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Exploring Social Entrepreneurship Policy and Venture Creation in Africa: A Review

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Abstract:

Social entrepreneurship in Africa is increasingly shaped by policy environments that influence the capacity of social ventures to emerge, scale, and generate sustainable social impact within complex socio-economic and institutional contexts. This study examines how social entrepreneurship policies influence venture creation and growth across African countries by identifying enabling and constraining policy variables within the social entrepreneurial ecosystem. To provide ecosystem stakeholders with valuable insights to support sustainable development and address critical social challenges in Africa. The study employed a qualitative research design, employing a literature review and comparative case study analysis to evaluate policy instruments, including tax incentives, grants, regulatory frameworks, and institutional support mechanisms. It focuses on government measures that effectively encourage venture creation and social impact. The findings reveal that coherent regulatory structures, targeted financial incentives, and supportive governance frameworks significantly enhance social venture creation, while policy fragmentation, bureaucratic barriers, and weak institutional coordination impede ecosystem development. The study provides policymakers, practitioners, and investors with evidence-based insights to strengthen social entrepreneurship ecosystems through inclusive policy design, enabling sustainable development outcomes and scalable community-level social impact across Africa.

Keywords:

Social Entrepreneurship, Entrepreneurial Ecosystem, Social Enterprise Development, Policy Frameworks, Venture Creation, Sustainable Development

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Introduction

Achieving entrepreneurial economic growth is challenging in Africa because the right entrepreneurial ecosystem to promote the formulation of pertinent entrepreneurial policies is lacking (Sheriff & Muffatto, 2015). This has contributed to the progress achieved through entrepreneurship discussions and development in Africa over the last decade. This is uncommon, and it has no rival in curriculum development, academic journals, academic conferences, and self-help books (Koshal, 2017). Therefore, in the context of economic development, social entrepreneurship has also emerged as a powerful force driving positive change (Kabir, 2019), generating interest in various forms of transformation (Koshal, 2017). It represents a fusion of business acumen and social consciousness, aiming to address pressing societal challenges while fostering job creation and economic growth (Grieco, 2015). However, despite its potential, a noticeable gap remains in understanding the dynamics of social entrepreneurship and its impact on job and venture creation, particularly in Africa. It faces multifaceted challenges; one of the prominent challenges over the last decade has been the regulatory environment (Biddulph, 2018). This is because entrepreneurship is a significant economic driver that fits within cultural, socioeconomic, and business ecosystems. Hence, the developmental agenda focuses on incorporating corporations into the approach to addressing and eradicating poverty and social challenges within the system. As a result, the Millennium Development Goals (MDGs) were established to reduce global poverty between 1990 and 2015 (http://www.un.org/millenniumgoals/). Unfortunately, the world continues to grapple with significant social issues, including unemployment, inequality, and poverty. Although entrepreneurship is relatively new and still in its infancy in Africa. It is experiencing rapid growth, supported by learning institutions that are developing skilled graduates with the qualities and competencies in entrepreneurial self-efficacy needed to create new ventures (Awotunde & Aregbeshola, 2024). By delving into this realm, we can unravel the intricate web of factors influencing social entrepreneurial ventures and their contribution to employment generation on the continent. This aligns with the urgent need for regional, national, and international policy consistency, ensuring the uniformity of trade and investment policies. Therefore, to enhance the practice of social entrepreneurship in Africa, education and knowledge on the subject should be encouraged and developed. This will entail understanding the complexities of social responsibility and sustainability within local businesses and across cultural and institutional settings. However, standard measures must be formulated to align regional integration objectives and policies for a healthy ecosystem. This paper aims to facilitate and encourage the development of a uniform business and economic policy framework for inclusive development among developing African countries, thereby delivering social benefits to diverse groups. Doing this will promote economic growth, create job opportunities for youth, and advance social progress. This implies that the government should employ holistic strategies that address

stakeholders' needs and foster an ecosystem conducive to innovation and investment. This review will make a significant contribution to various areas of the economy, including education, practice, and government departments, in the following ways.

1. An excellent and formidable uniform policy will build long-term confidence and stability in the economy, thereby influencing venturing into the educational system, saddled with human capital development because of the investment in training and development. This will enhance the concept of the train-the-trainer program, as well as infrastructural and curriculum development, to achieve a quality education system and its desired outcomes.
2. The findings from this review could help facilitate public-private partnerships to increase investment in schools that impart knowledge and skills (experiential learning) to the students, improve infrastructure and access to better education, and remove inequalities in the system.
3. The findings could aid the formulation and implementation of policies and measures to create a conducive ecosystem for social entrepreneurship to contribute significantly to inclusive development in Africa. This could facilitate tax breaks and the procurement of goods and services to generate revenue and expand market access. It will reduce regulatory burdens on entrepreneurs, enabling them to focus on their core missions and increase access to venture capital through microfinance and impact investment.
4. The current study findings could suggest a wide range of consultations with experts and stakeholders for policy framework development and implementation, ensuring inclusivity and responsiveness to the needs and benefits of different groups.

The next section discusses literature review, theoretical framework, human capital theory, empirical review, Policy formulation and implications, new venture creations, methods, discussion, and conclusion.

Review of Relevant Literature

Entrepreneurship is experiencing gradual development across the African continent, with entrepreneurs present in all nations. However, the government and stakeholders' crucial roles in developing the sector are lacking (Carlisle, Kunc, Jones & Tiffin, 2013; Adenle, 2017), which implies that a national and continental framework and mission are necessary. Several studies have been conducted over the last decade to enhance entrepreneurship in higher education institutions, with limited success, leaving many graduates unable to enter the profession (Nabi, Linan, Fayolle, Krueger, & Walmsley, 2017). This could be due to the ecosystem, the required policies, and the start-up capital needed to grow the business. While entrepreneurs were present in all countries, the environment explained differences in economic growth. This is consistent with Lumpkin (2013), who states that processes differ in context when the

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focus is to satisfy multiple stakeholders to achieve sustainable solutions. Therefore, initiatives, support and proactive policies are needed to encourage entrepreneurial activities in the ecosystem. Although it may not be a panacea for fostering entrepreneurship, it will make a significant contribution to alleviating poverty and unemployment on the continent. It could also reduce careerism in favour of entrepreneurship, making people self-reliant and providing job opportunities for the large unemployed population. Hence, scholars suggest a framework for creating a self-sustaining and conducive ecosystem for continuous learning, capacity building, and innovation as needs and practising regulations change.

In shaping social entrepreneurship in Africa, understanding the unique socio-economic, cultural, and political context is essential in eradicating high poverty levels, youth unemployment, informal economies, and limited access to essential services (Debrah, 2007). This will provide policymakers and practitioners with an intervention framework tailored to the needs and realities of African communities. Hence, there is a call on African governments and policymakers to promote policies that ensure a healthy entrepreneurial practice ecosystem. Thereby, broadening their entrepreneurial supply base and fostering the emergence and continuous practice of entrepreneurship in the economies (Cezarino et al., 2022). In their search, Adu-Gyamfi *et al.* (2023) observed that in Sub-Saharan African countries, entrepreneurship development policies tend to be generic, thereby not aligned with the specific needs of players in the formal and informal sectors or their operational circumstances. Consistent with Nissanke (2019), there is a call for research to help policymakers in Sub-Saharan African countries formulate a framework that promotes enterprise and addresses its weaknesses (Apostolopoulos et al., 2018). This presents an excellent challenge to entrepreneurial development on the African continent, affecting growth and development and contributing significantly to the unemployment crisis in Africa and the world.

Theoretical Review

Theoretical Framework

Entrepreneurship has not been generally defined or accepted, either in theory or in practice, due to the diverse approaches of various scholars (Koshal, 2017). It could be seen from the perspective of economic function and individual traits. To be considered within the economy, Cantillon posited that it entailed absolving the risk of buying at a given price and selling at uncertain prices; to Jean Baptiste, it is the process of combining the production factors for goods and services; Schumpeter's work in 1911 added five different concepts of innovation such as process, market, product, factor, and organizational innovations. Another school of thought considers entrepreneurship from the perspective of personal traits, focusing on the psychological and sociological sources of entrepreneurship (Landström, 1999) -

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Kent refers to this as “supply-side entrepreneurship”. The personal characteristics of entrepreneurs include the need for achievement, perceived locus of control, and risk-taking propensity (Stevenson, 1983).

With different notions of entrepreneurship, social entrepreneurship manifests as a sub-branch (Muldoon *et al.,* 2024), focusing on creating new economic opportunities (El Ebrashi, 2013), marketing them, taking calculative risk decisions to create (Canestrino et al., 2020), and sustaining them with resources and institutions (Stephan et al., 2015). Schumpeter (1934) further explained that the process could be developed through education to enhance techniques, introduce new technology, and create new products. Consistent with this is Van Den Berg (2017), who states that education plays a pivotal role in the relationship between educational attainment and new product development in a knowledge-based economy. To this extent, notable factors related to the social entrepreneurship process and success, which the current study explored, include the potential entrepreneur's education, training, and behavioral control (Baiocco & Leoni, 2023). The factors will be examined for their implications for new venture creation and sustainability, providing social enterprise job creation measures. There are strands of theories and models that promote entrepreneurship education, training, and the development of human capital for entrepreneurial action and sustainability.

Human Capital Theory

The Human Capital Theory (HCT), formulated by Becker (1962) and Rosen (1976), posits that individual employees possess potential skills and abilities that can be developed or enhanced through training and education, and that these skills can also be accumulated over time. According to Schumpeter, the theory served as a training tool, focusing on creative destruction by identifying gaps and creating or inventing new products and services through improved techniques enhanced by technology. This is consistent with the notion that entrepreneurship can be ‘learned’ in the context of the knowledge economy (Bajinaru, 2018). The more educated a person becomes, the more specific knowledge and skills they desire to increase. The development of social entrepreneurship and the entrepreneurial ecosystem involves developing practitioners for a healthy, competitive ecosystem. This framework describes education, training, and skills acquisition as elements that enhance productivity, practitioners’ efficiency, and economic development (Maringe et al., 2021), a concept known as Human Capital Theory. In line with this, a lack of investment in human capital prevents poorer nations from catching up with richer ones. A worthwhile investment is developing nations' human capital en route to education for economic growth and development. To advance productivity and boost the application of technology, Hanushek and Wößmann (2007) argue that quality education is an essential tool for maximizing productivity and economic growth and development globally. Investment in human education and development is

significantly correlated with economic growth, enabling individuals to compete in the new society and reduce poverty and unemployment (World Bank, 2018).

Empirical Review

Globally and subsequently in the African sub-region, a considerable volume of research has examined entrepreneurship development in developed, developing, and underdeveloped countries (Leff, 1979; Efe, 2014; Aziz *et al.,* 2020), with social entrepreneurship at the lowest level of development. This is because social entrepreneurship has not had a fully developed academic system for two decades (Wang & Yee, 2023). After all, academia understands social entrepreneurship only from the perspective of social entrepreneurs (Teasdale *et al.,* 2023). Economic and value created cannot be stripped away by social entrepreneurship, and it involves a wide range of research directions. This empirical finding comes as a surprise, especially given the economies of the African continent, where entrepreneurship development and practice are still in their infancy, with limited impact on the economy and the well-being of citizens. This finding is consistent with Sheriff and Muffatto (2015), who studied four African regional countries to identify the extent to which their entrepreneurship ecosystems are similar or dissimilar and to understand the causes of these dissimilarities. The authors observed that entrepreneurship is omnipresent across regions, but the environments in which it is practised differ, thereby slowing its development. This could be because the specialists' literature focused more on discussing entrepreneurship attributes in developing nations than providing a framework for stakeholders to interact to support the stability and development of the ecosystem (Lingelbach et al., 2005). Addressing this in line with the development of social entrepreneurship, Awotunde (2021) reveals that the nondualism training approach has a unique drive to develop potential studentpreneurs rather than create ventures to make profits or seek further employment. Therefore, this induces economic growth, which is reflected in low total entrepreneurship activity and unemployment.

Therefore, entrepreneurship education is central to the development of social entrepreneurship in Africa, as it equips individual learners and youth with the capacity to interpret and respond to the continent's distinctive socio-economic, cultural, and political realities. It is widely acknowledged as a strategic mechanism for addressing structural challenges such as poverty, youth unemployment, informality, and unequal access to basic services (Giwah, Nwokkedegwu, Etukudoh & Gbadebo, 2021; Vuong & Trung, 2021, Eds). (RE-WRITE) Consistent with Nissanke (2019)There was a call for research to help Sub-Saharan African policymakers formulate a framework to promote enterprise and address its weaknesses. (Apostolopoulos et al., 2018). This is because earlier research in the African context is mainly country-specific (Madichie, 2009; Rutashobya et al., 2009; Okah-Efogo & Timba, 2015; Sigue & Biboum, 2020; Afutu-Kotey et al., 2017; Kuada, 2009). It is apt to say that this results in the late development of entrepreneurship in theory and practice in Africa (Awotunde & van der Westhuizen,

2021). This will inform policymakers and practitioners of an intervention framework tailored to the needs and realities of African communities. Hence, there is a call on African governments and policymakers to promote policies that aim to ensure a healthy ecosystem, broaden their entrepreneurial supply base, and promote the emergence and continuous practice of entrepreneurship in the economies. (Cezarino et al., 2022).

Adu-Gyamfi *et al.* (2023) in Sub-Saharan African countries, entrepreneurship development policies tend to be generic and therefore not aligned with the specific needs of players in the formal and informal sectors or their operational circumstances. This is an excellent challenge to entrepreneurship development in the African continent. It affects growth and development, contributing significantly to the unemployment experienced in Africa and globally. The study encountered several challenges in developing social entrepreneurship in Africa's underserved communities. This could be access to finance, which remains a significant challenge for African social entrepreneurs (Rivera-Santos et al., 2014). This is related to limited access to venture capital, a lack of financial education that inhibits the enterprise's growth and scalability, complex regulatory frameworks, bureaucratic hurdles, legal barriers, skills development, and capacity building. These are essential for maximising impact on job creation and social change, but only with a viable policy, which is the bane of social entrepreneurship development.

Policy Formulation and Implications on Venture Creation

Social entrepreneurship, a rapidly growing field with a positive impact on communities, requires a coherent, systematic, and sustainable policy to generate significant change and development on the African continent. This aligns with Murimbika and Urban (2020), who observed that the prevalence of African governments influences the creation of social entrepreneurship ventures through policy, rules, and regulations. Ecosystem transformation requires a collective approach to creating and regulating it. A uniform continental business and economic policy framework can have significant implications for inclusive development and education in Africa. This could enhance collaboration across borders among different regions, fostering healthy partnerships, resource sharing, and scaling up initiatives. In global policy formulation, the government serves as the core instigator and leading actor, utilising an integrated approach to recognise concerted efforts and contributions from stakeholders such as NGOs, private businesses, national and international agencies, academia, and social entrepreneurs. This aids in understanding the practice and the ecosystem to enhance inclusive growth, its economic impact, and social profits for a healthy policy formulation process. When the regulatory environment is clear and consistent, it attracts international investment, reducing the risks associated with social entrepreneurship. This could be a way to strengthen social entrepreneurship through education, training, and development as an intervention to develop skills and specialised knowledge, thereby stimulating

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an entrepreneurial mindset. Therefore, through a laudable policy, highly skilled youth can successfully replace the older generations due to their fundamental development in a knowledge-based economy. This is critical for society, as it contributes to the continent's job creation, focuses on social change and promotes social justice (Waghid & Oliver, 2017), and creates a balanced development approach to eliminate regional inequalities.

To enhance social entrepreneurship in Africa, a multifaceted policy approach encompassing education, law, finance, and infrastructure is essential. This should be adaptable to the context of each participating country, effectively supporting local social entrepreneurs in creating a sustainable impact. Promote strategies for accessing centres, finance, and support systems, which are crucial to building trust in social entrepreneurship. This will encourage and empower disenfranchised people to participate, evaluate the strategy's success, and avoid using substandard resources. Therefore, entrepreneurship education and training policy will integrate the development of a new generation of socially like-minded potential entrepreneurs into educational curricula. It could also introduce an incubation and acceleration support system to provide potential learners with mentorship, training, and resources. Regulatory frameworks: This, in the form of establishing legal statuses, can provide legitimacy and encourage investment, which, in its absence, can hinder growth and development. This helps streamline the registration and entry requirements, encouraging more entrepreneurial activities. It has multifaceted implications for venture creation, as a uniform policy could help navigate local bureaucratic hurdles and ensure the development of core aspects of the venture, especially those that operate across the continent. This enhances and promotes confidence in dealings. Generally, access to funding is a significant challenge for the development of entrepreneurship globally. Therefore, policies that facilitate access to microfinance, grants, and venture capital for entrepreneurial development can provide the funding startups and operations need. This will reduce financial burdens and encourage investment, stimulating growth.

The growth attracts local and international investors by recognising social entrepreneurship as creating shared value and inclusivity that move the continent towards a common goal of empowering social ventures. The ventures are supported by a clear continental-wide framework that encourages more individuals and organisations to explore the ecosystem for viable business models, innovation and creativity to solve societal challenges. The new social venture could experience a continental-scale upswing by operating seamlessly across borders, enabling a greater social impact through access to a broader customer base. Further, an African harmonised social entrepreneurship policy will work towards achieving the United Nations Sustainable Development Goals (UNSDGs), focusing on addressing critical unemployment challenges and eradicating poverty and inequalities. Having a uniform continental social entrepreneurship policy implies building a supportive ecosystem and stable human capital development and performance. This will discourage what is known in West Africa as the ‘Japa

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Syndrome', a brain drain meaning the exodus of the few talented/brilliant citizens (an acronym coined in the Nigerian system to represent the mass migration of both skilled and unskilled persons to seek greener pastures in the developed countries) from Africa to developed nations, where they can exhibit their intelligence. thereby nurturing her entrepreneurial talent to boost venture creation. The government promotes a cohesive social entrepreneurship ecosystem, including investors and development organisations, to enhance access to finance, technology, and talent as key drivers of venture creation. Consistent with Sheriff and Muffantto (2015), a supportive environment is usually positive, and a combination of all components is crucial for unleashing and fostering entrepreneurship.

Venture Creation: There are contingent factors that influence and affect venture creation, which have been discussed by different scholars (Ogujiuba & Olamide, 2021; Alabi, Oguntoyinbo, Abioye, John-Ladega, Obiki-Osafiele, &Daramola, 2023; Rey-Marti et al., 2016), such as training, educational level, family history, experience, financial support, and policy. With policies and a healthy ecosystem, job creation routes and social entrepreneurship can create value in society if the necessary support is available for potential creators. Venture and job creation could be enhanced if the creator is equipped with relevant experience, such as educational achievements from training and development or family experiences gained during growth and development. It implies that relevant experience is a driver of venture and job creation by social entrepreneurs. This can be deduced from the past failures of the enterprises and helps mitigate future occurrences. This is consistent with Rey-Marti *et al.* (2016), who state that experienced social entrepreneurs can channel financial support more effectively than those without experience or education to start a venture. Therefore, well-channelled financial support can create a venture on its own. However, it can also create more jobs and add value to society and the economy, which aligns with the potential eradication of poverty and inequalities. With various recommendations and research suggestions, policymakers should encourage potential social entrepreneurs to enrol in relevant courses. This could develop their entrepreneurial skills and support all learners in engaging with entrepreneurship courses, backed by private organisations**.** This motivates the current study, exploring social entrepreneurship policy and venture creation in Africa. By understanding the unique context of the continent, leveraging grassroots innovation, building supportive ecosystems, and addressing key challenges, policymakers and practitioners can harness the transformative power of social entrepreneurship. This could help build and create sustainable livelihoods, improving the well-being of communities across the continent. Therefore, viewing policy as a potential drive that can be promoted through the uniform framework, thereby creating a social value through new venture creation that will influence the ecosystem, is essential to studying the new field of social entrepreneurship.

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Methods

To provide a holistic solution to our research endeavour and topic: 'Exploring social entrepreneurship policy and venture creation in Africa'. The study employed a literature review design using Tranfield et al.'s (2003) review protocol. The author searched multiple academic databases, including Scopus and Google Scholar, to access frontline journals, as well as Web of Science, ScienceDirect, Elsevier, Springer, Taylor & Francis, Sage, and Emerald. The process involves several activities, including the employment of peer-reviewed studies published from 2000 to 2024 that examine social entrepreneurship policy and venture creation in African contexts. The search string used ("social entrepreneurship" OR "social enterprise" OR social venture") AND ("policy" OR "public policy" OR "regulatory framework" OR "institutional support") AND ("venture creation" OR "enterprise development") AND ("Africa" OR "Sub-Saharan Africa"). The author downloaded, selected, and extracted data based on the articles' topics and objectives, with a focus on Africa. These policy-oriented, empirical, and theoretical studies address social enterprise development and entrepreneurship ecosystems as inclusion criteria. Exclusion criteria include non-policy studies, non-Africa-focused publications, opinion pieces, and grey literature lacking academic rigour. The retrieval process lasted until October 2024, and the author screened approximately 2,400 papers obtained from this database, with compliance in the identification, eligibility, and inclusion processes. Approximately 820 relevant research documents related to the title and keywords were obtained and further filtered. The search terms "Social Entrepreneurship," "Policy," and" Venture Creation" were later used, and 45 of the documents were found suitable for the current paper and reviewed. In contrast, the researchers pruned and scrutinised the document using a structural matrix and analysed it through thematic synthesis and narrative analysis. These were only peer-reviewed papers considered for their quality, concept, methodological rigour and relevance to social entrepreneurship. The review was theoretically anchored in Becker's (1962) Human Capital Theory.

Results

Following the literature review, which identified and analysed scholarly publications on the relationship between social entrepreneurship policy and venture creation in the African context. The review identified relevant peer-reviewed journal articles, reports, and published empirical studies between 2000 and 2024 across major academic databases. Selection, as discussed earlier, includes studies that address policy frameworks, entrepreneurship ecosystems, institutional environments in African social entrepreneurship contexts, and their venture-creation outcomes.

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Policy Frameworks Supporting Social Entrepreneurship in Africa

The primary focus of this study was the examination of the policy instruments and frameworks that enhance social entrepreneurship development in the African context. The result reveals the roles that government policy plays in shaping the creation and sustainability of social entrepreneurships. Various policy instruments were identified, including regulatory reforms, tax incentives, entrepreneurship education policies, incubation programs, public funding programs, and public-private partnerships. The study reveals and suggests that countries with established policy frameworks could experience a high rate of social entrepreneurship venture creation. This implies that a supportive policy of this kind could reduce bureaucracy and institutional uncertainty, enhance investors' confidence in the system, and facilitate the accessibility of venture resources for establishment. Conversely, barriers to venture creation can be easily created by fragmented and inconsistent policy environments, regulatory complexity, and limited access to the formal financial system, thereby hindering growth and development. Also, in social entrepreneurship, it was found that regional trade policy harmonisation and integration were critical to strengthen the social entrepreneurship ecosystems. The implication is that the absence of a unified policy framework within African member states may hinder the scalability and cross-border expansion of social ventures, constraining their potential impact. It therefore addresses the objective of identifying policy mechanisms to influence social entrepreneurial development and venture creation.

Entrepreneurship Ecosystem and Institutional Environments

One key objective of the study was to understand the roles of the ecosystem and its players in facilitating social venture creation. The findings reveal that the strength and effectiveness of the entrepreneurial ecosystems and the players can significantly influence the creation and sustainability of social enterprises. This could be referred to as the actors in the ecosystem, including government agencies, education, financial institutions, non-governmental organisations, learning incubations, and private sector stakeholders. These referred actors influence the ecosystem through mentorship, resource provision, training, funding, and institutional support for venture creation, growth, and development.

As highlighted earlier in the introduction, educational institutions play a pivotal role by equipping individuals with entrepreneurial orientation, competencies, innovation, creative skills and sustainability capacities. This includes structures that support access to entrepreneurial education, rather than business administration, and that cannot translate into venture creation, or that provide technical support that could facilitate venture creation.

However, the study objectives were supported by understanding how ecosystem factors and players could influence social venture creation in Africa by addressing institutional weaknesses, such as poor

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governance or a lack of willingness to implement policies, and limited infrastructure, which was identified as a significant constraint to ecosystem development.

Access to Finance and Resource Mobilisation

According to the study, this is one significant resource-related factor influencing social venture creation. The reviewed literature identifies limited access to capital as a significant barrier to entrepreneurship and its development in the African context. The challenge is access to funding, strict bureaucracy, financial risk, financial education, collateral, and underdeveloped financial markets. Despite these challenges, initiatives and policy instruments have been introduced to improve financial access, such as microfinance systems, venture capital support, government grants, and impact investment initiatives. All these financial mechanisms have been shown to increase the likelihood of total entrepreneurial activities and sustainability.

To support financial sustainability and social impact, innovative funding mechanisms such as impact investing and blended finance have gained prominence; however, uneven access to funding across African countries underscores the need to strengthen financial inclusion policies. This aligns with the objectives of identifying policy and ecosystem factors that facilitate social venture creation.

Regulatory Environment and Institutional Barriers

The regulatory environment is identified as a key factor in the development of social entrepreneurship in Africa. Various studies have posited that those complex regulatory requirements, bureaucratic inefficiencies, and policy uncertainty hamper venture creation. Social entrepreneurship often encounters challenges related to business registration, including educational and awareness levels, licensing procedures, tax policies, and compliance requirements. These burdens increase production costs and operational costs and discourage informal entrepreneurs from formalising their businesses. In many African countries, practitioners do not recognise or support hybrid social enterprise models, thereby limiting their ability to access government support programs. This is because weak institutional environments create uncertainty that negatively affects entrepreneurial activity. This addresses the research objective of identifying barriers affecting social entrepreneurship and venture creation in Africa.

Role of Education and Human Capital Development

The literature strongly supports the role of education in fostering venture creation and human capital development in Africa, in line with entrepreneurship self-efficacy, thereby facilitating venture creation. This enhances individual entrepreneurial orientation, self-efficacy, opportunity recognition and innovation capabilities. Higher educational institutions contribute immensely to ecosystem development by providing learners with training, mentorship, incubation hubs and support, and experiential learning

approaches, which are found to increase venture creation rates among graduates significantly. The aligned theory suggests that investing in all spheres of education could improve individuals' ability to identify opportunities and successfully launch a venture. This aligns with promoting entrepreneurship education as a mechanism for strengthening social entrepreneurship ecosystems in Africa.

Social Entrepreneurship and Employment Creation

Another key objective of the study was to examine the contribution of social entrepreneurship to employment, job creation and economic development. The findings reveal that social enterprises play a significant role in creating job opportunities, especially for youth, graduates, women, and marginalised populations. Using social entrepreneurship to address social challenges improves access to essential services and promotes inclusive economic growth in sectors such as education, health care, agriculture, renewable energy, and financial inclusion. This demonstrates that supportive policy environments significantly enhance the employment creation potential of social enterprises. Conversely, policy constraints limit their ability to scale and minimize their impact.

Policy Implications for Venture Creation and Ecosystem Development.

The review reveals the benefits of coherent, inclusive frameworks in facilitating the development of social entrepreneurship. Venture creation is promoted through effective policy frameworks that enhance it by improving access to finance, reducing regulatory barriers, strengthening institutional support systems, and promoting entrepreneurship education. Also, public-private partnership was identified as a critical mechanism for ecosystem development. Collaboration between stakeholders enhances resource availability, improves infrastructure, and strengthens entrepreneurial support systems. It also emphasises the need for policy harmonisation across the African continent to facilitate regional and venture scalability.

Discussion

The rise of social entrepreneurship in Africa can only be propelled by young people and educated individuals with creative and innovative skills, leveraging their educational and technological expertise to create ventures and address social issues. The findings demonstrate that social entrepreneurship policy plays a pivotal role in facilitating venture creation and promoting inclusive economic development in Africa. However, Africa generally faces complex environmental problems related to entrepreneurship, such as inadequate training and development institutions, insufficient infrastructure, unemployment, and rising poverty, without efficient, sustainable policies to address them (World Bank, 2024). This could be addressed through supportive policy frameworks, strong institutional environments, access to finance, and effective entrepreneurial ecosystems, all of which are essential to fostering social entrepreneurship. This literature review explores the intersection of social entrepreneurship policy and

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new venture creation in the African context and their interconnection in creating an enabling environment/ecosystem for the practice, aligned with global sustainability. However, it may not be accessible due to inadequate basic requirements to promote a healthy and enabling environment. The review identifies several ways to reduce inequalities and unemployment rates, thereby creating a sustainable and inclusive social market economy. The current study establishes that ecosystem-supportive, proactive policies are necessary to foster growth and development and create an enabling environment. The proposed uniform policy in Africa aims to combat unemployment by creating new ventures, thereby employing the teeming population and developing new skills for social innovation and creativity. This is consistent with Zainea, Toma, Marinescu, and Chitimiea (2020), who assert that education is the driver of technological innovation that contributes to the global economy, facilitates labour market entry, and influences the ecosystem. This aligns with an earlier discussion that the government must provide an innovative ecosystem to encourage learning and development and promote entrepreneurship education in Africa. The implication is that such a developed policy should stand alone, separate from Small and Medium-sized Enterprises (SME) and general private-sector development policies (Sheriff & Muffatto, 2015). It will establish an understanding of the uniqueness of natural ecosystems and examine the necessary factors for cultivating an entrepreneurship ecosystem on the continent, serving as prerequisites and a foundation for policy formulation. To achieve this, policymakers' and stakeholders' efforts need to be doubled to implement policies that will unleash entrepreneurship development and mitigate brain drain in Africa. This will open up researchers, practitioners, and policymakers to profound knowledge of national and international entrepreneurship ecosystems, focusing on business at the micro level, Small, Medium and Micro-sized Enterprises (SMMEs), and emphasising policies that reduce poverty through social entrepreneurship ventures and job creation. Furthermore, African practitioners should integrate themselves into a network that promotes local social connections, both formal and informal. This will create social capital and foster social innovations to enhance and improve social support, thereby strengthening the passion and tenacity of individual African entrepreneurship practitioners.

Conclusion, Limitations, and Suggestions for Further Studies

This research aims to shed light on the continental government's policy initiatives through a social entrepreneurship lens. To achieve this goal, after explaining the social entrepreneurship activities, the study relates them to venture creation, specifically in the context of policy formulation. The author highlights that social entrepreneurship practices encompass policies that foster a healthy ecosystem, leading to the creation of new ventures and informing job creation and employment. Finally, building on the entrepreneurial literature and social entrepreneurship, it is suggested that the government provide

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support to establish a uniform enabling environment across the continent, highlighting the benefits it could bring. These are summarised in Figure 1.

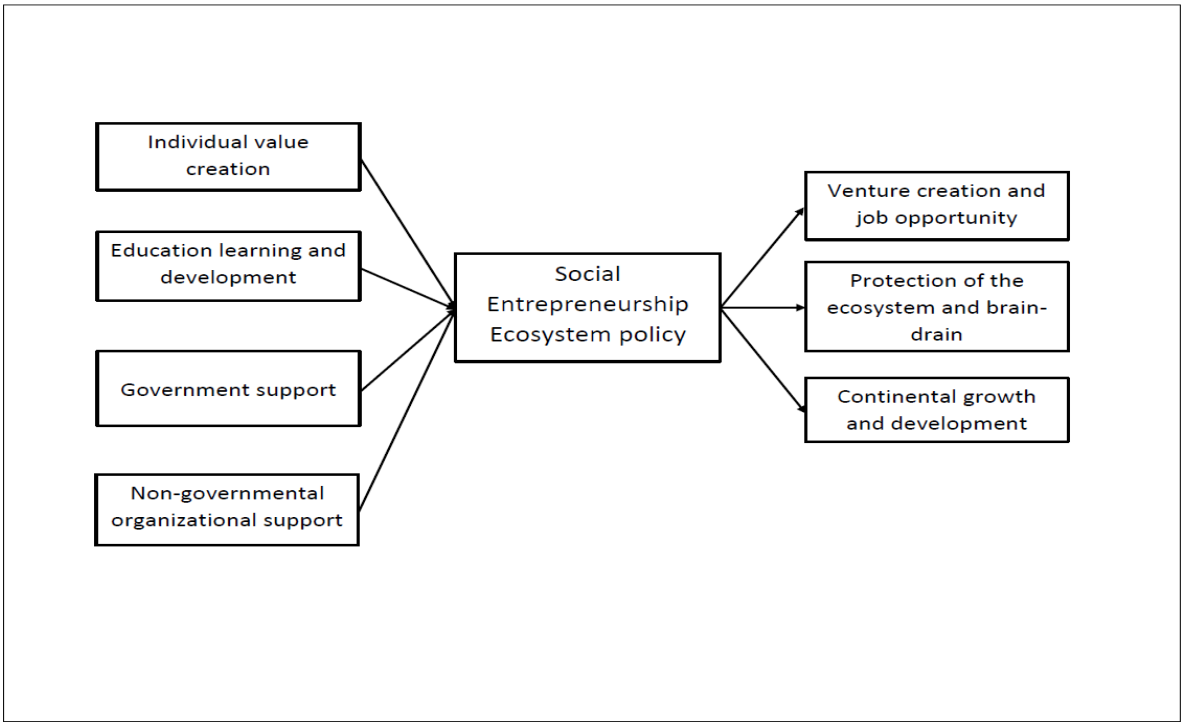


Figure 1: Enablers and Benefits of Social Entrepreneurship: A Conceptual Policy Framework for the African Continent

Figure 1 shows the dynamic relationship between the key enabling factors and the development outcomes of social entrepreneurship regarding the African policy environment. Enabling factors and non-governmental organisational support are the foundational drivers that shape a functional social entrepreneurship environment. These elements collectively form the structural and human capital base necessary to nurture socially oriented ventures. Entrepreneurial mindsets and competencies develop through education and the learning process. At the same time, government and Non-Governmental Organisations (NGO) initiatives provide regulatory legitimacy, capacity-building platforms, access to funding, and institutional backing, all of which are essential to venture sustainability. The policy core level serves as an integrative mechanism, aligning these enablers into a coherent development strategy that facilitates coordination among stakeholders, harmonises regulatory instruments, and enables an ecosystem for innovation, inclusion, and social value creation. Social entrepreneurship becomes a strategic vehicle for employment creation, youth empowerment, and local economic resilience, as reflected in outcomes such as venture creation and job opportunities, protection of the ecosystem and reduction of brain drain, and continental growth and development. These contribute to long-term socio-economic transformation by strengthening local innovation and creating sustainable livelihoods. The

framework reveals that social entrepreneurship in Africa is not merely an individual entrepreneurial activity but a policy-driven development system, in which coordinated institutional support and ecosystem governance inform entrepreneurial action toward inclusive growth.

This research has several implications for countries. First, it demonstrates how different governments can, individually and collectively, formulate an enabling entrepreneurial ecosystem through distinct environmental strategies to create social innovations, added value, systemic change, and empowerment. The research also provides policymakers with insights into formulating strategies to foster bilateral trade and social entrepreneurship in Africa. Through policy formulation, practitioners could embrace ethical standards and build the ecosystem, thereby reducing social vices such as unemployment, inequalities, poverty and brain drain, which is referred to as 'Japa'. The study addressed the issue of education to promote learning and development in African higher education institutions. Therefore, a curriculum that incorporates systemic learning and development to enhance social entrepreneurship is required. This will establish entrepreneurship academic institutions for teaching, proper management, development, and output.

The research is currently limited to a literature review; future studies can expand on this by conducting empirical research using quantitative, qualitative, or mixed methods approaches to collect data from diverse perspectives. Furthermore, the study scope was limited to Africa, as it reviewed only social entrepreneurship policies operating within its borders. Other continents of the world, as well as developed countries, could also be investigated, as it is generally acknowledged that African countries are developing nations that often rely on literature from developed countries.

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