currently in hand; and should engage in a process of continuous innovation, adaptation, and learning, as a social purpose they embrace at the root of the development of the wider concept of social economy, through which practitioners should see this wider range of disciplinary background. This implies that social entrepreneurs' rational and strategically innovative and responsive characteristics of social entrepreneurship dominate, to which future prospective practitioners should carry out.
- On the basis of this study's core finding, Tebita Ambulance and majority of the for-profit ventures as well as non- profit organizations have been practicing inconsistent, overlapping and insignificant social value proposition, of social entrepreneurship principles and essence. Hence, they should claim for, through their Association, a legally framed entity (business code) for their existence.

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