



**THE ROLE OF NON-FINANCIAL AND FINANCIAL SUPPORT
FOR SOCIAL ENTERPRISE STARTUP FIRMS: Evidence from
Reach for Change Incubator Program in Addis Ababa**

**A Research Project submitted to the College of Business and Economics
Department of Management Executive MBA Program**

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November 2020

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This is to certify that the thesis prepared by Dawit Tilahun, entitled: The Role of Non-Financial and Financial Support for social Enterprise startups: (The Case of Reach for Change Incubator Program in Addis Ababa) and submitted in partial fulfillment of the requirements for the Degree of Master of the College of Business and Economics Department of Management Executive MBA Program complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Declaration

I, the undersigned, declare that this study entitled The Role of Non-Financial and Financial Support for social Enterprise startups:(The Case of Reach for Change Incubator Program in Addis Ababa)is my own work. I have undertaken the research work independently with the guidance and support of the research advisor. This study has not been submitted for any degree or diploma program in this or any other institution and that all sources of materials used for the thesis have been duly acknowledged.

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Acknowledgments

For this research to be realized my advisor **Yitbarek Takele Bayiley (Ph.D., MBA, MA Econ)** has delivered his own precious knowledge so I would like to give a heart full greeting to him. Next to this, I would like to present my dearest thanks to all staff at Reach for Change.

Finally, I would like to thanks all interviewees that delivered their experience and knowledge for this research paper.

May God Bless Ethiopia

Abbreviation	
CSO.....	Civil Society Organization
EDC.....	enterprises hip Development
ESDP.....	Entrepreneurial Skills Development Programs
GEMPA.....	Ghana Institute of Management and Public Administration
GIIN.....	Global Impact Investing Network
ILO.....	International Labor Organization
MSE.....	Micro and Small Enterprise
NGO.....	Non-Government Organization
PPP.....	Public-Private Partnership
RFC.....	Reach for Change
SE.....	Social Enterprise
SNNPR.....	South Nation and Nationalities people Republic
SPSS.....	Statistical Program for Social Science
TEVT.....	Technical and Vocational Training
VCTF.....	Venture Capital Trust Fund
YEN.....	Youth Employment Network
YES.....	Youth Employment Summit
VCTF.....	Venture Capital Trust Fund

Abstract

This study analyzed the role of non-financial and financial support for social enterprise startup growth. All the 23 social enterprises established the study setting. The research followed a sequential mixed research design, employed a survey method, and used questionnaires & semi-structured interviews as data collection instruments. Secondary data on the financial performance of social enterprises and grant utilization capacity of RFC were used also used to triangulate the primary data results. Descriptive statistics and correlation analysis were used to analyze study results. The study applied a descriptive statistics analysis, Paired- T-test, and Pearson Correlation to evaluate its objective using the SPSS version 20 tool. Results show most enterprises are extensively satisfied with the timing and sufficiency of the financial support in developing their business operation by Reach for Change. The study concludes no statistically significant difference between non-financial and financial support rendered by Reach for Change to social enterprises from 2017 to 2019. Finally, the study recommended that improved non-financial support regarding planning, organizational development for the social enterprises by delivering regular training, consulting, coaching, improving system auditing, and better enhance the startup capital. Besides, because the growth is gradual, and not extensive it is recommended Reach for Change should improve the support regarding product offerings of the social enterprises in terms of quality and delivery

Key Words: Non-Financial and Financial support startup Growth, Social enterprises

Chapter One: Introduction

1.1. Background of the Study

The social enterprise is increasingly capturing the imagination across Africa and Asia and around the world. Anecdotal evidence suggests increasing activity in the form of social start-ups, incubators, accelerators, and social finance. At the same time, NGOs and CSOs seem to be turning to social enterprise as a model to ensure the longer-term sustainability of their operations. However, to date, there is little quantitative evidence of how many social enterprises exist in some of these regions and limited understanding of their operations and impact

Presently, there is no distinct formal legal form or recognized means for companies to register themselves as social enterprises. Of the legal forms available in the country the forms most commonly used by social enterprises in Ethiopia are micro and small enterprise

The most common objectives pursued by social enterprises in Ethiopia are ‘creating employment opportunities’ ‘selling a product’ and ‘improving a particular community’ Social enterprise activity in Ethiopia is mainly focused on four sectors: services, business development services, and enterprise support, agriculture and fisheries, and retail.

The biggest barrier faced by social enterprises in Ethiopia is financial. More specifically, the most commonly reported barrier is the lack of access to capital while obtaining grant funding is listed as the second biggest barrier to growth. The limited supply of capital is seen as the top financial constraint, in the Ethiopian social enterprises. The lack of revenue and profitability required for bank loans and low access to investors due to limited networks of personal and organizational contacts are the other most frequently cited constraints.

Social enterprises are currently a significant and flourishing part of the entrepreneurial ecosystem in Ethiopia. Social enterprises face similar challenges to other businesses but may access different business development services, training, and types of funding than those currently available to mainstream Ethiopian enterprises. There are growing efforts to both mobilize specific support for social enterprises and create strong networks in order to raise awareness of social enterprise among policymakers and advisers.

Therefore, it is important to understand if start-up social enterprises who have accessed financial and non-financial support have sustained their business. This study focused on the role of financial and non-financial support for social enterprises startup firms' evidence from Reach for Change Incubator Program in Addis Ababa.

1.2. Background of the Organization

Reach for Change is a non-profit organization with headquarters in Stockholm, Sweden. It was founded in 2010 to create a better world for women, children, and youth in the world. Reach for Change aspires to attain this through fostering social enterprise that is geared towards the use of innovation and business-like methods for supporting social good, in this case, social and economic development for the betterment of the lives of young women and children. The organization is operational in 15 countries across the globe, out of which 3 countries are in Africa.

In Ethiopia, Reach for Change is registered as a foreign organization and started operation in 2015. The objective of Reach for Change, Ethiopia is to build the capacity of social enterprises that can drive socio-economic change, especially for women, children, and youth through sustainable business ventures with the potential to scale nationally. Reach for change uses its different programs Innovation lab, Incubator, Business Readiness, and Rapid scale to achieve its objectives.

The incubator program which is the subject for the research supports social enterprise startups to develop innovative, sustainable, and scalable ventures that can alter societies and create better lives for youth, women, and children. The Incubator provides support to SEs for one year. At the end of each year, Reach for Change evaluates each SEs work, and depending on the results of the evaluation, they may be invited to an additional year in the incubator.

The incubator helps social enterprises build the capacity required to grow and become sustainable using non-financial and financial support. This entails coaching, training, and tools in areas such as strategic planning, impact evaluation, and leadership. As creating sustainable business models is a core challenge for most social initiatives, the program puts a special value on transferring skills from the business sector to the social sector. Therefore, connect social enterprises to personal advisers from corporate partners who provide business expertise and strategic advice.

1.3. Statement of the Problem

The purpose of this research is to establish the role of non-financial and financial support for the growth and sustainability of startup Social Enterprises. Lack of funding and capacity-building support to prove an innovative idea to be bankable has been identified as a major challenge in the growth of social enterprise startups.

There is limited existing research on social enterprise in Ethiopia. In preparation for its establishment in Ethiopia, Reach for Change commissioned the assessment and mapping of social enterprise practices and social enterprises in Ethiopia, (Reach for Change 3 Initial Years Business Case, 2013). It revealed that there are enormous social needs in Ethiopia and both existing and aspiring social enterprises that seek to use innovation for social good in which Reach for Change could invest. Reach for Change established itself in Ethiopia in 2014 to reach out to social enterprises with bankable projects but no access to finance through the country's mainstream financial system.

Most of the existing research that is relevant to social enterprise focuses on MSE development. The Ethiopia-Canada Cooperation Office commissioned a 2015 survey on urban micro and small enterprises in Ethiopia (Ethiopia-Canada Cooperation Office, 2015) with the aim of better understanding the role, status, and challenges of MSEs in Ethiopia. A similar study had also been commissioned by the Ethiopian Ministry of Urban Development and Construction (2013). Both reports aimed to address the limited research-based evidence and provide a deeper understanding of the opportunities and challenges MSEs face in Ethiopia

There are some support organizations playing a role in developing the social enterprise sector in Ethiopia, particularly in Addis Ababa. Some offer working spaces with incubation support (e.g. IceAddis, xHub, Blue Moon), while some offer early-stage funding through grants and support through their incubation and acceleration programs (Reach for Change).

The social enterprise ecosystem in Ethiopia can be defined as being in its early stages; many of the major actors in the sector started their operations in the past six years. Many provide somewhat similar services, albeit with segmented approaches. There are a few coordinated efforts between some organizations to jointly provide business development or acceleration and incubation support.

There is no known study that has focused specifically on the sustainability of social enterprise startups and the comparison of non-financial and financial support. Thus there exists a gap in knowledge on the role of seed funding and non-financial support on social enterprise startups. This study, therefore, sought to fill this gap by determining the role of seed funding and non-financial support for the sustainability start-ups in the case of Reach for Change incubator and accelerator program by trying to answer the specific objectives or following basic research questions, and also to evaluate the comparison of non-financial support or financial support rendered by the Reach for Change. So here the study attempted to show the gap: what kind of support to social enterprises is more rendered by Reach for Change or have a role in the sustainability of the social enterprise startups. The study focused on Addis Ababa since the organization operates in this locality and therefore formed the geographical area of the study.

1.4. Research Questions

The research has the following questions:

- A. How does the practice of seed funding and non-financial support for the sustainability of social enterprise start-up growth of Reach for Change?
- B. What is the importance of seed funding and non-financial support for SE startup growth render by Reach for Change?
- C. What is the comparison of non-financial support and financial support rendered by Reach for Change toward the social enterprise's growth?
- D. What are the challenges of providing seed funding and non-financial support for SE startup growth at Reach for Change?
- E. Is there a relationship between enterprise financial factors such as profit, revenue, and cost with the financial support of Reach for Change?

1.5. Objectives of the Study

1.5.1. General Objectives

The broad objective of this study is to evaluate the role of financial and non-financial support on the sustainability of social enterprise startups in the incubation program of Reach for Change in Addis Ababa. The factors of interest in this study are financial, non-financial support, and sustainability/growth.

1.5.2. Specific Objective

- A. To examine the practice of seed funding and non-financial support for the sustainability of social enterprise start-up growth.
- B. To evaluate the contribution of seed funding and non-financial support for SE startup growth.
- C. To compare the non-financial support and financial support rendered by Reach for Change toward the social enterprises
- D. To assess the challenges of providing seed funding and non-financial support for SE startup growth.
- E. To analyze the relationship of enterprises' financial factors such as profit, revenue, and cost with the financial support of Reach for Change.

1.6. Scope and Limitations of the Study

This study focused on the relative contribution of selected factors affecting the sustainability of social enterprise startups considering seed funding and non-financial support at a specific organization in Addis Ababa.

The study carried out among the social enterprise start-up programs of Reach for Change Incubator program in Addis Ababa. The study was not included Social Enterprise startup companies in Addis Ababa receive financial support and non-financial support from the city administration under the youth revolving fund and microfinance program.

So to achieve its objective, the study restricted to literature concepts related to social enterprises seeding and incubation only. As a methodology scope in research design, the study involved judgmental and census methods of sampling technique.

As a limitation, this study incurred to address only enterprises that occurred in Addis Ababa and only involved those enterprises supported by Reach for Change so due to this, it was not to trace the challenges of the whole social enterprises either in Addis Ababa as well as outside the city. In addition to this, it focused on the scope of the program participants from the year 2017 to 2019.

1.7. Significance of the Study

This study could be significant to current and potential social enterprises and other ecosystem actors who will benefit from a wealth of information collected, analyzed and documented on the role of non-financial and financial support which influences the sustainability of social enterprise startups in Ethiopia.

The study could also contribute to the social enterprise startup enterprises in identifying funding options and also understand the impact of non-financial and financial supports for the sustainability of the enterprise.

The results of the study will also be useful to the government and other decision-makers to formulate policies that will facilitate non-financial and financial support providers in supporting startup firms in Ethiopia.

The study will excite more interest in the study of social enterprise startup non-financial and financial support and expose areas that need more research and exploration. Future research students may fill up the gap in the areas not covered and thereby contribute to the frontiers of knowledge in this area.

1.8. Organization of the paper

This research study is organized into five parts. The first parts dealt with the introduction parts which include the background of the study, statement of the problem, research questions, the objectives, significance, scope of the study, and organization of the study. The second part focused on the literature review followed by the third part focused on the methodology used. The fourth and fifth parts addressed a summary of findings, conclusions, and recommendations.

Chapter Two: Literature review

Introduction

This chapter outlines literature related to financial and non-financial support, entrepreneurship, the sustainability of social enterprise startups. It highlights Concepts, Ideas, theories, and Opinions from Authors/ Experts, theoretical perspectives, and conceptual framework. Also, it describes related studies. It involves secondary data obtained from textbooks, journals, and the internet.

2.1. Social enterprise definition and characteristics

There is no unified definition of social enterprises. Organization for Economic Cooperation and Development (2003) holds that a social enterprise is a non-profit organization in between public and private departments and its financial autonomy is dependent on trading activities. It integrates the operating methods of enterprises and the social responsibility of non-profit organizations. UK Department of Trade and Industry states that a social enterprise is a commercial organization targeted at social needs. Its profits are mainly used as a supportive investment of organizational goals or direct investment of community business, rather than to maximize the profits of shareholders and holders. The American academic circle has a broader definition of social enterprises. It emphasizes the social enterprises' and social innovation and defines social enterprises as a type of organizations that achieve social objectives via incomes. At present, the generally accepted concept worldwide was proposed by Dees (2003): Social Enterprises Spectrum, which regards social enterprise as a polyatomic mixture between pure charity and pure profit (private companies). Chinese researcher Li and Jiang (2011) thinks that social enterprises include the non-profit-making of enterprises and the commercialization of non-profit organizations, and are organizations that achieve social targets through business means at the initial entrepreneurial stage.

Social enterprises have evident mixing characteristics: they integrate the capital and management methods of both commercial and nonprofit organizations and adopt the commercial way to obtain economic benefits, aiming at the realization of social objectives (Alter, 2007). The organizational values are measured on basis of commercial and non-profit aspects. Moreover, Zhao and Yan (2009) hold that since social enterprises hip is directly related to different social, cultural, and political backgrounds, the organization forms of social enterprises in practice largely differ from

each other due to social differences and have different features of organizational forms. Another definition of social enterprise provided by (Smith and Darko, 2014), addressing business models rather than profit. This posits views social enterprise has characteristics of social or environmental objectives that emphasize modifying commercial orientation from the selling products/services.

2.2. The Value of entrepreneurship

It is now widely accepted that there are many good reasons to promote enterprises' among people. An obvious, and perhaps a significant one, is that it creates employment for the young person who owns the business.

In a broader sense, 'entrepreneurship', when treated as 'enterprise', helps young women and men develop new skills and experiences that can be applied to many other challenges in life. Recent survey data suggest that more and more young people in both developed countries and developing countries increasingly view entrepreneurship as a viable career option. The importance of promoting entrepreneurship is also reflected in the increasing role that self – employment plays in job creation across the world. Self-employment is emerging as an important source of employment, livelihoods, and economic dynamism. Entrepreneurship and self-employment can be a source of new jobs and economic dynamism in developed countries and can improve youth livelihoods and economic independence in developing countries. For young people in the informal economy, micro entrepreneurship is a bottom-up method for generating an income, self-reliance, and a new innovative path to earning a living and caring for oneself.

According to Chigunta (2006), the importance of promoting entrepreneurship is reflected in the increasing role that self-employment plays in job creation across the world. In developing countries, and especially the least developed countries, self-employment is emerging as an important source of employment, livelihoods, and economic dynamism. Given the growing importance of entrepreneurship and self-employment as a source of new jobs and economic dynamism in developed countries and livelihoods in developing countries, there is a need to promote youth entrepreneurship as a source of improved youth livelihoods and economic independence.

2.3. Factors for entrepreneurial/Social Enterprises engagement

2.3.1. Social /cultural attitudes

As cultural and social backgrounds influence an individuals' approach to life, they similarly influence entrepreneurial activity and enterprise culture. Gibb (1988) defined an enterprise culture as a "set of attitudes, values, and beliefs operating within a particular community or environment that leads to both "enterprising" behavior and aspiration towards self-employment."

Researchers have long realized that cultural attitudes influence the entrepreneurial activities of a population, a country, region, or ethnic group and that the interaction between culture and entrepreneurship is stronger in the case of some groups than others. Thus cultural differences between nations are increasingly understood as an important determinant of a nation's level of economic and entrepreneurial development. A cultural environment in which enterprises hip is respected and valued, and in which business failure is treated as a useful learning experience rather than a source of stigma, was generally more conducive to enterprises hip.

Cultural values can have an important influence on entrepreneurial behavior. However, that does not imply that they are enough to cause or to inhibit the rise of entrepreneurial activity. Social perceptions and perceived legitimacy of enterprises hip are also important factors in helping of hindering entrepreneurial behavior. According to Wilken (1979), the degree of approval or disapproval of business activity was influenced by its emergence and characteristics, being favored by those environments in which enterprises enjoy greater legitimacy. Grigorios Asimakopoulos (2019)

2.3.2. Social enterprises/entrepreneurship education & training

Entrepreneurship education is crucial in assisting young people to develop entrepreneurial skills, attributes, and behaviors as well as to develop enterprise awareness, to understand and to realize entrepreneurship as a career option. It is not only a means to foster youth enterprises hip and self-employment but at the same time to equip young people with the attitudes (e.g. more personal responsibility) and skills (e.g. flexibility and creativity), necessary to cope with the uncertain employment paths of today's societies. Young people can no longer expect to find the traditional 'job-for-life' careers but rather 'portfolio careers' (contract employment, freelancing, periods of self-employment, etc.) (Dearing Report, 1997). Enterprise education is therefore seen as highly

valuable preparation for the changing job market and economy in which young people have to operate.

According to OECD (2001), many experts believe that entrepreneurial education and training should begin as early as possible for two main reasons; first in that it forms an essential component in the preparation of potential young entrepreneurs to go into business by themselves. Second is that it instills entrepreneurial habits in the mind and work skills which can serve equally well for successful employees in the new, globalized, post-industrial economy and those who actually choose to establish their own enterprises. Charney and Libecap (2000) conducted an evaluation of the Berger entrepreneurship program in the US, comparing business school graduates who completed the program to other graduates. They found out that entrepreneurship education contributes to risk-taking and the formation of new ventures. On average, enterprises hip graduates are three times more likely than non-enterprises hip graduates to start new business ventures. Controlling for the personal characteristics of graduates and other environmental factors, enterprises hip education increased the probability of an individual being. Similarly, there is clear evidence that enterprises hip education increases the propensity of graduates to be self-employed.

In most developing and transition countries, enterprise education does not simply exist or has not been sufficiently adopted among in and out-of-school youth and where offered it is not applied on all different levels of education i.e. primary, secondary, technical and vocational and higher education (Schoof, 2006). According to Vanguard (2004) while enterprises hip education has continued to thrive in many societies, in Nigeria it has been neglected. Literature from developing countries on entrepreneurship education remains patchy. A study on Kenya, Botswana, and Uganda by World Bank (2002) revealed that enterprises hip education is essentially provided through technical and vocational training (TVET) and the pedagogy essentially remains limited to traditional classroom teaching even though the learning outcome is to teach students on how to start and run a business.

2.3.3. Access to start-up finance

The lack of adequate start-up finance is one of the most prominent (at least most talked about) impediments to young people seeking to create their own business.

According to the Eurobarometer Survey (2004), young people (aged 15-24) seem to be the strongest supporters of the perception that the lack of available financial support is an obstacle to setting up a business. About 78 percent of the respondents (aged 15-24), compared to 73 percent of all other age cohorts, agreed to this affirmation. The lack of finance was also considered to be a more severe barrier than administrative procedures/burdens or an unfavorable economic climate.

Chigunta, (2001) has suggested that youth enterprise support programs in developing countries should consider socio-cultural constraints that limit the participation of youth in particular young women who want to engage in enterprises hip and self-employment. However, the problem of credit access to youth-run enterprises seems to be more pronounced in developing nations. Blanchflower (2006) observed that the effective promotion of youth entrepreneurship requires adequate funding. Curtain (2000) suggested that the success or failure of any micro-credit schemes in terms of financial viability and servicing the poor young people largely depends on the design of the program. To promote effective microcredit programs, there is a need to reduce access barriers and design programs that meet the needs of potential youth entrepreneurs and existing youth-run enterprises (Blanchflower, 2006).

Youth enterprises can be promoted through the provision of various types of finance and funding that can broadly be divided into three categories: Grants and ‘free money’, debt financing, and equity financing. Developing countries have very few microcredit schemes targeting youth. According to Curtain (2000) a review of 902 organizations in 96 countries listed under the Microcredit Summit’s Council of practitioners revealed that only 21 organizations had the term ‘youth’ in their title. A study carried out by Chigunta (2005) in Zambia, suggested that the majority of potential youth entrepreneurs (72.4 percent) cited lack of capital as the major reason as to why they were not self-employed. Ayodele (2006) has also identified inadequate capital to be one of the principal factors hindering entrepreneurship in Nigeria.

According to the World Youth Report (2003), many youths in developing countries relied on personal savings or turned to family and friends for start-up funding and expansion. Without such finances, they had minimal chances of starting their own businesses. However, of late different African countries have set up special credit programs to promote credit access among the youth.

2.3.4. Business development service

The more business assistance a young entrepreneur obtains in the start-up and new business phases the better his or her chance of creating a successful and sustainable business. Support services, including mentors, support networks, business clubs, and incubators can hold the key to transforming one-person youth start-ups into successful small and medium businesses.

White and Kenyon (2000) have suggested that Young people have limited business networks and contacts compared to older people, leading to isolation and increased pressure. Entrepreneurial isolation occurs as a result of not knowing anyone in the business. Business contacts are particularly crucial for young and inexperienced enterprises. According to Street and Sykes (2003), young people with no business experience have no former customer base or on an already established supplier network to fall back to. They even do not know where to look for it and what was be expected from them by professional purchasers.

Business incubators according to ILO (2006) have become a powerful tool for supporting the entrepreneurial process and for helping to increase survival rates for young innovative start-up companies. Besides the provision of physical working space, they often provide a huge range of resources and services (management coaching, business plan preparation, administrative services, technical support, business networking, advice on intellectual property, and sources of financing) for a limited time period (around 3-5 years). Business incubators can be found in very different forms and can be private, public, or based on a Public-Private-Partnership (PPP) initiative involving many partners at national, regional, and local levels (business angels, banks, regional and national government agencies, etc.). In the last twenty years, many governments have successfully launched systems of public business incubators to encourage and assist young enterprises.

2.4. The role of funding for startups

Start-up funding particularly aim to promote the establishment of new enterprises of students or young unemployed jobseekers by securing their livelihood during the time estimated for starting and stabilizing the business. Though increasingly superseded by loan schemes, the use of grant-based schemes is still a quite common approach to stimulate entrepreneurship and start-up activity

among young people in different countries. However, as White and Kenyon (2001) point out, the issue of grant finance for self-employment ventures is a vexed one. On the one hand, it can be an important aid for people who have been rejected from other conventional forms of finance. On the other hand, many experts believe that programs should help young people deal more directly with the problem of access to finance, rather than providing them with nonrefundable funds or free money.

2.5. The role of entrepreneurship training on the performance of enterprises

According to Cole (1997), training is a learning activity, which is directed towards the acquisition of specific knowledge & skills for the purpose of occupation. It focuses on the job task. The training can be both formal and informal and is usually carried out to assist a person to understand and perform his/her job better. Armstrong (1999) concurs with Cole that training is a systematic modification of behavior through learning, which occurs as a result of education and instruction. Meanwhile, enterprises hip training is a systematic, structured, and objectivist activity that people who have potential ability would be creatively educated or entrepreneurs would be educated to increase their skills and capabilities.

Rasmussen & Sorheim (2006) argue that enterprises hip training has traditionally focused on teaching individuals, but many initiatives are increasingly becoming more action-oriented, emphasizing learning by doing. In their paper, they present a number of action-based activities at five Swedish universities. The cases show that enterprises hip education focuses less on teaching individuals in a classroom setting and more on learning-by-doing activities in a group setting and network context.

Entrepreneurship Education and Training has been found to be a major determinant in the growth and survival of enterprises. According to the human capital theory, investment in knowledge, skills, and abilities enhance the productive capacity of the individual. Entrepreneurial training and education act as a facilitator for entrepreneurial activities with the main focus being to stimulate entrepreneurial activity and performance. This fact acts as a base to ensure that the research that is necessary and conducive in this field to ensure economic growth, is in fact conducted. Training within this perspective is supported by the work of Hynes and Richardson, (2007), where the training per se is defined as an intentional effort to teach specific abilities, which are knowledge bearing, to complete the project better.

Training plays an important role both in situations in technological change and the process of applying a new management system. A well-trained entrepreneur was portraying most of the entrepreneurial traits. These traits were then be translated into business growth with the following results; satisfied customers demonstrated by repeat buying, customer loyalty and increase in sales volume, well-kept business records, satisfied workers and reduced labor turnover, and finally increase in capital investment and employment creation.

2.6. Impact of entrepreneurship for enhancing living condition

enterprises hip and business creation are a growing alternative for young people whose age group often faces a labor market with double-digit unemployment rates. As traditional job-for life career paths become rarer, youth enterprises hip is regarded as an additional way of integrating youth into the labor market and overcoming poverty. Entrepreneurship can unleash the economic potential of young people.

Entrepreneurship is driven by economic necessity when there is no other alternative for income generation or making a living. According to GEM study, necessity-driven enterprises hip levels in a country are associated with factors like low tax revenue as a percentage of GDP, lower levels of participation in both secondary and tertiary education, and high levels of income disparity and low levels of social security. That is why especially youth in developing and low-income countries tend to engage in business out of economic necessity (e.g. lack of employment opportunities, need to supplement household income and poverty). The belief in the African countries is that young people are ‘natural enterprises’ who only need access to credit to become self-employed (Mkandawire, 1996; Motts, 2000; Mulenga, 2000).

At the global policy level, the need to promote youth entrepreneurship has culminated in the convention of a panel on the Youth Employment Network (YEN) by the Secretary-General of the United Nations as well as a civil society-driven Youth Employment Summit (YES) held in Alexandria, Egypt. Both the YEN and YES have identified entrepreneurship as a key priority in the promotion of youth livelihoods and employment. At a local level, this has resulted in the emergence of a discourse on ‘youth livelihoods and enterprises hip’ in much of Africa in recent years. This discourse has led to the introduction of Entrepreneurial Skills Development Programs (ESDP).

2.7. Empirical Review

A study conducted by the British Council in Ghana posited some empirical findings. The Council referred limited formally written literature was availed online looking specifically at a social enterprise in Ghana. Scholar (Dalberg's, 2011) conducted research that posited the effect on social enterprise in the West Africa region provided an indispensable source on social investment. The research emphasized impact investing policy context and prospects, respectively, in Ghana (Koltai et al's, 2013) on the entrepreneurship ecosystem that gives useful detail of activities and organizations driving private sector growth.

The paper has not addressed a specific social/environmental lens, however, there is considerable generic information relevant to social enterprise operations, and many of the entities studied in the paper indicates to themselves as social enterprises, or support social enterprises explicitly as part of their portfolios (Koltai et al.,2013).

According to the research, in Ghana, several social enterprises are using Facebook and Twitter as their main online presence, and those that do have websites are often in the early stage of developing content. The study addressed also identifying social enterprises is a key challenge for support organizations, many of whom overcome this with an initial award or competition of some form, to gather information about potential enterprises. As such, organizations that run such awards often have basic data (and sometimes business plans) for a wide range of enterprises, a small proportion of whom they have selected to work with.

In general, the study explains that:

- There are currently a few social enterprises operating in Ghana, and none has achieved a national scale nor reached medium-sized operations.
- Several of the social enterprise entities that exist (and some which have failed) are not well documented; lessons from past successes and failures have not been disseminated.
- In spite of this, the study team has identified a cross-section of operational social enterprises. There is a clear evidence gap in terms of the historic performance of, and support to, social enterprise, which this study begins to address and which will

hopefully be reduced as existing social enterprise activity is increasingly well documented.

In addition to this, the study addressed also, attitudes towards social enterprise perceptions in Ghana, and obtained that in Ghana there was an assumption about the term social enterprise tend to associate it with charity, and with NGOs, not business models. The study team observed from a range of stakeholders a negative attitude towards NGOs; a perception that they have done little for Ghana's people, and worse – that many of them are not attempting to, but are set up purely for personal enrichment. NGOs' lack of sustainability was a primary concern raised by interviewees and concern that social enterprises might face similar problems.

On the other side of the study, according to the interviewees thought all businesses enrolled in Ghana had social elements by virtue of operating in Africa. The interview targeted two of the business schools. They considered themselves as social enterprises on the basis that they were providing social services by rendering high-quality education and access job creation.

The other findings of the study exhibit that there is a vibrant business start-up culture in Ghana, and many businesses, incorporated micro and small-scale enterprises that do not address a social enterprise label but do think about the social impact of their business models. Entrepreneurship is seen as a risky activity or choice; there is also a certain snobbery, particularly among tertiary-education graduates, that uneducated people go into business and entrepreneurial activity is only accepted when it is a side business and the person has full-time formal sector wage employment (Bay and Ramussen, 2010). A social enterprise is seen as riskier and less acceptable still.

Furthermore, the study posted that a significant driving force of social enterprise activity seems to from the returned diaspora. According to two people interviewed traveling abroad gives people a new perspective on Ghana's problems and encourages them to look for solutions, rather than accept and work with the challenges of life in Ghana as unavoidable given. There is also a lack of philanthropic culture outside family and kinship groups, meaning a lot of seed and early-stage investment into family-linked businesses is not necessarily financially viable (Bay and Ramussen, 2010). Another interviewee suggested that most funding sources open to social enterprises were rigorous enough to make such opportunistic behavior difficult.

Several interviewees felt strongly that for the social enterprise scene to be viable, social enterprises should be commercially driven and as profit or revenue oriented as they are socially oriented if they are to achieve their social goals at scale. Interviewees indicated that there is a very limited domestic market for social enterprise-branded goods and services at present. The government is promoting Made in Ghana products, and even this is a difficult sell in a context where consumers want quality and value for money due to their limited budgets and are not willing to pay a premium or take a risk on a product for social, ethical or even patriotic reasons alone.

Social enterprise goods and services, as with all Made in Ghana goods and services, need to be quality and price competitive to achieve scale. There is particular interest from the returnee community in bespoke African products for Africa. As consumer purchasing power increases, it is plausible that the demand for quality African products will increase. Importantly, there is also a viable export market within the wider region and with the diaspora.

Other potentially significant clients for social enterprise are government and other businesses. Of the social enterprises interviewed, nine currently supply to business and eight supply to government or donors, with some that are mostly or completely dependent on public-sector clients. There is general consensus – even from within Ghana’s nascent social enterprise bubble – that social enterprise is in its formative stages; the government and many stakeholders are not familiar with what it is, nor are the wider public. Many of the social enterprises and support organizations spoken to suggested that social enterprise needs to achieve a degree of success to gain status and to be recognized more widely.

The other findings of the study emphasized about finance and social investment. According to the study, Ghana has well-structured financial services in Africa and a wide array of financial institutions that operate in the country. By July 2014, the Bank of Ghana gave 390 microfinance institutions and 137 rural banks (BoG, 2014). Due to this, there are enhancing of funds for investment in start-up and social-impact activities in Ghana. According to the interviewees of three fund organization, Acumen Fund, Slice Biz, and VCTF. The first applies philanthropic capital to inject in social enterprises, following this, the second one investing in five funds that have governance and social-reporting standards but do not target social enterprises specifically. Slice Biz is a diaspora fund, investing equity in start-ups. Slice Biz is built on trust relationships between

the founders, their portfolio companies, and investors. Some banks have created philanthropic arms through which they can provide finance, such as the Eco bank Foundation (Dalberg, 2011).

The Ghanaian banking industry still needs to enhance its support for SMEs in terms of trade financing options. SMEs in Ghana still quote access to capital as their number-one challenge and banks that have made strides in the sector rarely provide long-term financing options. In the Ghanaian banking sector, Unibank Ghana Limited and UT Bank appear as the most likely candidates for impact investing since they have both focused on the SME sector. Both banks have been known to have relatively larger SME portfolios and have since 2008 maintained the lowest liquid funds to total assets ratio (Banking Survey; Tandoh-Offin et al, 2013). This study did not interview any banks, but no indication was found of banks targeting investment to social enterprises specifically or using social-impact criteria for investment.

In terms of microfinance, non-bank financial institutions, and informal credit, a shift from a regulated financial-sector regime to a more liberalized regime in 1986 led to the emergence of other financial institutions, consolidated by a 1991 law allowing different categories of financial institutions including savings and loans companies, financial non-governmental organizations' and credit union associations, providing a diverse range of financial services to micro and SMEs (Opong et al., 2014).

The other aspect envisaged by the study is, social impact investing. Social impact investing is important for social enterprise, it entails investments seeking, which exhibits investments seeking jointly impact and financial returns, and such investments require vehicles able to deliver (and quantify delivery of) social and environmental impact. A good example, here is, Africapitalism which is a term entails by Nigerian entrepreneur and venture philanthropist Tony Elumelu. It is indigenous enterprises ' desire to give something back that is, a form of social impact investing dependent on African enterprises ' capital.

Ghana is receiving a lot of attention from the impact investing community. The Venture Capital Trust Fund (VCTF) is a government-sponsored initiative set up in 2004 by an Act of Parliament, to provide long-term financial support to SMEs.

VCTF, along with the Ghana Institute of Management and Public Administration (GIMPA), has established the Centre for Impact Investing, which has funding from the Global Impact Investing

Network (GIIN), the Rockefeller Foundation, and the Tony Olumelu Foundation. The Centre for Impact Investing, housed at GIMPA, seeks to provide research, advocacy, and support services by influencing government policy in favor of impact investing activities, advocating for incentives to encourage private-sector impact investing, drive public awareness, and play a leading role in shaping impact-investing activities. The center has produced research reports on the policy context for impact investing, and opportunities, prospects, and challenges (Tandoh-Offin et al., 2013; GCII, 2012).

In reality, few social enterprises interviewed for the study were able to attract commercial impact investment – those that are receiving returnable capital are mainly accessing it from donors and foundations:

Impact investing is still very commercially driven; non-profit businesses don't offer the returns that such investors seek, so we must rely on foundation and donor money – Social entrepreneur VCTF, along with the Ghana Institute of Management and Public Administration (GIMPA), have established the Centre for Impact Investing, which has funding from the Global Impact Investing Network (GIIN), the Rockefeller Foundation and the Tony Olumelu Foundation. The Centre for Impact Investing, housed at GIMPA, seeks to provide research, advocacy, and support services by influencing government policy in favor of impact investing activities, advocating for incentives to encourage private-sector impact investing, drive public awareness, and play a leading role in shaping impact-investing activities. The center has produced research reports on the policy context for impact investing, and opportunities, prospects, and challenges (Tandoh-Offin et al., 2013; GCII, 2012).

Furthermore, there was another survey conducted in Ethiopia similar to the British Council, which had similarities with Ghana. According to the survey the following findings were obtained. The research was conducted by 2016. The aims of the survey were to provide a summarized report of the current size and scale of the social enterprise sector in Ethiopia. This helps to set a baseline to track the status of the growth of social enterprise in Ethiopia in the future. The scope of the study addressed to assess progress and identify possible interventions to support the growth of enterprises in Ethiopia. Due to its broad area of coverage this study involved in the four regional cities of Tigray, Amhara, Oromiya and SNNPR regions and Addis Ababa focusing on social enterprises' economic contribution, leadership and impact, higher education institutions, and

TVET courses, modules, and programs offered relates to social enterprise, national policies, and the activity, engagement, infrastructure, and networks of social enterprise support organizations.

The research adopted samples of 212 social enterprises (a mix of micro and small enterprises, NGOs, and cooperative) to meet its objective of capturing the sector's diversity, in line with our objective of learning about the breadth of the current Ethiopian social enterprise ecosystem.

The survey in order to capture the sector's diversity, in line with the objective of the British Council learning about the extent of the current Ethiopian social enterprise ecosystem. Pursuant to this, the study results indicated, social enterprise leaders in Ethiopia were mostly young (48%) between the age bracket 25-34. In addition to this, 28% of enterprises owned by women whereas 72 held by men. Most enterprises were engaged in domestic business and only 3% work internationally.

For the case of a legal scenario, there was not a legal term that supported companies to register themselves as social enterprises. This posited by the study most social enterprises were micro and small enterprise (31%), a sole proprietorship (22%), and cooperatives (10%). From these, 60% replied to generate profit and social/environmental impact, while the other 40% replied their primary interest to social responsibilities.

In addition to this, the study attempted to compare female or male based social enterprises. According to the result, 34% of female's entrepreneurs were devoted to local community impact while only 24% were male. The ultimate objectives of social enterprise in Ethiopia were, creating employment opportunities (17%), selling products (15%), and improving a particular community (14%).on retail, services, and food and nutrition.

Based on the observation of 212 samples (enterprises), there were about 2,836 jobs among them. This means 31% of the total full-time staff were female, which was slightly higher than the proportion of permanent full-time female in mainstream enterprises, that is, 28% (World Bank, 2015). Related to this data, 38% were part-time workers whereas 13% engaged in SME (World Bank, 2015).

The other crucial points raised by the study were earning a profit by the social enterprises.71% reported that they had generated a profit or surplus. Regarding the profit sentiments, social enterprises were positive about their expectations for turnover to increase next year.

Regarding the study, the impediment that occurred to the enterprises was a shortage of financial delivery, that is, lack of access to capital (28%). Whatever it was observed that social enterprises were currently a significant and flourishing part of the entrepreneurial ecosystem in Ethiopia.

Social enterprises face similar challenges to other businesses but may access different business development services, training, and types of funding than those currently available to mainstream Ethiopian enterprises.

Finally, the study concluded that social enterprises were indeed a growing sector in Ethiopia.

2.8. Theoretical Framework

This section highlights the theoretical reviews of entrepreneurship training and the empowerment of youth and this study used social capital theory.

2.8.1. Social Capital Theory

The social capital theory is based on the ideas of Pierre Bourdieu, James Coleman, and Robert Putman. According to Bourdieu (1986, p. 248) social capital is defined as ‘the aggregate of the actual potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition’. Social capital for Bourdieu is related to the size of the network and the volume of past accumulated social capital commanded by the agent (Bourdieu, 1986, p. 249). Bourdieu sees clear profit as being the main reason that actors engage in and maintain links in a network. That profit is not necessarily economic, but according to Bourdieu, it can be reducible to economic profit. The actors’ potential for accruing social profit and control of capital are differentially distributed.

This differential distribution of potential and control is a central notion in Bourdieu’s theories of social reproduction and social space. For Bourdieu (1984; 1989), social space is defined by the complex clustering of actor’s positions. However, these positions cannot be rendered ‘objectively’. Any such effort resulted in a very partial and misleading picture because it would conceal the complex interactions that occur between actors. These interactions make up another dimension defined by the relative distributions of resources and the extent to which these resources can be activated. Actors are unequal in possessing and activating their resources. These inherent inequalities predispose or condition actors in differentially advantaged locations in social space in the competition for the appropriation of available scarce resources.

The inequality fueling the actors' predispositions is rooted in the differential distributions of economic, cultural, social, and symbolic capital. These predispositions act to legitimate the structure of differential awards and provide the means to perceive the structure. According to Bourdieu, all forms of capital, by being organically-related to positions in social space, act in two ways simultaneously: they reproduce all forms of capital and they use these resources to embed the actor's position further. So, positions of actors are both the cause and the effect of all forms of past accumulations of capital, particularly social capital. Social capital can be seen as a 'credential' that perpetuates social inequality by providing differential entitlements to credit (Bourdieu, 1986, p. 248-9). Therefore, social capital along with other forms of associated capitals 'explain the structure and dynamics of differentiated societies' (Bourdieu and Wacquant, 1992, p. 119). Social capital via group memberships becomes a collective phenomenon.

Coleman's (1988) definition of social capital comes close to Bourdieu's (1986) and Loury's (1977) but from a completely different point of departure. For Coleman, 1988, p. S98) social capital 'consists of some aspect of social structure, and facilitates certain actions of actors whether persons or corporate actors-within the structure'. For Coleman, social capital is productive, i.e. it is used so that actors can achieve particular ends that would have been impossible without it. So it has a clear instrumental purpose.

Unlike Bourdieu though, Coleman sees social capital as a bonding mechanism that adds to the integration of social structure. Coleman's social structure predates the agent who can use embedded social capital as a resource. Coleman is preoccupied with the question as to whether conceptual tools, efficient at the individual level, can be utilized to make the so-called micro-macro transition (i.e. extend beyond the family to greater aggregates and collectivities). Social capital, despite its less tangible character, shares with financial capital ease of making the micro-macro transition. Social capital infuses with the value those aspects of social structure that become resources, which become utilizable for goal-seeking actors. As such social capital can be used conceptually at both the micro and macro levels without requiring a separate theory of social structure working at the two levels of inquiry.

For Putnam (1993a, p. 35; 1993b) social capital refers to 'features of social organizations, such as networks, norms, and trust that facilitate action and cooperation for mutual benefit'. Putnam's argument presents social capital, essentially the 'amount' of 'trust' available, as the main stock

characterizing the political culture of modern societies. For Putnam, voluntary associations that enable a horizontal linking of people produce trust, the norm that causes interpersonal bonding. This is also the celebrated norm-producing feature of networks in Coleman's formulation.

Putnam however, specifically connects trust and its concomitant reciprocity to civic engagement. Civic engagement, following a Tocquevillian perspective, presumes civil virtue which in itself is an index of the strength of civil society. In short, social capital is associated with political involvement, particularly via voluntary associations. Therefore, Putnam's social capital amounts to a direct test of the democratic strength of American society. In Putnam's formulation, social capital is elevated from a feature of individuals and small groups in local communities to a feature of large population aggregates. Social capital becomes a collective trait functioning at the aggregate level. As such, it can become a diagnostic tool for societal political, and economic health. Fukuyama (2001, p.7), argues that is the sine qua non of stable liberal democracy. Thus, citizens adhering to norms of strong associational participation and who are holders of high social capital are naturally more inclined to cooperate on economic and political projects.

2.8.2. The knowledge Spillover Theory of entrepreneurship

This is a theory of entrepreneurship in which the creation of new knowledge expands the technological opportunity set. The entrepreneurial activity does not involve simply the arbitrage of opportunities, but the exploitation of knowledge spillovers not appropriated by incumbent firms. The Knowledge Spillover Theory of entrepreneurship challenges two of the fundamental assumptions implicitly driving the results of the endogenous growth models. The first is that knowledge is automatically equated with economic knowledge. In fact, as Arrow (1962) emphasized, knowledge is inherently different from the traditional factors of production, resulting in a gap between knowledge and what he called economic knowledge. The second involves the assumed spillover of knowledge. The existence of the factor of knowledge is equated with its automatic spillover, yielding endogenous growth. In the Knowledge Spillover Theory of enterprises hip, the knowledge filter imposes a gap between new knowledge and economic knowledge and results in a lower level of knowledge spillovers (Acs et al, 2004).

In the Romer (1986) model of endogenous growth new technological knowledge is assumed to automatically spillover. Third-party firms and economic agents, resulting in the automatic spillover of knowledge, automatically access investment in new technological knowledge. The

assumption that knowledge automatically spills over is, of course, consistent with the important insight of Arrow (1962) that knowledge differs from the traditional factors of production in that it is non-excludable and non-rivalries. When the firm or economic agent used the knowledge, it is neither exhausted nor can it be, in the absence of legal protection, precluded from the use by third-party firms or other economic agents. Thus, in the spirit of the Romer model, drawing on the earlier insights about knowledge from Arrow, a large and vigorous literature has emerged obsessed with the links between intellectual property protection and the incentives for firms to invest in the creation of new knowledge through R&D and investment in human capital. The knowledge filter is the gap between new knowledge and what Arrow (1962) referred to as economic knowledge or commercialized knowledge. The thicker is the knowledge filter, the more pronounced is this gap between new knowledge and new economic knowledge.

The knowledge filter is a consequence of the basic conditions inherent in new knowledge. Similarly, it is the knowledge filter that creates the opportunity for enterpriseship in the Knowledge Spillover Theory of enterpriseship. According to this theory, opportunities for entrepreneurship are the duality of the knowledge filter. The more impenetrable is the knowledge filter, the greater are the divergences in the valuation of new ideas across economic agents and the decision-making hierarchies of incumbent firms.

Thus, as a result of the knowledge filter, entrepreneurship becomes central to generating economic growth by serving as a conduit, albeit not the sole conduit, by which knowledge created by incumbent organizations spills over to agents who endogenously create a new organization. Therefore, as the studies measuring knowledge spillovers show, knowledge spillovers tend to be greater in the presence of higher investments in knowledge, it follows that entrepreneurial opportunities based on exploiting such knowledge spillovers were also greater in the presence of knowledge investments. The Knowledge Spillover Theory of enterpriseship suggests that *ceteris paribus*, entrepreneurial activity was tending to be greater in contexts where investments in new knowledge are relatively high since the new firm was started from the knowledge that has spilled over from the source actually producing that new knowledge.

The knowledge spillover theory of enterpriseship posits that enterpriseship is a response to investments in knowledge and ideas by incumbent organizations that are not fully commercialized by those organizations.

2.9. Summary of Literature Review

Entrepreneurship creates employment for the young person who owns the business. This is especially the case in an economy subject to rationalization, change, and restructuring. Many experts believe that this could bring back the alienated and marginalized youth into the economic mainstream (Curtain, 2000; White and Kenyon, 2000).

There may also be a direct effect on employment if new young entrepreneurs hire fellow youth from the 'dole' queues (Curtain, 2000). In this way, entrepreneurship could help address some of the socio-psychological problems and delinquency that arise from joblessness.

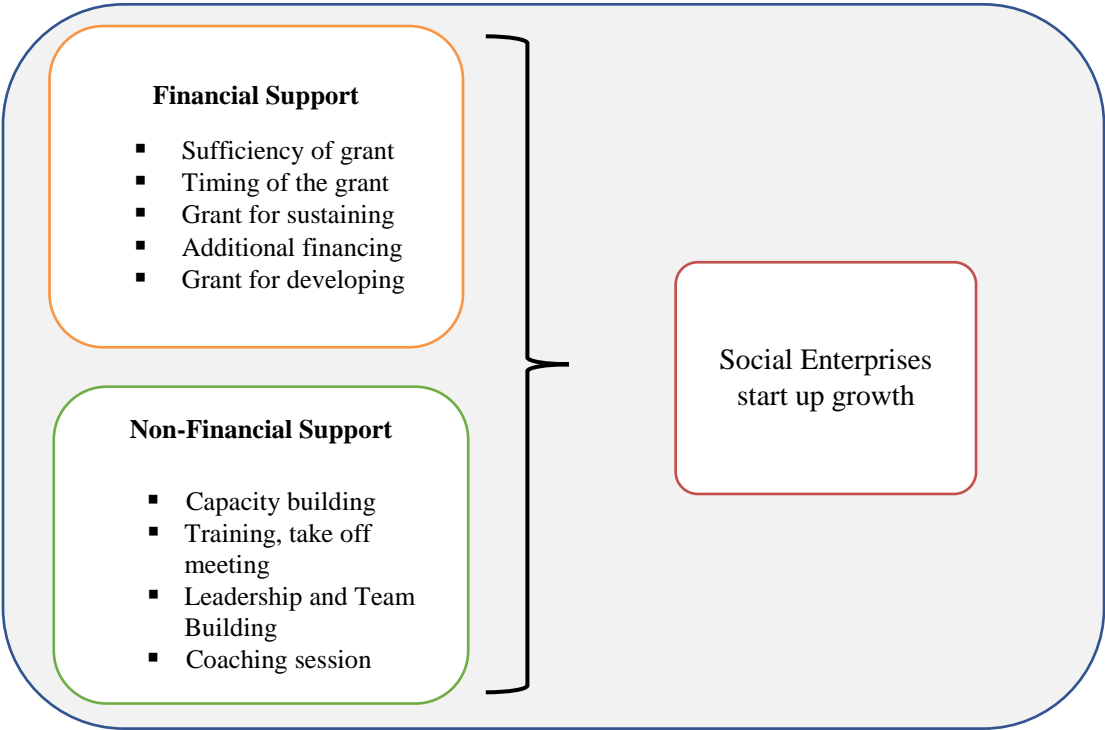
Startup funding and non-financial support have been highlighted as a key necessity for the growth and sustainability of startup social enterprises in many countries of the world. It has been recognized as an important tool for tackling the challenge of access to finance and changing the attitude of utilizing resources for startups. The review revealed that there has been little effort to look at the involvement of seed funding and non-financial support from a social enterprise startup perspective. There were entrepreneurship training programs and enterprise creation for the youth, but it has not received adequate attention to look at the impact of the seed funding and non-financial support programs and its contribution to the sustainability of social enterprise startups. This research attempts to reveal the role of seed funding and non-financial support on the sustainability of social enterprise startups of Reach for Change Ethiopia Incubator participants in Addis Ababa.

2.10. Conceptual Framework

The conceptual framework addressed the financial and non-financial support rendered to various Social enterprises startups enterprises growth and sustainability of operation in the environment. Startup funding has been highlighted as a key necessity to the growth and sustainability of social enterprises at the early stage in many developing countries of the world. It has been recognized as an important tool for tackling the major problem of access to finance. Non- financial supports are also considered as an important mechanism for changing the attitude and transfer of skills to people with skill and resource gaps. Funding provision aims to promote the new startups to the growth and sustainability and the non-financial support to fill the resource gap leading to the growth of the startups.

Funding and non-financial support mean through which the social enterprise startups develop their underlying resources and capacities to develop and sustain their enterprises. The assumption is that the startups would generally go into self-employment and employment creation by default. In this way, the social enterprise startups build their livelihood assets to meet their needs of a sustained basis by reducing vulnerability and risk.

The following represented the pictorial representation of the conceptual framework of the study:



Source: Adopted and modified from Literature 2020

Chapter Three:

Research Methodology

The purpose of this section is to describe the methodology used in conducting this research, how the research was design and the reasons for the choices. Thus, the chapter begins with research philosophies follow the research approach and research design. In addition to this, it incorporates the questionnaire structure and explains the data collection method, target population, sample technique and size, the method of data analysis, and ends with the validity and reliability of the study.

3.1. Research Philosophies

Beneath this, the study applied two main research philosophies, ontology, and epistemology. This means ontology refers the reality or objectivity or facts of the variables since objectivism is the view that social entities exist in a reality external to social actors concerned with their existence (Saunders et al. 2009, p. 111; Saunders et al. 2007, p. 108, Bryman & Bell 2003, p. 19). The reason to apply this philosophy, the variables by themselves that applied in the study, financial, and non-financial support for the enterprises hip sustainability have tangible realities. The second philosophy is epistemology, which emphasizes about how to generate knowledge, this means the research applies positivism which deals about knowledge can be obtained through the scientific method of testing the given objectives of the study (Bryman & Bell, 2003, p. 19-20; Saunders et al., 2009, p. 113- 116).

3.2. Research Approach

The study followed mixed descriptive research design using both quantitative and quantitative analysis to describe the feature or nature of variables. The Quantitative analysis conducted based on responses from the questionnaires of five or three Likert scales and secondary financial data of social enterprises from the year 2017-2019 whereas the qualitative analysis performed based on semi structured interview questions. The researcher triangulated the qualitative and quantitative analysis sequentially to observe the patterns clearly.

3.3. Research Design

This section focuses on the research techniques adopted and used for this study to achieve the research objectives. A research design is defined as an overall plan for a research undertaking. Research design provides the glue that holds the research project together. A descriptive research design was adopted in this study. Cooper and Schindler (2008) observed that descriptive studies are structured with clearly stated questions to be investigated. The descriptive research design was selected in this study because it would allow the researcher to gather numerical and descriptive data to assess the features or nature of the variables. This would make it possible for the researcher to produce statistical information on the seed funding and non-financial support and sustainability among social enterprise startups. The research design entailed the target population and sampling techniques.

3.4 Research Method

The study applied a survey research method using questionnaires and semi-structured interview tools to gather related data to the objective of the study. The reason for using the survey method was to easily describe the nature of populations and variables. Furthermore, secondary financial data adopted to examine the relationship between the financial support and the performance of social enterprise startups objectively.

3.4.1. Data Collection: Source and Instrument

The study involved two types of data collected through the survey method that is, primary and secondary data. The primary data adopted using questionnaires with Likert Scale from respondents and semi-structured interview questions. An interview approach supported the researcher to achieve balance responses about distributed questionnaires. The researcher employed this type of method since that easily purported respondents to give their feelings. As described data could be either primary or secondary. Primary data are new data collected specifically for that purpose; while secondary data are data that have already been collected for some other purpose (Saunders et al., 2009, p. 256). This assisted to capture primary data easily and a means of an instrument to gather relevant data.

Before fully questionnaires distributed, the researcher applied a pivot test of 5 questionnaires surveys, the reason for this testing catered the researcher to see how well respondents gave their

responses. So here the researcher believed that to minimize the cost of data cleaning that the respondents might have missed or improper fills. In addition to this, secondary data adopted from books, the internet, another literature review, organizational (Reach for Change) financial report, and enterprises' financial performances of social enterprises.

3.4.2. Sampling Method

3.4.2.1. Target Population

The population refers to the entire group of people, events, or things of interest for which the researcher wishes to investigate. The population of interest in this research was social enterprise startups that participated in the incubation programs and received seed funding and non-financial support from the year 2017 to 2019 from Reach for Change. In addition to this, the study also adopted five individuals for interviewing who had a position in the social enterprise start-up and sustain the program. This had given benefits for the study to analyze the experiences and knowledge of the interviewees. The population size consisted of 24 social enterprise startups from Addis Ababa engaged in various business activities which received seed funding and non-financial support from RFC, five interviewees who had been working as Impact Manager, and Program Manager (in Reach for Change), Social Enterprise Ethiopian Director and Managing Director of Icon Consulting for business development service for non-financial service and a business coach including secondary financial data of RFC and Social Enterprises. The reason for the selection of these target social enterprises population was they were enterprises that have received financial and non-financial support from the organization "Reach for Change" so addressing of them and for interviewees population, they had high experiences related to the support of social enterprises and their responses had soundness for the final judgment of the researcher. Furthermore, the study also involved secondary data of social enterprises' financial performances and support donated by RFC which ranged from the year of 2017-2019.

3.4. Method of Data Analysis

Analysis refers to the process of splitting down the gathered data to describe clearly the nature of the variables and the relation among them (Saunders et al., 2009, p.587). Since the study adopted a quantitative and qualitative approach, the researcher employed both quantitative analysis and qualitative analysis procedure. The reason was a quantitative data analysis procedure allowed the

researcher to enable to explore the given variables and the data were collected quantitatively in nature, in addition to this, a qualitative approach applied since it helped the researcher to examine and triangulate interview questions clearly against the questionnaires responses. So regarding the quantitative responses, the study employed a descriptive statistics analysis using Statistics Package for Social Science Studies (SPSS) Version 20. For the sake of interview questions, a qualitative approach applied since it gave for the researcher about experiences, meaning, the perspective of respondents about social enterprises.

The reason for using descriptive statistics analysis was because the researcher was interested to summarize the data collected in tables and graphs for better recognition for the reader and to easily examine the results, (Agresti & Finlay, 2009, p. 4). So here for the sake of quantitative data, the researcher attempted to apply bar charts, pie charts and descriptive statistics mean tables, Paired T-test to measure the objective of the study. For the sake of final judgment or decision the study applied a range of 1.00-1.81,1.81-2.61,2.62-3.42,3.43-4.23,4.24-5.00 for five scale alternatives whereas, for the sake of three scales, the study employed 1.00-1.67,1.68-2.35 and 2.36-3.00. Furthermore, the study employed a Paired T-test analysis to make a comparative analysis between the variable financial and non-financial support that was rendered to the social enterprises, including a Pearson Correlation to measure the relationship of financial support and social enterprises financial performances. This supported the researcher to evaluate which package of benefit more rendered by Reach for Change.

3.5. Validity and Reliability

Validity and reliability is a tool for measuring the precision of the study (Hopkins, 2001) and these two are interrelated since if a study validity is successful then it is also reliable. (Bryman & Bell 2003, p. 79). Validity is concerned with the findings of the study reflection of the objectives. (Saunders et al 2009, p. 157). So the researcher carefully revised and checked the questionnaires were clearly aligned with the objectives of the research and conceptual framework of the study. The study applied reliability test using SPSS software application to measure Cronbach Alpha whereas the validity test conducted by getting inputs from the advisor checking the literature review aligns with the objective of the study.

Table 1. Reliability Test

Title of Questionnaires	Cronbach's Alpha	N of Items
Non-financial Support (Role) to startup Growth enterprises	0.877	9
The support given by Reach for Change to startup Growth enterprises	0.752	4
Comparing of enterprises Benefit (role and challenge) to startup Growth enterprises	0.766	4
enterprises Development after engaged in the program of Reach for Change startup Growth enterprises	0.577	3
Financial support granted by Reach for Change startup Growth enterprises to startup growth	0.875	6
Additional Financing of enterprises startup Growth enterprises to startup growth	0.697	3
Average Cronbach's	0.757	29

Source: SPSS Analysis Output, 2020

As seen in Table 1. above, Cronbach’s Alpha had figure 75.7%, which means acceptable according to (George & Mallery, 2003, p.231).

3.6. Ethical Considerations

Data gathered from the respondents were collected with confidentiality without considering the respondents’ identity. Moreover, the researcher has not changed or modified any information collected from the respondents, hence information received from respondents collected and all the literature applied for the purpose of this study was listed in the reference part.

Chapter Four:

Results and Discussion

This section intends to exhibit the results and analysis of the study. Here, the researcher combined both the empirical findings and literature concepts with the analytical part of this work for simplicity to easily understand. Thus the chapter commences with demographic characteristics of the respondents, followed by the descriptive statistics analysis and triangulated with the response of interview questions. Finally, the study conducted a comparative analysis of the two variables, financial and non-financial support for social enterprises.

4.1. Response Rate and Reliability Analysis

4.1.1. Response Rate

In research, the survey response rate refers to the number of people who answered the survey divided by the number of the total respondents, then multiply the number by 100 since it is expressed in the terms of percentage. A survey's response rate is important for the quality of the research. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response of 70% and over is excellent Demographic Characteristics of Respondents. Here the research adopted a census approach due to less number of population, so the response rate posited 95.8%, that is, from 24 respondents 23 them responded and emailed via Google platform, which was excellent according to Mugenda and Mugenda (1999).

4.1.2. Reliability Test Analysis

The study applied internal reliability that could be measure using Cronbach's alpha. The range of this alpha had variation between 0 and 1, which stated that 1 is perfect reliability and 0 is no internal reliability; so the study applied Cronbach alpha which was an acceptable level of internal reliability (Bryman & Bell, 2003, p. 77). For Cronbach's standards, another scholar describes that an alpha greater than 0.8 is Good, greater than 0.7 is acceptable, greater than 0.6 is questionable, greater than 0.5 is poor, and less than 0.5 is unacceptable (George & Mallery, 2003, p. 231).

4.2. Demographic Characteristics

The demographic features incorporated gender, age, level of education, and experience in their business operation.

4.2.1. Gender Characteristics

Gender characteristics posited the entrepreneur's sex belongs to males and females. According to the respondents, there had equal figure of male and female where one respondent was missed.

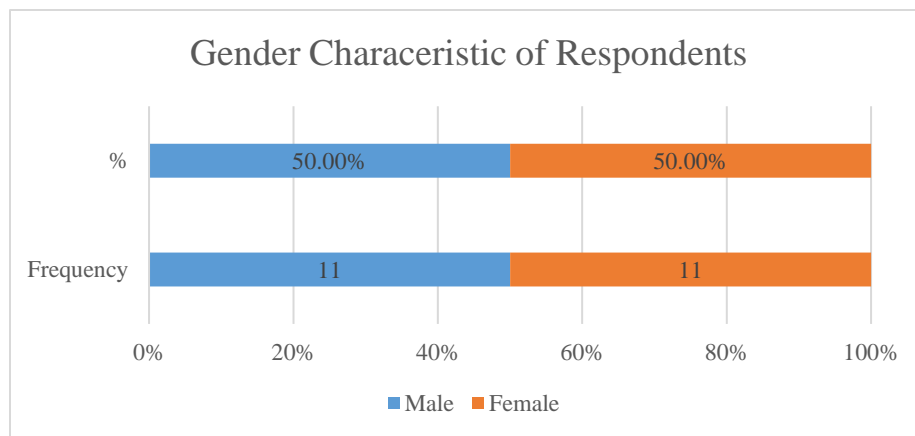


Figure 1:
Gender of Respondents

From the total observation of 22 respondents, 50% were “Male” and “Female” respectively. From these responses, the study implies that the study entails an equal number of males and females. This helps the study have balance responses for the given questions

4.2.2. Age of Respondents

The age of respondents referred to the following characteristics:

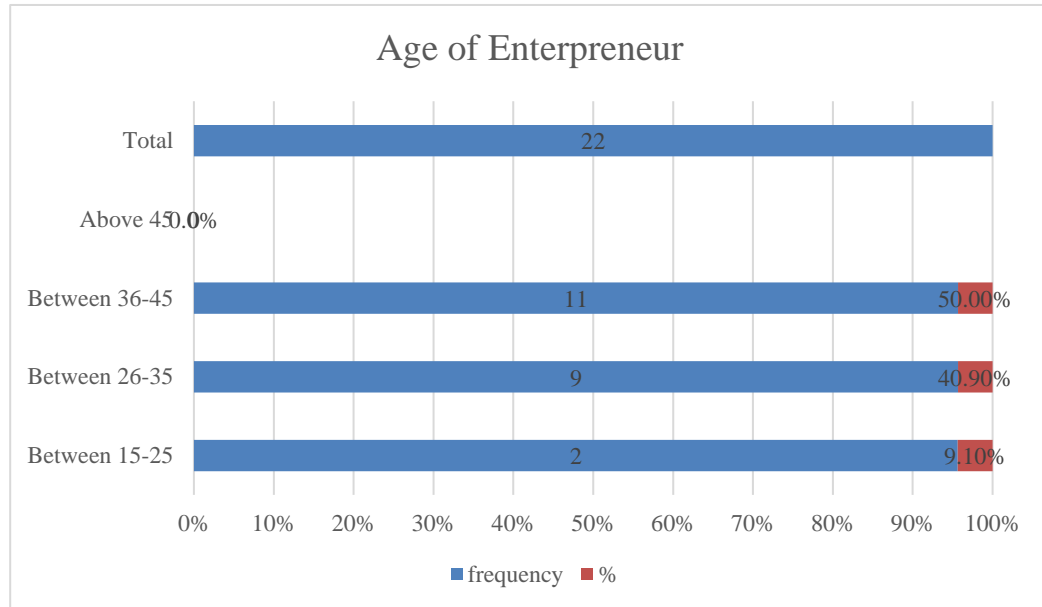


Figure 2: Age of the respondents

Figure 2 above portrayed the age of respondents, from the total 22 respondents, 50% fell in the age bracket of 36-45, 40.9% were under the age bracket of 26-35, and 9.1% fell in the age bracket of 15-25. There were no respondents above age 45.

From this analysis, the study implies that most respondents are adults under the age bracket of 36-45, so this study results depend on adult respondents. In contrary to this, the empirical review of research conducted by the British Council in Ethiopia showed that most respondents were under the age bracket of 25-34 (48%), that is, more in the age bracket of youths.

4.2.3. Level of Education of Respondents

The level of education indicated the academic skill of respondents who owned business enterprises. The following figure posited the result:

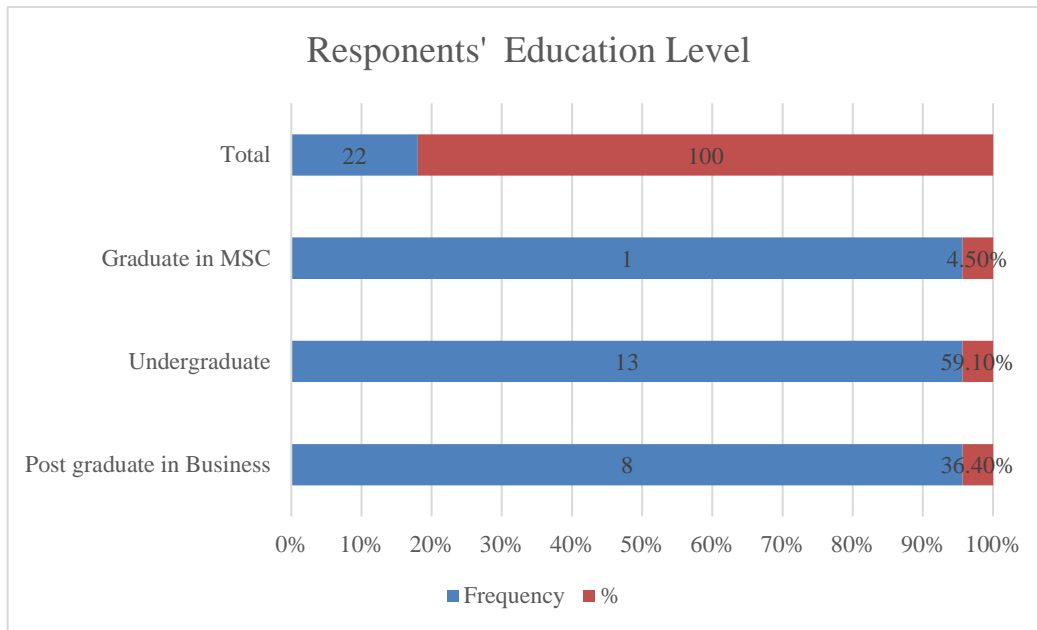


Figure 3: Level of Education of Respondents

Figure 3 depicted the level of education of respondents, from the given choices, most of the entrepreneurs were “Undergraduate” (59%) whereas the rest were “Postgraduate” From this analysis, the study observes that most entrepreneurs are undergraduates’ level.

4.3. The sector of social Enterprise startup

The sector of social enterprise startup posited the type of business offered by the entrepreneur. The study presented the following types of sectors as seen below here in the bar chart.

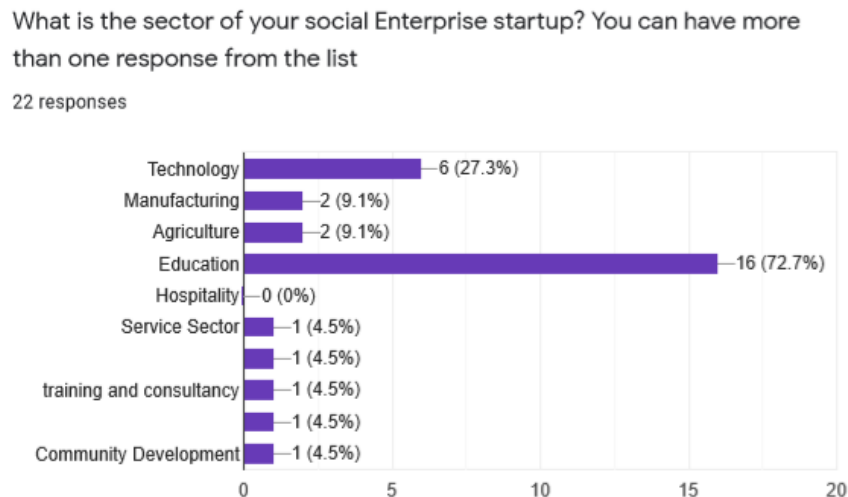


Figure 4: Type of sector

Figure 4 above exhibited the type of sector more adopted by the respondents, from the given result, it posited that the highest figure (73%) were startups in education sector, followed by (27%) were startup in technology-based business.

From this assessment, the study implies that most enterprises that have started the business by Reach for Change program are involved in the education business sector from the year 2017-2019. As per the previous study of the British Council, Social enterprise activity in Ethiopia is mainly focused on four sectors: services, business development services, and entrepreneurship support, agriculture and fisheries, and retail.

4.4. Years of social Enterprise Operating

Beneath this, the study endeavored to observe social enterprise operating years in the business environment.

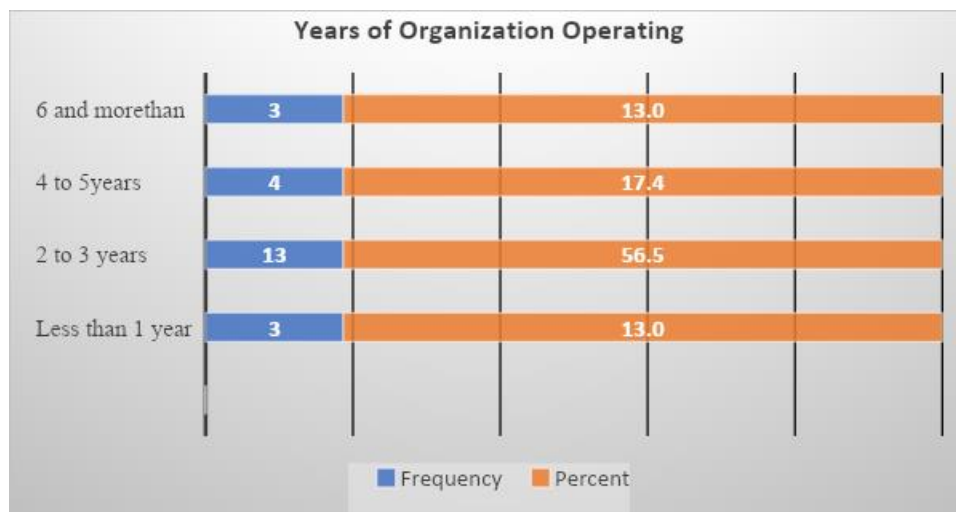


Figure 5: Year of Social Enterprise Operating

Source: SPSS Analysis Output, 2020

Figure 5 above portrayed years of the organization operating in the business environment. According to the result, the most experienced enterprises were 2 to 3 years with the figure of (57%), next to this, most enterprises were 4(17.4%), and the rest were 6 years and more 3(13.0%), and less than 1 year 3(13.0%).

According to the analysis, the result implies that most respondents are in business for 2 and 3 years.

4.5. Number of Employees in the enterprises

Under this, the study posited the number of employees hired in the organization. The following figure indicated the responses.

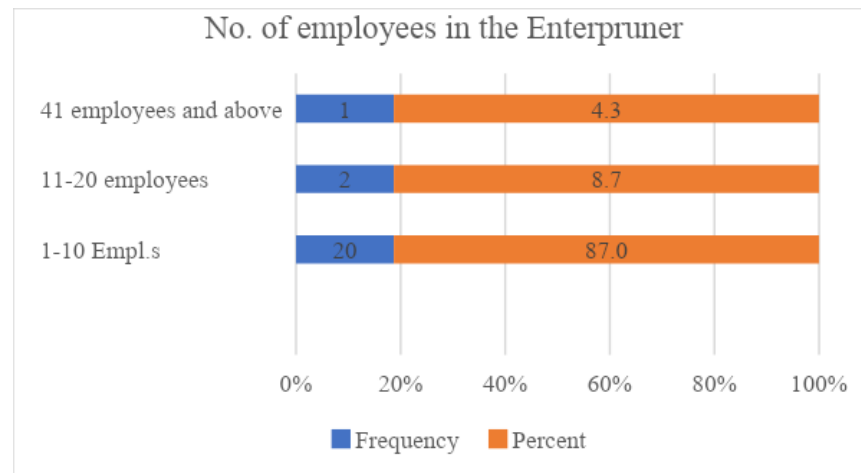


Figure 6: No. of employees

Source: SPSS Analysis Output, 2020

Figure 6 above depicted the number of employees hired in the organization of the enterprises after startup. The highest number of employees deployed was between the brackets of 1-10 employees (87%).

The implication of the analysis indicates that most enterprises have 1 up to 10 employees after their startup operation in the business environment, which seems more small workforces. Based on the previous empirical review, the most common objectives pursued by social enterprises in Ethiopia were 'creating employment opportunities. In this essence, the study identifies that the workforce hire in social enterprise is not satisfactory.

4.6. Initial Capital to Startup the Enterprise

Initial capital of the start-up business before the financial support given by Reach for Change to establish their business enterprise. Here below, the following table exhibited the result of respondents.

Table 2. Initial Capital to startup the Enterprise

What was your Initial capital when you startup in Ethiopian Birr?		Frequency	Percent
	5,001 – 10,000	2	8.7
	10,001 – 20,000	4	17.4
	20,001 – 50,000	6	26.1
	50,001 – 100,000	5	21.7
	Above 100,000	2	8.7
	Less than 5001	4	17.4
	Total	23	100.0

Table 2: Initial Capital

Source: SPSS Analysis Output, 2020

Table 3 exhibited an initial capital to begin business or operation by enterprises. From the total observation of 23, most respondents (48%) had started up a business with a capital in the bracket of 20,001-100,000.

When the study analyzed responses from the interview about “Financial support for social enterprises start-up and incubation”, all five interviewees suggested the strength and weaknesses of the financial support rendered by the Reach for Change for start-up and sustainability of the enterprises. According to them, they replied the financial support had given strength for most social enterprises start-up, motivation, solving their liquidity problem, and sustainability. In addition to this, they suggested also the weakness of the financial support that rendered by the Reach for Change, they said that Reach for Change unable to control the financial support implemented for the intended target, lack of measuring the impact of the support, and only limited numbers of enterprises received support.

According to the result of the quantitative analysis, the study implies that most enterprises have begun with a capital of 20,001-50,000 Birr, which means, most enterprises are engaged in the business operation growth with this small capital. The interview analysis report also supported this, as a weakness Reach for Change unable to measure the impact of the support due to insufficient funds for startup growth. Related to this, a previous study of the British Council, which conducted by 2016 exhibited that the biggest barriers faced by social enterprises in Ethiopia were financial (40%).

4.7. The program offered by Reach for Change to startup the growth of enterprises

The study here attempted to evaluate the program offered by Reach for Change to social enterprises in Addis Ababa. Respondents were given their feelings toward the questions of the program. The researcher asked four questions to measure the programs.

Table 3. The program offered by Reach for Change

(About Program)From what type of space do you operate your business?		Frequency	Percent
	Rented property	19	82.6
	Production machinery	1	4.3
	Co-working Space	1	4.3
	Own Property	2	8.7
	Total	23	100.0

Figure8: Space offered by Enterprise

Source: SPSS Analysis Output, 2020

Table 4 above posited the operation area was adopted by the enterprise to run their business. According to the report, most enterprises used rented property (83%) to run their day to day operations. Only, (9%) of enterprises used their own property for the day to day operation of the business.

Related to this the interview report about question 2, that is, “How do you observe social enterprise growth after engaged in the program of Reach for Change?”, all interviewees entailed about the program rendered by Reach for Change that the organization pioneers to bring social enterprise issue in the country and focused only social enterprises in the market. In addition to this, the organization helped to develop a productive internal and external ecosystem for social enterprises to produce their products or services, to have an appropriate market area, to create a conducive work environment, etc.

4.8. Non-Financial Support for Enterprises Startup Growth

Non- financial supports are also considered as an important mechanism for changing the attitude and transfer of skills to people with skill and resource gaps. Beneath this, the study attempted to address the non-financial support for enterprises.

4.8.1. Non-Financial support for sustainability, leadership, and team growth

Table 4. Non-Financial support for sustainability, leadership, and Team

Did you receive capacity-building support on the following topics? [Financial sustainability]			Did you receive capacity-building support on the following topics? [Leadership and team]		
	f	%		f	%
Yes, I received support	21	91.3	Yes, I received support	20	87.0
No, I did not receive support	2	8.7	No, I did not receive support	3	13.0
Total	23	100.0	Total	23	100.0

Source: SPSS Analysis Output, 2020

Table 4 above indicated a non-financial capacity building rendered by Reach for Change. The above report posited support regarding financial sustainability and leadership and the team to enhance the capacity of enterprises. According to the response, (91%) of enterprises have received capacity building for financial sustainability. In addition to this, for the sake of non-financial support for leadership and team, (87%) had received support.

This analysis implies that Reach for Change has rendered non-financial support for more enterprises startup growth to be financially sustainable, to have good leadership, and an effective team to their startup growth. This supports the enterprises to grow and sustain in the market.

4.8.2. Non-Financial support for Impact Scaling, System Change and Impact measurement

Table 5. Non-Financial support for Impact Scaling and System change

Did you receive capacity-building support on the following topics? [Impact scaling]			Did you receive capacity-building support on the following topics? [System change]			Did you receive capacity-building support on the following topics? [Impact measurement]		
	f	%		f	%		f	%
Yes, I received support	19	82.6	Yes, I received support	16	69.6	Yes, I received support	19	82.6
No, I did not receive support	4	17.4	No, I did not receive support	7	30.4	No, did not receive support	4	17.4
Total	23	100.0	Total	23	100.0	Total	23	100.0

Source: SPSS Analysis Output, 2020

Table 5 above posited non-financial support rendered by Reach for Change to enterprises regarding impact scaling, system change, and impact measurement. For the impact scaling most respondents (83%) received support to impact scaling. Furthermore, for the sake of support on system change (70%) replied that they received support. The support provided by Reach for Change to measure the impact of the enterprises on society, (83%) replied that they received support.

When the researcher observed other empirical findings from Ghana, Social impact investing is important for social enterprise, it entails investments seeking, which exhibits investments seeking jointly impact and financial returns, and such investments require vehicles able to deliver social and environmental impact. A good example, here is, Africapitalism which is a term entails by Nigerian entrepreneur and venture philanthropist Tony Elumelu. Ghana is receiving a lot of attention from the impact investing community.

From this assessment and empirical review, the study implies that delivering of non-financial support regarding the social impact that enhances enterprises their business for social impact scaling Reach for Change provides the necessary support. This helps in the future to create those enterprises that practice social responsibilities.

4.8.3. Non-Financial Support for organization sustainability and goals setting

The other support rendered by Reach for Change is giving non-financial support to the enterprises to have sustainability and set goal. The following result and discussion attempted to envisage the non-financial support for enterprises' sustainability goal setting.

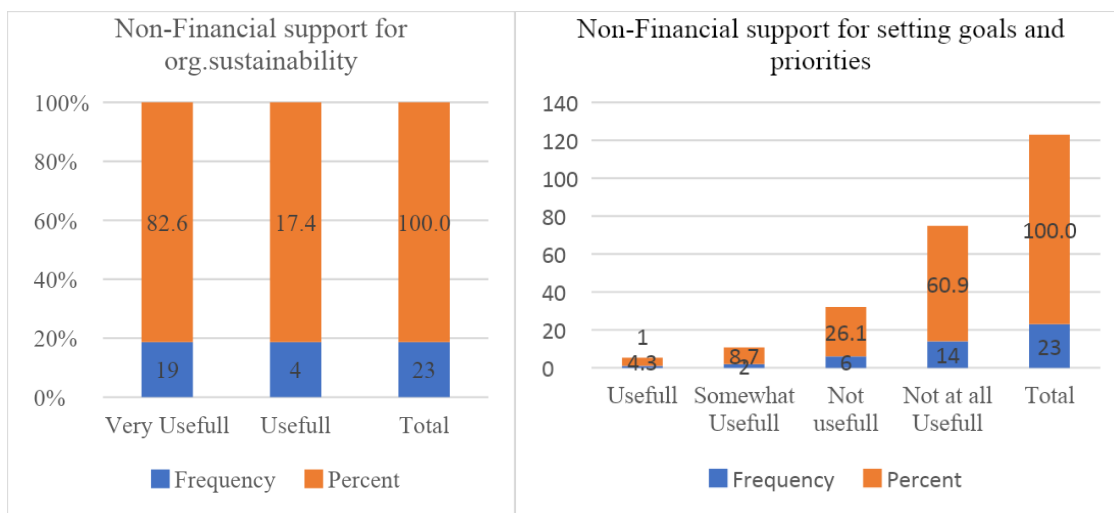


Figure 7: Non-Financial support for organization sustainability and setting goals

Figure 7 exhibited non-financial support for sustainability and (83%) of respondents suggested “Very useful”, whereas (17%) replied usefully. This implies all respondents agreed that the non-financial support contribution was significant for their sustainability and growth.

4.8.4. Non-Financial support for planning, organization development, and networking

The non-financial support for planning, organization development, and other networking for the startups growth. The table below demonstrates how useful the support was to the growth of the startup enterprises.

Table 6. Non-Financial support of planning, organizational development and peer to peer exchange with other social enterprise startups

	How useful was the Development Tracker for planning and following up on your organization's development?		How useful was the peer-to-peer exchange with other social enterprise startups? [Exchange with social enterprises in other countries]	
	Frequency	Percent	Frequency	Percent
Very Useful	0	0.00	1	4.3
Useful	1	4.3	0	0.0
Somewhat Useful	1	4.3	3	13.0
Not useful	11	47.8	6	26.1
Not at all Useful	10	43.5	13	56.5
Total	23	100.0	23	100.0

Source: SPSS Analysis Output, 2020

The result of non-Financial support rendered by Reach for Change on planning, organization development, and networking of social enterprise startup shown in table 6 demonstrated that the support for planning and development, for this (92%) of respondents as, “Not useful, and “Not at all useful”. For the support of networking social enterprise startup, had similar responses with planning and organizational development, that is, (82%) responded, “Not at all useful” and “Not useful”.

This implies non-financial support render by Reach for Change for startup growth is considered as useful by enterprises for planning, organizational development, and networking.

4.9. Connection support provided by Reach for Change to Startup Enterprises Growth

Under this, the research tried to understand the connection support provided by Reach for Change to social enterprises.

Accordingly, for the question, “Did Reach for Change connect you with any people and/or opportunities? By people, it means for e.g. peers experts or potential partners and by opportunities e.g. calls for proposals or conference events.

Table 7.Reach for Change connects enterprises with others/any people

	Frequency	Percent
Yes	23	100.0

Source: SPSS Analysis Output, 2020

For these questions, all respondents (100%) responded they received the support, which means all respondents received support from Reach for Change. This posits Reach for Change has endeavored its effort to render various support for enterprises to foster their business. This implies that Reach for Change attempts to communicate different people with enterprises to gain or share knowledge, skill, and integrate with the market.

4.9.1. The number of people connected with enterprises to startup growth

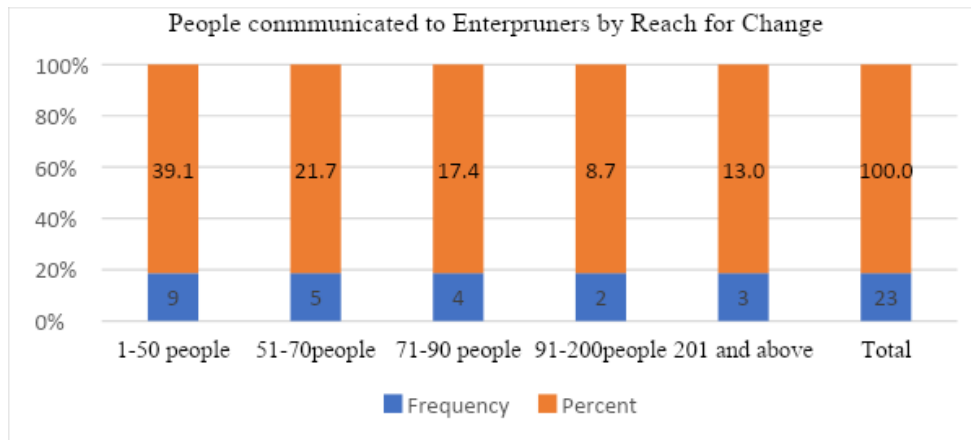


Figure 8: Number of people connected with enterprises by Reach for Change

Source: SPSS Analysis Output, 2020

Figure 8 above exhibited the number of people communicated with social enterprises by Reach for Change. The highest people connected with enterprises achieved (39%) that fell under the bracket of 1-50.

This means Reach for Change from the year 2017-2019 connects people with enterprises who have the highest figure 1-50 people, which is most enterprises in this period share knowledge, integrate, a collaboration of partnership, etc. with these people. This means it is not satisfactory.

4.9.2. The usefulness of connection of people with enterprises to startup growth

Reach for change endeavored to connect different people with enterprises for talent acquisition, knowledge and experience sharing, collaboration, partnership, new learning, funding, etc.

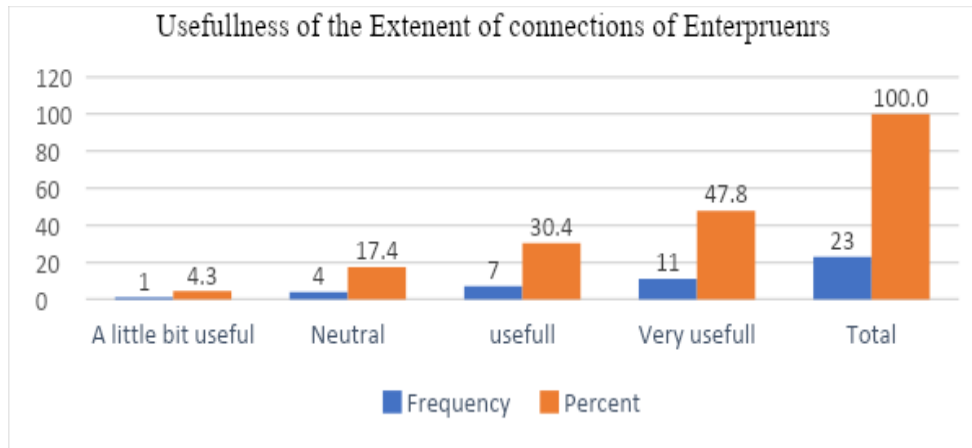


Figure 9: Usefulness of the extent of connecting people with enterprises

Source: SPSS Analysis Output, 2020

The extent of usefulness of connection of people with enterprises demonstrated above in Figure 9. According to the research, it shows that most enterprises said, “Useful”, (48%), which means the connection of enterprises with people was satisfactory. Following this, (30%) also responded, “Useful”, this again means the connection of the enterprises with other people was also satisfactory.

According to this analysis, the connection of various people with enterprises has provided various benefits such as share of knowledge, view of other people, collaboration, partnership, etc. this supports enterprises’ startup to their organization’s sustainability and growth.

4.9.3. Result of the connection of people with enterprises

The study attempted to address the result of the connection of people with enterprises. This helped them to envisage the benefits obtained due to this connection of people with enterprises.

The table posited the result that enterprises received from various people.

Table 8. Result of connections of people with enterprises

What did the connections make result in? You can select more than one option.		
	Frequency	Percent
New learning	5	21.7
Nothing tangible yet	4	17.4
Collaboration or Partnership	9	39.1
Collaboration or Partnership, New learning, Coaching and promoting	1	4.3
Funding, Collaboration or Partnership, New learning	2	8.7
Collaboration or Partnership, New learning, Training opportunities from local and global partners for our team	1	4.3
Funding, Collaboration or Partnership	1	4.3
Total	23	100.0

Source: SPSS Analysis Output, 2020

Table 8 demonstrated the type of benefits the enterprises obtained due to their connection with various people. Reach for Change endeavored to communicate various enterprises with other people in order to share knowledge, etc. According to the report, most enterprises (39%) had received collaboration or partnership with others. The study implies that the effort to connect enterprises with various people has given extensively by Reach for Change to startup growth.

4.10. Comparing of Enterprises Benefit from the time of joining the support

Here below the researcher endeavored to address comparing of enterprise benefits obtained from joining the program with current status. The growth and sustainability realized based on financial and non-financial support rendered to enterprises. The table below here disclosed the result of the survey.

Table 9. Comparison of enterprises' benefits

Descriptive Statistics					
Variables	N	Minimum	Maximum	Mean	Std. Deviation
Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased it's... [Geographical footprint (the number of offices, schools, municipalities, etc.)]	23	1.00	3.00	2.8696	.34435
Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased it's... [Number of employees?]	23	1.00	3.00	2.4783	.66535
Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased it's... [Number of volunteers?]	23	1.00	3.00	1.6522	.71406
Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased it's... [Product offerings?]	23	1.00	3.00	2.0000	.52223
Valid N (list wise)	23				

Source: SPSS Analysis Output, 2020

Table 9 above-disclosed a descriptive statistics analysis of comparing of 23 enterprises' benefits after they received financial as well as non-financial support from Reach for Change from 2017-2019. The questionnaires' entailed three types of Likert Scale (Did not Increase, Increase moderately, and Increase extensively") that assisted the researcher to measure the feelings of the respondents. Accordingly, the highest mean value 2.87 with a variation of 34.4% achieved by the variable, "Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased in terms of Geographical footprint (the number of offices, schools, municipalities, etc.)", that is, the mean value fell between 2.42-3.12, which represented increase extremely.

Following this, the second variable, "Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased in terms of Number of employees, the mean value had 2.48 with a variance of 66.5% that fell between 2.42-3.12, which means again the benefit in terms of the number of employees increases extensively.

The other variable, “Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased in terms of Product offerings had a mean value of 2.00 that is, fell between 1.71-2.41 which referred the benefits in terms of product offerings “Increases moderately”.

According to the result, the benefits rendered by the Reach for Change for 23 enterprises with the period 2017-2019 have shown growth in terms of increase of office, geographical footprints, municipalities, etc. this means the benefits among enterprises vary by 34.4%, which is the least variation among others benefits. The benefits for enterprises in terms of the growth of the number of employees hired increase extensively. The number of enterprises that have received benefits has variation 66.5%, this means after the enterprises join the program at Reach for Change the growth of the number of employees is not similar it has variances.

The other growth of enterprises is seen in terms of various product offerings to the business environment after they join the program. This posits a moderate increase within the year of 2017-2019 with a variation of more than 50%, which means more than half percent of enterprises have received different value in product offerings.

Another literature review indicates similar results that the importance of promoting entrepreneurship is reflected in the increasing role that job creation hiring of more employees, creating new product offerings Chigunta (2006). Especially in developing countries, enterprises play a great role in the absorption of unemployment. In addition to this, the program renders by Reach for Change is the incubators tool for supporting the entrepreneurial process and for helping to enhance survival rates for young enterprises start-up.

4.11. Analysis result of Non-Financial support rendered by Reach for Change to startup Growth of enterprises

In this section, the study endeavored to measure the enterprises’ development regarding the support of Reach for Change after engaged in the program.

Table 14. Enterprises Dev't after engaged in the program of Reach for Change

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
If you had participated in the Reach for Change Incubator, how do you believe that your organization would have developed?	23	2.00	3.00	2.4783	.51075
To what extent has the Incubator support contributed to your organization's progress towards the following goals? [A strong leadership and team]	23	2.00	3.00	2.6957	.47047
Valid N (list wise)	23				
Aggregate result	23	2	3	2.5870	0.4906

Source: SPSS Analysis Output, 2020

From the total observation of 23, Table10 above posited the enterprises' feelings after they engaged in the program of Reach for Change. The highest mean value 2.70 and variation of 47.0% achieved by the first variable, "To what extent has the Incubator support contributed to your organization's progress towards the following goals? [A strong leadership and team]". The mean value fell between 2.42-3.12, which means "Increase extensively" regarding strong leadership and team building for enterprises. The other variable, "If you had participated in the Reach for Change Incubator, how do you believe that your organization would have developed?" most respondents suggested a mean value of 2.478 that fell between the bracket of 2.42-3.12, which referred again "Increase extensively".

This analysis implies that most enterprises engage in the support program of Reach for Change to startup growth of their business have to increase extensively developed in terms of strong leadership and team.

4.12. Analysis of Financial support granted by Reach for Chang

One of the indispensable factors for enterprises to startup and grow their business is financial support, which is important for social enterprises. Here below the study referred to financial support analysis.

4.12.1. Amount granted by Reach for Change

The following table indicated the amount of capital injected by Reach for Change for social enterprises as per the response collected.

Table 11. Amount granted by Reach for Change to startup Growth

What was the amount of grant you received or approved for?		
	Frequency	Percent
10,000-50,000 Birr	4	17.4
300,001-500,000	18	78.3
500,001 and above	1	4.3
Total	23	100.0

Source: SPSS Analysis Output, 2020

Table 11 indicated the amount of capital injected into enterprises. Most enterprises (78%) had received financial support between the brackets of 300,001-500,000 Birr.

The other interview question raised by the researcher exhibited, “What do you recommend to make a social enterprise support program better? Interview respondents suggested the following core points:

Reach for Change should better create a strong market link and collaboration among the program participants, the selection of the businesses needs better based on thorough analysis since some business of social enterprises were not suitable for the existing business market. In addition to this, they commented also there should be a deeper review of social enterprises that required support. The other points mentioned were, share the experience of Reach for Change to the social enterprises that support start-ups, which helped to improve the quality of their support. It is also necessary for strengthening internal capacity, better to have experts in house by identifying very crucial support areas, help to strengthen the learnings from the process, and closely follow up the change leaders and improve work closely with the government to create a better environment for the social enterprises.

This implies Reach for Change provided financial support between the bracket 300,001-500,000Birr within the period of 2017-2019 for various enterprises to seeding and incubated their business.

According to the Eurobarometer Survey (2004), young people (aged 15-24) seem to be the strongest supporters of the perception that the lack of available financial support is an obstacle to setting up a business. About 78 percent of the respondents (aged 15-24), compared to 73 percent of all other age cohorts, agreed to this affirmation

4.12.1. Status of granted capital by Reach for Change

This shows the status of granted capital to enterprises such as the rate of sufficiency, the satisfaction of the amount granted, the timing of the grant, and its importance. The table below here described the result of the analysis. The study applied here five scales Likert type of questions to measure the feelings of the respondents. That ranged from very perfect to not perfect or very sufficient to not sufficient or extremely important to not important.

Table 12: Status of granted capital by Reach for Change to startup Growth

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
(Fin)How do you rate the sufficiency of the grant amount for the development of your business?	23	1.00	5.00	3.9130	.99604
(Fin)What was the amount of grant you received or approved for?	23	1.00	5.00	3.5217	1.20112
(Fin)How do you rate the timing of the grant you obtained to your business?	23	1.00	5.00	4.9130	8.92857
(Fin)How important was the grant for sustaining your operations?	23	1.00	5.00	4.3913	.49901
(Fin)How important was the grant for developing your operations? *By "developing" we mean advancing your operations to further achieve your goals.	23	1.00	5.00	4.5652	.50687
Valid N (list wise)	23				
Aggregate Result	23	1	5	4.261	2.426

Source: SPSS Analysis Output, 2020

Table 16 posited descriptive statistics analysis for the status of satisfaction capital granted by Reach for Change to enterprises. From the total observation of 23 enterprises, the highest mean value 4.91 with a variation of 8.92 represented by the variable, “How do you rate the timing of the grant you obtained to your business?” this means the crucial of the grant respect to time. It’s mean value fell between 4.24-5.00, which means a very perfect time for most respondents.

Next to this, the fifth variable, “How important was the grant for developing your operations? *By "developing" we mean advancing your operations to further achieve your goals” had a mean value 4.56 with a variance from mean .51, which included in the bracket of 4.24-5.00. This means it was very perfect for the advancing operation of the enterprises. Following for the variable, “How important was the grant for sustaining your operations?”, had a mean value 4.39 with a standard deviation of .499 that fell between 4.24-5.00, which referred to perfect for most enterprises for sustaining their operations.

The rest two variables, “How do you rate the sufficiency of the grant amount for the development of your business?”, and “What was the amount of grant you received or approved for?” had mean values 3.91 and 3.51 with a variation of .996 and 1.20 respectively. According to the result, their mean values encompassed between the brackets 3.43-4.23 which means perfect. This means in terms of the grant amount for enterprises’ business and the amount approved was perfect enough for their operation.

Other responses from the interview, “Do you believe the financial support provided by Reach for Change enough to the start-up social enterprises? If your answer is, “No” please give your comments. For this question, all interviewees commented the financial support rendered by Reach for Change had given enough financial support to start-up social enterprises, which supported the questionnaire responses.

Based on the result of the discussion the study indicates the amount of capital granted by Reach for Change within the period of 2017-2019. Accordingly, most enterprises are extensively satisfied with the grant of the capital developing their business operation. In addition to this, most enterprises are also satisfied with the rate of the sufficiency of the capital and its amount granted by Reach for Change. According to literature the issue of grand finance for self-employment ventures is indispensable one White and Kenyon (2001). In addition to this, literature also posits the top barrier to growth has 58% of social enterprises, is access to finance and this is the most frequently reported barrier, this mainstream business, where 20.3% identify access to finance as major constraints World Bank (2015).

4.13. Additional Financing requirement of enterprises

Under this, the survey emphasized the additional finance evaluation from respondents. From a total of 23 enterprises, below here the table and figure posited the evaluation of the additional financing needs of respondents.

Table12.Survey of additional financing to entrepreneur startup growth

How much additional financing do you think could be sufficient for your business?		
	Frequency	Percent
17000-35,000	3	13.0
36,000-100,000	2	8.7
100,001-500,000	9	39.1
500,001-1,000,000	4	17.4
Morethan 3,000,000	5	21.7
Total	23	100.0

Source: SPSS Analysis Output, 2020

Table 12 addressed the sufficiency of finance to enterprises. Most enterprises (39%) represented the sufficiency of additional capital between, 100,001-500,000. Next to this, (22%) of respondents suggested an additional requirement of more than 3,000,000 Million Birr. The least requirement reflected by enterprises (9%) fell between 36,000-100,000 Birr. This analysis states that most enterprises require additional financing support between, 500,001-500,000.

4.14. Support from other organization to enterprises

Under this survey question, the researcher attempted to measure other organizations' support to enterprises other than Reach for Change.

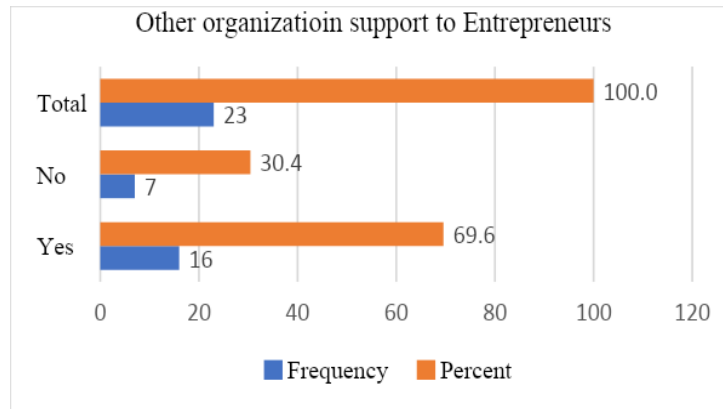


Figure 10: Other Organization support to enterprises

Source: SPSS Analysis Output, 2020

Figure 10 portrayed the grant provided by other organizations. From the observation of 23 enterprises, (70%) received support from other organization. According to the output, the research emphasizes that most enterprises have received a capacity building support from organizations other than Reach for Change to startup growth.

Next to this, the study also addressed the kind of support received by the enterprises.

Table 13. Capacity-building support from other organizations

If you have received capacity-building support from other organizations, what kind of support have you received?		
	Frequency	Percent
Financial sustainability	9	39.1
Impact scaling	4	17.4
Leadership and team	6	26.1
Financial sustainability, Leadership, and team	4	17.4
Total	23	100.0

Source: SPSS Analysis Output, 2020

Table 13 above portrayed the kind of capacity building support to enterprises. Most enterprises (39%) replied, “Financial sustainability”, Next to this, (26%), "Leadership and team. Following this, (17%) respondents received, "Financial sustainability, support.

In addition to this, from the interview question, " Describe the benefits/opportunities and challenges of social enterprises start-up", all interview questions respondents had given similar responses. For the sake of opportunities, the following opinions were provided:

social enterprises obtained capacity building (training, experts' advice, coaching and mentoring, financing/seed funding, networking/experience sharing, added value to the society with the product/service provided and the generate profits to the company earns and addressed areas that most business.

Respondents for the interview questions had given similar responses, that is, there was a high gap in the ecosystem for social enterprises to survive in the business environment, which had no clear policy, which led to challenges for social enterprises to register their business. In addition to this, the business environment highly characterized by continuous dynamism of variables such as change of government regulation, unstandardized rules of the government, customer taste change, fond of imported products/goods by the country, etc.

Related to this, the study attempted to envisage the COVID 19 challenges on social enterprises in Addis Ababa by requested, "How do you evaluate the challenges of COVID 19 pandemic on social enterprise support program?", the following comments provided by the respondents:

Everyone affected both ways (positively and negatively) by COVID -19 pandemic new ways of doing almost everything.

The negative challenges were, it became challenging because it demanded a new trend and way of doing business such as virtual work so most social enterprises were not easily accepted easily by this system due to the high startup cost of the internet infrastructure, etc. In addition to this, some social enterprises had faced a liquidity problem with their employees' salaries. Since it is a global pandemic, it caused a disruption in their daily operations, which limited them not to fully and actively support their service users, had a negative psychological impact on social enterprise's passion, and COVID impact on the economy has impacted their market and sales.

On the contrary to this, COVID 19 had also positive opportunities for social enterprises:

The situation was pushing the change leaders to see different alternatives to sustain and grow their business. Most of them were looking for different alternatives for service delivery.

Most social enterprises enforced the situation to develop an online platform for their products and services benefited by the pushing factors for consumer tanned to shift the new way of business or mode of service delivery. Others used the situation as an opportunity for the new business model and innovation. In addition, some others even engaging in production and services as Covid-19 response.

4.15. Comparison Analysis between Non-Financial support and Financial Support to enterprises

Under this title, the study attempted to exhibit a comparison analysis between the two types of support that is, non-financial and financial support to enterprises provided by Reach for Change. The paired t-test result vested which supports better percept by the enterprises.

The followings are the suggested null and alternative hypotheses:

H0: There is no difference between Non-Financial and Financial support to enterprises by Reach for Change

H1: There is a difference between Non-Financial and Financial support to enterprises by Reach for Change.

Table 14: Paired T-test Analysis							
Paired Samples Test							
		Paired Differences			t	df	Sig. (2-tailed)
		Mean	Std. Dev.	Std. Error Mean			
Pair 1	(Non- Fin) How useful were the topics in the capacity building support for your organization's sustainability? - (Fin) How do you rate the sufficiency of the grant amount for the development of your business?	-2.57	1.27	0.27	-9.66	22	.000
Pair 2	(Non- Fin) How useful was your Take Off meeting support for gaining a clear view of your organization's current status, and for setting goals and priorities? - (Fin) How do you rate the timing of the grant you obtained to your business?	-0.48	8.95	1.87	-.256	22	.800

Pair 3	(Non- Fin) How useful was the Development Tracker for planning and following up on your organization's development? - (Fin) How important was the grant for sustaining your operations?	-0.09	0.79	0.17	-.526	22	.604
Pair 4	(Non-Fin) How useful was the Triannual Development Chats to overcome challenges standing in the way of your organization's development? - (Fin) How important was the grant for developing your operations? *By "developing" we mean advancing your operations to further achieve your goals.	-0.61	1.12	0.23	-2.61	22	.016
Pair 5	(Non- Fin) How useful were coaching sessions with advisors for your organization to overcome challenges standing in the way of your organization's development? - (Fin12) How much additional financing do you think could be sufficient for your business?	.95	1.81	.39	2.47	21	.022

Source: SPSS Analysis Output, 2020

This research catered to the above Paired-T-test in Table 14 that Reach for Change rendered non-financial and financial support to social enterprises, which addressed the year 2017-2019. According to the Paired samples test, the first variable between “Non-Financial support for capacity building of enterprises ” and “Financial support considering the sufficiency of the grant” has a significance P-value $0.000 < 0.05$ which means statistically both had difference mean. Hence sufficiency of financial grants had more mean than non-financial capacity building.

Next to this, the second variable, (Non- Fin) How useful was your Take Off meeting support for gaining a clear view of your organization's current status, and for setting goals and priorities? And (Fin) How do you rate the timing of the grant you obtained to your business? The P-value $0.800 > 0.05$ which means insignificant. Hence, both non-financial and financial support granted had statistically similar means.

The third variable which dealt with the comparison of, “(Non- Fin) How useful was the Development Tracker for planning and following up on your organization's development?” – “(Fin) How important was the grant for sustaining your operations?” with the degree freedom of 22, had P-value $.604 > 0.05$, which means statistical insignificance. This means both non-financial support regarding development for planning and follow up and financial grant sustainability had no significant difference in terms of both support.

The fourth variable comparison posited that “(Non-Fin), “How useful was the Triannual Development Chats to overcome challenges standing in the way of your organization's development?” and “(Fin) How important was the grant for developing your operations? *By "developing" we mean advancing your operations to further achieve your goals”. The Paired T-test indicates P-value $.016 < 0.05$, which referred to as statistically significant. Statistically significant indicated there was a significant difference between the mean of non-financial and financial support regarding triannual development chats to overcome challenges and financial grants for developing enterprises ’ operation, that is, the mean of financial grants for enterprises ’ operation was higher than non-financial.

The other comparison between the variable, (Non- Fin) How useful were coaching sessions with advisors for your organization to overcome challenges standing in the way of your organization's development? and “(Fin) How much additional financing do you think could be sufficient for your business?” had a Paired T-test value $P = .022 < .05$, which posited statistically significant. This means non-financial and financial support were different in the mean.

Following this, the next table exhibited the aggregate result of non-financial and financial support rendered by Reach for Change to enterprises.

Table 15. Comparison Analysis between non-financial and financial Support rendered by Reach for Change

Paired Samples Test						
Aggregate result	Paired Differences			t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean			
Non-Fin support-Fin support to enterprises	-0.56	2.79	0.58	-2.12	22	0.29

Source: SPSS Analysis Output

Table 15 above portrayed aggregate Paired T-test between non-financial and financial support rendered by Reach for Change based on the observation of 24 enterprises. As depicted the P-value equal to $.029 > 0.05$ that is, statistically insignificant with degree freedom of 22, and mean difference of -0.56. Related to this, the mean difference indicated financial grants had a higher mean value than non-financial support with a variation of 2.79.

The significance result of the P-value exhibited both non-financial and financial support rendered by Reach for Change was not statistically different. According to this result, the null hypothesis, *H0: There is no difference between Non-Financial and Financial support to enterprises by Reach for Change* was accepted, and the alternative hypothesis *H1: There is a difference between Non-Financial and Financial support to enterprises by Reach for Change* was rejected.

The implication of this paired T-test indicates that the non-financial and financial support rendered by Reach for Change to social enterprises within the period of 2017-2019 has no significant difference. This refers to the organization's attempts to optimize the balance of non-financial and financial support to social enterprises.

According to the literature, one of the crucial support of non-financial is education and training. This type of support should begin as early as possible due to the preparation of young enterprises and helps to inspire entrepreneurial habits and minds, OECD (2001). Furthermore, financial support is also indispensable for seeding and incubation of enterprises that help in promoting the operation of the organization Chigunta (2006) to business incubators ILO (2006) become a powerful tool for supporting the entrepreneurial process and for helping to increase survival rates for young innovative start-up companies. So regarding this, the study posits both types of support rendered by Reach for Change to various enterprises are not significantly vary so this helps for incubation, sustainability, and growing social enterprises.

4.16. Financial support provided to the Social Enterprises and their financial performance

In the previous sections, the study evaluated the role of Reach for Change organization financial and non-financial support to social enterprises in Addis Ababa to start-up and sustain their business growth based on questionnaires and interview questions.

Beneath here, the research addressed secondary financial data to examine the support provided by Reach for Change to social enterprises from the period of 2017-2019 for 24 enterprises. This comprehended to observe the support of Reach for Change to social enterprises and their financial performances. In addition to this, it supported readers easily to recognize the financial support of Reach for Change to social enterprises and their performances within the period of 2017-19.

Table 16. Summary of Financial support provided to Startups and Financial performance					
The year 2017					
	Startups	Revenue	Cost	Profit	Support from RFC
1	Beautiful Minds Ethiopia	1,300,000	719,049	580,951	400,000
2	Omni Tech Consultancy	399,424	203,074	196,350	400,000
3	Tatarri Consultancy PLC	400,500	225,100	175,400	400,000
4	Yadiel Psychological Research and Development	250,872	149,128	101,744	400,000
5	MG Green Innovations PLC	510,000	288,125	221,875	400,000
	Total	2,860,796	1,584,476	1,276,320	2,000,000

Source: Organization doc and Own analysis, 2020

In the first phase (2017), Reach for Change adopted five enterprises to render financial support to start-up and sustain growth. The grant had a fixed value with Birr 400,000. In this year the enterprises generate a total profit of Birr 1,276,320 (64%) from the support figure (2Million Birr) and also the total cost had a figure of 1.6Million (79%) coverage.

This implies during the first period (2017) the cost incurred by the enterprises is very high compare to the profit coverage this pull down the enterprise's profit to be gained.

Following this, by the year 2018 Reach for Change provided financial support for ten social enterprises. The total financial Birr granted by Reach for Change was 2 Million Birr.

The following table beneath here posited the other support provided by Reach for Change.

Table 17. Summary of Financial support provided to Startups and Financial performance

The year 2018					
	Startups	Revenue	Cost	Profit	Support from RFC
1	Early childhood care & Learning Center	295,100	191,971	103,129	400,000
2	Buska Promotion, Smart Listro Initiative	503,091	227,776	275,315	400,000
3	CiL design and promotion PLC	718,700	132,000	586,700	400,000
4	Asmat Product Design and Business development PLC	390,600	62,299	328,301	400,000
5	Maverick Technologies PLC	350,768	150,796	199,972	400,000
6	Yeroam Consultancy	514,917	258,453	256,464	400,000
7	Eagle Social Consultancy Service	856,120	184,100	672,020	400,000
8	Yenetta Code	391,308	52,500	338,808	400,000
9	Midako Publishing	554,915	123,231	431,684	400,000
10	Fresh and green Academy PLC	356,461	143,022	213,439	400,000
	Total	4,931,980	1,526,148	3,405,832	4,000,000

Source: Organization doc and Own analysis, 2020

Table 17 above portrayed the grant delivered by Reach for Change during the period of 2018 for ten enterprises. The total financial support Birr was 4 Million Birr. By this financial support, the enterprises generated a profit of 3.4 Million Birr, that is, 85% of the financial support. The cost incurred during this period (2018) had a value of 1.5 Million Birr, which covered 38% of the financial support of Reach for Change.

This implies during the period of 2018 the cost incurred by ten enterprises is very low with high profit, which means the support has a high role in the growth of enterprises.

Next to this, the table below here posits the financial support delivered by the Reach for Change during the period of 2019. There were nine social enterprises donated by the organizations.

Table 18. Summary of financial support provided to Startups and Financial performance

The year 2019					
	Startups	Revenue	Cost	Profit	Support from RFC
1	DUKA Book Publishers	500,000	225,000	275,000	400,000
2	Ledeg Crafts	403,932	222,921	181,011	400,000
3	Bithio ICT Systems PLC	553,899	302,820	251,079	400,000
4	Edifying Smart Books	4,800,000	4,032,000	768,000	400,000
5	Awaqi Education	1,800,000	540,000	1,260,000	400,000
6	Fidel Tiru	214,620	40,553	174,067	400,000
7	Food Secured Schools Africa (FSSA)	400,000	143,125	256,875	400,000
8	Getachew & yibralem patented products	620,000	412,000	208,000	400,000
9	Netsebrak Integrated Family Center	480,000	330,000	150,000	400,000
	Total	9,772,451	6,248,419	3,524,032	3,600,000

Source: Organization doc and Own analysis, 2020

Table 18 above depicted financial support provided by the Reach for Change during the year of 2019 for nine enterprises. The total Birr delivered by the organization had a figure of 3.6 Million Birr with a profit of 3.5 Million Birr. The share of the profit from the total financial support had a figure of 98%, which was very high. Related to this, the cost-share had a value of 177%, which surpassed the financial support by 77%.

The study implies during the period of 2019, the enterprises incur high profit and cost figures. This means the enterprises have exerted high marketing to surpass their high cost.

4.16.1. Financial Support Provided and Enterprise Performance

The descriptive statistics analysis exhibited the minimum, maximum, average (mean), and variation within the period of three years (2017-19). Here the following table below exhibited the analysis.

Table 19. Financial Support in Birr rendered by Reach for Change and Enterprises performance (2017-2019) to startup Growth

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
2017 Financial support	5	400,000.00	400,000.00	400,000.00	0.00000000
2017 profit of Enterprise	5	101,744.00	580,951.00	255,264.00	187,486.24
2017 Revenue to enterprise	5	250,872.00	1,300,000.00	572,159.20	417,176.76
2017 Cost of Enterprise	5	149,128.00	719,049.00	316,895.20	230,262.27
2018 financial support	10	400,000.00	400,000.00	400,000.00	0.00000000
2018 profit of Enterprise	10	103,129.00	672,020.00	340,583.20	177,180.02
2018 Revenue to enterprise	10	295,100.00	856,120.00	493,198.00	178,286.96
2018 Cost of Enterprise	10	52,500.00	258,453.00	152,614.80	65,789.89
2019 Financial Support	9	400,000.00	400,000.00	400,000.00	0.00000000
2019 profit of Enterprise	9	150,000.00	1,260,000.00	391,559.11	376,004.64
2019 Revenue to enterprise	9	214,620.00	4,800,000.00	1,085,827.89	1,466,698.12
2019 Cost of Enterprise	9	40,553.00	4,032,000.00	694,268.78	1,260,125.68
Aggregate in Average period (2017-19)	5	213,137.17	1,306,549.42	458,530.85	363,250.88

Source: SPSS Analysis Output, 2020

Table 19 above indicated a descriptive statistical analysis of financial support rendered by the Reach for Change for social enterprises' financial and their performances within the period of 2017-2019. As examined above for the year 2017, the number of social enterprises engaged in the financial support program was 5. Here the financial support rendered by Reach for Change was fixed to all five enterprises that are, it posited a minimum and maximum 400,000 Birr. During this period, from the observation of 5 enterprises, the maximum profit generated was Birr 580,951 and a minimum of 101,744. In (2017) on average the enterprises generated Birr 255,264.00 with a variation of Birr 187,486.24. This means with 1 Birr donation of Reach for Change, the enterprises generated in average a profit of 255,264 Birr of profit of with financial support of Birr 400,000.00 Birr.

For the year 2018, there were 10 enterprises engaged in the program of financial support by the Reach for Change. During this period, the maximum and minimum profit achieved by the enterprises was 672,020.00 and 103,129.00 Birr respectively with an average profit of Birr 340,583.20 and variance of 177,180.02. This indicates with this year, the enterprise's profit varied by Birr 177,180.02 among 10 enterprises.

Following this for the year 2019, there were 9 enterprises were donated by the program of Reach for Change. During this year, the maximum profit was 1.26 Million Birr and a minimum was 150,000Birr. In average 9 enterprises had a profit of 391,559.11 Birr with a variation of 376,004.64 Birr among them.

The implication of the analysis posits that within three years, the enterprises have satisfactory financial performance so the support of Reach for Change has played a great role in the startup and sustainable growth of enterprises. In addition to this, the profit generates by the enterprises are varied within three years despite Reach for Change provide fixed financial support for each enterprise 2017,2018, and 2019 fiscal years respectively.

Next to this, the study envisaged the summarized descriptive statistics analysis of Reach for Change support that provided to 24 social enterprises and their financial performances from the period of 2017 up to 2019.

Table20. Summarized result of Reach for Change Financial support for social Enterprises within the period of 2017-2019 to startup Growth

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Support	24	2,000,000.00	4,000,000.00	3,200,000.00	1,058,300.52
Revenue	24	2,860,796.00	9,772,451.00	5,855,075.67	3,547,086.54
cost	24	1,526,148.00	6,248,419.00	3,119,681.00	2,709,723.54
Profit	24	1,276,320.00	3,524,032.00	2,735,394.67	1,264,977.06

Source: SPSS Analysis Output, 2020

Table 26 above in an ameliorable way depicted financial support rendered by Reach for Change for 24 social enterprises in Addis Ababa from the year 2017 up to 2019 and their performance. This catered the researcher to observe the role of the support. Accordingly, within the three fiscal years (2017-2019), the support generated by Reach for Change had a maximum Birr of 4 Million and a minimum of 2 Million. The average donation provided for social enterprises (24) was Birr 3.2 Million with a dispersion of 1.06 Million to start-up and sustain their business growth.

Based on this support, the social enterprises (24) generated revenue had reached a maximum value of 9.8Million Birr and a minimum of 2.9 Million Birr from the year 2017 -2019. During this period, the enterprises had got an average revenue of 5.9 Million Birr and varied by 3.5 Million among

them. Related to this, these enterprises had incurred a maximum and minimum cost of Birr 6.2 and 1.5 Million Birr respectively. The cost incurred by the enterprises had a variation of 2.7 Million within the period of 2017-19. Lastly, the profit generated by the enterprises had a maximum and minimum value of 3.5 and 1.3 Million Birr respectively. The average profit achieved by social enterprises was 2.7 Million Birr with a variation of 1.3 Million from the period 2017-2019.

This analysis implies that whenever Reach for Change has rendered support of 400,000 Birr per each enterprise, they generate an average profit of 5.6 Million Birr, which is satisfactory support for enterprises.

4.16.2. Pearson Correlation Analysis

Beneath this, the Pearson Correlation Analysis exhibited the relationship between the financial support rendered by the Reach for Change and enterprises' financial performance. This supported the study to observe which financial parameter was highly associated with the support of Reach for Change.

Table 21. Relation of Financial support of Reach for Change and social enterprises Revenue, Cost and Profit within the period of 2017-2019

Correlations					
		Support	Revenue	cost	Profit
Support	Pearson Correlation	1			
	Sig. (2-tailed)				
Revenue	Pearson Correlation	.589	1		
	Sig. (2-tailed)	.599			
cost	Pearson Correlation	.317	.953	1	
	Sig. (2-tailed)	.795	.195		
Profit	Pearson Correlation	.972	.762	.531	1
	Sig. (2-tailed)	.151	.448	.644	

Source: SPSS Analysis Output, 2020

Table 21 above posited the association of financial support provided by Reach for Change and the financial variables of the social enterprise (24) within three years (2017-2019). From the given figure above in the table, the profit of the enterprises had a high relationship with the financial support of the Reach for Change, that is, 97.2% but it was insignificant to profit with a P-value

of $.151 > .05$. Revenue of social enterprises had a Pearson Correlation of 58.9% with the financial support of Reach for Change with P-Value = $.599 > .05$, which indicated highly insignificant. When the study observed the association between the cost of enterprises incurred and the financial support of Reach for Change, it had a very low Pearson Correlation of 31.7% with P-Value = $.795 > 0.05$, which posited again insignificant.

From this assessment, the study states there are high relationships between the financial support rendered by Reach for Change and social enterprises (Revenue and profit) and low association with the cost incurred. This indicates the enterprises are highly cost-sensitive and attempts to control their expenses effectively.

Chapter Five:

Summary, Conclusion, and Recommendation

This section exhibited a summary of findings that extracted from the results and discussion section. Following this, the conclusion is derived based on the given specific objectives from the summary of findings. In the end, recommendations were provided regarding both summaries of findings and conclusions.

5.1. Summary of Findings

Initial Capital start-up Growth

Enterprises' initial capital to start business or operation by enterprises. From the total observation of 23, most respondents 6(26%) had started up a business with a capital in the bracket of 20,001-50,000 followed by 5(22%) of enterprises with startup capital bracket 50,001-100,000.

Operation Area of enterprises

According to the research, most enterprises used rented property 19(82.6%) to run their day to day operations.

Non-Financial Support for capacity building to startup Growth

The research finding posited support regarding financial sustainability and leadership and team to enhance the capacity of enterprises. According to the report, 21(91.3%) of enterprises had received the capacity building for financial sustainability, the support for leadership and team, 13(87.0%) whereas 3(20%) replied not received the support.

Non-financial support rendered regarding impact scaling, to startup Growth

Most respondents 19(82.6%) received support to impact scaling. Furthermore, for the sake of support on system change 16(69.6%) replied that they received support. The support provided by Reach for Change to measure the impact of the enterprises on society, 19(82.6%) replied that they received support.

Non-Financial Support for organization sustainability and goals setting to startup Growth

19(82.6%) of respondents suggested “Very use full”, whereas 4(17.4%) replied usefully.

Non-Financial support for planning, organization development, and networking for startup Growth

Most respondents replied, “Not useful, 11(47.8%) and “Not at all useful”, 10(43.5%). For the other non-financial support of peer to peer exchange social enterprise startup, had similar responses with planning and organizational development, that is, 13(56.5%) and 6(26.1%) commented, “Not at all useful” and “Not useful” respectively.

From interview respondents, they suggested the strength of the Non- financial support that delivered by Reach for change, it included training based on need assessment, expert advice, and coaching, which were very helpful for the enterprise’s development and growth. The capacity building program once the participants joined the program capacity building plans schedule based on the mutual consensus with the participant and convenient time for Reach for Change. It supported the social enterprises to sustainable growth their business and compete in the market. In addition to this, the interviewees exhibited the following weakness of the non-financial program that rendered by Reach for Change such as the capacity-building support is not tailored to the need of each social enterprises.

Support given by Reach for Change to connect enterprises to startup Growth

All respondents, 23(100%) responded they were connected with other enterprises and experts for support. Which includes opportunities through connection with peers experts, event, conferences experience sharing and the like.

From the interview the researcher obtained that, the reflection on how the social enterprise grow after engaged in the program of Reach for Change, all interviewees said the program rendered by Reach for Change that the organization pioneers to bring social enterprise issue in the country and focused only social enterprises in the market. In addition to this, the organization helped to develop a productive internal and external ecosystem for social enterprises to produce their products or services, to have an appropriate market area, to create a conducive work environment, etc.

The usefulness of connection of people with enterprises

From the research finding most (48%) of the enterprises responded the connection support was useful, which means the connection of enterprises with people was satisfactory.

Result of the connection of people with enterprises

The type of benefits the enterprises obtained due to their connection with various people. Reach for Change endeavored to communicate various enterprises with other people in order to share knowledge, etc. According to the report, most enterprises 9(39%) had got collaboration or partnership with others. Next, to this, 5(22%) obtained “new learning” due to having a connection with other people.

Comparing of enterprises Benefit

Accordingly, the highest mean value 2.87 with a variation of 34.4% achieved by the variable, “Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased in terms of Geographical footprint (the number of offices, schools, municipalities, etc.)”, that is, the mean value fell between 2.42-3.12, which represented increase extremely.

For the variable, “Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased in terms of Number of employees, the mean value had 2.48 with a variance of 66.5% that fell between 2.42-3.12, which means again the benefit in terms of the number of employees increases extensively.

The other variable, “Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased in terms of Product offerings in terms of quality and delivery” had a mean value of 2.00 that is, fell between 1.71-2.41 which referred the benefits in terms of product offerings “Increases moderately”.

According to the result, the benefits rendered by the Reach for Change for 23 enterprises with the period 2017-2019 have shown growth in terms of increase of office, geographical footprints, municipalities, etc. this means the benefits among enterprises vary by 34.4%, which is the least variation among others benefits. The benefits for enterprises in terms of the growth of the number of employees hired increase extensively.

The other growth of enterprises is seen in terms of various product offerings in terms of quality and delivery to the business environment after they join the program. This posits a moderate increase within the year of 2017-2019 with a variation of more than 50%, which means more than half percent of enterprises have got different value in product offerings.

Analysis result of Non-Financial support rendered by Reach for Change to startup Growth

The highest mean value 2.70 and variation of 47.0% achieved by the first variable, “To what extent has the Incubator support contributed to your organization's progress towards the following goals? A strong leadership and team. The mean value fell between 2.42-3.12, which means “Increase extensively” regarding strong leadership and team building for enterprises.

The other variable, “If you had participated in the Reach for Change Incubator, how do you believe that your organization would have developed?” most respondents suggested a mean value of 2.478 that fell between the bracket of 2.42-3.12, which referred again “Increase extensively”.

In addition to this, from the interview question, " Describe the benefits/opportunities and challenges of social enterprises start-up", all interview questions respondents had given similar responses. For the sake of opportunities, the following opinions provided:

social enterprises obtained capacity building (training, experts’ advice, coaching and mentoring, financing/seed funding, networking/experience sharing, added value to the society with the product/service provided and the generate profits to the company earns and addressed areas that most business.

The interviewees had given also the following challenges for social enterprises startup:

Respondents for the interview questions had given similar responses, that is, there was a high gap in the ecosystem for social enterprises to survive in the business environment, which had no clear policy, which led to challenges for social enterprises to register their business. In addition to this, the business environment highly characterized by continuous dynamism of variables such as change of government regulation, unstandardized rules of the government, customer taste change, fond of imported products/goods by the country, etc.

Analysis of Financial support granted by Reach for Change to startup Growth

Amount granted by Reach for Change

Most enterprises 18(78.3%) had received capital between the bracket of 300,001-500,000 Birr.

Status of granted capital by Reach for Change to startup Growth

This shows the status of granted capital to enterprises such as the rate of sufficiency, the satisfaction of the amount granted, the timing of the grant, and its importance.

From the total observation of 23 enterprises, the highest mean value 4.91 with a variation of 8.92 represented by the variable, “How do you rate the timing of the grant you obtained to your business?” this means the crucial of the grant respect to time. It’s mean value fell between 4.24-5.00, which means a very perfect time for most respondents.

Next to this, “How important was the grant for developing your operations? *By "developing" we mean advancing your operations to further achieve your goals” had a mean value 4.56 with a variance from mean .51, which included in the bracket of 4.24-5.00. This means it was very perfect for advancing operation of the enterprises.

Following for the variable, “How important was the grant for sustaining your operations?”, had a mean value 4.39 with a standard deviation of .499 that fell between 4.24-5.00, which referred to perfect for most enterprises for sustaining of their operations.

The rest two variables, “How do you rate the sufficiency of the grant amount for the development of your business?”, and “What was the amount of grant you received or approved for?” had mean values 3.91 and 3.51 with a variation of .996 and 1.20 respectively. This means in terms of the grant amount for enterprises’ business and the amount approved was perfect enough for their operation.

Additional Financing of enterprises to startup Growth

Under this, the survey emphasized the additional finance evaluation from respondents. From a total of 23 enterprises, most enterprises 9(39.1%) represented the sufficiency of additional capital between 100,001-500,000.

Other responses from the interview, “Do you believe the financial support provided by Reach for Change enough to the start-up social enterprises? For this question, all interviewees commented the financial support rendered by Reach for Change had given enough financial support to start-up social enterprises, which supported the questionnaire responses.

Support from other organizations to Enterprise startup Growth

From the observation of 23 enterprises, most of them responded, “Yes” that is, 16(69.6%). According to the report, the study emphasizes that most enterprises have received grants from other organizations other than Reach for Change.

The kind of capacity building to enterprises. Most enterprises 9(39.1%) replied, “Financial sustainability”

Comparison Analysis between Non-Financial support and Financial Support to enterprises by Reach for Change.

The study attempted to exhibit a comparison analysis between the two types of support that is, non-financial and financial support to enterprises provided by Reach for Change. The paired t-test result vested which supports better percept by the enterprises.

The null hypothesis, *H0: There is no difference between Non-Financial and Financial support to enterprises by Reach for Change* was accepted with P-value $.29 > .05$ whereas the alternative hypothesis, *H1: There is a difference between Non-Financial and Financial support to enterprises by Reach for Change*, was rejected.

5.2. Conclusion

Conclusions are made based on the objectives of the study. Twenty-three enterprises were taken as a sample to measure the financial and non-financial support rendered by Reach for Change.

For the first and second obj. “To examine the practice of seed funding and non-financial support for the sustainability of social enterprise start-up Growth” and “To evaluate the contribution of seed funding and non-financial support for SE startup growth.

- Reach for Change provided different types of service for seeding, incubation as well as sustainable growth of social enterprises in Addis Ababa from the period of 2017-2019. The organization delivered non-financial support such as training, planning, organizational development, leadership, and team growth satisfactorily to enterprises for various sectors educations, construction, health care, etc. Reach for Change rendered non-financial support for more enterprises to be financially sustainable, to have good leadership, and effective team to startup growth. This supports enterprises to exist in the market.

In addition to this, the study indicated that delivering non-financial support regarding the social impact that enhances enterprises their business for social impact scaling Reach for Change provides the necessary support.

The benefits for enterprises in terms of the growth of the number of employees hired increase extensively.

The other growth of enterprises is seen in terms of various product offerings to the business environment after they join the program. This posits a moderate increase within the year of 2017-2019 with a variation of more than 50%, which means more than half percent of enterprises have got different value in product offerings. Most enterprises engage in the support program of Reach for Change have to increase extensively developed in terms of strong leadership and team to startup growth.

In addition to this, most enterprises are extensively satisfied with the grant of the capital developing their business operation and with the rate of the sufficiency of the capital and its amount granted by Reach for Change to startup growth.

For the third objective, that is, “To compare the non-financial support and financial support rendered by Reach for Change toward the enterprises”, the study produced the following conclusion:

- Under this title, the study attempted to exhibit comparison analysis support the implication of this paired T-test indicates that the non-financial and financial support rendered by Reach for Change to social enterprises within the period of 2017-2019 had no significant difference. This refers to the organization’s attempts to optimize the balance of non-financial and financial support to social enterprises.

For the sake of the fourth objective, “To assess the challenges of providing seed funding and non-financial support for SE startups”

- Non-financial support renders by Reach for Change was not enough to encourage enterprises for planning, organizational development, and social startup. This means Reach for Change from the year 2017-2019 connected people with enterprises was not satisfactory.
- According to the result of the research, it identified as a challenge that most enterprises began with a capital of 20,001-50,000 Birr, this means, the startup seeding was not enough for most enterprises to engage in business operation with this capital.

For the last objective, that is, to measure “To evaluate the relationship of enterprises financial factors such as profit, revenue, and cost with the financial support of Reach for Change”, the study applied three years’ secondary data for 24 enterprises and evaluated the correlation between financial performances of the enterprise and financial support rendered by RFC. Regarding this, the study obtained the result of:

- The study obtained there were high relationships between the financial support rendered by Reach for Change and social enterprises (Revenue and profit) and low association with the cost incurred. This indicates the enterprises were highly cost-sensitive and attempts to control their expenses effectively.

5.3. Recommendations

In the first aspect, the researcher attempted to evaluate the role of non-financial and financial support to social enterprises by taking evidence of Reach for Change, which is one of the organizations that support the incubation of social enterprises in Ethiopia.

Thus, considering the evaluation based on the selected 23 enterprises, a summary of findings and conclusions, the study would like to suggest the following recommendations:

Improve non-financial support regarding planning, organizational development more for enterprises by delivering regular training, consulting, and improving system auditing. In addition to this, Reach for Change also should enhance the connection of people to enterprises to share more skill, knowledge, integration, collaboration, etc. with these people.

Furthermore, according to the result of the research, it is identified as a challenge that most enterprises begin with a capital of 20,001-50,000 Birr, which is the lowest seeding so the organization (Reach for Change) enhances the financial grant to enterprises. This means, the startup seeding to startup growth is not enough for most enterprises to engage in business operations with this capital, so it is better to enhance the startup capital.

The other growth of enterprises is seen in terms of various product offerings to the business environment after they join the program, which shows a moderate increase within the year of 2017-2019 with a variation of more than half percent, which means more than half percent enterprises

have got different value in product offerings of the social enterprise startups especially in terms of quality and delivery. The growth is gradual, not extensive so Reach for Change should improve the support regarding product offerings to enterprises to startup growth their businesses.

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Annex I



Dear Respondent

My name is Dawit Tilahun. This survey is my research project which will be submitted as part of the partial fulfillment of the Executive Degree from Addis Ababa University College of Business and Economics Management department. I am conducting research on The Role of Non-Financial and Financial support for social Enterprise start-ups: The Case of Reach for Change Incubator Program in Addis Ababa.

The questionnaire is developed for the purpose of collecting data on the variables of the research from participants selected for the research. The outcomes of the research are important to understand the Role of Non-Financial and Financial support for social enterprise start-ups. Taking that into consideration, your response is very valuable to complete this study.

It takes approximately 10 minutes to respond to the survey. Your individual answers are both anonymous and confidential. In case you have any questions on how to complete the survey, please feel welcome to contact dawittilahun67@gmail.com.

Thank you in advance!

Dawit Tilahun

Please put a tick mark on the space provided

Demographic Characteristics

1	Gender	Male Female.....
2	Age of Respondents	15-25.....
		26-35.....
		36-45....
		Above 45.....
3	Level of Education of Respondents	Primary.....
		Secondary.....
		Technical and vocational intermediate.....
		Undergraduate.....
		Graduate (MSc).....
4	The sector of social Enterprise start-up	Technology.....
		Manufacturing.....
		Hospitality.....
		Service.....
		Training and Construction.....
		Community Development.....
5	Years of social Enterprise Operating	Less than 1 year.....
		2-3Years.....
		4-5Years.....
		6 and above.....
6	Number of Employees in the enterprises	1-10 Employees.....
		11-20 employees.....
		41 employees and above.....
7	What was your Initial capital when you start-up in Ethiopian Birr?	Less than 5001.....
		5,001 – 10,000.....
		10,001 – 20,000.....
		20,001 – 50,000.....
		50,001 – 100,000.....
8	(About Program)From what type of space do you operate your business?	Above 100,000.....
		Rented property.....
		Production machinery.....
		Co-working Space.....
		Own Property.....

Non-financial Support (Role) to startup Growth enterprises		
9	Did you receive capacity-building support on the following topics? [Financial sustainability]	Yes, I received support.....
		No, I did not receive support.....
10	Did you receive capacity-building support on the following topics? [Leadership and team]	Yes, I received support.....
		No, I did not receive support.....
11	Did you receive capacity-building support on the following topics? [Impact scaling]	Yes, I received support.....
		No, I did not receive support.....
12	Did you receive capacity-building support on the following topics? [System change]	Yes, I received support.....
		No, I did not receive support.....
13	Did you receive capacity-building support on the following topics? [Impact measurement]	Yes, I received support.....
		No, did not receive support.....
very useful(5)..... not at all useful(1)		
14	How useful were the topics in the capacity building support for your organization's sustainability	Very Useful.....
		Useful.....
		Somewhat Useful.....
		Not useful.....
		Not at all Useful.....
15	How useful was your Take Off meeting support for gaining a clear view of your organization's current status, and for setting goals and priorities?	Very Useful.....
		Useful.....
		Somewhat Useful.....
		Not useful.....
		Not at all Useful.....
16	How useful was the Development Tracker for planning and following up on your organization's development?	Very Useful.....
		Useful.....
		Somewhat Useful.....
		Not useful.....
		Not at all Useful.....
17	How useful was the peer-to-peer exchange with other social enterprise start-ups? [Exchange with social enterprises in other countries]	Very Useful.....
		Useful.....
		Somewhat Useful.....
		Not useful.....
		Not at all Useful.....

The support given by Reach for Change to startup Growth enterprises		
18	Reach for Change connects enterprises with other/any people	Yes.....
		No.....
19	If Yes, approximately how many people and/or opportunities did connect you with?	1-50 people
		51-70people
		71-90 people
		91-200people
		201 and above
20	Overall, to what extent were the connections made were useful to you?	A little bit useful
		Neutral
		useful
		Very useful
21	What did the connections make result in? You can select more than one option	New learning.....
		Collaboration/partnership.....
		Coaching and promoting.....
		Funding
		Training.....
		Nothing tangible yet.....

Comparing of enterprises Benefit (role and challenge) to startup Growth enterprises		
22	Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased its... [Geographical footprint (the number of offices, schools, municipalities, etc.)]	Did not increase.....
		Did not increase.....
		Increase moderately.....
		Increase extensively.....
23	Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased it's... [Number of employees?]	Did not increase.....
		Increase moderately.....

		Increase extensively.....
24	Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased its... [Number of volunteers?]	Did not increase.....
		Increase moderately.....
		Increase extensively.....
25	Comparing the organization as it is today, to where it was when you joined the program, to what extent has it increased its... [Product offerings?]	Did not increase.....
		Increase moderately.....
		Increase extensively.....

	enterprises Development after engaged in the program of Reach for Change startup Growth enterprises	
	Increase extensively (3)..... Less increase (1)	
26	If you had participated in the Reach for Change Incubator, how do you believe that your organization would have developed?	Increase extensively.....
		Increase Moderately.....
		Less Increase.....
27	To what extent has the Incubator support contributed to your organization's progress towards the following goals? [A strong leadership and team]	Increase extensively.....
		Increase Moderately.....
		Less Increase.....
28	To what extent has the Incubator support contributed to your organization's progress towards the following goals? [A strong leadership and team]	Increase extensively.....
		Increase Moderately.....
		Less Increase.....

Financial support granted by Reach for Change startup Growth enterprises to startup growth		
29	That was the amount of grant you received or approved for	10,000-50,000 Birr.....
		300,001-500,000.....
		500,001 and above.....
Status of granted capital by Reach for Change to startup growth		
30	(Fin)How do you rate the sufficiency of the grant amount for the development of your business?	Very sufficient.....
		Sufficient.....
		Somewhat Sufficient.....
		Less sufficient.....
		Not at all sufficient.....
31	(Fin)What was the amount of grant you received or approved for?	17,000-35,000.....
		35,001-100,000.....
		100,001-500,000.....
		500,001-1,000,000.....
		More than 1,000,000.....
32	(Fin)How do you rate the timing of the grant you obtained to your business?	Very timely.....
		Timely.....
		Somewhat timely.....
		Less timely.....
		Not at all timely.....
33	(Fin)How important was the grant for sustaining your operations?	Very important.....
		Important.....
		Somewhat important.....
		Less important.....
		Not at all important.....
34	(Fin)How important was the grant for developing your operations? *By "developing" we mean advancing your operations to further achieve your goals.	Very important.....
		Important.....
		Somewhat important.....
		Less important.....
		Not at all important.....

35	Additional Financing of enterprises startup Growth enterprises to startup growth	17,000-35,000.....
		35,001-100,000.....
		100,001-500,000.....
		500,001-1,000,000.....
		More than 1,000,000.....
Support from other organization to enterprises		
36	Have you received capacity-building support from other organizations that have significantly contributed to the development of your organization?	Yes.....
		No.....
37	If you have received capacity-building support from other organizations, what kind of support have you received?	Financial sustainability.....
		Impact scaling.....
		Leadership and team.....
		Financial sustainability, Leadership, and team.....

Thank You Very Much //



Dear Respondent

My name is Dawit Tilahun. This survey is my research project which will be submitted as part of the partial fulfillment of the Executive Degree from Addis Ababa University College of Business and Economics Management department. I am conducting research on “The Role of Non-Financial and Financial support for social Enterprise start-ups growth”: The Case of Reach for Change Incubator Program in Addis Ababa.

These structured interview questions are developed for the purpose of collecting data on the variables of the research from participants selected for the research. The outcomes of the research are important to understand the Role of Non-Financial and Financial support for social enterprise start-ups growth. Taking that into consideration, your response is very valuable to complete this study.

It takes approximately 10 minutes to respond to the structured interview questions. Your individual answers are both anonymous and confidential. In case you have any questions on how to complete the survey, please feel welcome to contact dawittilahun67@gmail.com

Thank you in advance!

Dawit Tilahun

Instruction: Please do not write your name and Give your comments on the space provided

Interview Questions

Q1. What are your comments about the financial and non-financial support given by Reach for Change to Entrepreneur to start-up and sustainable growth of enterprises?

About financial support

Weakness

.....
.....
.....

Strength

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.....
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.....
.....

About non-financial support

Weakness

.....
.....
.....

Strength

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Q2. How do you observe social enterprises growth after engaged in the program of Reach for Change?

.....
.....
.....
.....

Q3. Do you believe the financial support generated by Reach for Change enough to start up social enterprises?

If your answer is, “No” please give your comments

.....
.....
.....

Q4. How do you observe the non-financial support (such as capacity building training, creating integration of enterprises with others etc.) provide to social enterprises?

.....
.....
.....

Q5. Describe the benefits and challenges of social enterprises start up

Benefits:

.....
.....
.....

Challenges:

.....
.....
.....

Q6. How do you evaluate the challenges of COVID 19 pandemic on social enterprises support program?

.....
.....
.....
.....

Thank You//

Annex 2:

Year 2017					
	Startups	Revenue	Cost	Profit	Support from RFC
1	Beautiful Minds Ethiopia	1,300,000	719,049	580,951	400,000
2	OmniTech Consultancy	399,424	203,074	196,350	400,000
3	Tatarri Consultancy PLC	400,500	225,100	175,400	400,000
4	Yadiel Psychological Research and Development	250,872	149,128	101,744	400,000
5	MG Green innovations PLC	510,000	288,125	221,875	400,000
	Total	2,860,796	1,584,476	1,276,320	2,000,000

Year 2018					
	Startups	Revenue	Cost	Profit	Support from RFC
1	Early childhood care & Learning Center	295,100	191,971	103,129	400,000
2	Buska Promotion, Smart Listro Initiative	503,091	227,776	275,315	400,000
3	CiL design and promotion PLC	718,700	132,000	586,700	400,000
4	Asmat Product Design and Business development PLC	390,600	62,299	328,301	400,000
5	Maverick Technologies PLC	350,768	150,796	199,972	400,000
6	Yeroam Consultancy	514,917	258,453	256,464	400,000
7	Eagle Social Consultancy Service	856,120	184,100	672,020	400,000
8	Yenetta Code	391,308	52,500	338,808	400,000
9	Midako Publishing	554,915	123,231	431,684	400,000
10	Fresh and green Academy PLC	356,461	143,022	213,439	400,000
	Total	4,931,980	1,526,148	3,405,832	4,000,000

Year 2019					
	Startups	Revenue	Cost	Profit	Support from RFC
1	DUKA Book Publishers	500,000	225,000	275,000	400,000
2	Ledeg Crafts	403,932	222,921	181,011	400,000
3	Bithio ICT Systems PLC	553,899	302,820	251,079	400,000
4	Edifying Smart Books	4,800,000	4,032,000	768,000	400,000
5	Awaqi Education	1,800,000	540,000	1,260,000	400,000
6	Fidel Tiru	214,620	40,553	174,067	400,000
7	Food Secured Schools Africa (FSSA)	400,000	143,125	256,875	400,000
8	Getachew & yibralem patented products	620,000	412,000	208,000	400,000
9	Netsebrak Integrated Family Center	480,000	330,000	150,000	400,000
	Total	9,772,451	6,248,419	3,524,032	3,600,000

Source: Organization Doc and own Analysis,2020

Summary

	Revenue	Cost	Profit	Support
2017	2,860,796	1,584,476	1,276,320	2,000,000
2018	4,931,980	1,526,148	3,405,832	4,000,000
2019	9,772,451	6,248,419	3,524,032	3,600,000
Total	17,565,227	9,359,043	8,206,184	9,600,000

Source: Organization Doc and own Analysis, 2020