

# SE/ NPO ECOSYSTEMS AND URBAN GOVERNANCE IN JOHANNESBURG

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**Abstract:** This paper presents initial findings from the empirical analysis of community-based social enterprise (SE) and non-profit organisation (NPO) ecosystems in Johannesburg. SEs and NPOs are widely recognised as contributors to the resilience of marginalised urban communities. However, the connection between these organisations, urban governance, and community resilience has not yet been sufficiently understood, particularly in African urban contexts.

The ‘Resilient Urban Communities’ project focuses on Johannesburg as a case study to shed light on this under-researched topic. The key to exploring it is understanding SEs and NPOs as providers of public services, job creators, and promoters of good governance, all of which contribute to community resilience. Using this premise as a starting point, this paper investigates ecosystem conditions with a particular focus on state-civil society partnerships. Empirical data was generated through semi-structured interviews and analysed with a grounded theory approach.

Preliminary results of this ongoing research reveal that urban geography is a relevant ecosystem factor for SEs and NPOs from marginalised communities. We also suggest that co-production could be an opportunity for growth within the investigated state-civil society partnership.

**Keywords:** Collaborative Governance; Support ecosystem; Social Enterprise; Non-profit Organization; South Africa

## Introduction

Cities worldwide are challenged to deal with the increasing uncertainty caused by climate change, digitalisation, and globalisation while managing the day-to-day tasks of the city administration. However, the traditional means of centralised (public) and private (market-based) provision of public services are not suited to respond to these complex and dynamic processes sustainably. Therefore, local governments need to identify new means of urban governance.

The study presented here starts from the premise that working with social enterprises (SEs) and non-profit organisations (NPOs) can help city governments become more responsive to change and local needs and achieve greater sustainability. These civil society organisations and local governments can collaborate in service provision in various ways, ranging from informal agreements to co-production. These collaboration formats have been explored in literature as a pathway to service delivery and empowerment in the global North and South. However, the connection between these organisations, urban governance, and community resilience has not been sufficiently understood, particularly in African urban contexts.

The “Resilient Urban Communities” project focuses on the South African metropolis Johannesburg. Here, two neighbourhoods shaped by decades of systemic neglect of non-white and poor communities are being studied: Soweto and Diepsloot. The project focuses on community-based NPOs and SEs that work closely with the city department Johannesburg City Parks and Zoo (JCPZ). This paper presents the preliminary findings from a first research step revolving around JCPZ’s network and focuses on three questions: How can the state-civil society partnership be characterised in light of recent co-production debates? Is this relationship a supporting or a hindering ecosystem factor for community-based SEs and NPOs? Does the partnership contribute to community resilience?

Following this introduction, Section I reviews the relevant literature. There, we first provide a brief overview of the situation in Johannesburg concerning basic service

delivery, which highlights the need to reconsider the centralised, top-down approach the city has been faring for now. This section is followed by a discussion on the process of co-production. This background helps to place the Johannesburg data within recent debates around co-production. The following part introduces the concepts of community-based NPOs and SEs and explains why they are relevant mediators in state-civil society partnerships. Resilience has been widely discussed in the literature and is briefly introduced in relation to SEs and NPOs in the last part of the literature review. The subsequent Section II is devoted to the research methodology, outlining the research sites, and explaining the research approach. The third section presents the study's preliminary findings, and Section IV discusses these findings in light of the existing literature. The final section closes with conclusions and recommendations.

## Section I: Literature review

### Johannesburg's service delivery dilemma

Johannesburg is the economic centre of South Africa and an important historical site for overcoming apartheid. Its metropolitan area counts around 6.6 million people (in 2022<sup>1</sup>) and is subdivided into seven administrative regions (A to G). Since the end of apartheid in 1991, Johannesburg has been a city in transition from a "citadel of white supremacy" (Tomlinson et al., 2003, p. 4) to a unified city shaped by multiplicity (Nuttall & Mbembe, 2009).

Many urban scholars agree that the key elements that have shaped Johannesburg's urban geography since apartheid are race and class (Beall et al., 2002; Beavon, 2006), leading to ever-increasing societal fragmentation albeit intense interdependencies (Heer, 2019). On top of that, Johannesburg faces challenges that are all too familiar to metropolitan areas all over the continent, such as the urban/suburban divide, crime and violence, HIV/ AIDS, unemployment and poverty, and problematic

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<sup>1</sup> Projected 2022 estimate made by the website World Population Review (2022) based on the 2011 census of South Africa.

entanglements between politics and local governance (Tomlinson et al., 2003; Masuku & Jili, 2019).

What is more, the patterns of race and class divide are so deeply ingrained in the built and socio-economic structures of the city that it seems impossible to alleviate them (Pieterse, 2019; Abrahams & Everatt, 2019). Tomlinson et al. (2003) noted that – back during the 1996 census – 59% of the city population lived in only four districts (Soweto, Diepkloof, South, and Orange Farm) and were almost entirely Black African. At the time, only 8% of the population lived in the inner city (ibid.). They reported a strict North-South division regarding population and wealth distribution reinforced by the old district boundaries (ibid.). Since the reorganisation of city regions in 2006, the strict organisational divide along race and class lines has been visibly broken. Today, the new inner-city region (region F) exceeds the former north-south divide. Other regions, such as region E, merge predominantly black (Alexandra) and primarily white districts (Sandton). Despite this promising development, the tight interlocking of spatial segregation and class division leaves low-income African, Asian, and Coloured communities deprived of public services (Beall et al., 2002; Tomlinson et al., 2003; Beavon, 2006; Turok, 2012; Pieterse & Hyman, 2014). “On the service delivery front, the spatial fragmentation of the city means that there is a de facto inequitable provision of services, while there is a de jure equality of access” (Abrahams & Everatt, 2019, p. 259).

In the broadest sense, public services include administrative services (e.g., permits), social services (e.g., education, police), and technical services (e.g., sewerage, roads) (Sienkiewicz-Małyjurek, 2021). Public services may or may not be delivered and funded by the public government. Nevertheless, they are always subject to governmental regulation (ibid.). A general challenge for public administrations worldwide is to deliver public services equally to all citizens. Unfortunately, public service delivery tends to disadvantage marginalised communities and contributes to the spatial segregation between richer and poorer communities (Graham & Marvin, 2001). In

return, the disadvantaging of low-income communities re-enforces and amplifies social segregation as better-to-do residents move to better-serviced neighbourhoods. This phenomenon can also be observed in Johannesburg, where the poorest remain furthest away from economic opportunities and public services (Graham and Marvin, 2001; Beavon, 2006; Turok, 2012; Pieterse, 2019).

Urban scholars offer different explanations for this dilemma. Graham and Marvin (2001) show how the logic of networked infrastructures disadvantages the urban poor systematically. Pieterse and Hyman (2014) assert that African governments will always struggle with resource issues and will not provide comprehensive public infrastructure. Looking at Johannesburg specifically, scholars identify misleading urban planning agendas focused on large-scale flagship projects and top-down planning mechanisms as culprits for the deepening service delivery gap (Beall et al., 2002; Silverman & Zack; 2010; Beavon, 2006). Abrahams and Everatt (2019) argue that the city became overwhelmed when the city boundaries (and therefore the number of people who had to be serviced) increased immensely when the city was united with Soweto in 2001. Masuku and Jili (2019) identify political interference, corruption and power abuse, silo-thinking, and lack of qualified staff as obstacles to South African municipalities delivering services and job opportunities to poor communities.

The persisting inability of the centralised (public) and market-driven (private) sectors to deliver public services equitably points toward the need to rethink how and who plans, delivers, and manages public services in African cities. Involving third sector entities in the co-provision of services has been successfully tested around the globe improving local service delivery (Mitlin, 2008). Mitlin (2008) describes examples in which SEs and NPOs do not only fill service gaps but also serve as political

movements achieving societal transformation. This role contributes to community resilience, and it is this opportunity which we address in this paper.

### **State-civil society partnerships in urban governance**

Urban governance is the “overall responsibility for political and administrative functions” (Lange, 2010, p. 17) in a city or town. It encompasses how cities are planned and managed to address collective problems (UN-Habitat, 2002). Planning ideally refers to co-creating a sustainable vision of the city with other urban stakeholders to balance service delivery, political imperatives, and budgets (Abrahams & Everatt, 2019). The management side of urban governance refers to providing services, managing the budget, and enforcing rules and regulations in a city or town. In addition to these two dimensions, governance “recognises that decisions are made based on complex relationships between many actors with different priorities” (UN-Habitat, 2002, p. 13), making public participation imperative. ‘Good’ urban governance – which involves urban stakeholders in decision-making and implementation – is a prerequisite for African cities to achieve sustainable urban development (Meyer & Auriacombe, 2019).

Participation is not only essential for sustainability. Scholars have also demonstrated that centralised and top-down bureaucracies are too rigid and unresponsive to rapid change (Gunderson & Holling, 2002; Berkes et al., 2003). In contrast, collaborative governance approaches are considered to promote resilience better (Ebel, 2020). Multi-stakeholder coalitions in urban governance can ensure better decision-making regarding inclusivity and equity (Meyer & Auriacombe, 2019), improve service delivery, and promote resilience qualities within the urban system, like integration, inclusiveness, and flexibility (Meerow et al., 2016).

State-civil society partnerships are widespread in service delivery (Bovaird, 2007) and are also discussed as a strategy to improve planning and policy in literature (Innes & Booher, 2018). Collaborative formats are non-linear and socially constructed as the

different perspectives of participating stakeholders are considered (ibid.). Approaches range from the state consulting affected stakeholders for decision-making to shared implementation among eye-level co-producers (Mitlin, 2008; Innes & Booher, 2018).

One form of state-civil society partnership is widely discussed in the literature referring to public services: co-production. Early co-production literature defines it as the process by which any kind of good or service is jointly produced by people who are not part of the same organisation (Ostrom, 1996). Public management literature has employed the term frequently since the early 1980s (Mitlin, 2008). This body of literature defines co-production as state and citizen joining in any or all stages of the co-implementation of public services (Voorberg et al., 2015), focusing on the micro-scale (Brandsen & Pestoff, 2006) but not aiming at policy-reform (Bovaird & Loeffler, 2012). In Brandsen and Pestoff's (2006) classification of cooperation types, co-production and co-management focus on implementation, while co-governance aims at shared policy formulation and delivery of public services.

In more recent years, authors from urban planning and planning theory have reframed co-production to include the aim of social reform (Mitlin 2008). In this interpretation, co-production also leads to an up-scaling of solutions, urban governance reform, and transformation of state-society relations over the long run (Mitlin & Bartlett, 2018; Galuszka, 2019; Siame & Watson, 2022). The process itself is also transformative to the participants leading to knowledge building, sharing, and empowerment, which is why co-production is widely perceived as a value in itself (Voorberg et al., 2015). Another layer of co-production in urban governance is the attempt to ameliorate the inherent power inequality among the collaborators. Williams et al. (2020) argue that what distinguishes co-production from other forms of collaborative governance is the "deliberate egalitarian rationale" (ibid., 3). This brief review leads us to

understand co-production as an eye-level process of shared governance reform, service delivery, and social transformation between state and civil society.

However, implementing co-production is challenging for all sides. Innes and Booher (2018) – coming from a collaborative planning perspective – emphasise trust and finding shared realities through communication as a basis for successful collaboration as well as a willingness to share power and the ability to self-organise. Voorberg et al. (2015) identify multiple factors that promote co-production, such as willingness to participate, ability and possibility to influence decisions, and social capital on the citizen side. On the side of the state, policies that support co-production, taking citizens serious as valuable partners, and addressing the risk-averse culture of the public sector promote co-production (ibid.). Collaboration between civil society and the public sector is not without pitfalls. Lopez de Souza (2006) points out the danger of co-optation by the state. Cooperation fails for a variety of reasons (Mulroy & Shay, 1997; Kekez et al., 2018; Masuku & Jili, 2019).

Typically, civil society organisations take a pivotal role when communities organise to enter into a partnership with the state (Brandsen & Pestoff, 2006). We hypothesise that state-civil society partnerships are also a relevant ecosystem factor for civil society organisations, particularly when they come from and are active in marginalised communities. Therefore, this paper aims to understand the partnership between JCPZ and the community-based NPOs and SEs they work with.

### **Social enterprises and non-profits as co-producers of public services in Africa**

Civil society comes under various names, such as the third sector and social economy. In this research, we focus on community-based social enterprises (SEs) and non-profit organisations (NPOs) that originate from and are active in marginalised communities in Johannesburg.

Social enterprise is an umbrella term for different revenue-generating entities with a sustainable business model, such as trading enterprises, NGOs, and co-operatives



(Navarrete et al., 2017; Littlewood and Holt, 2018; Steinman, 2020; CFI, 2022). In Africa, an enterprise is considered an SE if it pursues a central social or environmental purpose in which it invests all surpluses (Steinman, 2010; Littlewood and Holt, 2018). Only some African SE founders (s) identify themselves as social entrepreneur(s) (Navarrete et al., 2017). In this relatively inclusive definition, the African context diverges from the European model, where democratic control and participatory involvement of stakeholders is a significant cornerstone of social entrepreneurship (Defourny & Nyssens, 2010). SEs can take different legal structures: non-profit, for-profit, and hybrid (Claeyé, 2017), and typically generate their income by selling goods and services (GIBS, 2018).

Non-profit organisations are legal entities with a public or member-oriented purpose but without profit orientation (Swilling et al., 2004; Anheier, 2005; Non Profit Organisations Act 71, 1997). They cannot distribute their profits to their members or employees (Anheier, 2005) and may apply for tax-exempt income status in South Africa (Income Tax Act, 1962). NPOs are non-compulsory and self-governing, like youth clubs, voluntary associations, or non-profit companies (Anheier, 2005). The organisational forms of SE and NPO are not mutually exclusive.

In the African context, scholars have highlighted the importance of these organisations for marginalised communities and their resilience (Munene, 2015; Baron, 2021). Civil society organisations provide critical services and jobs and increase social innovation and capital in a complementary or collaborative fashion with the state (Mitlin, 2008; Siemens Stiftung, 2020; Choto et al., 2020). It is unclear why this promising potential is not being actively pursued and promoted in South Africa. Instead, the high mortality rate among community-based SEs and NPOs suggests an unfavourable ecosystem (Navarrete Moreno and Agapitova, 2017; DTI, 2011) and a lack of capacity within organisations (GIBS, 2018; Choto et al., 2020; Bosma et al., 2015). The ‘ecosystem’ is an “enabling environment” (Navarrete Moreno and Agapitova, 2017, p. 8) that can benefit or harm an organisation’s sustainability. The

ecosystem comprises socio-economic, physical, and ecological factors, including policy and legislation, access to qualified staff, and networks. Ecosystem models and nomenclature vary across studies, but a common thread is that ecosystems are locally specific (Mair and Marti, 2006). Every African country offers strengths and weaknesses (Siemens Stiftung, 2020).

In South Africa, data regarding ecosystem and organisation mortality is contradictory. The ecosystem of SEs in South Africa, for example, has recently been rated as “strong” by an international foundation (Siemens Stiftung, 2020). The Entrepreneur Development Academy at the University of Pretoria deems SEs in South Africa as being generally sustainable (GIBS, 2018). However, statistical data shows that the survival rate of SMMEs and co-operatives is meagre (e.g., for co-operatives, only 12% (DTI, 2012; Wessels & Nel, 2016)<sup>2</sup>). Also, voluntary associations – which make up 93% of South African NPOs – have very low survival rates (Claeyé, 2017). Therefore, we argue that it is not only the country-wide factors that determine an organisation’s ecosystem. Local factors, like community actors and networks, municipality structures and practices, and resource availability, significantly influence an organisation’s success. Moreover, the unique race and class relations that are so strongly embedded in Johannesburg’s urban space shape organisations: white and non-white SEs operate primarily separately from each other due to the difference in communities and member needs (Satgar, 2019).

Accordingly, the “Resilient Urban Communities” project takes a micro-level approach that looks at the conditions in different districts of Johannesburg. Due to this understanding, we also focus on community-based organisations because a) their

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<sup>2</sup> Hanley et al. (2015) report that South Africa’s social enterprise environment is composed of 49% for-profit organisations, 35% non-profit organisations, 14% hybrid organisations, and 2% others.

local ecosystem varies significantly from those from more privileged backgrounds, and b) because this group of organisations finds little attention in the existing literature.

## Resilience

The concept of resilience can be applied to individuals (psychological resilience) and larger systems, like organisations, ecosystems, and cities. Referring to cities as complex adaptive systems (Portugali, 2000), resilience means adapting to and learning from disruptions and changes. In this process, it is essential that the system can preserve its core identity and functionality (Holling, 1973; Berkes et al., 2003; Cumming & Collier, 2005; Kegler, 2014). Participation of affected populations is essential to prioritising that core identity and functionality (Cumming & Collier, 2005). Moreover, the system should not simply return to its original state before the disruption or major stress but ideally transform into a more sustainable and adaptive version of itself ('socio-ecological resilience', cf. Holling, 1996; Berkes et al., 2003).

SEs and NPOs contribute to urban resilience and make cities and towns better equipped to tackle transformative processes (Munene, 2015; Baron, 2021). They achieve this by delivering public services to marginalised communities, creating jobs, building capacity, driving social innovation, and promoting social coherence and urban identity (Mahmud & Parkhurst, 2007; Bosma et al., 2015; Munene, 2015; Choto et al., 2020; Baron, 2021). In addition, SEs and NPOs promote good governance through collective action and local participation (Mulroy & Shay, 1997; Gray et al., 2003).

In this paper, resilience is employed as a 'metaphor' (Carpenter et al., 2001): The resilience lens helps to conceptually grasp why community-based SEs and NPOs are so essential for marginalised communities, promoting urban identity and empowerment, adaptive capacity, offering mitigation services, and promoting social transformation (Baron, 2021). Second, urban resilience is a complex conceptual framework

composed of ‘qualities’ (100 Resilient Cities, 2014) that promote system resilience, such as integration, inclusiveness, and diversity. We will use these qualities to inform our investigation into Johannesburg’s SE and NPO ecosystem to identify so far undetected but relevant ecosystem factors.

In sum, the review of existing scholarship suggests that there are still significant knowledge gaps in understanding community-based social enterprises and non-profit organisations and their ecosystems. First, social enterprises (co-operatives among them) and non-profits in South Africa have been widely discussed in scholarship (GIBS, 2018). However, these authors do not specifically address organisations based in and originating from marginalised communities. Second, space is not only a factor in urban resilience (Cumming, 2011). Given that 71% of social enterprises in South Africa operate at the community level and can therefore be considered place-based (Myres et al., 2017), it is evident that urban space and social geography need to be explored further by research. Third, we argue that state-civil society partnerships are an important ecosystem factor that has not been sufficiently explored. Preliminary findings from the RUC project on community-based SE and NPO ecosystems in Johannesburg are presented in this paper to contribute new insights to this debate.

## **Section II: Methodology**

### **Description of the study area**

One fundamental hypothesis of our study is that one needs to learn about the conditions on the ground to grasp the ecosystem of community-based SEs and NPOs. To learn about this ecosystem, interviews were conducted in two Johannesburg districts: Soweto and Diepsloot. Both districts have a decidedly suburban character dominated by a dense network of single- and two-story houses. Both districts’ populations consisted almost entirely of Black Africans, and the rate of people who reported no income in the 2011 census was around 20% (StatsOnline, 2022). The educational level was also reported to be low. In Soweto, about 9% of the population had a higher education degree; in Diepsloot, only 3% did. In comparison, the more privileged (and

white) Sandton scored 56% and Dainfern 61% (ibid.). The average income in both areas was relatively low in 2011. 42% of the households in Soweto and 52% in Diepsloot earned less than 38,200 ZRA annually (circa 14.5 USD/day<sup>3</sup>) (StatsOnline, 2022). However, Soweto and Diepsloot also have several individual characteristics relevant to this study:

Soweto (Acronym for “South Western Township”) is Johannesburg’s biggest township and played a pivotal role in ending apartheid. Nelson Mandela’s house and the famous Soweto Towers are located here. The township was initially established in the 1930s as a separate municipality for Black Africans when the white government sought to separate the white population from others (Beavon 2004). Uprisings and protests between 1976 and 1990 here contributed to the downfall of the apartheid regime in 1991 (ibid.). Soweto is extensive, with an area of 200 km<sup>2</sup>, and was home to over 1.2 million people in 2011 (StatsOnline 2022). Two-thirds of the land in Soweto are densely developed suburbs with paved roads, single-family homes, condominium blocks, malls, schools, churches, stadiums, parks, court buildings, cultural facilities, and cemeteries<sup>4</sup>. The population density is – due to large stretches of undeveloped land – only at around 6,357 persons/km<sup>2</sup>, with 85% of houses being formal. 43% of all houses are user-owned (ibid.). Infrastructure provision is relatively good, with over 90% of households having access to the sewerage system and electricity. 55% have access to individual piped fresh water (ibid.). 56% of the population had no internet access, while 20% had cell phone access (ibid.). The relatively good service provision in Soweto is due to the sites-and-services development approach of the Council between 1954 and 1960 (Beavon 2004). Soweto is located southwest of the former mines of the ridges of the Witwatersrand. These disjoin Soweto physically entirely from the inner city. A greenbelt and a nature reserve separate Soweto from other

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<sup>3</sup> The calculation was made based on historical exchange rate data. In 2011, the exchange rate was ZAR 1 = USD 0.1386 (<https://www.exchangerates.org.uk/ZAR-USD-spot-exchange-rates-history-2011.html>)

<sup>4</sup> For a comprehensive portrait of Soweto’s urban development and makeup, cf. Beavon 2004.

city districts in the southeast. Even from nearby Diepkloof, it is isolated by highways and a greenbelt. Large stretches of undeveloped land in the West and South separate Soweto from other districts. So, despite Soweto being located relatively close to CoJ city centre, it is physically separated from other districts. The lack of spatial integration into the remaining urban network is apparent. It reflects the apartheid planning regime as described by Abrahams and Everatt (2019): “Areas zoned by race had been embedded into the landscape, with natural and manufactured boundaries to keep formerly white areas’ safe’ from those zoned for other races” (ibid., 258).

In contrast, Diepsloot (Afrikaans for ‘deep ditch’) was established in 1995 as a transit settlement for people coming from Zevenfontein. After it became clear that people would not just stay temporarily, CoJ started formal development in 1999 (StatsOnline, 2022). With an area of 12 km<sup>2</sup> and a population of around 140,000 people, Diepsloot is significantly smaller than Soweto (ibid.). Most of its residents were recorded to be male (54%) and of working age (77%) by the 2011 census. Roughly a third of Diepsloot’s houses are formal, and 80% of them are rentals. The population density was almost double Soweto’s (11,532 persons/km<sup>2</sup>). Infrastructural provision was relatively poor in 2011: only 18% of households had access to piped inside water, 60% had electricity for lighting, and three-quarters had flush toilets (StatsOnline, 2022). Three-quarters of the population had no internet access, while 17% used their cell phones. (ibid.). While dated, these statistics show that many Diepsloot residents were ‘deprived’ (Everatt, 2014). The marginalisation is also visible in Diepsloot’s location and spatial makeup. All roads in Diepsloot are unpaved in 2022 (GoogleMaps 2022), and the district is physically detached from other districts. A national road borders the central part of the district in the north and a regional road in the east. The township’s edges to the west teeter into the landscape before a wastewater treatment plant meets it. In the south, extension suburbs adjoin a golf course and luxury developments. Overall, the township is more or less disconnected from the rest of the city.

It is one of the most northern suburbs of the city with about half an hour highway drive to Johannesburg centre and Pretoria.

As the descriptions above show, both research sites are shaped by an – on average – challenging socio-economic and geographical environment. In this paper, we argue that community-based SEs and NPOs in South Africa face a different local ecosystem than those from more privileged backgrounds and that this ecosystem inhibits their ability to sustain themselves. Three factors might contribute to this challenging local ecosystem: First, the socio-economic situation of marginalised communities leads to high demand for jobs. This demand creates high peer pressure on the organisation's founders to hire locals. However, the low education level means that training is needed, which costs money and time. Second, access to markets is harder for organisations from here. Their spatial disconnect and local networks are less likely to link them to potent clients and donors. Third, since their access to non-community-based funding and skill development is limited, community-based NPOs and SEs must rely on the state for support. This list is certainly not comprehensive but illustrates some of the added and systemic difficulties these organisations must overcome to become sustainable. The multi-factor deprivation-index maps shown by Nobles et al. (2008) show the stark differences in living conditions at a neighbourhood level and illustrate that our research approach focusing on the local level is feasible. To explore this ecosystem, we approach the investigation at a local level.

## **Methodology**

As this research is ongoing, we first explain the overall study setup before explaining the data collection and analysis that led to the preliminary results below. Overall, the RUC project comprises three research sub-projects tackling (1) state-of-the-art, (2) the SE/NPO ecosystem, and (3) business management practices, respectively. The

sub-project (2) presented here aims to identify success factors and hurdles in the SE and NPO ecosystem.

The literature review above revealed little in-depth knowledge about SEs and NPOs working in and coming from South Africa's marginalised communities. Therefore, we focused our research on those organisations and chose exploratory research for this sub-project. Exploratory inquiry means staying open to changes and responsive to the context during the research process (J. Mason, 2002). We adopted a grounded theory approach ('GTM'; Glaser & Strauss 1967; Charmaz, 2006) for our sub-project to identify unexpected themes and data sources. GTM is a research approach specifically invented to develop theories about unexplored phenomena rather than attempting to prove existing theories (Glaser & Strauss, 1967). Procedurally, GTM arrives at a 'grounded theory' by methodically assigning keywords (codes) to qualitative data and synthesising it through several code-data-comparison rounds. Whenever analysts detect a relevant data gap through coding, they collect new data employing 'theoretical sampling' (Charmaz, 2006). This sampling technique identifies new data sources purposefully for their potential to represent different theoretical standpoints and not for statistical representativeness (ibid.). Coding and data generation are continued until 'theoretical saturation' is reached (ibid.). Theoretical saturation is the "point of diminishing return" (M. Mason, 2010; 1), at which no significant new insights can be gained through further data gathering.

Following the iterative principles of GTM, sub-project (2) takes three consecutive steps. Step 1 is the first empirical phase aimed at accessing key stakeholders and learning about central themes through semi-structured interviews. Step 2 is the second empirical phase, where further interviews will be conducted supplemented by other data sources, such as newspapers, websites, and mapping. This step aims to fill any possible data gaps that arise from data analysis in step 1. In the final step, findings will be discussed in light of existing scholarship and with local stakeholders to ensure



broader relevance and transferability of the results (Bryant & Charmaz, 2007). In this sub-project, we will compile our findings using ‘thick description’ (Geertz, 1973).

In step 1, the research team interviewed 14 municipality executives, SE representatives, and NPO members. Participants were recruited using snowball sampling based on a partnership between the RUC project and the CoJ department City Parks and Zoo (JCPZ). As a result, the researchers interviewed four government executives (GO<sub>01</sub>–GO<sub>04</sub>) who directly or indirectly deal with SEs and NPOs in the department. Furthermore, four NPOs (NPO<sub>01</sub>–NPO<sub>04</sub>) in Soweto and Diepsloot who collaborate with JCPZ participated in the study. These NPOs formed between 2016 and 2022 as activist groups that tackle concrete issues in their neighbourhoods. They were active in job creation, food security, environmental education, and community action. Finally, we sampled five SEs (SE<sub>01</sub>–SE<sub>05</sub>), all of which were co-operatives based in Soweto, Cosmo City, and Diepsloot. These co-operatives formed between 2006 and 2019 because their members sought a steady income and meaningful jobs. The founders saw themselves as social entrepreneurs because they provided services to and jobs for the community, investing all of their profits back into these purposes. They were active in horticulture, waste management, and construction.

The interview guide for step 1 asked questions relating to the topics of (1) government-organisation relationship, (2) SE/ NPO ecosystem (e.g., funding, training, networks, supply, demand), (3) why, how, and by whom organisations were founded, (4) challenges in the ecosystem and strategies to deal with them, and (5) visions and wishes for the future. In addition to the interviews, we included field notes from two site visits to NPO/ SE work sites in step 1.

Because this cluster was limited to individuals interconnected with each other, the findings in this paper are preliminary and limited to the relationship between JCPZ and their network of organisations. The sub-project team, however, expects to broaden its focus in step 2 of the research process to stakeholders outside this

network, such as NPO and SEs, not depending on a partnership with the state, funding institutions, entrepreneurial hubs, and other city departments.

Field notes and interviews collected in step 1 were coded inductively using qualitative data analysis software. Following the GTM logic, preliminary themes presented here were derived directly from that data rather than pre-determined categories from literature (Glaser & Strauss, 1967; Strauss & Corbin, 1990; Charmaz, 2006). This process not only created insights into the phenomenon under investigation. It also revealed data gaps and thus prompted more data collection in step 2 following the 'all is data'-principle of GTM (Glaser, 2007).

### **Section III: Findings**

From the data collected in research step 1, several themes emerged that refer to the ecosystem of community-based SEs and NPOs in Johannesburg's marginalised areas. The three themes most relevant for this paper are (1) The pivotal role of JCPZ, (2) Intra-governmental challenges, (3) Trust, and (4) Identity and self-perception.

#### **The pivotal role of JCPZ**

NPO and SE representatives highlighted that the support structures and people at JCPZ were pivotal for their organisations' formation, sustenance, and further development. According to our interviews, all organisations struggled with relatively low business and technical skill levels. They also had to deal with very little start-up and working capital. Therefore, all three interview groups – JCPZ, SEs, and NPOs – highlighted the pivotal role of JCPZ in developing and sustaining the organisations they worked with.

(1) Formation: The interviewed SEs only formed after JCPZ published a call for applicants to a 'Co-operatives Programme' they run. The NPOs, on the other hand, formed as activists to fill a service gap, such as picking litter in public green spaces.

However, they actively approached JCPZ to get help with coordination, training, and funding.

(2) Training: JCPZ provided capacity training for SEs through their co-operatives programme, from business administration to skill development. Furthermore, the department provided informal support, such as advice-giving, providing rides from homes to project sites, and encouraging co-operatives to collaborate, e.g., tool- and knowledge-sharing. Because there was no formal way of supporting NPOs, JCPU informally gave support through training, access to infrastructure, and a small stipend for their activities. One department executive revealed that by supporting SEs and NPOs in that way, his department was contributing to mitigating poverty and joblessness in Johannesburg's marginalised communities. "It [the co-operatives programme] is not a fancy concept to solve all problems, but at least it is doing something" (GO04, site visit 1).

(3) Funding: SEs and NPOs in the sample faced different challenges. Like any private business, the co-operatives relied on selling their goods and services. The partnership between JCPZ and the interviewed co-operatives had two phases. First, the SEs participated in the three-year 'Cooperatives Programme'. Afterwards, their relationship was based on three-month service contracts assigned through a tendering process. The co-operatives could also enter service contracts with other public or private clients. However, according to the JCPZ's executives, most of those who participated in the 'Co-operatives Programme' remained dependent on contracts with JCPZ. Bank loans were not accessible to the interviewed SEs, as JCPZ and the co-operatives confirmed. Additional governmental funding was accessible, like the Gauteng Enterprise Propeller, providing co-operatives with funding for tools and advertisement.

In contrast, NPOs can have many forms of income, such as selling goods and acquiring donations. Some of our interviewees collaborated with corporate companies like Coca-Cola or Danone, others with NGOs and local professionals volunteering. Those NPOs that provided services that JCPZ could not, such as regular litter picking or

taking care of squatters in parks, were paid a small stipend from the department. Other, direct funding could not be directed at the NPOs by JCPZ. Nevertheless, alternative ways of support were directed at them by JCPZ, like granting access to infrastructure and land for free.

(4) Networks and sharing: The interviews brought to light that informal networks and sharing as well as business partnerships, were most relevant for the interviewed organisations. Co-operatives regularly team up with other co-operatives to meet large contracts or share tools. Formal co-operative networks seemed not to exist, but one co-operative reported a coordinated strike:

“We had an issue with Piki Tup once. They were paying us very late. So, the coop group came together and [we] told them that we would sleep there until they would pay us” (SE05).

In the NPO realm, networks seem widespread. NPO 03 representative states: “We have forums for NGOs. We have forums for coops. We have forums locally. And we have forums in the region”. The community action networks formed all over South Africa in the wake of the Covid pandemic were mentioned by government official A. but none of our co-operative or NPO informants.

In contrast, the interviewed government executives reported that the SEs and NPOs in their partnerships did not network unless meetings were facilitated by JCPZ (top-down) or the members of different organisations were related or close friends (already existing relationships). JCPZ also encouraged SEs to share tools and best practices, but unless the department brokered sharing, it was not happening.

(5) Gratefulness and patronage: The interviewed SEs repeatedly emphasised how grateful they were to JCPZ and its staff for their mentorship and funding. It allowed them to start a business and generate a reliable income. The JCPZ executives, in turn, expressed that they cared a lot about their protégés, provided them with advice and assistance, and did everything they could to support them. The NPOs, on the other hand, did express gratefulness for the excellent cooperation expressing a greater eye

level. They also expressed frustration that the partnership did not generate more and reliable financial benefits for them.

These sub-themes shed light on the pivotal role of JCPZ within this particular community of third-sector organisations. However, there are also potential ecosystem challenges for SEs and NPOs embedded in this theme. These are: (1) an over-reliance on city tenders as the sole source of income (reduces the resilience of organisations), (2) the development of entanglements (i.e., uneven relationships between the public sector and third-sector organisations) amplify uneven power structures between government and citizens, (3) danger of power misuse on the side of the department staff, (4) the patronage relationship between department and SEs might create a hurdle for them to become independent enterprises, and (5) a lack of visibility of networks.

### **Intra-governmental challenges**

The JCPZ representatives in the sample highlighted time and again how frequently they had to improvise or find informal solutions when trying to collaborate with the SEs/ NPOs. This theme comprises four sub-themes:

(1) Silo thinking: JCPZ executives' members repeatedly complained about silo thinking among the different CoJ departments:

“Information is all over the place. There is a lack of knowledge management. There is silo thinking [in the municipality]. Every department is doing their own thing. I don't feel we have the platforms” (GO02, site visit 2).

Even if the city made attempts at creating these platforms or installing overarching coordination officers, they seemed not to be successful: “We have the platforms, but they are not working. There is no reflection in the government. They are busy fire-fighting. So, they have no time to stop and reflect” (GO01, site visit 2). The

interviewee pointed to another critical problem: the city struggles with so many emergency problems that it could or would not coordinate the different departments.

Part of this sub-theme is that the JCPZ staff perceived themselves as a different and more 'local' entity than those who are 'up there' in the city municipality. They saw themselves as those public actors who solved problems and developed strategies for what 'the city' failed to manage. They portrayed their work as pivotal in solving ecosystem challenges for SEs and NPOs, such as funding, networks, and infrastructure.

(2) Leadership: Government officials pointed out the issue of leadership and politics. Dogmatic party agendas and short-term orientation tied to election periods crippled the JCPZ staff to strategically work with SEs and NPOs over a more extended period. Promising programs, like 'Jozy at Work', were cancelled after one run rather than evaluating their success and changing what was necessary. Leaders' up there' preferred to realise large-scale flagship projects (e.g., corridors of freedom) but would not engage with the nitty-gritty of administering SEs and NPOs as service providers.

(3) Lack of policy and regulation: Co-operatives are regulated by the 'Co-operatives Act 14' (Government Gazette, 2005), and NPOs may be registered under the 'NPO Act' (Government Gazette, 1997). However, according to our government informants, the policy framework did not support JCPZ's activism aimed at the community-based organisations:

“So, it is not just a lack of capacity on the side of NPOs and coops. No! It is also our regulatory framework. [...] It eliminates the opportunity for NPOs and communities to benefit from [government funding]. The regulatory framework doesn't even recognise that there are NPOs and coops and such things” (GO04).

(5) Adaptive strategies: JCPZ representatives repeatedly named properties of adaptive governance, like creativity, flexibility, resourcefulness, and self-reliance. To circumvent non-existing regulations and budget, JCPZ employs informal support strategies like sharing tools and transport to work-sites with co-operatives and NPOs or giving access to their grounds for recycling and horticulture activities. During a field

trip to NPO and SE work sites, one department member told us how she dealt with governance challenges: “I find my own ways” (GOo1, site visit 2). According to the JCPZ executives, they were forced to engage in this form of governance because policies, regulations, strategies, and budgets did not allow it.

(4) Lack of steady funding: The funding for the program is not coming from a formally assigned budget allocated by the municipality. Instead, the JCPZ management scrapes it from what is left in the regular JCPZ budget. The lack of a continuous, reliable, and sufficient budget for the JCPZ ‘Co-operatives Programme’ mixed in with the growing number of graduates from the program created a dilemma for the departments. While the self-assigned funding might stay more or less the same, there were more and more co-operatives depending on JCPZ tenders. Both aspects created unreliability of funding for the program. Furthermore, the lack of a formal budget also means no oversight from above or below.

There are also potential ecosystem challenges for SEs and NPOs embedded in this theme: (1) The considerable flexibility and over-reliance of local government on themselves as problem solvers re-enforce siloed solutions and lack of sharing. (2) Flexibility and self-reliance pose a danger of abuse of power and corruption on the side of the government. (3) The lack of continuity due to constant improvisation and lack of structures might erode the trust within the SE/NPO–JCPZ relationship.

## Trust

Trust is an issue that almost all interviewees raise in different dimensions.

(1) Tenders based on trust: Usually, government tenders are given to contractors who can show that they work efficiently and reliably (Curtis et al., 2010). However, JCPZ granted tenders to co-operatives without a track record in a leap of faith and supported them in their professional development. This was a sign of trust.

(2) Risk-taking: Trust involves risk-taking (Curtis et al., 2010). All government officials explicitly or implicitly reported that they were engaged in informal support

strategies with SEs and NPOs. Furthermore, assigning inexperienced enterprises with service contracts bore the risk of failure or low-quality services. Risk-taking, therefore, can be observed and is a sign of mutual trust.

(3) Organisations as mediators between city and citizens: The city department staff strategically used the community embeddedness of the NPOs and SEs to establish trust between local communities and their institutions.

“If we have a project, [the NPOs] are able to go house to house, door to door. They know who to engage, who is more active, [and] how to best [...] roll out a project in their communities. So, they [make] sure that we access everybody in the community” (GO<sub>03</sub>).

(4) Basis for organisation establishment: Trust seemed essential when forming SEs and NPOs. For example, sharing profits and responsibilities worked best for co-operatives if the members originated from extended family or close friends. “You have to form a co-operative with family members or good friends – people you trust” (GO<sub>02</sub>, second field trip). This is an experience that the co-operative representatives shared. “Trust plays a role in our coop. You can’t be trusting anyone that you do not know” (SE<sub>05</sub>).

(5) The ward councillor: Several interviewees pointed out the pivotal role of municipal ward councillors. These persons are elected to represent their local community on the municipal council (CoJ, 2018) and, according to our interviewees, informed their communities about job opportunities and governmental programs. One interviewee repeatedly stated that co-operative prevalence in certain city districts depended directly on how well ward councillors were trusted by their community and how well they informed the community of government opportunities. The co-operatives as service providers of JCPZ needed to establish trust with communities they had to service but did not originate from. For this purpose, JCPZ established a system in which the ward councillors provided lists of community members who had to be hired as workers by the co-operatives while active in that community. “You have to go there and



introduce yourself and tell them what you are doing. We are not there to steal but instead ask if they want to join us” (SE05). That way, trust between those communities and the ‘foreign’ co-operatives could be established.

(6) Erosion of trust: The interviews showed how trust between the community and NPOs could be eroded by theft and destruction. The crime issue arose several times in our interviews, such as stolen tools, stolen or destroyed infrastructure, and repeated destruction of crops or plantings. These offences against these organisations seem to erode their trust and activism, reducing or terminating activities.

(7) The need for trustworthy funding sources: Most of our informants highlighted the inaccessibility of bank loans to these organisations. The interviewees identified their inability or unwillingness to submit collateral to banks, not having to pay interest, and relationship building as reasons for their preference for trust-based lending from family and friends.

“Between my staff and a few friends of mine [ ... ] we borrow from each other [ ... ]. We don’t go to the banks. A bank would never help you. No, they ignore us. I’ve been trying to do that. The requirements are way too high” (SE02).

Overall, the findings indicate that trust is essential for the success of NPOs and SEs active in Johannesburg’s marginalised communities. Trust plays out internally and externally.

A significant ecosystem challenge within this theme is crime. Losing the few material resources community-based SEs and NPOs have to vandalism and theft is devastating financially and motivationally. Another challenge in this theme is putting too much trust into the involved stakeholders. This overconfidence may lead to one partner leaving the other alone with problems that they should have approached together (Curtis, Herbst, & Gumkovska, 2010).

## Identity and self-perception

A final theme that came up in the interviews is Identity. This theme contains two sub-themes:

(1) Self-perception: The interviewed NPOs and SEs perceived themselves as community activists serving their community by providing jobs and services. In addition, the SEs perceive themselves as entrepreneurs.

“We would call ourselves as a social enterprise because we are [...] part of the community and we are creating jobs for the community. [...] We are an underprivileged social enterprise” (SE05).

From the interviews with them and field notes, it became visible that this identity creates a sense of self-worth and motivates them to develop their organisations further.

“Growth is needed. [...] Not amongst us only as co-operative members, but amongst the community. Because the more we grow is the more we expand in terms of hiring [...] youth and disabled people” (NPO04).

(2) Contributing to community empowerment and sense of belonging: Particularly, the NPOs who typically directed their activism at sites in their community contributed to a place-based sense of community and self-efficacy as in “this is our neighbourhood” and “we take care of this place ourselves”. In this sense, these organisations contribute to a sense of belonging and social cohesion within the community.

Both of these aspects are relevant. Local identity and a sense of belonging to a place are critical for community resilience. Because these organisations are community-based, a self-perception as a (social) entrepreneur and community activist also creates self-worth in the community. Their activities might contribute to re-establishing the hope and trust these communities have for so long been deprived of (NPO02).

These four themes suggest that the partnership between SEs and NPOs in Johannesburg’s marginalised communities and JCPZ has been bearing opportunities and

challenges. On the one hand, the partnership contributed to mutual trust-building between the community and local government. It also helped to alleviate unemployment and poverty for a limited group of community members. In this way, spatially embedded class and race relations were mitigated. On the other hand, the data highlighted the danger that the partnership between JCPZ and the interviewed organisations unintentionally re-enforced the power differences between state and marginalised communities that it aimed to bridge.

#### **Section IV: Discussion**

The preliminary evidence from step 1 of our research project demonstrates the significance of exploratory research for revealing new insights and challenging viewpoints (Charmaz, 2006).

The exploration of the partnership between community-based third sector organisations and JCPZ points to why the mortality rate of these organisations might be so high in South Africa. The data also reveals opportunities and challenges in the ecosystem. In the discussion, I draw on the preliminary findings described above, discussing three aspects:

- (1) Embedding urban geography in conceptualizing SE and NPO ecosystems
- (2) State-civil society partnerships as relevant ecosystem factor
- (3) State-civil society partnerships and community resilience

#### **Embedding urban geography in the SE and NPO ecosystem concept**

Early on in this study, contradictions became apparent that referred to the supposed strength of the SE ecosystem in South Africa (Siemens Stiftung 2020) as well as the findings referring to the general sustainability of South African SEs (GIBS 2018). In contrast, statistical data indicates a high mortality rate among SMMEs and co-operatives that are also part of the SE community (Wessels and Nel 2016, DTI 2010). The GIBS authors might not have considered these types of organisations in their

conception of SE. Their sampling might only have included SEs resembling tech start-ups. Alternatively, their sample reflected enterprises that are founded by the type of South African who is resourceful and bold enough to start a business, acquire bank loans, and seed funding (i.e., not from a marginalised community). Nevertheless, some of the preliminary findings of this study are reflected in existing scholarship: lack of appropriate policies and peer networks, lack of market access, chronic financial constraints, and political agendas systemically holding SEs back (Mulroy & Shay, 1997, Martin & Osberg, 2007; Grimes et al. 2013; Hanley et al., 2015; Wessels & Nel, 2016; GIBS, 2018).

The preliminary findings of this study demonstrate that community-based SEs and NPOs from marginalised communities have different concerns and aspirations than those from more affluent contexts. Possible ecosystem factors relevant in marginalised communities identified in our study include the motivation to generate jobs and serve their communities, a particular need for a ‘protected’ start-up environment, and a dependency on ward councillors.

SEs are known to focus on community needs (Grimes et al., 2013), and they often come from the communities they serve (Myres et al., 2017). This is also the case in South Africa, partially due to government encouragement. In 2010, the Ministry of Co-operative Governance and Traditional Affairs released a concept note that proposed that co-operatives should be ward-based “to ensure that the whole community participates and benefits” (CoGTA, 2010). Wessels and Nel (2016) show that the location co-operatives shape their sector choice and vice versa. The preliminary findings in this study indicate that the organisations perceive themselves as part of a local community. This sense of belonging likely plays into why and how they start their organisations. This finding aligns with Munoz (2010), who called for a greater engagement with the concepts of space and place when investigating SEs.

Our findings regarding the ecosystem of community-based NPOs and SEs call for meaningful consideration of location, urban development history, and the micro level

(neighbourhood) as ecosystem factors for community-based SEs and NPOs. Urban studies and urban geography as interdisciplinary fields can support this endeavour by providing concepts and methods for third-sector research.

### **State-civil society partnerships as relevant ecosystem factor**

There is diverse evidence that government support plays a pivotal role for SEs and NPOs (Mulroy & Shay, 1997; Bosma et al., 2015; GIBS, 2018). Researchers agree that clear-cut policies and cooperation workflows contribute to a healthy collaboration between third-sector organisations and the public sector. At the same time, a level of autonomy in decision-making processes and trust needs to be preserved to reduce the bureaucracy needed to govern those relationships (Curtis et al., 2010). Furthermore, analytical, managerial, and political competencies must be developed within the collaborative arrangement (Kekez et al., 2018). Finally, Masuka and Jili (2019) point at possible problems within the public institution's inner workings, such as low staff morale, skill deficits, and the erosion of accountability that negatively affect collaboration (ibid., 6). The JCPZ executives in the data set did not mention similar challenges but mainly highlighted problems outside their reach, such as SEs'/NPOs' networks and the need for policy reform at higher levels of government. Challenges for the SE/ NPO ecosystem that arise from within JCPZ and municipality structures will have to be explored in an in-depth organisational study.

According to Navarrete Moreno and Agapitova (2017), the ecosystem of SEs in Africa has four dimensions, 'Policy and regulation' is one. It includes the aspect of public-private collaboration. The evidence in this study confirms the importance of state-civil society partnerships that the World Bank researchers (ibid.) identified. A comparable ecosystem framework for NPOs is lacking and might be impossible due to the variety of organisational shapes and missions that NPOs have. At the same time, our

exploratory paper did contribute some new insights, and more in-depth insights will be generated through the remainder of the “Resilient Urban Communities” project.

Based on what we found so far in Soweto and Diepsloot, the collaboration between JCPZ and the SEs and NPOs they collaborate with cannot be considered co-production in the sense of a “joint production of public services between citizen and state, with any one or more elements of the production process being shared” (Mitlin, 2008, p. 340). It is a collaboration in which JCPZ is the mentor, funder, and tender giver, while the civil society organisations are mentees, dependents, and service providers. This imbalance leads not only to the over-reliance on a single funding source (GIBS, 2018). Those in decision-making positions also need to be careful not to create inefficiencies and instrumentalising co-operatives for governmental purposes (Okem, 2016) or endangering the managing principles of community-based organisations (Wolch, 1990; Mulroy & Shay, 1997), by which their communities are marginalised yet again (Nadasdy, 2007).

### **State-civil society partnerships and community resilience**

The literature review suggests that the impact of these organisations on the South African labour market is still limited.

In general, SEs and NPOs contribute to the general resilience of a community, e.g., by contributing to community members’ individual resilience and mitigating state failure (Apostolopoulos et al., 2019). But in South Africa, SEs employ only about 2% of the workforce (Bosma et al., 2015). Thus, the role of these organisations in promoting resilience is not necessarily to create jobs; when engaged in state-civil society partnerships, they contribute to improved service delivery and state-citizen relations. In addition, state-civil society partnerships foster a community’s local identity and self-efficacy by improving a sense of belonging and place and enabling communities to actively modify their environment (Riechers et al., 2016). Awareness of a place’s identity enables communities to develop shared visions for the future and

helps them prioritise when facing disturbances, thus making them more resilient (Cumming & Collier, 2005).

Other aspects that state-civil society partnerships can achieve in terms of urban resilience are improving horizontal integration (mutual consideration among community members) and vertical integration (mutual consideration across various scales of governance) (100 Resilient Cities, 2014). Our data shows that government executives strategically collaborate with community-based SEs and NPOs to establish community trust and enable service delivery. SEs and NPOs also voice the concerns and needs of the community to the administrators. Thus, these organisations act as mediators between marginalised communities and the city government improving community resilience. However, the contributors to this study remain cautious of over-idealising resilience without a critical eye on power and responsibility imbalances perpetuated by the existing system in its efforts to preserve itself through co-production (Meerow & Newell, 2016). Furthermore, it must be noted that it is still unclear to what degree SEs contribute to mitigating social challenges versus other stakeholders in the ecosystem (GIBS, 2018).

Therefore, resilience is a valuable metaphor for this project that provides analytical categories to sort through the complexity of the SE and NPO ecosystem. At the same time, resilience is not a value in itself. We should only aim for resilience if we know the “for whom what when where and why” (Meerow & Newell, 2016).

## **Conclusions and recommendations**

The preliminary analysis of the ecosystem of community-based SEs and NPOs in Johannesburg’s marginalised districts points to two significant factors that find little attention in existing scholarship: social geography/space and state–civil society partnerships.

First, local ecosystem factors play a role in the survival and thriving of community-based social enterprises and non-profit organisations. Examples of local factors

include service gaps and the resulting demand, the spatial separation of the district from the rest of the city (limited access to potent clients), the socio-economic structure of the districts (low purchasing power), access to qualified staff, and the influence of district councils as gatekeepers. In this respect, the sampled organisations are subject to a different ecosystem at the micro level than the organisations from wealthier districts. This suggests that location, urban geography and history are essential ecosystem factors for community-based SEs and NPOs in South Africa. This aspect has not been adequately explored in the literature and needs further research in the future.

Second, the study examined the partnership between the city department Johannesburg City Parks and Zoo and several community-based NPOs and SEs in the delivery of public services. Concerning the NPOs, the partnership appears to be characterised by goodwill, trust, risk-taking, and informal agreements. Restrictive legislation ensures that NPOs are independent of the state, but this also leaves them with a lack of opportunities to collaborate on local projects. So, the critical ecosystem factor here is not the partnership itself but the policies behind it that hinder constructive collaboration at the local level.

Referring to co-operatives (understood as SEs), the partnership resembles a mentor-mentee relationship supporting the enterprises with market access, funding, and training. This phase of the partnership can be considered a supportive ecosystem factor. After three years, this relationship officially develops into a service-delivery partnership on a tender basis. However, the SEs remain dependent on JCPZ instead of diversifying and becoming self-sufficient. In this phase, the partnership becomes detrimental to the SEs. Therefore, the question of how state actors can support community-based SEs and NPOs in a way that does not inhibit their long-term survival remains open for further investigation.

Finally, we addressed the question of community resilience in this paper. Even though the partnership between JCPZ and community-based SEs and NPOs seemed to be



characterised by a high level of trust, risk-taking, and flexibility, our interview data did not reveal any other features of co-production in the sense of eye-level decision-making and community-driven social reform. So, this service delivery partnership improves the lives of cooperative members, service provision in the marginalised communities, and state-community relations. However, the data also indicates that the partnership also reproduces the top-down governance regimes of CoJ municipality. In this way, the well-intentioned partnership leads to preserving the disempowerment of marginalised communities. Consequently, the investigated partnership contributes to community resilience through jobs and service provision but also reproduces resilience barriers through top-down governance and lack of genuine participation.

A growth opportunity for this partnership could be to allow these organisations to have a real stake in the decisions that affect their communities. Co-production elements would not only make service delivery more responsive and targeted. Community-based SEs and NPOs could also gain more self-efficacy and recognition in the community, which could help improve their sustainability. More co-production could turn the partnership and the 'Co-operatives Programme' into beneficial ecosystem factors and contribute to community resilience.

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