



**IMPACTS AND ISSUES OF A SOCIAL INNOVATION APPROACH TO
DEVELOPMENT FINANCE:
A Case Study of Zoona**

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by
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ABSTRACT

This paper seeks to orientate research on the issues and impacts of pursuing a social innovation approach to development finance and the extent to which it impacts the development of economic, personal and social capital in developing countries. It draws on conceptual ideas around the evolution of development finance from a pure aid perspective to more innovative approaches that seek to increase uptake of development funds where they are needed most (at the base of the pyramid) and reduce fungibility. The paper provides an exploratory case study analysis of attempts by Zoon, a socially innovative private organization in Zambia that is leveraging mobile technology to increase access to finance and financial services to small and micro businesses and the unbanked in Zambia using an agent network. The research was qualitative study and gathered insights from 11 agents and 8 employees through 19 personal interviews. A hybrid approach to thematic analysis was employed in the research and results revealed that whilst Zoon's work was enabling economic and personal growth for the agents it was not necessarily building social capital within communities. The paper concludes with some recommendations on how the concept of socially innovative approaches to development finance, as supplementary forms of distributing development funds to traditional forms, can be improved on when applied by private organizations and local networks to enable the development of economic, personal and social capital and develop the capacity of communities.

Key words: Development, social, innovation, finance, mobile money, Zambia, Zoon.

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1. INTRODUCTION

1.1 RESEARCH AREA AND PROBLEM

1.1.1. Research Context

The 2008 financial crisis which was touted by top economists as the worst financial crisis since the great depression of 1929 (Pendery, 2009) highlighted both the insufficiencies of existing global governance systems as well as the need to create systems that would be better able to support 21st century challenges (Kok, 2011). It also drastically changed the face of development finance globally and in particular, sub-Saharan Africa. Research has shown that during and following the crisis, there were drops in the flow of traditional sources of development finance such as aid, foreign direct investments and remittances to the region (Allen & Giovannetti, 2011; Ziesemer, 2010).

There arose renewed worldwide efforts focused on realigning influence and strengthening governance if momentum towards the millennium development goals was to continue. For example, during 2010, influential bodies such as the Club of Madrid, the world's largest forum of former democratic presidents and prime ministers (ClubMadrid, 2011) and FRIDE, a European think tank for global action (FRIDE, 2012) with the support of other agencies engaged the Korean G20 Presidency on critical matters needing to be addressed by the G20 to manage post-crisis economic turmoil (Kok, 2011). From this process arose eight policy briefs on the role of the G20, their development agenda as well as the reform of international financial institutions (IFIs). Highlighted within these policies were recommendations centred on three key areas; food security, energy and innovative finance for development. It is against this background, with a focus on the third key area, that this research was undertaken.

1.1.2. The Problem Statement

The overall objective of this research was to evaluate and analyse the issues and impacts of pursuing a social innovation approach to development finance, based on a case study of Zoona, a private company in Zambia, and, further, to establish how these innovations impact the development of economic, personal and social capital in a developing economy such as Zambia.

From this arise two sub-problems:

- *Sub-problem 1:* Evaluate and analyse the issues and impacts of pursuing a social innovation approach to development finance in a developing country like Zambia
- *Sub-problem 2:* Establish the extent to which such innovations impact the development of economic, personal and social capital in a developing country like Zambia

1.1.3. Purpose and Significance of the Research

Recently, there has been increased talk in the development finance arena for the need to increase both private sector contribution towards development finance as well as their role in the field (Byiers, 2012a). This has received both support and criticism from various stakeholders. Despite these conflicting views, what is clear is the need for more learning and evidence from specific cases on how this can work (Byiers, 2012b). The purpose of the research was therefore explorative and aimed at analysing and evaluating some of the contributions and challenges of pursuing a social innovation approach to enabling development finance in a developing country like Zambia.

The significance of this research is to add to the theoretical body of knowledge on this topical area of development finance. It is applied research which aims only to generalize its findings to specific context and enable decision makers to draw assumptions on issues with which they are dealing (Terre-Blanche, Durrheim, & Painter, 2006). This research could thus be used by governments of developing countries like Zambia and development finance institutes in creating incentives to encourage private sector players contributing to development (UNPRI, 2011) and social innovation through initiatives such as public private partnerships (PPP) or private equity investments. Multilateral and bilateral players who since the 1990s have significantly increased their contribution to the private sector (Kwakkenbos, 2012) and are progressively seeking partners for development at local level could gain valuable lessons from such cases, as could the private sector players who may be interested in impact investing and social innovation. Finally academics can also benefit from the research as the literature review has shown gaps in the link between social innovation and development finance as well as the number of case studies outlining the impacts and issues of pursuing a social innovation approach to development finance.

1.2 RESEARCH QUESTION AND SCOPE

1.2.1. The main question

The main question that this research will endeavour to answer is: *What are some of the impacts and issues of pursuing a social innovation approach to development finance and to what extent do they impact the development of economic, personal and social capital in a developing country like Zambia?*

1.2.2 The sub questions

The sub questions arising from this are:

- 1.** *What are some of the impacts and issues of pursuing a social innovation approach to development finance in a developing country like Zambia?*
- 2.** *To what extent do these innovations impact the development of economic, personal and social capital in a developing country like Zambia?*

1.2.2. The scope

The research was based on a case study of a private sector player based in Zambia called ZoonA. ZoonA is an impact-focused, socially innovative mobile payments operator whose vision is to see a cashless Africa where organisations from all sectors can transact electronically with unbanked and even unconnected consumers (ZoonA, 2012). The Global Impact Investors Network defines impact investments and businesses as those that generate measurable social and environmental impact alongside a financial return (GIIN, 2012).

ZoonA, which has an annual turnover of \$ 3 million and was the first IT start-up in Zambia to attract international equity investment to the tune of \$ 4 million, employs elements of micro-franchising, crowd funding and micro-finance in its operations. The company has developed an in-house proprietary payments platform and has a 3 part business model. Firstly they have built a distribution network of independent agents to provide an over the counter (OTC) money transfer and bill payment service to primarily unbanked end customers. As at the time of this research, the network comprised of 206 agents who operate like micro-franchises of ZoonA as they are independent small businesses that earn real time commissions on each transaction. Most of the agents operate from a booth which is provided and branded by ZoonA whilst others are existing retailers who add on ZoonA services to their products and have their stores branded. The agents receive training from ZoonA and provide uniform services across the country. Below is a picture of a standard ZoonA agent booth.



Figure 1 : ZoonA agent in a township in Lusaka, Zambia

Secondly they provide bulk and supplier payment solutions to enable large organizations to make and receive payments to and from micro and small enterprises (MSEs) and unbanked and unconnected customers

and staff. This reduces the cost of doing business in cash for both the MSE and the corporate which is one of the administrative costs that constrains MSE growth (Dalberg, 2011).

Thirdly they provide interest free working capital financing to their agents and certain MSE groups like micro and small distributors of fast moving consumer goods to increase their float and enable them to grow. They have partnered with Kiva, a non-profit organization whose mission is to ‘connect people through lending to alleviate poverty’ (Kiva, 2012) to provide these interest free micro loans. Kiva runs a crowd funding website which allows individuals from all across the world to lend to those in need from as little as \$25. Kiva engages field partners to disburse these loans in several countries around the world and Zoona was one of the first non-micro-finance institutions to partner with Kiva.

Below is an illustration of Zoona’s 3-part business model

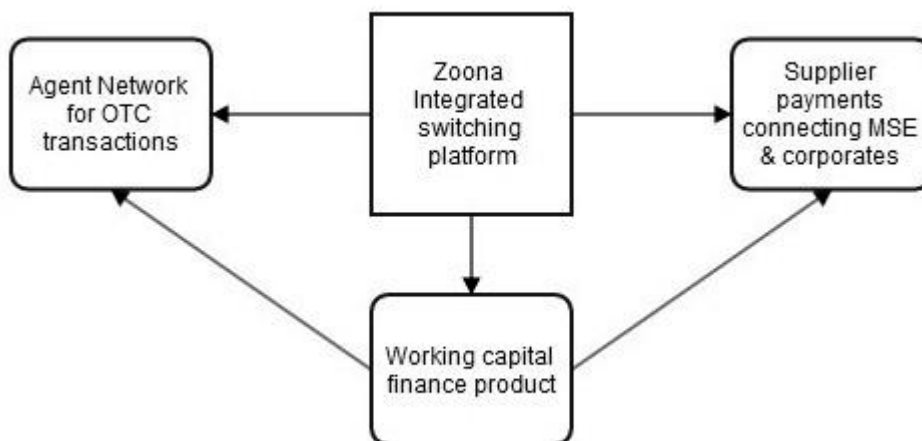


Figure 2: Zoona 3-part business model

Insights from the middle managers and agents of Zoona were collected via personal interviews for the purpose of this research to establish the issues and impacts of pursuing a social innovation approach to development finance and to assess the extent to which this impacts personal, social and economic capital development in a developing country.

1.3 RESEARCH ASSUMPTIONS

A number of assumptions were made for this research. Firstly, there was the assumption that the interviewed parties understood the questions asked of them in the manner in which the researcher intended or posed them. In order to lessen this assumption the researcher used simple language to reduce the knowledge gaps among participants.

Secondly, it was assumed that the participants were truthful in their responses and were fully willing to participate in this research. Consent forms were provided to the participants and no participants were deceived, manipulated or coerced into taking part in the research against their will. Their names are thus not included anywhere in the research to protect their privacy.

Lastly it was assumed that the research findings would be a contribution to the body of knowledge in the development finance and social innovation fields.

1.4 RESEARCH ETHICS

Ethics approval to conduct the study was acquired from the University of Cape Town Research Ethics Committee before any research commenced on the thesis. The committee reviews, requests changes to, and approves human research proposals; monitors their conduct; deals with complaints; suspends research proposals; and reports on their performance (Thomson, 2012). Participants for this study were informed that participation was voluntary and they reserved the right to withdraw from the study at any time without penalty. They each signed a consent form to show they were aware that they were taking part in a research project and offered consent for their responses to be used in the research (Diener and Crandall as cited by Bryman & Bell, 2007). To ensure confidentiality, the participants were not asked to disclose their identity at any point during the interviews. The findings of the study were reported to the participants as well as all the stakeholders. Any publications done after the study will ensure that no one can be identified from the report. In this way research ethics were adhered to in this research for validity.

2. LITERATURE REVIEW

2.1 DISCUSSION

This chapter will summarize the aim of development finance and give a historical overview of finance for development including an evaluation of the traditional sources; key changes and pioneering events that have taken place in the field; current interest in innovative sources of finance for development and a review of some of the social innovations that are contributing to development finance with a focus on sub-Saharan Africa.

2.2 THE AIM OF DEVELOPMENT FINANCE

The aim of development finance and thus development finance institutions (DFIs) is to mobilize and invest capital towards social and economic development in developing countries and reduce poverty (Dalberg, 2009). Development finance institutions around the world will have different individual mandates however. For example the Development Bank of South Africa (DBSA) has a mandate to ‘accelerate sustainable socio-

economic development by funding physical, social and economic infrastructure with a goal of improving the quality of life of the people of the region.’ Whereas Industrial Development Corporation (IDC) has a mandate to ‘provide financing to entrepreneurs and businesses engaged in competitive industries’ (Public Sector Magazine, 2011:35). In spite of the differences in individual mandates, the common thread lies in the fact that all DFI’s in general enable the creation and investment of capital towards the development agendas of developing countries.

2.2.1. Forms of capital and Zambia’s development agenda

Scholars have posited that there are different forms of capital, all of which contribute to development. Pierre Bourdieu in his 1986 publication ‘The forms of capital’ discussed 3 forms of capital being economic, social and cultural capital. Flora in discussing community capitals, argues that each community has a mix of different types of capitals depending on its people and cites these capitals as being financial, political, social, human, built, natural and cultural (Flora, 2004). McGehee and Zahra add an 8th capital to Flora’s model in their article on cultivating community capital through volunteer tourism called, personal capital (McGehee & Zahra, 2011).

For Zambia, the sixth national development plan (SNDP) that is dictating the development agenda for the country for the period 2011 – 2016 is focussed on the development of 3 forms of capital; economic, social and personal capital. The SNDP that is aptly themed ‘Sustained economic growth and poverty reduction,’ is aiming to achieve its agenda through enhanced economic growth and infrastructure development, promotion of rural development and people development. As such development finance efforts in this developing economy are being directed in these areas.

2.2.2. An overview of economic, social and personal capital

Pierre defines economic capital in terms of access to or command over economic resources which are directly convertible to cash and can be institutionalized in the form of property rights (Bourdieu, 1986). It is created through employment opportunities and investments and gives individuals the ability to participate in the economy and contribute to its growth through consumption and the ability to create products and services for sale. Social capital is defined in terms of resources based on networks of influence, social obligation (norms) or group membership which may be convertible in certain circumstances to economic capital (Bourdieu, 1986). It has been touted as a predictor for social good such as good functioning schools, safe neighbourhoods, and levels of economic development (Sander & Lowney, 2006). According to Sander and Lowney, it is developed through different types of social interactions within groups and the illustration below demonstrated how it can potentially be developed for different sizes of groups by activities needing less to more trust.

meet such a goal. This justified the need for aid to support the growth of the least developed countries (LDCs) which were seen to be stuck in a poverty trap and therefore required larger increases in investments which external aid could supposedly foster. There have been differing views expressed by academics and practitioners as to the rationale behind these inflows. Cooray and Shahiduzzaman however, surmise these views into three main classifications: economic and politico-strategic self-interest of the donor; humanitarian concerns (for the recipient country by the donor) or recipient need; and recipient's performance variables (Cooray & Shahiduzzman, 2004).

Despite the varying rationale behind aid, there has however been certain developmental focus themes highlighted in each decade since the 1960s, for which aid was given. Table 1 below shows a summary of context, orthodoxy and developmental focus of donor funds over the last 5 decades.

Table 1: The history of aid: A schematic presentation.

Year	Context	Development Orthodoxy	Donor focus
1960s	Major bilateral aid programs established	Role for state in planning & investment perhaps also in production	Productivity infrastructure
1970s	Expansion of multilaterals (IMF, World Bank)	As in 1960s	Agriculture Basic needs
1980s	Debt crisis, Fading of central planning, Rise of NGOs	Washington consensus	Macro-economic reform & growth
1990s	HIPC debt problems, Aid fatigue, Transition after Cold war	Market-friendly institutions, Export and FDI promotion	Poverty alleviation, Governance, Investment climate
2000s	Anti-globalization movement, High media profile of world poverty, War on terror	Uncertainty	Millenium development Goals, Governance, Health/HIV

Source: (Temple, 2010)

2.3.1. Trends in ODA

Trend analysis in official development aid (ODA) shows that there was a 50% increase (at constant world prices) of concessional capital flows during 1970 and 1980; followed by a 32% increase between 1980 and 1990; which then decreased by 25% during 1990 and 2000 (Rao, 2003). Between 2000 and 2008, net ODA received by countries grew by 157% from \$49.7 billion in 2000 to 127.4 billion in 2008 (WorldBank, 2011). This was arguably the result of the Monterrey Consensus of 2002 where developed countries pledged to increase their respective volumes of ODA following the dip in the 1990s (Rao, 2003). The World Bank data sets also show that following the financial crisis of 2007 and 2008, net ODA received dropped between 2008 and 2009 before resuming an upward trend into 2010 (WorldBank, 2011).

2.3.2. The debate surrounding ODA

It is still a subject of much debate amongst academics and practitioners, whether these traditional sources of finance for development have actually fostered development in the LDCs over last 50 to 60 years. Burnside and Dollar argue that aid has a positive effect on economic growth especially in countries with 'good' policies (Burnside & Dollar, 2000, 2004). Gomanee, Girma and Morrissey add that Africa's lowly growth rate should not be credited to aid ineffectiveness as their studies found that for a sample of sub-Saharan countries, a one percentage point increase in the aid/GNP ratio added one-third of one percentage point to the growth rate (Gomanee, Girma, & Morrissey, 2002). Aid is also purported to increase investment, which is a significant transmission mechanism in the aid-growth relationship (Loxley & Sackey, 2008). Using four empirical growth models Loxley and Sackey found a positive and statistically significant effect of aid on growth.

Opponents of aid however argue that it has potentially been the biggest single inhibitor of Africa's growth (Moyo, 2009). Others add that high aid intensity is linked to erosion in the quality of governance and that it has failed to achieve its planned goals (Abuzeid, 2009). Abuzeid further argues that aid strengthens corruption in situations where it is already rampant as donors do not consider institutional quality in the allocation decision. High levels of foreign aid also carry the potential to have adverse macroeconomic impacts collectively called the Dutch disease (Feeny & Silva, 2012), such as an appreciation of a recipient's Real Exchange Rate (RER) which results in a loss of export competitiveness (Heller, 2005 as cited by Feeny & Silva, 2012). In additional, research shows that there is insufficient focus on targeting aid towards the achievement of certain Millennium Development Goals (MDGs) such as primary education and this could render the current calls to increase aid allocation ineffective in achieving its purposes (Thiele, Nunnenkamp, & Dreher, 2007).

2.4 THE EMERGENCE OF MICRO-FINANCE

A significant landmark in development finance was the emergence of microfinance. Microfinance is the provision of financial services to the poor and includes loans, savings, insurance and money transfers (CGAP, 2002). Microfinance has been hailed as a successful poverty alleviation and development tool (Van Rooyen, Stewart, & de Wet, 2012). Its development is heavily credited to Muhammed Yunus, an economist who in the 1970s started lending small loans to villagers who lived in villages adjacent to the Chittagong University in Bangladesh where he taught. The aim was to help them improve their lives in a time of famine (Armendariz & Morduch, 2004). Yunus later established the Grameen Bank in 1983 to provide small loans to people, especially women that could help them bring themselves out of poverty. Following the success of the Grameen Bank, microfinance initiatives blossomed worldwide.

2.4.1. The debate surrounding microfinance

Proponents of microfinance believe that at its core, is the ability to combat poverty and develop social capital (Dowla, 2006). In developing economies where the majority of the population live in poverty and lack education and the skills that are essential for them to participate in mainstream economic activity, microfinance provides them with productive economic capital, a means of preserving and protecting it as well as a means to smooth their consumption patterns (Otero, 1999). Studies have confirmed a significant positive effect of productive microfinance loans on multidimensional welfare indicators (Imai, Arun, & Annim, 2010). Otero adds that microfinance helps to create private institutions that act as distribution channels for deployment and delivery of services to the poor which is a major challenge for many governments. He also argues that as regulated institutions, microfinance organisations deepen the financial systems of a country which is a key catalyst for development. Dowla (2006) argues that microfinance helps to create social capital which is mainly a product of the patron-client relationship promoted by these organizations that contributes to economic development.

Microfinance, as any other intervention is not without its criticisms. Questions arise on the insufficiency of empirical evidence (especially in Africa) to prove that microfinance actually alleviates poverty at household level, whether it contributes to development and whether it follows the ideological terms it preaches (Van Rooyen et al., 2012). Studies have shown that microfinance does not always reach the poorest of the poor but rather the richest of the poor to mean those living around rather than below the poverty line (Navajas, Schreiner, & Meyer, 2000). Rogaly (1996) adds that some borrowers of microfinance reported that they became worse off as a result of micro-finance credit due to the added financial burden of the credit repayments. Though touted as the 'darling of the aid community' (Navajas et al., 2000) further questions arise as to whether it is the best place to invest development funds. The argument is for these funds to rather go towards other developmental causes such as services to the poor as whole. Scholars argue for more cross-

sectorial allocation of the anti-poverty resources on the basis that focusing on one is less effective than if funds were invested simultaneously in several efforts (Rogaly, 1996).

2.5 INNOVATIVE FINANCE FOR DEVELOPMENT

2.5.1. Background

In June 2000, the United Nations General Assembly held a special session in Geneva. This was a five year review of the World Summit for Social Development that was launched in Copenhagen in 1995 (UNDESA, 2000). At this session the UN General Assembly adopted a resolution which called for “a rigorous analysis of the advantages, disadvantages and other implications of proposals for developing new and innovative sources of funding, both public and private, for dedication to social development and poverty eradication programmes” (Atkinson, 2003: p3). From this was born a special project on Innovative Sources of Development Finance at the request of the UN.

In September 2000, the Millennium Summit was held where 189 states of the UN affirmed their commitment towards eradication of poverty and sustained development. Ambitious goals were set (summarised in Table 2 below). A year later the Zedillo Panel, a session on high-level international intergovernmental consideration of financing for development estimated that an additional US\$50 billion per annum of ODA would be required to achieve the International Development Goals (UN, 2001). The UN Monterrey Consensus of 2002 where signatories acknowledged, the value of exploring innovative sources of finance provided they did not unduly burden developing countries reiterated the need for innovative sources of development (UNDP, 2012).

This begged the question of where would these funds be sourced from? And would they be considered complimentary to ODA or alternatives? Sources that were under consideration at international levels included the following:

- A tax on currency flows (“Tobin tax”)
- Global environmental taxes (carbon-use tax)
- A global lottery and a global premium bond
- Creation of new Special Drawing Rights (SDRs)
- Increased private donations for development
- Increased remittances from emigrants
- International Finance Facility.

(Atkinson, 2003)

Table 2: Summary of Millenium Development Goals.

Goal	Details
Goal 1: Eradicate extreme poverty and hunger	Halve between 1990 and 2015, the proportion of people whose income is less than \$1 a day. Halve between 1990 and 2015, the proportion of people who suffer from hunger
Goal 2: Achieve universal primary education	Ensure that by 2015 all children will be able to complete a full course of primary schooling
Goal 3: Promote gender equality and empower women	Eliminate gender disparity in all levels of education by 2015
Goal 4: Reduce child mortality	Reduce by two-thirds, between 1990 and 2015, the under-5 mortality ratio
Goal 5: Improve maternal health	Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio
Goal 6: Combat HIV/AIDS, malaria and other diseases	Have halted by 2015 and begun to reverse the spread of HIV/AIDS. Have halted by 2015 and begun to reverse the spread of malaria and other major diseases
Goal 7: Ensure environmental sustainability	Integrate principles of sustainable development into country policies and reverse the loss of environment resources. Halve by 2015, the proportion of people without sustainable access to safe drinking water. Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers
Goal 8: Develop a global partnership for development	Develop the world trading and financial system. Address the special needs of the least developed and landlocked and small island countries. Deal comprehensively with the debt problems of developing countries

Source: (Atkinson, 2003)

2.5.2. The Current Scenario

The last decade has seen the concept of ‘innovative finance for development’ come alive. The interest in the concept as a means of raising development funds, was further sharpened by the financial crisis of 2008 (Sandor, Scott, & Benn, 2009). Different development institutions have defined what this concept encompasses in different ways (UNDP, 2012). These definitions can however be categories into four broad typologies:

1. Taxes, dues or other obligatory charges on globalized activities: includes the internationally coordinated airline ticket tax initiative which is levied at national level.

2. Voluntary solidarity contributions: includes initiatives such as Product (Red) where consumers can exercise the option to donate a small sum to international development when they buy the products.
3. Front loading and debt-based instruments: includes initiatives such as the International Finance Facility for Immunisation which front loads development funds by issuing bonds against long-term donor commitments.
4. State guarantee, public-private incentives, insurance and other market-based mechanisms: includes initiatives that aim to correct market failure by leveraging public funds to create investment incentives for the private sector such as public private partnerships (PPPs).
(UNDP, 2012)

2.5.3. The rise of public private partnerships (PPPs) in Africa

Of particular interest in the African scenario over the last decade has been the significant increase in the use of public-private partnership (PPP) for infrastructure project finance (Boylan, 2012). A PPP is defined as contractual agreement between a public institution and a private sector organization where the private company undertakes significant responsibility over the financial, technical and operational risk in designing, financing, building, operating and maintaining of a project (RSA Treasury, 2012). Good infrastructure plays a leading role in economic development. The World Bank estimates that a 1% increase in a country's infrastructure stock is associated with a 1% increase in the level of GDP (PPIAF, 2009).

Good infrastructure however does not come cheaply and governments are increasingly turning to the private sector to support these projects through PPPs. This allows public administrators to concentrate on planning, policy and regulation whilst the private sector works to improve the efficiency and quality of public service provision. The N4 toll road between Pretoria in Gauteng and Maputo in Mozambique is one such project that has arisen as a result of such partnerships (Soderbaum, 2001). There has also been a significant rise in donor governments and multilateral institutions funding to private companies since the 1990s with 2010 figures for external investments to the private sector by IFIs exceeding \$40 billion (Kwakkenbos, 2012). This enables credit constrained companies, to thrive which has knock on effects for development (Dalberg, 2011).

Opponents of PPPs and such private sector investments by IFIs however argue that the major part of these funds do not get distributed to developing countries (Kwakkenbos, 2012), that small infrastructure development projects are ignored (Bond, Platz, & Magnusson, 2012) and that it is fundamental that public finance be channelled to regions, companies and sectors that have least access to private capital markets and sectors that can deliver the best outcomes for the poor such as impact-focused businesses.

Both the proposed innovative sources of finance and those which have been implemented (such as PPPs) have tended to concentrate on the international and macro-level. This begs the question of what innovations

can and are being implemented at the national, local and/or micro-level that could potentially contribute to development finance. The aim after all for the calls on innovative sources of finance for development was to supplement ODA with minimal strain on the national fiscus.

2.6 SOCIAL INNOVATION FOR DEVELOPMENT FINANCE

Westley and Antadze (2010) define social innovation as ‘a complex process of introducing new products, processes or programs that profoundly change the basic routines, resources and authority flows, or belief of the social system in which the innovation occurs and have durability and broad impact’ (Westley & Antadze, 2010: p2). They further postulate that social innovations involve institutional and social system change; contribute to social resilience (especially those that re-engage vulnerable populations); and demand interaction between agency, intent and emergent opportunity. Phills, Deiglmeier and Miller, (2008) add that social innovations are any novel and useful solution to a social need or problem that is better than existing ones and benefits society primarily rather than private individuals. They transcend sectors, analysis levels and methods to create processes, strategies and theories that generate lasting impact (Phills, Deiglmeier, & Miller, 2008).

Researchers have argued that innovation is the primary stimulus to the process of economic development (Fagerberg, Mowery, & Nelson, 2006) and over the last two decades there have been significant efforts towards creating social innovations that contribute to both social and economic development on the African continent. This section therefore will concentrate on highlighting some of the ways in which social innovations have contributed to finance for development in Africa.

2.6.1. Micro-Franchising

Micro-franchising is emerging as one of the most promising market-based approaches to alleviating poverty (Lehr, 2008). Proponents hail it as the complement or add-on to the ‘success’ of micro-finance (Burand & Koch, 2010). Lehr explains that micro-franchising is a development tool that takes the concepts of traditional franchising and applies them to micro-enterprises especially focused on creating opportunities for the world’s poorest people to own and manage their own businesses. It also focuses on the efficient delivery of products and services to low-income consumers as opposed to the commercial and for-profit benefits associated with a typical franchise. Micro-franchising is touted as the brain child of Stephen W. Gibson (J. S. Fairbourne, 2006) who established the Academy for Creating Enterprise, an academic school in the Philippines which trains young people to be entrepreneurs. After tracking the progress of some of his graduates, he discovered that some that were successful had bought franchises such as Cellular City, which the Academy now co-owns. The Academy went on to create additional franchises like bakeries and pharmacies, thus providing graduates with a wider variety of business opportunities to pick from. In Africa

the micro-franchising model has seen successful with businesses such as Fan Milk in Ghana that distributes milk products through a network of salespeople and Health Store in Kenya that allows healthcare workers to run their own health stores (Munoz, 2010). The clear upside of this model is that it provides much needed employment opportunities and can enable small business success in low income communities due to its support structure (Christensen, Parsons, & Fairbourne, 2010). It also offers 'big business' an opportunity to expand into a potential billion dollar market at the base of the pyramid (Simanis & Hart, 2006).

Critics however argue that it is likely to suffer the same challenges as traditional franchising including moral hazard, unprepared management in the low income markets and lack of preparation for potential franchisee conflict (Munoz, 2010). The possibility of business using the model as a way to exploit the poor is also a potential downside to watch for with this model (J. Fairbourne, 2007).

2.6.2. Mobile Money

It is estimated that approximately 2 billion people worldwide transact solely in cash or bartering goods (Mas & Radcliffe, 2011). Transacting in cash not only has the potential to grind an economy to a standstill but also poses security risk for both consumers and service providers. The mobile money industry is helping to alleviate this problem in sub-Saharan Africa. The industry as measured by the number of deployments has been growing at a rapid rate over the last decade (Davidson & Penicaud, 2011). The 'Global Mobile Money Adoption Survey' by the Mobile Money for the Unbanked (MMU) programme at the GSMA reported that at the beginning of 2009, there were 17 mobile money services for the unbanked around the world however this number grew to 123 as of April 2012, with another 93 that were being readied for launch (Davidson & Penicaud, 2011). This has been made possible by the fast growth in the ICT industry in which sub-Saharan Africa ranks among the top regions in terms of growth in the number of mobile phone users. In fact mobile phone usage is regarded as one of the economic success stories in Africa (Jentzsch, 2012).

According to the MMU report the transactions being processed using mobile money include bill payments, person to person transfers, bulk payments, storage of value (whether interest earning or not), credit and insurance. This aids the deepening and widening of financial systems in developing countries by connecting the previously unbanked and unconnected population. These are welcome developments as studies have shown that the functions and services of financial intermediaries (FI) and the development of financial systems are essential for both technological innovation and economic development (Rao, 2003).

Critics of this revolution however question whether success stories such as M-PESA in Kenya can actually be replicated to reach a critical mass in Africa (Heyer & Mas, 2009). This is more so of concern considering the heterogeneous nature of the continent with differing regulation and political climates (Peake, 2012).

2.6.3. Crowd-funding

Crowd-funding is a unique way for an entrepreneur to raise external finance from a large group of people with each individual lending a small amount at a time (Belleflamme, Lambert, & Schwienbacher, 2012). This works well for small businesses and start-ups because the requirements for receiving crowd-funding are less rigorous compared to trying to raise funds via more sophisticated means such as capital markets. Crowd-funding is done via the use of social networks and established platforms on the internet to directly interact with the ‘crowd’. These funds given are either made as donations to the entrepreneur or as an investment where the lender becomes entitled to receive a product from the project as opposed to equity or cash (Lambert & Schwienbacher, 2010). Other platforms offer the public the opportunity to invest funds into enterprises in the form of soft and revolving loans from as little as €5 or \$25 (Kiva, 2012; MYC4, 2012). These platforms harness the power of crowd-funding and often work through local partners or intermediaries such as micro-finance institutions to administer the funds (Lambert & Schwienbacher, 2010) as often the entrepreneur may not have access to resources such as the internet. This increases the capital pool available to small businesses (Bradford, 2012) which has direct knock on effects on development (Dalberg, 2011).

Crowd-funding however suffers from similar challenges as other sources of financing to small business such as failure of the small business resulting in failure to recover funds from the entrepreneurs (Mollick, 2012). Mollick iterates that platforms such as Kickstarter suffer higher failure than success rates of projects invested in. This could potentially be exacerbated by the fact that project quality may not be as clear in crowd-funding settings due to the fact that the investors do not usually have direct influence on the project past the funding (Bogost, 2012 as cited in Mollick, 2012). This project failure in turn results in adverse reactions from new lenders who are usually informed and influenced by the actions of other lenders in making their funding decisions (Ward & Ramachandran, 2010). In addition due to the complex structures that crowd-funding may follow (like the use of intermediaries) the potential for moral hazard and adverse selection at each level remains a problem (Van Damme, 2011).

2.7 GAPS IN PREVIOUS RESEARCH

Being just over a decade old, the subject of innovative sources of finance for development can be considered to still be in its infancy. More specifically the extent to which social innovations can contribute to development finance is still open to research. Some of the social innovations such as micro-franchising and crowd-funding could well fit into the ‘innovations without research’ paradigm with their ‘reuse and recombine features’ (Soete, 2011). Micro-franchising benefits from features of microfinance and franchising whilst crowd-funding benefits from features of microfinance and crowd sourcing (Poetz & Schreier, 2012 as cited by Mollick, 2012). As such in order to monitor and increase their potential for success it will be

necessary to widen the scope of research activities to include user groups and communities of practice in a more systematic way (Soete, 2011). This can be achieved through the use of case studies which will give more insight into ‘on the ground’ factors that determine and contribute to success and failure. Literature revealed a significant gap in literature on the link between social innovation and development finance. There were also gaps with regards to actual case studies for private businesses that are contributing to innovative finance initiatives for development (Keiser, 2008). A further gap in the literature reviewed that the available literature concentrated more on analysing the business case for these initiatives and whether they were sustainable or their practices innovative enough (Soete, 2011; UNDP, 2012) and not sufficiently on the developmental effect that these innovative businesses had on the ‘end user’ and their community.

2.8 CONCLUSION

The literature review has outlined some essential building blocks for the concept of social innovative for development finance. This has created a good framework from which this research is built. The review covered a historical and background overview of finance for development in general including an evaluation of the traditional sources and their aims. An examination of the key changes and pioneering events that have taken place in the field and significantly impacted it up to date was also covered. The birth of the current interest in seeking innovative sources of finance for development was then examined and a review of some of the social innovation taking place in the private sector that are contributing to development in Africa in general was undertaken. The literature revealed gaps in linking social innovations to development finance as well as ways in which the private sector has contributed to innovative sources of finance for development.

These gaps prompted this case study research on a socially innovative impact-focused Zambian company called Zoon. Zoon is a mobile payments platform that is leveraging mobile technology to deliver financial services and employing aspects of micro-finance, micro-franchising and crowd-funding in its operations in order to contribute to finance for development. This research examines these social innovations; how they are contributing to development finance; and how they impact the development of economic, personal and social capital in a developing economy such as Zambia. It reviews and analyses this from the perspective of the company’s management team and ‘micro-franchisees’ or agents.

3. RESEARCH METHODOLOGY

3.1. RESEARCH APPROACH AND STRATEGY

The strategy chosen to undertake this research was qualitative which puts emphasis on words rather than quantity in the collection and analysis of data (Bryman & Bell, 2007). According to Denzin and Lincoln (cited in Norman, Van Der Vleuten, & Newble, 2002), this strategy involves an interpretative, true-to-life approach to a subject matter and the deliberate utilization and collection of various empirical methods

including case study, individual experience, interviews, and visual writings that describe the day to day issues and meanings in peoples' lives. An epistemological issue specific to this research in the use of the qualitative strategy is that the researcher is part of the senior management team of Zoono and has pre-existing relationships with some of the would-be participants of the study (Guba & Lincoln, 1994) as well as pre-existing knowledge of the business. This could have potentially affected the subjectivity of the researcher's interpretations. In order to mitigate this, the researcher employed objective detachment or value freedom in order to discover how things really were and how they really worked (Guba & Lincoln, 1994).

Opponents of the qualitative analysis strategy posit that there is insufficient attention paid to the actual process of doing the research by users of the strategy and that despite an increase in qualitative research studies, there remains few parallel proliferations on method or actual process (Miles & Huberman, 2002). Further some researchers have suggested that scientific maturity of a study is positively correlated to the increase in degree of quantification (Guba & Lincoln, 1994). However, because the purpose of this research was explorative; and employed methods of collection of data such as interviews; with findings that were interpretive and subjective in nature; the qualitative strategy was seen to be most appropriate.

A hybrid approach to thematic analysis was employed to this research. Thematic analysis involves searching for themes that emerge as important to the description of the phenomenon (Daly, Kellehear, & Gliksman, 1997). The hybrid approach combined the data-driven inductive approach (Boyatzis, 1998) with the deductive approach which employs a priori template codes as a means of organizing text for subsequent analysis (Gilgun, 2011). The a priori codes in this research were guided by the interview questions and supported by the theoretical framework which complemented the research questions. This allowed for the research to be integrally guided by the research questions whilst at the same time allowing for themes to emerge from the data using inductive coding (Fereday, 2006). A possible ontological issue related to deductive analysis on its own is that the analysis is limited to theory testing which may exclude emerging themes outside of the a priori templates and raises questions on how extensive the template should be to be considered inclusive enough (Waring & Wainwright, 2008). To mitigate this, the researcher employed the hybrid method to attempt to find exceptions and variations in the theory so as to develop more helpful and relevant theory (Gilgun, 2010).

On the other hand a possible ontological issue related to a purely inductive approach could be that some of the themes or concepts generated from the interviews may be experiential and/or, personal in nature and could thus be aesthetic or of moral significance which, according to Guba and Lincoln (1994), would make them fall out of the realm of legitimate scientific inquiry. To mitigate this the researcher kept the line of questioning relative to matters of real existence and real action (Guba & Lincoln, 1994).

3.2. RESEARCH DESIGN, DATA COLLECTION METHODS AND RESEARCH INSTRUMENTS

3.2.1. Research Design

The research design employed for this research was a case study. Gerring (2004) defines a case study as ‘an intensive study of a single unit for the purpose of understanding a larger class of (similar) units’ (Gerring, 2004: p341). It uses case method which describes ‘a way to systemise observation’ (Weick, 1984 as cited in Cavaye, 1996) for in-depth understanding of phenomenon context, to contribute to knowledge by relating findings to generalizable theory (Cavaye, 1996). It was a single case study to enable focus on understanding the dynamics within a single setting (Eisenhardt, 1989).

Although case studies have been criticised by some as a poor basis for generalization (Stake, 1995 as cited in Bergen & While, 2000) other proponents dispute this view with the qualification that research (case studies included) is rarely an entirely new discovery of phenomena but a refinement of understanding (Bergen & While, 2000) which is what this research in particular sought to achieve. This design was further supported by the fact that the literature reviewed, revealed a gap in actual cases to substantiate issues and impacts of a social innovative approach to development finance. It was also chosen because its specific attributes compared to other designs for this particular type of research where the researcher defines the topic; aims to understand context to contribute to knowledge with no intent of inference in phenomenon; but rather to relate findings to generalizable theory interpreted in the researchers point of view indicates that case study proves superior because it encompasses all these facets. Table 3 below shows these attributes compared to other related designs

Table 3: Comparing characteristics of case research with those of related strategies

	Case research	Field studies	Action research	Application description	Ethnography
Use of case method	X	X	X	X	
Aims for understanding of context	X		X	X	X
Topic defined by researcher	X	X		X	X
No intent of interference in phenomenon	X	X		X	X
Attempts to contribute to knowledge	X	X	X		X
Relates findings to generalizable theory	X	X	X		
Interpretation from researchers point of view	X	X	X	X	

Source: (Cavaye, 1996)

3.2.2. Data collection methods and research instruments

Only primary data was used in the research. The primary data was collected via personal interviews with the middle management of Zoono and its agents. A Dictaphone was employed to record the interviews. As the interviews were once off and not followed up by further interviews, the longitudinal design was disqualified for this research. In interpretive research, because the researcher is the primary instrument for collecting and analysing the data (Terre-Blanche et al., 2006), the researcher endeavoured to listen empathetically during the interviews and interpreted the findings subjectively.

3.3. SAMPLING

Sampling is the process of selecting the particular entities for research (Leedy & Ormond, 2005). The research took a maximum variation sampling approach by covering 2 main data sets being the manager of Zoono and the agents of Zoono. This approach seeks to obtain the widest range of information and perspectives on the subject matter by looking for participants holding different experiences or thoughts about the topic (Terre-Blanche et al., 2006). The participants were randomly picked from the data sets.

3.3.1. Data Set Profiles

The researcher had initially planned to interview 3 data sets affiliated to the case company in order to obtain the widest range of information and perspectives on the subject matter. The intention was to get a more inclusive assessment of the company and the work it is doing. The profiles of the desired data sets are as follows:

3.3.2. Data set 1 (DS1) - Middle managers of Zoono

The researcher chose this data set to participate in the research because the middle managers work in the field or on the products and interact directly with the agents and various customers groups. This data set could be considered to be the implementers of strategy (as opposed to formulators who are senior management) and the researcher could therefore hypothesize that the data set would have on the ground knowledge and better field and product insights to add to the research. Zoono middle management is based in two locations by function as follows:

- i. **Sales and Operations:** These middle managers are based in Lusaka, Zambia
- ii. **Product development and finance:** These middle managers are based in Cape Town, South Africa.

The data set contained participants from both locations profiled as follows:

Table 4: Data Set 1 (DS 1) Participant Profiles

	Sex	Location
Manager 1	Male	Zambia
Manager 2	Female	Zambia
Manager 3	Male	Zambia
Manager 4	Male	Zambia
Manager 5	Male	Zambia
Manager 6	Female	Cape Town
Manager 7	Male	Cape town
Manager 8	Female	Cape Town

3.3.3. Data set 2 (DS2) - Agents of Zoon

The researcher chose this data set to participate in the research because the agents are independent business owners who provide the money transfer and bill payment service to the end consumer using the Zoon's platform. The researcher was interested in finding out how becoming an agent had impacted the lives of these participants and those around them.

Basic demographics data was collected for this data set and is summarised below. A conversion rate of K5 to \$1 was used for the average income:

Table 5: Data Set 2 (DS 2) Participant Profiles

	Age	Sex	Location	Marital	Children	No. of agencies	Ave Monthly Income
Agent 1	32	Female	Rural	Single	3	4	\$1,200
Agent 2	27	Male	Peri-urban	Single	n/a	1	\$1,200
Agent 3	25	Female	Peri-urban	Single	n/a	1	\$1,500
Agent 4	26	Male	Peri-urban	Single	n/a	3	\$6,800
Agent 5	23	Female	Urban	Single	n/a	4	\$7,000
Agent 6	41	Male	Rural	Married	3	2	\$500
Agent 7	23	Female	Peri-urban	Single	1	1	\$200

Agent 8	38	Male	Rural	Married	4	1	Not disclosed
Agent 9	34	Male	Peri-urban	Married	2	1	\$200
Agent 10	24	Female	Peri-urban	Single	n/a	1	\$400
Agent 11	33	Male	Urban	Married	3	2	\$1,700

4.5.3 Data set 3 (DS3) - Distributor customers of Zoono

The researcher wanted to include this data set to participate in the research because the distributor customers are a homogenous group of customers. They are micro independent wholesalers who sign up to use the case company's platform directly (opposed to via an agent) to make payments to their suppliers. The researcher was interested in finding out how being a distributor customer on the platform impacted these participants. Unfortunately this data set was unwilling to participate in the research and had to be left out

3.4. RESEARCH CRITERIA

According to Zikmund, Babin, Carr, & Griffin, (2010), the criteria to determine when to undertake business research can be broken down as depicted in Figure 4 below:

Time constraints	Availability of data	Nature of the decision	Benefits versus costs
Is sufficient time available before a decision will be made?	Is it feasible to obtain the data?	Is the decision of considerable strategic or tactical importance?	Does the value of the research information exceed the cost of the conducting research?
Yes →	Yes →	Yes →	Yes →
No ↓	No ↓	No ↓	No ↓
Do no conduct business research			
Conduct business research			

Figure 4: Criteria to determine when to conduct business research

Source: Zikmund et al (2010)

Using this model this research qualifies as the researcher had sufficient time for the research; it was feasible to obtain the data as permission was given by management of Zoona by whom the researcher is employed; the subject matter was of considerable strategic and tactical importance in the development finance arena as revealed through the literature review and was also of importance to Zoona as a business; and the value exceeded the cost of conducting the research.

Bryman and Bell (2007) iterate that to evaluate business research, three criteria are employed. These are reliability, replication and validity. Reliability relates to whether the results of the study are repeatable and whether users of the information can have faith in its consistency. This research is assumed to be repeatable as the interviews were recorded and can may be used for verification by other researchers to repeat the research if questions on reliability were to arise.

Replication assesses whether the procedure for measuring can be replicated by someone else. The procedures for this research were clearly laid out and strict adherence to research methods was maintained to make it possible for other researchers to replicate the research.

The final criterion, validity is concerned with the integrity of conclusions of the research. Validity is broken down into four categories; measurement, internal validity, external validity and ecological validity.

Researchers have argued that this criteria is more geared towards quantitative research (Bryman & Bell, 2007) and thus for qualitative data Lincoln and Guba (1985) as cited in Bryman and Bell (2007, p. 43) propose “trustworthiness as a criterion for how good a qualitative study is.” This is also broken down into four categories which parallel those for quantitative research table 4 below summarises these categories and the questions they propose to answer for both quantitative and qualitative research for comparative purposes.

Table 6: Comparison of Quantitative and Qualitative Research Criteria

QUANTITATIVE RESEARCH	QUALITATIVE RESEARCH
Measurement: Does the measure devised of the concept really reflect what it is supposed to be denoting?	Confirmability: (parallels objectivity) – Have the researchers values intruded to a large extent?
Internal: Does a conclusion incorporating a causal relationship between variables stand true?	Credibility: (parallels internal)- How believable are the results?
External: Can results of the study be generalized beyond specific research context	Transferability: (parallels external) - Can the results be applied elsewhere?

Ecological: Are social scientific findings applicable to everyday settings?	Dependability: (parallels reliability) – Can the results apply at other times?
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Source: (Adapted from Bryman & Bell, 2007)

To address the issue of confirmability, the researcher employed objective detachment in order not to allow their values to intrude in the research to a large extent. For credibility the interviews were recorded on a Dictaphone and the procedure of analysis was clearly described. Because strict research methods were adhered to, the results could be transferable to other similar market-based socially innovative organizations in developing economies. The research is also dependable because the results can be applied at other times as the interviews were done in the participants normal working environments and not under any special circumstances.

3.5. DATA ANALYSIS METHODS

A hybrid approach to thematic analysis was employed to this research. Thematic analysis involves searching for themes that emerge as important to the description of the phenomenon (Daly et al., 1997). The hybrid approach combines the data-driven inductive approach (Boyatzis, 1998) with the deductive approach which employs a priori template codes as a means of organizing text for subsequent analysis (Gilgun, 2011).

According to Waring and Wainwright (2008), ‘the Template approach involves coding a large volume of text so that segments about an identified topic (the codes) can be assembled in one place to complete the interpretative process. The complete analysis process of organising, connecting and corroborating/legitimizing involves:

- Creating a code manual/coding scheme
- Hand or computer coding the text
- Sorting segments to get all similar text in one place
- Reading the segments and making the connections that are subsequently corroborated and legitimised’.

The researcher followed the methods outlined by Waring & Wainwright, (2008). The research questions were used to guide the analysis of the data.

3.5.1. Creating a code manual/coding scheme

Eight a priori codes derived from the pre-set standardized interview questions were the starting point for analysing 296 quotes from 19 participant’s response transcripts. The initial list of pre-set codes was as follows:

Table 7: Initial a priori codes

No.	Pre-set family code
I.	Motivation for affiliation
II.	Impact on self
III.	Impact on others
IV.	Social Innovation
V.	Drivers of innovation
VI.	Best moments
VII.	Challenges
VIII.	Improving impact

A ninth emergent code was added to the list during initial analysis:

IX. Connectedness to mission

3.5.2. Hand coding the text

Once the data was collected and reviewed for familiarity, the researcher induced themes and coded it using manual open coding. From the nine a priori codes emerged 60 sub-codes broken down as follows:

Table 8: Emerging sub-codes

Potential financial gain	Realised financial gain	Improving end-customer experience	Financial service provision	Corporate social responsibility
Need for autonomy	Achievement	Increasing financial empowerment	Access to financing	Continuous product improvement
Prior exposure to business	Recognition	Skills development	Employment creation	Being forward thinking and agile
Affinity towards product	No best moment	Product improvement	Enabling Literacy	Staff and agent training
Altruism	Competitive environment	Improving security	Unique Product	Company/collective achievement
Financial empowerment	Insufficient resources	New growing industry	Product solves social problems	Personal achievement
Skills development	Technological issues	Youth of the company	First movers	Joining the team
Personal development	Insufficient business skills	Innovation and technology	Continuously transforming product	Making a difference
Family unit development	Security risk	Career growth and enhancement	Leadership team	Enabling agent expansion
Being an employer	No challenges	Helping people	Identifying changing market needs	Clearly communicated strategy

Service provision to community	Rapid changes	Communication	Overall team commitment	Contributing to company expansion
Insufficient resources	Insufficient policies and procedures	Gaining market recognition and trust	Belief in making a difference	Contribution to economy

3.5.3. Sorting segments to get all similar text in one place

The nine pre-set codes were then grouped further into 3 main themes that represent responses related to ‘impacts’, ‘issues’ and ‘increasing impact’ as described below.

Impacts

Of the nine family codes the following could be taken to represent the impacts of pursuing a social innovation approach to development finance:

- Impact on self
- Impact on others
- Social innovation
- Best moments

Issues

The following family code could be taken to represent the issues related to pursuing a social innovation approach to development finance:

- Challenges

Increasing impact

Finally the following codes could be taken to represent initiatives which could be taken to increase the impact of a social innovation approach to development finance:

- Motivation for affiliation
- Drivers of innovation
- Improving impact
- Connectedness to mission

3.5.4. Reading the segments and making the connections that are subsequently corroborated and legitimised

The reading of the segments is covered in the research findings section whilst the making of the connections that are corroborated and legitimised are covered in the analysis and discussion sections below.

4. RESEARCH FINDINGS

The 2 data sets (DS 1 and DS 2) were analysed separately. The tables below provide a summary of the number of responses collected and the number of sub-codes that emerged under each family code for each

data set. As the participants were allowed to provide more than one response for each question, the frequency represents the average number of responses per person under each family code.

Table 9: DS 1 Summary of responses and sub-codes

Family Code	Responses	Sub-codes	Frequency
Motivation	15	5	1.9
Impact on others	16	4	2.0
Product Innovation	9	4	1.1
Drivers of Innovation	9	4	1.1
Best moments	9	4	1.1
Challenges	8	5	1
Improving impact	8	4	1
Connectedness to mission	12	4	1.5
Total	86	34	

Table 10: DS 2 Summary of responses and sub-codes

Family Code	Responses	Sub-codes	Frequency
Motivation	25	5	2.3
Impact on Self	16	3	1.5
Impact on others	23	3	2.1
Best moments	15	4	1.4
Challenges	16	6	1.5
Improving impact	11	5	1.0
Total	106	26	

4.1. Coding of DS 1 Findings

The chart below shows a summary of the sub-codes that emerged from the responses of data set 1 grouped per family code.

Table 11: Summary of findings of DS 1

	Helping others				Gaining market recognition & trust			
Sub-codes	Career growth & enhancement	Enabling literacy	Continuously transforming product	Belief in making a difference	Making a difference	Insufficient policies and procedures	Staff and agent training	Contribution to economy
	Innovation	Employment creation	First movers	Overall team commitment	Joining the team	Insufficient resources	Being forward thinking & agile	Contribution to company expansion
	Youth of the company	Access to finance	Product solves social problems	Identifying changing market trends	Personal achievement	Communication	Continuous product improvement	Clearly communicate strategy
	New growing industry	Financial service provision	Unique product	Leadership team	Collective achievement	Rapid Change	Corporate social responsibility	Enabling agent expansion
	Motivation	Impact on others	Innovation	Drivers of innovation	Best moment	Challenges	Improving impact	Connectedness to mission
Family codes								
Sub-codes	5	4	4	4	4	5	4	

The following chart shows the frequency of each family code for DS 1

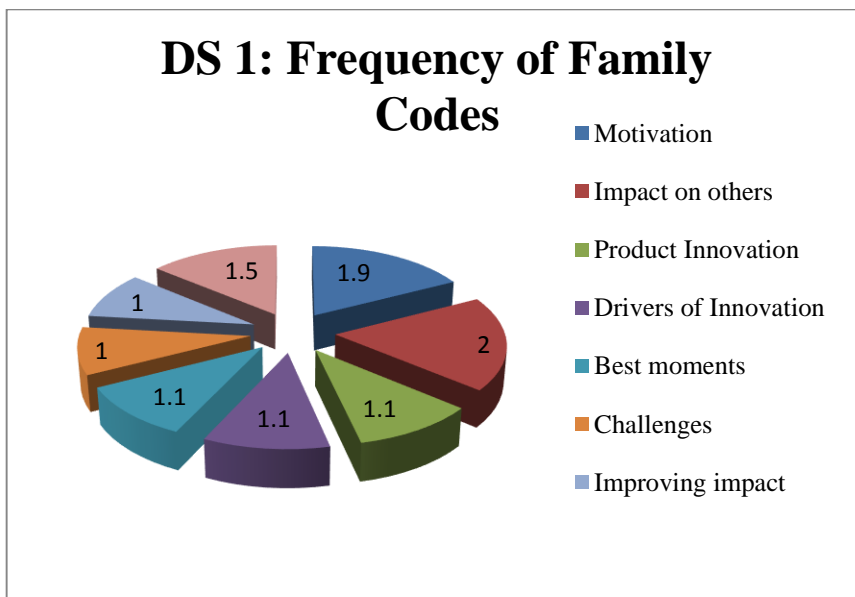


Figure 5: DS 1 Frequency of family codes

4.2. Coding of DS 2 findings

The chart below shows a summary of the sub-codes that emerged from the responses of data set 2 grouped per family code.

Table 12: Summary of findings of DS 2

				None		
	Altruism			Security	Improving security	
	Affinity towards product		None	Insufficient business skills	Product improvement	
Sub-codes	Prior exposure to business	Personal development	Service provision to community	Recognition	Technological issues	Skills development
	Need for autonomy	Skills development	Employment of others	Achievement	Insufficient resources	Increasing financial empowerment
	Potential income source	Financial empowerment	Family unit development	Financial gain	Competitive environment	Improving end-customer experience
Family codes	Motivation	Impact on Self	Impact on others	Best moments	Challenges	Improving impact
Sub-codes	5	3	3	4	6	5

The following chart shows the frequency of each family code for DS 2

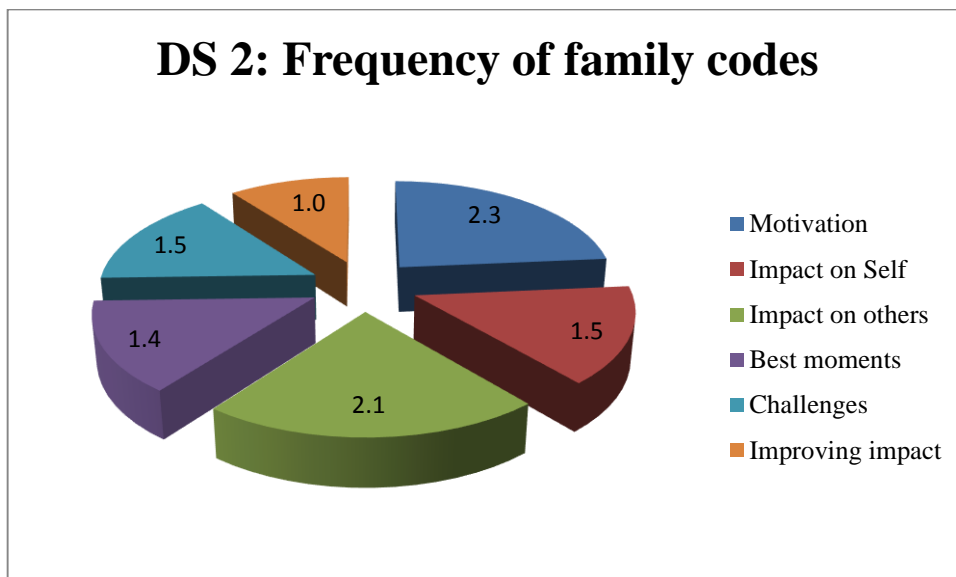


Figure 6: DS 2 Frequency of family codes

Of the sixty sub-codes that emerged above from both data sets, the following table highlights the eight sub-codes that were mentioned the most.

Table 13: Sub-codes that emerged the most

Sub-code	Frequency
Family unit development	10
Potential financial gain	9
Being an employer	8
Financial service provision	8
Realised financial gain	7
Need for autonomy	6
Financial empowerment	6
Skills development	6

The following sections discuss in detail the family and sub-codes in order to provide deeper context of the findings.

4.3. Motivation for Affiliation

The family code “Motivation for affiliation” captures the reasons why the participants decided to become affiliated to Zoona either as agents or employees. Between the two data sets there were 10 sub-codes that emerged under this family code. This family code also represented the highest frequency for DS2 and second highest frequency for DS 1. Below is a breakdown of the sub-codes representing ‘motivation for affiliation’:

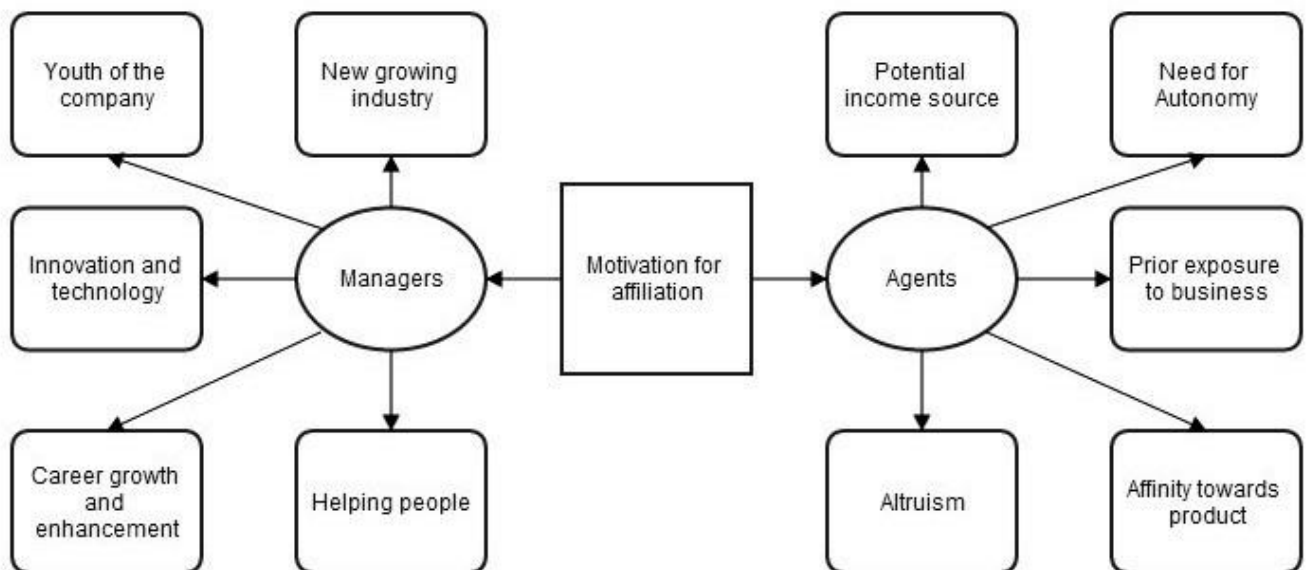


Figure 7 : Family code ‘Motivation for Affiliation’ and sub-codes per data set.

Below are an analysis of the sub-codes under DS 1 and their frequency of occurrence

Table 14 : DS 1 Sub-codes – Motivation for Affiliation

Sub-code	Occurrence
New growing industry	5
Youth of the company	3
Innovation and technology	3
Career growth and enhancement	2
Helping people	2
Total	15

For DS 1 the sub-code that emerged most frequently in response to what motivated participants to join Zoonas as employees was ‘new growing industry’. This represented 33% of the responses captured for this data set under the family code ‘motivation for affiliation’. The middle managers decided to join Zoonas because the mobile technology space in which Zoonas operates is a fairly new industry in Zambia (Montez, 2010). Below is a summary of some of the responses under this sub-code

Table 15: DS 1 Sample of responses– Motivation for Affiliation

Participant	Response
Manager 1	<i>‘It’s a new industry, [it’s] the future, this is the future...[the industry of] money transfers, electronic payments, this is the future’</i>
Manager 2	<i>‘I was motivated to join the organization because the time that I joined, mobile money was just getting started ...’</i>
Manager 4	<i>‘[with] mobile banking there were a few people doing that in Zambia’</i>
Manager 5	<i>‘The industry [the company is] in that is young and my desire was to grow with it.’</i>
Manager 6	<i>‘The company’s honesty, youth and new industry’</i>

Other sub-codes that emerged under ‘motivations for affiliation’ family code from DS 1 participants included ‘youth of the company’ and ‘innovation and technology’. These sub-codes represented 20% of the responses each. Manager 7 for example, stated that he was motivated to join the company because it was a ‘young, vibrant start-up [that was invested] in a cutting edge technology’ whilst manager 6 mentioned ‘the

company's honesty and youth as part of what motivated her to join Zoona. Manager 3 indicated that he was motivated to join Zoona because it was *'innovation that I was excited about'*. Finally some managers were motivated to join Zoona for 'career enhancement and growth' whilst others were motivated by the prospect of 'helping people'.

In contrast, the sub-code 'potential source of income' was mentioned the most as the motivation for becoming an agent by participants in DS 2 representing 36% of responses for this family code under DS 2. Below is a summary of the sub-codes that emerged from DS2 for this family code

Table 16 : DS 2 Sub-codes – Motivation for Affiliation

Sub-code	Occurrence
Potential income source	9
Need for autonomy	6
Prior exposure/familiarity to business	4
Affinity towards product	4
Altruism	2
Total	25

'Potential income source' represented 36% of the responses captured for DS 2 under the family code 'motivation for affiliation'. The participants decided to become agents for Zoona because they saw the potential to earn an income from the business. Below is a summary of some of the responses under this sub-code.

Table 17 : DS 2 Sample of responses– Motivation for Affiliation

Participant	Response
Agent 1	<i>'I've seen many people's lives have changed [as agents] ...knowing that you are able to determine your own income, no one has to tell you that you will be getting K1000 or K500, you have to work yourself, you work hard and earn your income... that's what drove me'</i>
Agent 4	<i>'I signed up to be a Zoona agent looking at the opportunity it provides... looking at the way things are, particularly in Zambia, employment is a hard thing to find. I had been trying to find [employment] here and there but I thought sometimes to be an entrepreneur of your own, it helps.'</i>
Agent 5	<i>'I understand the business very well and it's a very profitable business to</i>

	<i>venture into.'</i>
Agent 6	<i>'The moment I was told about the same one [Zoona], then they told me about the commission, I thought let me join maybe I can earn a living from the same arrangement.'</i>
Agent 8	<i>'... [it's a business] where you get the money there and then, I have been an agent [for other businesses] and you wait for your incentive for one or two months... so that's how I decided to partner with Zoona'</i>
Agent 9	<i>'I thought okay, if I did this, I can see there is money there... let me see how it goes'</i>

Some agents were motivated by the 'need for autonomy' which represented 26% of responses under this family code for DS 2. Agent 1 stated *'I believed in myself that I could make it... knowing that you are able to determine your own income... no one has to tell you that you will be getting K1000 or K500.'* Whilst agent 3 stated, *'I wanted to do my own thing... my own stuff.'*

Other participants cited that they were motivated to join Zoona because they had 'prior exposure to the business' either as previous employees of the company or previous tellers of existing agents or both whilst others stated that their 'affinity for the product' was what led them to become agents. The sub-codes 'prior exposure to the business' and 'affinity for the product' represented 16% each of responses under this family code for DS 2. Lastly some agents were motivated by some form of 'altruism' representing 8% of responses. Agent 2 stated that he became an agent because he wanted *'to help people in Mazabuka ...to transfer money'* whilst agent 7 indicated that she decided to become an agent *'to help with a local thing [that is] happening instead of just supporting the western money transfer companies. At least now there is a local thing happening'*.

4.4. Impact on others

The family code "impact on others" captures the responses by both data sets on how they believe Zoona has impacted people other than themselves. Between the two data sets there were seven sub-codes that emerged under this family code. This family code also represented the highest frequency for DS1 and second highest frequency for DS 2. Below is a breakdown of the sub-codes representing 'impact on others':

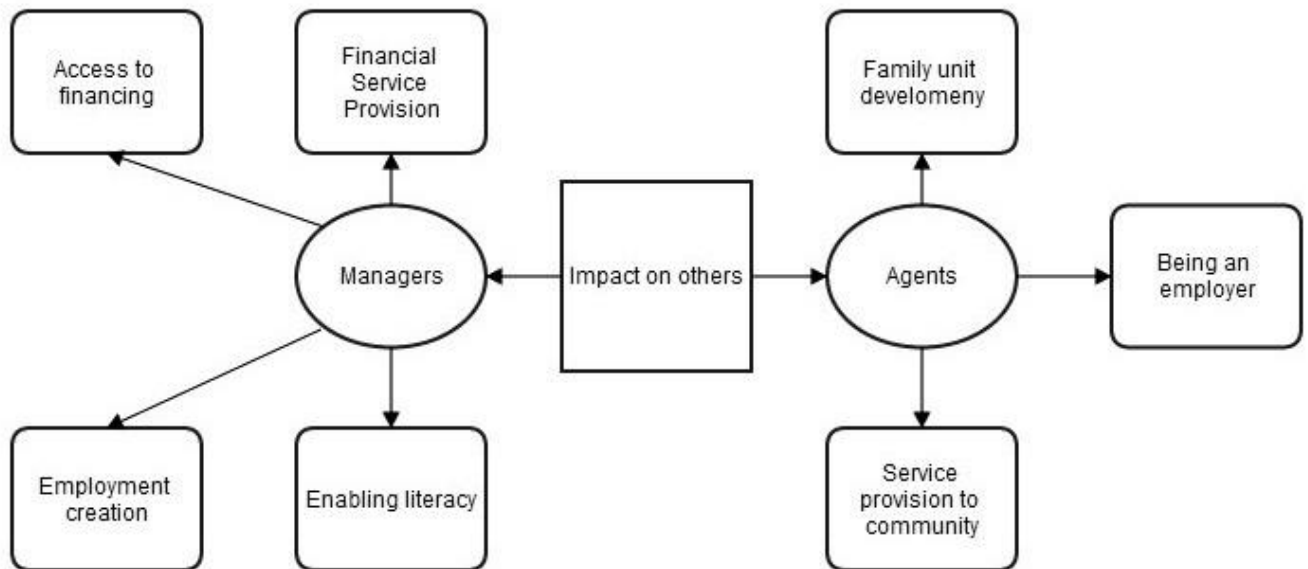


Figure 8 : Family code ‘Impact on others’ and sub-codes per data set.

The table below is a summary of the sub-codes under DS 1 and their frequency of occurrence

Table 18 : DS 1 Sub-codes – Impact on others

Theme	Occurrence
Financial service provision	8
Access to financing	3
Employment creation	3
Enabling Literacy	2
	16

The middle managers who participated in the research indicated that Zoona had impacted others most through the ‘financial service provision’ it was giving to the consumers. This sub-code represented 50% of responses from this data set under family code ‘impact on others’. Below are a few examples of some of the responses captured under this family code for DS 1

Table 19 : DS 1 Sample responses – Impact on others

Participant	Response
Manager 6	<i>‘ [Zoona is] assisting the unbanked population with access to cheap, safe electronic money transfers ’</i>
Manager 7	<i>‘ By providing a much needed facility (mobile financial services) to an otherwise neglected area ’</i>

Manager 3	<i>'it has helped people [like the] unbanked to send and receive money'</i>
------------------	---

Some managers indicated that ZoonA had impacted others by giving them 'access to financing' through the working capital financing product and had 'created employment' both directly by employing people and indirectly via the agent network system. Manager one indicated that ZoonA was impacting others by *'providing working capital assistance to entrepreneurs, who wouldn't have access to funding through the formal sector'* whilst manager 2 said, *'also when you look at the number of jobs that the organization I work for creates, there a number of people who've gotten jobs, either directly through ZoonA or through the agents that we've set up'*. The sub-codes 'access to financing' and 'employment creation accounted for 19% each of responses under this family code. Finally the managers iterated that ZoonA had impacted others by 'enabling literacy' around information and communication technology and financial services to people. This sub-code represented 13% of responses for this family code.

In comparison, below is a breakdown of the sub-codes representing 'impact on others' and their frequency of occurrence for DS 2:

Table 20 : DS 2 Sub-codes – Impact on others

Theme	Occurrence
Family unit development	10
Being an employer	8
Service provision to community	5
Total	23

For the agents, development of their family unit was cited most as the impact that had resulted in their running a ZoonA agency. 'Family unit development' was cited in 10 out of 23 responses collected for this data set representing 43% of responses under this family code. Below are examples of some of the responses under this sub-code

Table 21 : DS 2 Sample responses – Impact on others

Participant	Response
Agent 1	<i>'I am able to send my children to nice schools'</i>
Agent 2	<i>'Like in my family, it has helped them. I am the only person who's working. So the source of income which I get from ZoonA, that's the income I share with the family. I have my brothers and my mum [to support]'</i>

Agent 3	<i>'I keep my sisters kids as my sister is going to school'</i>
Agent 9	<i>'With the commission that I am getting from Zoona, I am able to help my family'</i>

From the basic demographics data collected, the researcher noted that nine out of the eleven agents who were interviewed were 'employers of others'. The agents also cited 'service provision to the community' as part of the impact that running a Zoona agency had on others. Agent 3 cited, being able to assist customers to transact, even where they didn't have the technical knowledge.

4.5. Best moments

The family code 'best moments' captures the responses by both data sets on what their best moments have been whilst they have been affiliated to Zoona. Between the two data sets there were eight sub-codes that emerged under this family code. Below is a breakdown of the sub-codes representing 'best moments':

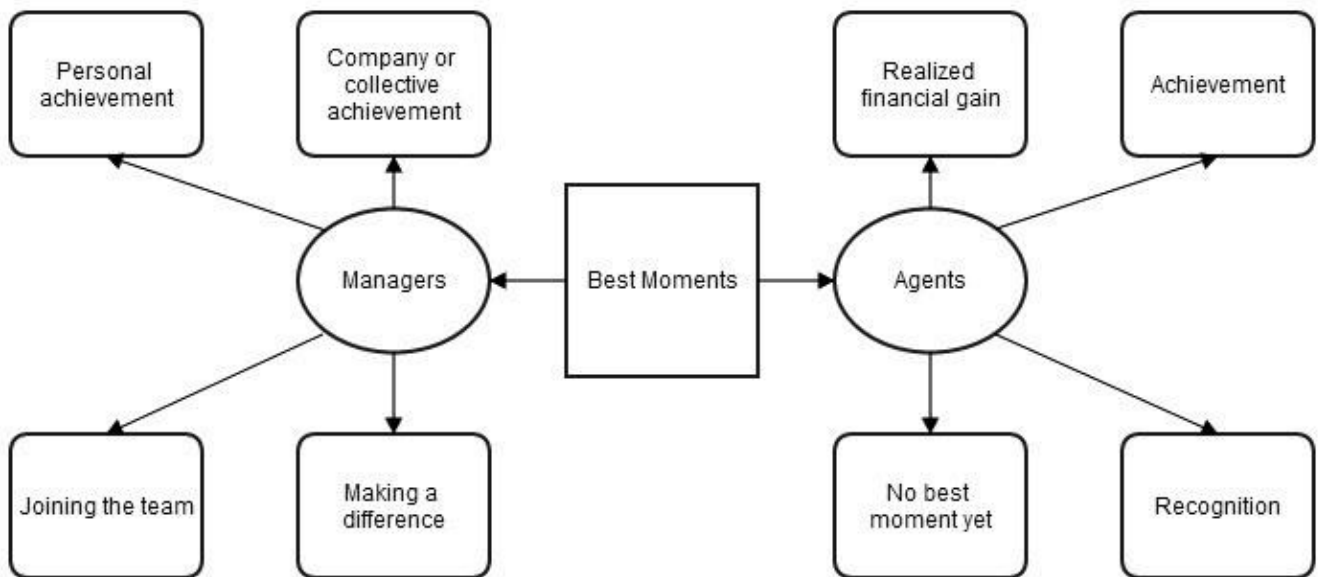


Figure 9 : Family code 'Best moments' and sub-codes per data set.

The table below is a summary of the sub-codes under DS 1 and their frequency of occurrence

Table 22 : DS 1 Sub-codes – Best moments

Theme	Occurrence
Company or collective achievement	5
Personal achievement	2
Joining the team	1

Making a difference	1
Total	9

With regards to what their best moments being a part of Zoono were, the middle managers cited moments where there was some sort of ‘company or collective achievement’ the most. This represented 56% of responses from this data set under family code ‘best moments’. Below are a few examples of some of the responses captured under this family code for DS 1

Table 23 : DS 1 Sample responses – Best moments

Participant	Response
Manager 8	<i>‘Getting the [series A] investment... This just solidified [there was] belief in our technology and business’</i>
Manager 7	<i>‘when Zoono was recognized by one of the biggest MNOs in Africa as the partner of choice to grow their agent network in Zambia and other African countries’</i>
Manager 6	<i>‘I attended a grant meeting (with similar companies from around the world) in Zambia and I realised how far ahead Zoono is in terms of understanding the customer, market, technology and company culture. I was proud to be part of the cool group at the table.’</i>
Manager 4	<i>‘When we got the [series A] investment’</i>

Moments of personal achievement were mentioned twice as a best moment. For example Manager 2 cited the moment she raised the first 35 working capital finance loans as her best moment. She said, *‘I think when I first raised my first 35 loans, I had actually changed my name to Thirty-Five in my social circles.’* On the other hand manager 1 indicated that ‘joining the team’ was his best moment whilst in addition to mentioning a moment of company achievement manager 8 also added an instant where she felt she was ‘making a difference’ as a best moment.

On the agent’s side, moments where they ‘realised financial gain’ were cited most as the best moments. Below is a breakdown of the sub-codes representing ‘best moments’ and their frequency of occurrence for DS 2:

Table 24 : DS 2 Sub-codes – Best moments

Theme	Occurrence
Realised financial gain	7
Achievement	4
Recognition	3

No best moments	1
Total	15

‘Realised financial gain’ represented 46% of responses for DS 2. Below are some examples of what the agents mentioned under this sub-code

Table 25 : DS 2 Samples responses – Best moments

Participant	Response
Agent 4	<i>‘It was 3 months ago when I got the fourth shop and that month I made \$8500... that was really exciting for me. That’s the most money I have had.’</i>
Agent 5	<i>‘The time when we managed to make \$7000 revenue’</i>
Agent 2	<i>‘When I was given the money [working capital finance] because it helped me expand...’</i>

Other moments cited were moments of ‘achievement’ representing 27%. For example Agent 3 stated that her best moment was when she was awarded the Top Agent for 2012. Other best moments that emerged where moments of recognition representing 20% of responses whilst only agent 9 was quoted not to have experienced any best moments yet.

4.6. Challenges

The family code “challenges” captures the responses by both data sets on the issues or challenges they have experienced the most whilst they have been affiliated to Zoono. Between the two data sets there were eleven sub-codes that emerged under this family code. Below is a breakdown of the sub-codes representing ‘challenges’:

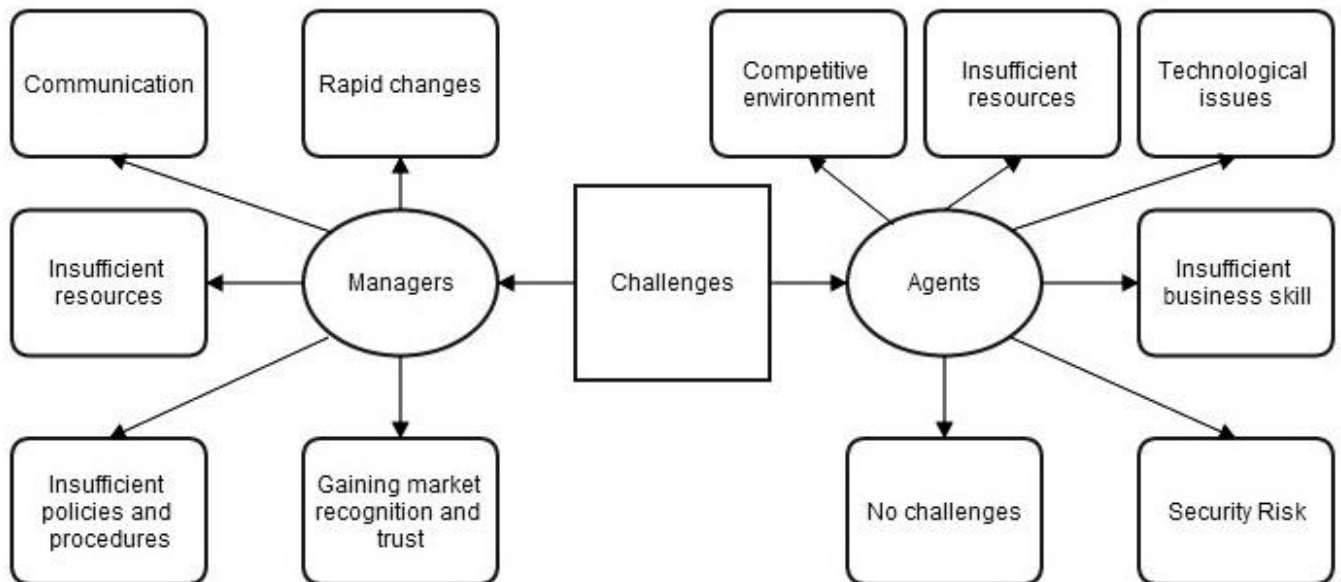


Figure 10 : Family code ‘Challenges’ and sub-codes per data set.

The table below is a summary of the sub-codes under DS 1 and their frequency of occurrence

Table 26 : DS 1 Sub-codes – Challenges

Theme	Occurrence
Rapid changes	3
Communication	2
Insufficient resources	1
Insufficient policies and procedures	1
Gaining market recognition and trust	1
Total	8

The middle managers of Zoona cited ‘rapid changes’ in the organization the most frequently in response to what their major challenge working for the organization was. The sub-code ‘rapid change’ represented 37% of total responses by the managers. Below is a sample of some of the quotes under this sub-code:

Table 27 : DS 1 Sample responses – Challenges

Participant	Response
Manager 2	<i>‘Working in an organization that is constantly changing, you constantly have to be on your toes. The minute you try to get comfortable then something completely changes and shifts. So that does and can take a tow on you emotionally and mentally as a person.’</i>
Manager 6	<i>‘...there is a lot of change, which is difficult to keep on top of ... My job description changes quarterly and my line manager semi-annually.’</i>

Manager 7	<i>'Dealing with the rapid growth and change of the company without all the necessary structures being in place to ensure that the growth is sustainable.'</i>
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'Communication' related issues were cited second most frequently under the family code challenges by DS 1. Manager 8 said, *'I think communication between Zambia and South Africa office in the beginning was very poor...It is still an issue for our team as we only hear about things after the fact.'* The sub-code 'communication' represented 25% of responses under this family code for DS 1. Other challenges included 'insufficient resources', 'insufficient policies and procedures' and need to 'gain market recognition and trust' which represented 12.5% each.

In contract the agents cited the 'competitive environment' they were operating in as their major challenge. Below is a summary of the sub-codes representing 'challenges' and their frequency of occurrence for DS 2:

Table 28 : DS 2 Sub-codes – Challenges

Theme	Occurrence
Competitive environment	4
Insufficient resources	3
Technological issues	3
Insufficient business skills	2
Security risk	2
No challenges	2
Total	16

The competitive environment sub-code represented 25% of responses. Below are some of the responses that emerged under this sub-code

Table 29 : DS 2 Sample responses – Challenges

Participant	Response
Agent 5	<i>'The thing is we have got a lot of competition these days. Other companies are coming on board doing money transfers as well... so the competition is very stiff'</i>
Agent 7	<i>'With the competitors that we have, sometimes people complain [about our pricing] and you need to explain to them the advantages that we have as Zoona'</i>
Agent 9	<i>'Zoona was there before [in my town] ... but I don't know what happened to the Agent so people forgot about Zoona [started using other services] ... but now since I have re-opened it, people are slowly coming back to Zoona.'</i>

Other sub-codes under this data set included insufficient resources and technological issues. Agent 2 for example cited both of these as challenges that he faces, *‘The first one is that some customers do not have patience and so when the network is a bit disturbed they feel the service is bad... but they don’t understand that it’s the network. The other thing is maybe you run out of cash and people complain.’* These 2 sub-codes represented 19% each of responses under the challenges family code for DS 2. Finally the sub-codes ‘insufficient business skills’, ‘security risk’ and ‘no challenges’ emerged 2 out of 16 responses each representing 12.5% each of responses.

4.7. Increasing Impact

The family code “increasing impact” captures the responses by both data sets on their suggestions for how Zoona can increase their impact. Between the two data sets there were nine sub-codes that emerged under this family code. Below is a breakdown of the sub-codes representing ‘increasing impact’:

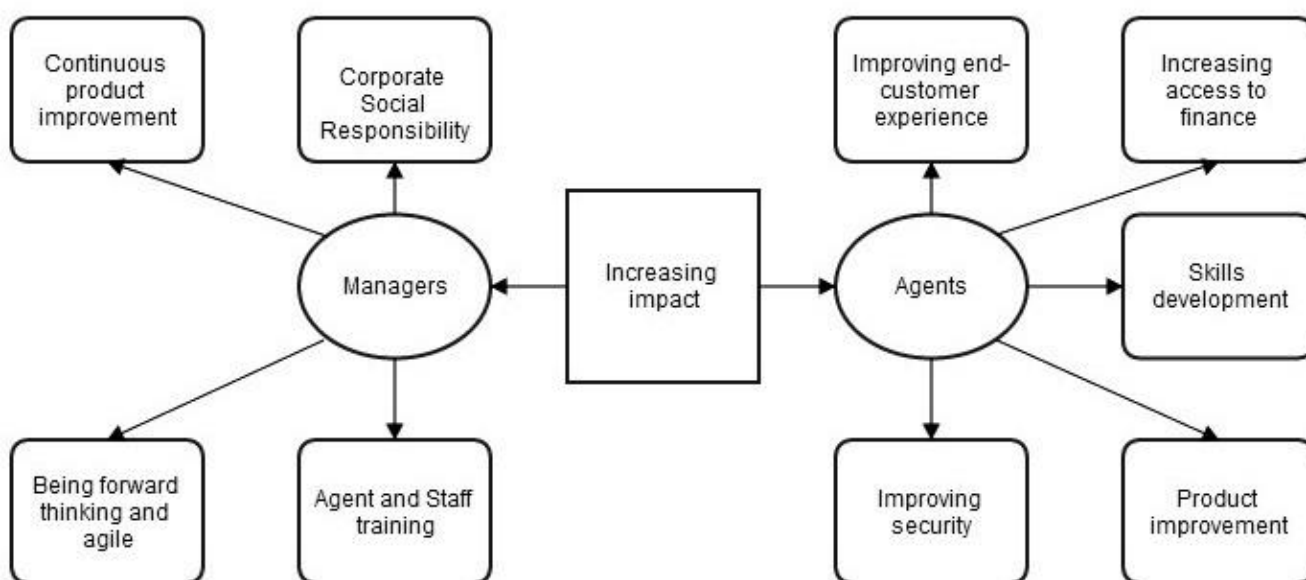


Figure 11 : Family code ‘Increasing impact’ and sub-codes per data set.

The table below is a summary of the sub-codes under DS 1 and their frequency of occurrence

Table 30 : DS 1 Sub-codes – Increasing impact

Theme	Occurrence
Corporate social responsibility	3
Continuous product improvement	2
Being forward thinking and agile	2
Staff and agent training	1
Total	8

The sub-code ‘corporate social responsibility’ emerged most frequently from the managers as a suggestion for how Zoona could increase impact. This sub-code represented 37.5% of responses under this family code for DS 1. Below is a summary of some of the quotes under this sub-code.

Table 31 : DS 1 Sample responses – Increasing impact

Participant	Response
Manager 2	<i>‘Reach out more to the communities. Participate more in community development...’</i>
Manager 3	<i>‘I think the organization should engage in some corporate social responsibility at some point... we could engage in painting classroom blocks, building toilets, planting trees. I think at some point we should move to that stage’</i>
Manager 4	<i>‘We could [consider to] do more with the government...[around] social funds and citizen empowerment funds that they give...because our system can help because you can track and do recons so that they know who got what at the end of the day’</i>

‘Continuous product improvement’ and ‘being forward thinking and agile’ were cited as possible ways for increasing impact. These sub-codes represented 25% of responses each. Manager 6 cited staff and agent training as a possible way of increasing impact. She said, *‘I do believe customers, staff and agents can always benefit from more training. We at Zoona know we have a great product, but my feedback from the field is not everyone else knows this.’* The sub-code ‘staff and agent training’ represented 12.5% of total responses.

The agents on the other hand cited ‘improving end-customer experience’ the most frequently as a way in which Zoona could increase its impact. Below is a summary of the sub-codes that emerged under this family code for DS 2

Table 32 : DS 2 Sub-codes – Increasing impact

Theme	Occurrence
Improving end-customer experience	5
Increasing access to finance	3
Skills development	1
Product improvement	1
Improving security	1
Total	11

Improving end-customer experience emerged 5 out of 11 times representing 45% of responses. Below is a summary of some of the quotes from the agents which were categorized under this sub-quote

Table 33 : DS 2 Sample responses – Increasing impact

Participant	Response
Agent 1	<i>'The customers are happy... but if the charges can be reduced a bit, that will be good on their part (the customer). Also automatic promotions like if you send up to a certain amount you stand a chance to win up to so much...that will inspire people to keep on sending'</i>
Agent 10	<i>'People will always ask, what do we get from sending money here so if they [Zoona] could do something like whoever sends money can get caps, T-shirts, so that they [customers] appreciate and they go out there, they tell somebody else'</i>
Agent 3	<i>'Sometimes you find that in the middle of the day, they [Zoona] are upgrading the system and that becomes hell for the customer. They won't be patient enough to wait for 30 minutes...that doesn't give a good impression on customers. It's like you don't know what you are doing so they should have better timing and stick to the timing [for upgrades]'</i>

Some agents cited 'increasing access to finance' through provision of products such as the working capital finance could increase impact. Agent 6 for example said, 'They [Zoona] have to finance us because as we are growing we need a lot of float... we need to be funded heavily.' Other agents cited skills development as a way to increase impact whilst product improvement and improving security were also mentioned as possible ways of increasing impact.

4.8. Innovation, drivers of innovation and connectedness to mission

The family codes 'innovation'; 'drivers of innovation'; and 'connectedness to mission' emerged from responses to questions posed to participants of DS 1 only. The researcher felt that because the managers were part of the team behind the creation of the various products that they would be the data set to shed more light on how innovative the products were and what drove the innovation. The 'connectedness to mission' family code was not part of the initial a priori codes that the researcher had started with but emerged during the analysis of the responses from DS 1 and the researcher decided to include the information as she felt it was relevant towards understanding if feeling a connectedness to mission contributed towards increasing manager output and therefore impact in anyway. A total of 12 sub-codes emerged under these family codes.

4.8.1. Innovation

This family code "innovation" captured responses on the ways in which managers felt that Zoona and its products were innovative. Below is a summary of the sub-codes under this family code:

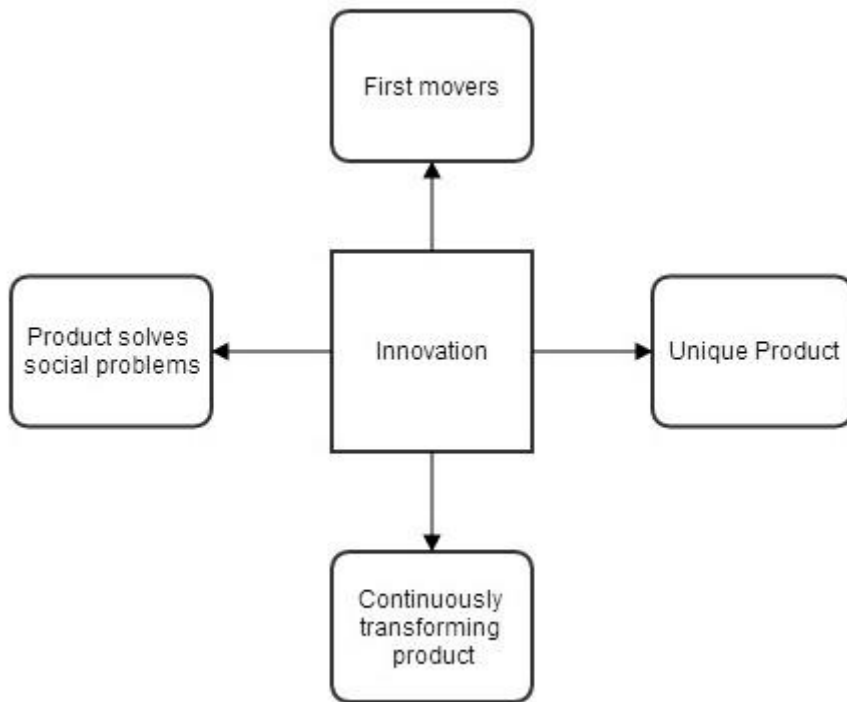


Figure 12 : Family code ‘Innovation’ and sub-codes per data set.

The table below is a summary of the sub-codes under DS 1 and their frequency of occurrence

Table 34 : DS 1 Sub-codes – Innovation

Theme	Occurrence
Unique Product	3
Product solves social problems	3
First movers	2
Continuously transforming product	1
Total	9

The sub-codes that occurred most frequently under this family code were ‘unique product’ and ‘product solves social problems’. The 2 sub-codes represented 67% of total responses. The managers of Zoono believe that the company is innovative because it has a unique product and the product solves social problems. Below is a summary of some of the responses that were collected under these sub-codes.

Table 35 : DS 1 Sample responses – Innovation

Participant	Response
Manager 1	<i>‘Very innovative, bearing in mind that this model that we have [money transfers and financing] right now in Zambia, I think it’s the only one.’</i>
Manager 8	<i>‘The products are very innovative and some [like the] voucher product is the first in the world. It is designed for the customer. The aim is to find what it is that the customer requires and developing products to suit the needs of the customers.’</i>

Manager 7	<i>'These are products that are targeted at making a difference in the individuals business and their personal lives. It enables the market to participate in the economy in a new and effective way. The majority of the customers/users were not able to participate in the economy at this level and in this manner previously.'</i>
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Other sub-codes under this family code were that the managers believed the product was unique because Zoono were the first to introduce it to the market and because it is continuously transforming.

4.8.2. Drivers of innovation

This family code “drivers of innovation” captured responses from DS 1 on the factors the managers felt were the drivers of innovation at Zoono. Below is a summary of the sub-codes under this family code:

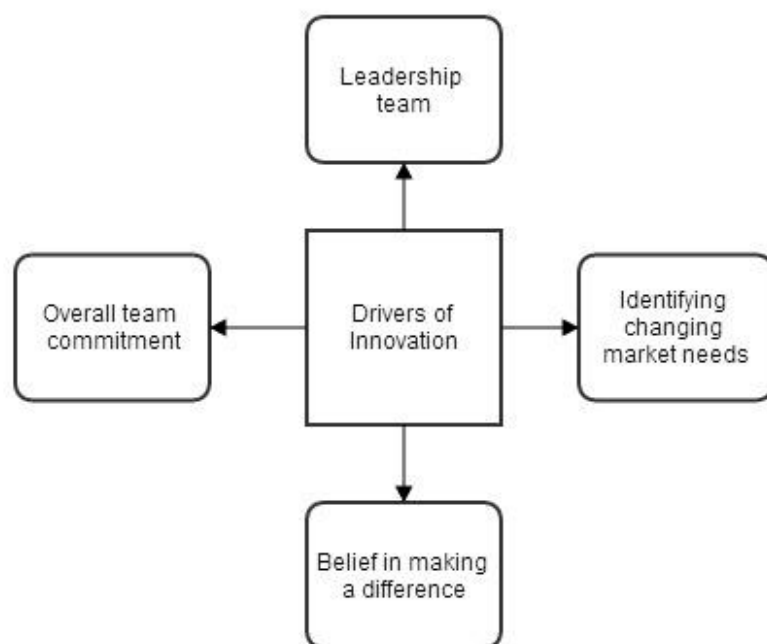


Figure 13 : Family code ‘Drivers of innovation’ and sub-codes per data set.

The table below is a summary of the sub-codes under DS 1 and their frequency of occurrence:

Table 36 : DS 1 Sub-codes – Drivers of innovation

Theme	Occurrence
Leadership team	3
Identifying changing market needs	3
Overall team commitment	2
Belief in making a difference	1
Total	9

The sub-codes with the highest frequency under this family code were ‘leadership team’ and ‘identifying changing market teams’. This represented 67% of total responses. The managers cited that the leadership

team and the company’s ability to identify changing market needs were the biggest drivers of innovation. Below is a summary of some of the responses which were captured under these sub-codes:

Table 37 : DS 1 Sample responses – Drivers of innovation

Participant	Response
Manager 6	<i>‘Understanding what the customer wants and what the customer is capable of adapting to. A senior team who are flexible and involved in IT development.’</i>
Manager 2	<i>‘I think the people behind it [leadership] play a very big role because they are very flexible and a little bit impulsive, for lack of a better term, and they also use a lot of intuition which helps them move from being like any other organization to be innovators.’</i>
Manager 3	<i>‘I think the senior management and the founders are a very good team. They are the best at what they do.’</i>

Other drivers of innovation quoted included ‘overall team commitment’ and a belief in ‘making a difference’, which occurred once out of nine responses

4.8.3. Connectedness to mission

The family code “connectedness to mission” captured responses from DS 1 on the factors the managers felt contributed towards making them feel connected to the development and social mission at Zoona. Below is a summary of the sub-codes under this family code:

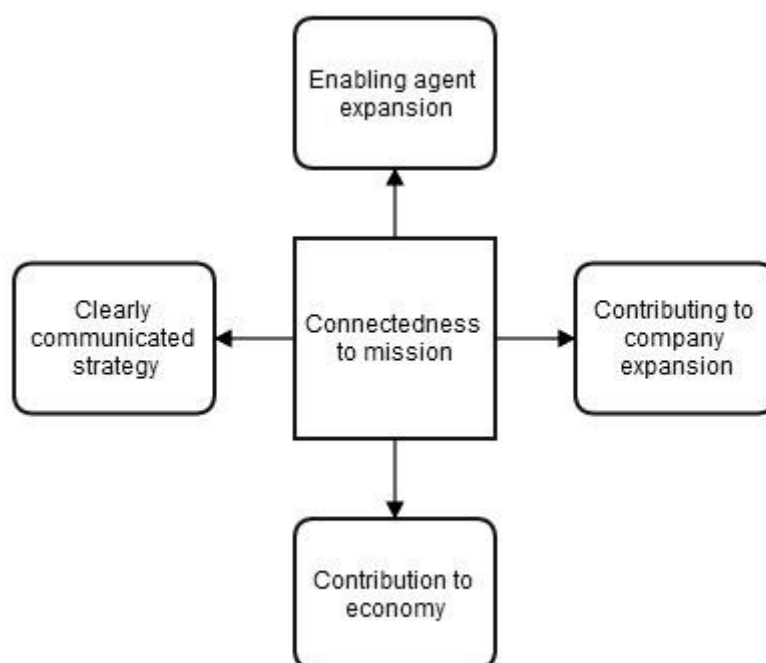


Figure 14 : Family code ‘Connectedness to mission’ and sub-codes per data set.

The table below is a summary of the sub-codes under DS 1 and their frequency of occurrence

Table 38 : DS 1 Sub-codes – Connectedness to mission

Theme	Occurrence
Enabling agent expansion	4
Contributing to company expansion	4
Clearly communicated strategy	3
Contribution to economy	1
Total	12

The sub-codes with the highest frequency under this family code were ‘enabling agent expansion’ and ‘contributing to company expansion’. This represented 67% of total responses. The managers cited that they felt connected to the social and development mission at Zoono because they felt they were enabling agent expansion and contributing to company expansion. Below is a summary of some of the responses which were captured under these sub-codes:

Table 39 : DS 1 Sample responses – Connectedness to mission

Participant	Response
Manager 5	<i>‘Because I am one of the pioneer personnel that are going to bring this product into the industry and so I am helping the organization to grow’</i>
Manager 3	<i>‘I feel like I am the green [brand] itself. It’s good to see when people smile, when the agents are happy and making lots of money [because of my work]’</i>
Manager 2	<i>‘There are certain things that I do in my job in the organization that I feel directly impact the people that we serve and these being the agents... In my role I help organize to get the money into the organization and to the agents now if the agents do not have the money it means they cannot serve the customers and grow’</i>

Other factors that contributed to the managers feeling connected to mission included the fact that there was a clearly communicated strategy by the leadership team. Manager 6 noted, ‘Yes, there is clear communication from the senior management team of all strategic agenda’s on a regular basis,’ Lastly, a belief that what they were doing contributed to the economy also contributed to the manager feeling connected to the mission.

4.9. Impact on self

The family code “Impact on self” emerged from responses to questions posed to participants of DS 2 only on how they felt becoming agents of Zoono had impacted their lives. The researcher was keen to analyse this from the agents angle as one of the homogenous data sets that are leveraging the Zoono platform to run a

business. Three sub-codes emerged under this family code. Below is a breakdown of the sub-codes representing ‘impact on self’

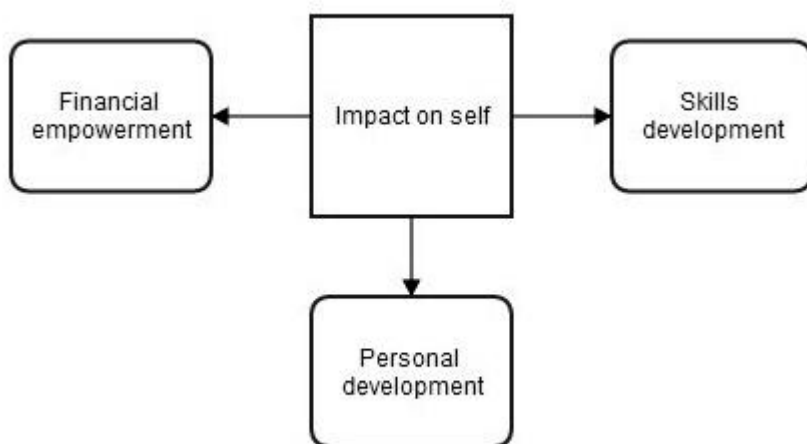


Figure 15 : Family code ‘Impact on self’ and sub-codes per data set.

The table below is a summary of the sub-codes under DS 1 and their frequency of occurrence

Table 40: DS 2 Sub-codes – Impact on self

Theme	Occurrence
Financial empowerment	6
Skills development	6
Personal development	4
Total	16

The agents cited being financially empowered and gaining skills the most frequently. The sub-codes ‘financial empowerment’ and ‘skills development’ occurred cumulatively 12 out of 16 responses. This represented 75% of responses under this family code. Below is a summary of the responses under these codes:

Table 41 : DS 2 Sample responses – Impact on self

Participant	Response
Agent 1	<i>‘As a teller I was making K650 and now for the last month [I made] approximately K6000... It’s better to be an agent than working for someone because I have worked for so many companies before and I think now I am doing much better.’</i>
Agent 2	<i>‘Yea it has helped me ... because it’s a source of income of mine and it has helped me learn how to connect with people with different characters’</i>
Agent 4	<i>‘Actually looking at the way things are, particularly in Zambia, employment is something which is a hard thing to find. I had been trying to find [work] here</i>

	<i>and there and I thought sometimes to be an entrepreneur of your own, its better... definitely it has really changed my life as an individual... I am able to help myself even school-wise... it has even taught me to be responsible...'</i>
Agent 5	<i>'It's a very profitable business, it helps me pay for my school and also help out at home. I am starting my degree next year.'</i>
Agent 6	<i>'I am able to get some profit from the services that I am offering the people'</i>
Agent 10	<i>'I have learnt how to sort out my [business] issues and I have now become my own entrepreneur, something that I never used to be... it has given that confidence that I can be my own boss... I am going back to school, I have done banking and finance and I know by next year I would have raised something [towards that]. It has also helped me put up some profits and [enable me] finish up my education because I haven't finished. I have just got a certificate and I want to do my diploma and do my degree so it's going to help me out.'</i>

DS 2 participants also felt that they had developed personally as a result of becoming an agent. Agent 1 for example cited that her appearance had changed as a result of being an agent.

In the following sections, the researcher will elaborate further on the themes captured from the finer nuances of meaning (Terre-Blanche et al., 2006) of these findings.

5. RESEARCH ANALYSIS AND DICUSSION

The findings produced great insights into the impacts and issues of pursuing a social innovation approach to development finance and the extent to which such an approach enables economic, social and personal capital development. For the purpose of this study and discussion, the definitions of economic and social capital definitions will be based largely on Pierre Bourdieu's 1986 publication 'The forms of capital'. Pierre defines economic capital in terms of access to or command over economic resources which are directly convertible to cash and can be institutionalized in the form of property rights. He defines social capital in terms of resources based on networks of influence, social obligation (norms) or group membership which may be convertible in certain circumstances to economic capital (Bourdieu, 1986). The definition of personal capital will be based largely on the theoretic framework developed by McGehee and Zahra (2011) that defines personal capital in terms of improvements to self-efficacy and confidence including personal pride (McGehee & Zahra, 2011).

5.1. Impacts

5.1.1. Employment creation

The findings revealed that one of the major impacts of Zoona's socially innovation business model was that it was creating employment directly and indirectly through its agent network and was therefore providing people with a source of income and enabling economic capital development. Creation of employment was cited by managers as one of the major impacts on others that the business had and this was in agreement with findings from the agent's data set. The agents claimed 'becoming financially empowered' as one of the impacts of becoming an agent and also mentioned realizing some form of financial gain as some of their best moments as agents.

Of the 11 sampled agents, the two agents who reported earning the lowest average monthly commissions (agent 7 and agent 9), earn approximately \$200. This averages \$6.67/day for a 30 day month and is above the first MDG threshold of having people earn more than \$1 a day (Atkinson, 2003). This means becoming an agent has put the participants, some of whom did not have any source of income above the poverty line.

Agent 4 stated, *'Actually looking at the way things are, particularly in Zambia, employment is something which is a hard thing to find. I had been trying to find [work] here and there and I thought sometimes to be an entrepreneur of your own, its better.'* Whilst agent 2 said, *'I came straight from school and I applied to Zoona and I was accepted to become an agent... it has helped me because it's a source of income of mine.'*

For others, becoming an agent increased their earning capacity. Agent 1 stated, *'as a teller I was making K650 (\$130) [per month] and now for the last month [I made] approximately K6500 (\$1300)'* whilst agent 4 reported that the commission she had earned in a certain month was the most money she had ever had, *'it was 3 months ago when I opened the fourth shop and that month I made K42,000 (\$8400)... That's the most money I have had.'*

In addition 9 out of the 11 agents are employers of others within their agencies with agent 4 being an employer of up to 10 people.

This finding agrees with existing literature on how micro-franchising types of business models provide much needed employment opportunities and can enable small business success in low income communities due to its support structure (Christensen et al., 2010) and how it is a promising market-based approach to alleviating poverty (Lehr, 2008).

5.1.2. Promotion of skills development

The findings show that Zoona's socially innovative business approach enables skills development. Zoona provides business as well as technical training on the use of mobile devices to transact. The agents cited skills development as a key impact on themselves of becoming Zoona agents and this was in agreement with findings from the managers data set as they cited 'enabling literacy' as one of impacts that the business had on its agents. Manager 4 said, *'we have a lot of unbanked people and our system is very easy and we have introduced a lot of people to mobile banking which has caused people to be more literate and causing them to think about maybe saving and opening a bank account and from there they can think about investing in other businesses.'*

It has been argued that skills development enables economic growth and reduces poverty (Palmer, 2007) and is therefore a key component for sustainable development. By doing the training themselves, Zoona ensures that the quality of the training is uniform and uncompromised and according to Palmer (2009) quality in any technical and vocational skills development program is essential if its developmental effects are to be long lasting and sustainable (Palmer, 2009). Skills development also enables personal capital development as it increases a person's processing ability as well that their ability to leverage which are key components for personal capital (Vital-Enterprises, 2003).

5.1.3. Personal and family unit development

Personal capital has been identified as an increasingly intangible source of economic growth in recent literature (Tomer, 2003) as economists seek to explain what contributes to economic growth beyond the tangible. Zoona's business model has resulted in personal development for its agents and their families as well as its staff. Agents mentioned the development of qualities such as an ability to work with people from different backgrounds (Agent 2); a marketable personality (agent 9) and even a better appearance (agent 1) as some of the traits they have developed whilst being agents. The families of agents have also been developed as a result. Agent 1 when asked how being an agent had impacted her life in anyway responded as follows, *'Oh yes, my appearance, my income [have improved], I am able to send my children to nice schools and help my mother at times.'* Agent 8 mentioned that his family had benefited directly from Zoona's training and that being an agent had earned him respect from the community, *'It has impacted the family, some of whom of course are working with me, the training they have got ... and personally it has also helped me because people are saying through this person we are getting this service.'* The researcher could identify a sense of personal pride from the statement made by Agent 8 which is an attribute of personal capital development. Other Agents when asked about their best moments also mentioned moments of personal achievement and recognition with a similar sense personal pride. This is in line with the manager's responses who also indicated moments of personal achievement and collective or company achievement as

some of their best moments. Manager 2 stated *‘when I first raised my first 35 loans, I had actually changed my name to Thirty-Five in my social circles.’*

5.1.4. Providing access to finance

Zoona’s innovative business model has made possible and in some cases increased the access to finance for the agents who may not ordinarily have had access to such financing from traditional banking institutions thereby enabling economic capital development. Access to finance is one of the major constraints of growth for small and medium sized enterprises (SMEs) (Dalberg, 2011). The SME sector plays a significant role in the development of countries and contributes significantly to national gross domestic product (GDP) (Dalberg, 2011). According to Dalberg (2011) the SME sector is the backbone of the economy in high-income countries yet this sector is less developed in low income economies due to significant barriers to finance and gaps in the financial system such as high administrative costs, high collateral requirements and lack of experience within financial intermediaries.

Through its partnership with Kiva, Zoona has been able to provide interest free working capital finance loans to enable agents to increase their float and expand their businesses. This partnership combines elements of crowd-funding where the agents’ profiles are uploaded to Kiva for people to fund; and micro-finance where Zoona acts as the intermediary to get the loan to the agent. Agent 2 stated that his best moment of being an agent was when he received the working capital financing, whilst agent 1 mentioned the moment when she expanded to a second shop as a best moment. Access to financing was also mentioned by the managers as a key impact on others that the socially innovative business model has had on others. Manager 4 stated, *‘From our side as Zoona, we have had people that never had businesses that were helped with funds from Zoona, where they could go and start a business... and we would monitor them and help them grow their business better’*. This innovative approach resolves the problem of aid fungibility as these loans go straight to where they are needed most and also resolves the problem of high cost of capital attributed to micro-finance as they are interest free. In addition, the model addresses the issues associated with crowd-funding of moral hazard and adverse select because although the investors do not have direct influence on the project the agent is undertaking, Zoona ensures that the agents invest the money into their business and that the lenders can interact with the agent via the kiva website. Zoona also provides constant periodic feedback on progress made by the agents through the site.

5.1.5. Financial service provision

Studies have shown that the amount of international remittances sent from migrant workers to their home countries have been steadily increasing over the years. A study by Nyamongo et al (2012) revealed that recorded remittances in 2009 were nearly three times the amount of official aid and almost as large as

foreign direct investment (FDI) flows to developing countries in 2010. Worldwide remittance flows, exceeded US \$440 billion of which US \$325 billion were transmitted to developing countries. Remittances have been hailed as the new development finance (Wimaladharna, Pearce, & Stanton, 2004) and the new development mantra (Kapur, 2009).

By extending the provision of financial services of local and international money transfers to otherwise unserved areas, Zoono's business model is contributing to development. The findings from both data sets support this assertion as both the agents and managers cited the provision of financial services to the community as an impact on others. Agent 8 stated that part of his motivation to become an agent was, *'To help the rural people where banks are neither here nor there and where people do not know much of banking so I thought I should really be the Zoono agent to help people'*. He further stated that his community had benefited because people travelled from surrounding villages to use the service.

There has been considerable evidence to support that remittances increase access to self-employment and funds for investing in small businesses; contribute to improved children's education levels as well as access to health care in the migrant workers family (Rapoport & Docquier, 2006). Research also shows that they provide for consumption and the construction of community infrastructure (Atkinson, 2003) and therefore contribute to the development of economic and personal capital.

5.2. Challenges

Whereas managers and agents seemed to share very similar views when it comes to the impact that Zoono has been able to achieve with its innovative business model, the findings showed that the two groups did not share the same views on challenges or rather experienced different challenges to one another.

5.2.1. Rapid changes and communication issues affect employees but not agents

Managers cited a rapidly changing business environment and communication issues the most frequently as their biggest challenge. These two issues however were not cited by any of the agents. The researcher supposed that this may be because the rapid changes are implemented to support the agent's changing needs as well as the changing competitive environment which tend to move at a fast pace. For example the working capital financing product is a recent addition to the product offering and was born out of the agents need for financing to increase their float and expand to more locations. This meant that a new credit department had to be created and managers' roles significantly changed as a result. Manager 6 stated, *'...there is a lot of change, which is difficult to keep on top of ... My job description changes quarterly and my line manager semi-annually.'* Another change was an extension of work hours to accommodate changing agent requirements to operate for longer periods.

Literature argues that social change is happening faster than technological innovation (Cajaiba-santana, 2013) and to accommodate these rapid changes, Zoona has had to be agile in its innovations. However whilst these changes are purportedly beneficial to the agent (as they are in response to their needs) and do not pose a challenge to agents, they pose a challenge to managers on the other hand they carry the burden of implementing the changes. This is a clear issue related to pursuing a social innovation approach to development finance compared to pursuing traditional development finance approaches and models which are tend to be stable environments to the extent of being condemned of not changing enough (Easterly, 2007). To remain socially innovative, companies have to be flexible enough to address society's continuous changing needs and this can cause stress within the organization.

The rapid change issue is potentially worsened by the fact that the managers feel that there are insufficient policies and procedures to support them through these changes and that the company has two offices in two different countries which poses communication issues. Manager 6 further explained, '*...the company would surge in a new direction without finalising the operational processes for the new direction.*' Whilst manager 8 added '*Communication between [the] Zambia and South Africa office in the beginning was very poor... It is still an issue ... as we only hear about things after the fact. Also procedures and policies were not in place initially. We have just started with this recently; however you have to consider as well that this was a start-up company with few employees at first trying to do juggle everything.*'

According to Burns and Stalker (1961) companies in new industries face this distinctive challenge of quickly transforming market conditions without the advantage of a management team that is experienced in the pressures of that sector. The stress that results from this fast pace of change without policy and procedure support can affect management efficacy and hamper personal capital development.

5.2.2. Social mission not a big motivator for managers

Despite Zoona having a strong social mission and development agenda, only one manager cited 'helping others' as a motivation for joining the company and 'making a difference' as one of their best moments. Managers were driven more by the new industry in which the company operates, the youth of the company and the need to enhance their careers. This is unlike the high social mission emphasis that is often ingrained in traditional development and aid organizations. This poses the question of whether this lack of social mission emphasis within the organization and amongst the managers is contributing to the apparent absence of social capital development as a resultant impact of the company's efforts towards promoting development. It further poses questions of whether pursuing a social innovation approach could be deterring the organization from having a bigger development impact because it is attracting an 'unsuitable' profile of management, one that is more interested in self-development than wider social impact.

It is argued that ‘social enterprises’ tend to focus on development of individual level characteristics and traits and accentuate the creation of new organizations (Phills et al., 2008) like Zoona does in its enabling of agency creation. This tends to undermine the creation of social capital in the process of seeking to solve social problems.

5.2.3. ‘Improving impact’ results in challenges for managers

Managers cited ‘continuous product improvement’ and ‘being forward thinking and agile’ as ways of increasing impact. Further they cited being motivated to join Zoona because of the new industry it was operating in and because of the youth of the business. However it occurred to the researcher with some surprise that the managers did not realise that it was this newness in industry, need for agility and continuous improvement that resulted in ‘rapid changes’ within the organization which was the most cited challenge by the data set. This demonstrated a potential disconnect in knowledge for the reasons for the change.

Organizations in new industry’s tend to experience what Robbins and Coulter (2007) term as ‘white-water rapids’ which are characterised by lack of environmental stability and predictability (Robbins & Coulter, 2007). Again it raises the question of management suitability for a social innovation environment. Would they be more suited to a more stable and bureaucratic organization and could this be hindering bigger impact?

Further the managers cited engaging in corporate social responsibility as a way of increasing impact the most frequently. Manager said 3 stated, *‘I feel that the organization should engage in some corporate social responsibility at some point so that the communities don’t feel that we are just taking money away from them.’* This, in the researchers opinion, demonstrated a critical disengage to the company’s social mission. If managers were intrinsically aware, as is the case with aid workers, that what they were doing was impacting change, development and social good then they would not feel this need to ‘give back’. It poses the question of whether a social innovation approach to development with its mix of traditional business and social mission elements is so confusing that it highlights only one side of the equation. This lack of connect with the social mission could hamper the impact that the managers could exert on the people and communities they could be influencing and thus social capital as research shows that inherent and interpersonal attitudes toward work contribute more to job satisfaction than economic benefits (Borzaga & Tortia, 2006). Borgaza and Tortia further add that the unique strength of non-profit organizations’ incentive combination is signified by worker involvement and procedure-related characteristics of their work which seem to be absent at Zoona.

5.2.4. Employment of others not necessarily seen as impact by agents

Although 9 out of 11 agents are employers of others, only one of the agents mentioned this as one of the impacts on other people of them having a Zoono agency. Agent 1 stated, *'now I am an employer [of five] so I have helped them also to earn a living other than marooning the streets or running up and down looking for jobs. And I think they will also have the same zeal because I was also a teller and they are also tellers so they can make it in life.'* The researcher surmised that this could indicate that although most agents valued having the business as a way to make money for themselves and support their families the most, they did not particularly see the form of employment they were affording others as valuable. The agents appeared to be solely focused on their own economic and personal development and could not see how they were and could extend this development to the wider community. This speaks to the literature on social enterprises, that argues that the model focuses on development of individual level characteristics and traits than communities. This poses a challenge for the development of social capital where the creation and capture of value focuses on the community than the individual (Phills et al., 2008) and could hamper economic development efforts for Zoono as a whole.

5.2.5. 'Increasing impact' centred around resolving business challenges than social challenges for agents

The findings revealed that the suggestions given by the agents for ways in which Zoono could improve their impact appeared to be centred around improvements that can be made to benefit their own businesses rather than society as a whole, contrary to what the researcher expected. The researcher had anticipated that the agents would make suggestions around how Zoono could help empower others in a similar way that they themselves had been empowered. However the agents made suggestions that would result in an increase in their own economic and personal capital such as improving end-customer experience to increase business, increasing access to finance and more opportunities for skills development but excludes social capital development. The researcher surmises that this may largely be in part due to the training that Zoono gives its agents, which focuses largely around using the technology and managing business than social impact. This could be seen from responses given by some agents like agent 9 who stated, *'It has helped me in such a way whereby I have now become my own entrepreneur something that I never used to be. I can say it has also motivated me... and given me confidence that I can be my own boss.'*

5.3. Social Innovation

The findings further showed that based on the criteria set by academics (Phills et al., 2008; Westley & Antadze, 2010) of what social innovation consists of, Zoono's products and business model are missing two critical elements (denoted by question mark signs) related to social capital development but ticks 6 out of 8 of the criteria as illustrated in the table below:

Table 42: Zoona matched against social innovation criteria

	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6	Criteria 7	Criteria 8
	Change basic routines resources and authority flows	Durability/ lasting and broad impact	Involve institutional and social system change;	Contributes to social resilience	Demand interaction between agency, intent and emergent opportunity	Useful solution to a social problem that is better than existing ones	Benefits society primarily than individuals	Transcend sectors, analysis levels and methods
Product, processes or programs	X	X	X	?	X	X	?	X

The missing elements in Zoona’s model that are hindering it from being a complete social innovation success are that the model does not seem to be contributing to social resilience and appears to be benefitting individuals more than the society as a whole. Resilience measures the capacity for socio-ecological systems to manage and adjust to change (Folke et al. 2002 as cited by Marshall & Marshall, 2007). Zoona’s model is struggling with creating social resilience within the organization as the management is struggling with adapting to change. Further the model is failing to emphasize and address society benefit as being more important than individual benefit as both agents and managers pride themselves more in individual achievement and progression than the larger societal development. These missing links are potentially hindering the development of social capital further.

5.4. Limitations

There are several limitations of this research (Bryman & Bell, 2007) as it is interpretive. This entails that it relies on the researcher’s subjectivity. A second limitation is in the use of the qualitative interview process, which bears the inherent possibility that the presence of the researcher may influence the interviewee and their responses (Leedy & Ormrod, 2010). The researcher assured the interviewees beforehand through the consent form that the interview contents will only be used for the academic research proposal and the information will not be used for any other purpose in order to mitigate this. The third limitation is the difficulty of replication of a qualitative study. This was mitigated by using recorded interviews that can be reviewed by other researchers should they seek to replicate it. A fourth limitation is that of generalisation. The information gathered and its findings cannot be generalised to the broader population. Only 11 agents out of 206 were interviewed due to time constraints and only 8 managers out of 12 managers were interviewed due to availability. As it is a case study, the intention is to intensively study a single unit to

understand a larger class of similar units (Gerring, 2004) for application in decision making. Further, as the model has two elements of social innovation missing, the research cannot be taken as representative of all market-based social innovation pursuits but rather of similar ones in similar environments.

Lastly, the coding was done manually by the researcher which was a highly involving and intensive process and thus potentially prone to human error. It was also based on the researcher's interpretation, and therefore may carry some researcher bias.

Despite these limitations, the report has contributed insight into this important yet under-investigated aspect of development finance.

6. CONCLUSION

This research set out to evaluate and analyse the issues and impacts of pursuing a social innovation approach to development finance in a developing country like Zambia. Additionally, the study went on to establish the extent to which such innovations impact the development of economic, personal and social capital in such economies. This is critical for the evolution of development finance to contribute to ensuring that the mobilized resources for development are put towards what they are meant for in the most efficient and effective way to maximize impact.

The researcher, being an advocate for the development of the African continent, was interested in understanding this subject to understand the impact that social innovation can have on development finance and to contribute to developing solutions where there are issues hampering such impact.

To perform this research, a hybrid approach to thematic analysis was employed on a qualitative case study of Zoono, a socially innovative private company in Zambia. The researcher started off with a broad literature review that gave an overview of the aim of development finance, a historical overview of finance for development including an evaluation of the traditional sources; key changes and pioneering events; current interest in innovative sources of finance for development; and a review of some of the social innovations that are contributing to development finance with a focus on sub-Saharan Africa. Semi-structured interviews were then conducted with 11 agents and 9 employees of Zoono who were randomly sampled and accepted to participate in the research study. The researcher manually coded and analysed the data collected against 9 a priori codes to develop an understanding of the impacts and issues of a social innovation approach to development finance. From these family codes emerged 60 sub-codes. The last step aimed to compare and contrast the data from the two data sets and present them in a report detailing the main points arising from this research.

6.1. Major findings

The major finding of the research was that although this socially innovative business model was creating economic capital through direct and indirect job creation via its agent network and creating personal capital through skills training and personal development of its agents and families, it was failing to create social capital within its networks and the communities it was serving. In addition, the model was lacking two out of eight criteria to be defined as a complete social initiative these being ‘creating social resilience’ and ‘benefiting society primarily than individuals’. Both of these ‘missing criteria’ are related to the creation of social capital and thus lend weight to its absence.

The researcher concluded that this may be in part caused by four things. Firstly, due to the profile of managers that the company was attracting that appear to be more attracted to the industry that the business operates in and youth of the company than its social mission and are more motivated by personal achievement than doing social good. Secondly this trend runs through to the agents the company is accepting who appear to be attracted in taking on the opportunity mainly for the potential financial gain that the business has to offer and how it can benefit them and their families more than the benefits it can accrue to their networks and communities. This second reason may in part be due to the third, which is the training that Zoona gives to its agents. The training seems to be mainly focussed on business development and the use of technology and is lacking in communicating of the potential impact that the business and its agency opportunity could have on the wider community. Lastly this could be attributed to a failure on executive managements’ part to communicate what could be considered to be the two-pronged mission of any impact investment or social enterprise and that is to be a profitable business that also delivers social good.

6.2. Implications for practitioners

This research holds two main implications for practitioners in social innovation who are trying to contribute to development as outlined below.

6.2.1. Need for connecting managers and agents to social mission

In order to enable the development of social capital within such business systems, practitioners such as Zoona could try to better educate its managers on the social mission that the company has and how if implemented well can create greater impact on communities and economic development as a whole. This could be done by connecting social mission to what appears to be important to the managers, which is personal and company achievement. Entrepreneurship research argues that social capital can increase access to potential investors, competitive data and possible customers (Liao & Welsch, 2003) which all can contribute to more personal and collective achievement. In addition, organizations have been identified as favourable environments for the creation of high levels of social capital in their role as institutional settings

(Nahapiet & Sumantra, 1998). Nahapiet and Sumantra add that these favourable conditions mean that when social capital is created, it can enable the creation of new intellectual capital that can give an organization competitive advantage thus adding to the company achievement.

The researcher posits that in order to increase impact through the agents network by way of enabling more employment, practitioners such as Zoona can look into educating the agents on the value that they are contributing to the lives of the people they are employing and the economy at large as this could foster a sense of ‘collective identity’ as enablers together with management and a ‘shared future’ which promotes the development of social capital (Butler & Curtiss, 2004). Further, as Zoona’s agent network is fairly large (Zoona has 206 agents across Zambia), they could look to increase trust within the network through bringing the agents together more often in form of parties, joint projects and deeper introductions as part of a larger meeting as suggested by Sander and Lowney (2006) and illustrated in figure 15 above, as trust is at the core of social capital development.

6.2.2. Need for managing rapid changes associated with social innovations

In order to ensure that personal capital of managers within innovative organizations is maximised and that stress related to rapid changes within the organization is reduced, the researcher suggests that practitioners such as Zoona look into proactively managing change better and work at helping the managers understand the need for the change and how it positively impacts agents, customers and the community at large.

Manager 2 suggested, *‘I find that just knowing what the goal is and knowing that this shift or change is going towards that benefit is very helpful because then if you believe in what you are trying to achieve, it’s easier for you to be flexible and to psych yourself into going into whatever it is that is going to happen’*.

This kind of shift requires continuous adaptation at management and organization level and a need to manage that change actively (Robbins & Coulter, 2007). Robbins and Coulter recommend strategies such as choosing, endorsing, and backing employees who adopt the new values and substituting unwritten norms with clearly stated expectations. Practitioners can also take an organic approach to managing change and innovation which includes fluid definitions of function so that managers are not surprised when their roles change and constant interactions that are both lateral and vertical (Burns & Stalker, 1961).

7. FUTURE RESEARCH DIRECTION

As this research report did not include interviews with any customer groups, the researcher feels there would be value in researching the impacts and issues experienced by the customers who use Zoona’s service and a comparison made with the findings from the agents and managers.

In addition, interviews with the agent's employees could potentially prove beneficial in providing insights into the extent to which the economic and personal capital created through the agent model was being 'paid forward' by the agents.

Since the leadership team was mentioned as the highest driver of innovation at Zoon, further in depth research could be done to explore what motivates the leadership team to drive innovative and how this could be used to educate the wider organization more effectively or other organizations seeking on embarking on a similar path.

Further, research could be undertaken to establish whether and to what extent organizations that pursue a social innovation approach to development finance can or do contribute to financial and development policy transformation beyond the organizational level.

Finally, one of the biggest findings in this research was that the socially innovative model was not strongly enabling the development of social capital. Further research could be done to explore what changes could be implemented to the model that could enable the development of social capital and the extent to which that would increase impact or create issues.

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APPENDIX 1: RESEARCH ETHICS APPLICATION FORM

Graduate School of Business

Application for Ethical Clearance for Research

Any individual at the Graduate School of Business (GSB) undertaking any research that involves the use of human subjects, or research that may hold ethical consequences for the University of Cape Town, is required to complete this form. The completed form should be submitted for consideration to the GSB Ethics in Research Committee before the research is conducted.

All students conducting research projects are required to complete this form even if their research does not involve the use of human subjects. If the proposed research project does not include the use of human subjects then only the first section of this form needs to be completed.

1. PROJECT DETAILS

Project title: IMPACTS AND ISSUES OF A SOCIAL INNOVATION APPROACH TO DEVELOPMENT FINANCE: A Case Study of Zoon

Principal Researcher/s: Lelemba Chitembo Phiri (Mrs)

Research Supervisor / Co-researchers:

Warren Nilsson (Dr)

E-Mail Address: lelemba@gmail.com/lelemba@zoon.co.za

Brief description of the project:

The purpose of this case study is to explore how social innovation can contribute to development finance and how it impacts the personal development of individuals in a developing economy. As the deadline to meet millennium development goals draws nearer there have been calls within the development space for more innovative sources of financial to act as supplements to the traditional sources of development finance if these goals are to be met. This study thus examines how social innovation can contribute to development finance.

Research methods and procedure: (please tick and explain procedure)

Interviews Survey questionnaire Experiment Secondary data Observation Other* (please specify):

*Select this option if you are not planning to conduct research using human subjects. You must outline your proposed research methodology to support this choice.

2. PARTICIPANTS

Characteristics of participants:

Gender: Male and female

Race / Ethnicity: Various

Age range: Not specific

Location: South Africa and Zambia

Other:

Affiliations of participants: (please tick)

X Company employees Hospital employees **X** General public Military staff Farm workers Students Other (specify)

If your sample includes children (aged 15 and below), mentally incompetent persons, or legally restricted groups please explain on a separate page why it is necessary to use these particular groups

3. ORGANISATIONAL PERMISSION**If your research is being conducted within a specific organisation, please state how organisational permission will be obtained:**

The researcher is part of the senior management team of the organization under study in this research report and therefore has direct access to the chief executive officer (CEO) and senior management of the organization. The researcher has received oral consent from the CEO to interview the company's management team, agents and customers

4. INFORMED CONSENT**What type of consent will be obtained from study participants?**

- Oral consent
- X** Written consent
- Anonymous survey questionnaire (covering letter required, no consent form needed)
- Other (specify): _____

How and where will consent/permission be recorded?

Participants will be informed via email and/or telephone prior to the interviews. Consent forms will be signed in person at the start of the interview.

If subjects are minors or mentally incompetent, describe on a separate page how and by whom permission will be granted?

5. CONFIDENTIALITY OF DATA

What precautions will be taken to safeguard identifiable records of individuals? Please describe specific procedures to be used to provide confidentiality of data by you and others, in both the short and long run. This question also applies if you are using secondary sources of data.

The identities of each participant will be kept anonymous unless express written consent is given to reveal their identities. The data and resulting analysis and report will be used purely for academic purposes only and will remain the property of the GSB on completion.

6. RISK TO PARTICIPANTS

Does the proposed research pose any physical, psychological, social, legal, economic, or other risks to study participants you can foresee, both immediate and long range? (tick one)

Yes No

If yes, answer the following questions on a separate page:

1. Describe in detail the nature and extent of the risk and provide the rationale for the necessity of such risks
2. Outline any alternative approaches that were or will be considered and why alternatives may not be feasible in the study
3. Outline whether and why you feel that the value of information to be gained outweighs the risks

PLEASE ATTACH THE FOLLOWING DOCUMENTS TO YOUR APPLICATION

1. A full copy of the research proposal
2. Any consent form that will be signed by the participants or read to them (if any)
3. Any interview schedules, cover letters, forms, instruction sheets, survey questionnaires or other material that will be used in the study.

I certify that that the material contained herein is truthful and that all co- researchers and supervisors are aware of the contents thereof:



Applicant's signature: _____

Date: 14th Dec 2012

ETHICS COMMITTEE REPRESENTATIVE

Recommendation:

Signature:

Date:

ETHICS COMMITTEE CHAIRPERSON (FOR URGENT APPROVALS ONLY)

Recommendation:

Signature:

Date:

APPENDIX 2: DRAFT SEMI-STRUCTURED QUESTIONS

Agents

Section 1: Demographics

1. Age:
2. Sex:
3. Location: (rural, urban or peri-urban)
4. Marital status:
5. Children:
6. Number of agencies:
7. Income:

Section 2

1. How long have you been a Zoona agent/customer?
2. Why did you sign up to become a Zoona agent/customer?
3. Has becoming a Zoona agent/customer changed your life as an individual in anyway?
4. If yes, in what ways has it done so?
5. Has becoming a Zoona agent/customer impacted others around you like your family/customers/friends in anyway?
6. If yes, in what ways has it done so?
7. What has been your best moment as a Zoona agent/customer?
8. What challenges have you faced as a Zoona agent/customer?
9. What do you feel Zoona could do better to help you and/or others more?

Managers

Section 1: Demographics

1. Location: (Zambia or South Africa)
2. Role:

Section 2

1. What motivated you to join the organization?
2. Do you feel the organization contributes to development in Zambia?
3. If yes, in what ways?
4. As an individual do you feel connected to the development agenda of the organization?
5. If yes how so?
6. Do you think that the business and its products are innovative?
7. If yes, in what ways?
8. What do you think drives the innovative culture?
9. Do you feel there are more ways in which the organisation could contribute to innovation or development?
10. If yes, what ways?
11. What has been your best moment with the organization?
12. What have you struggled with most working with the organization?
Have you ever considered becoming a Zoono Agent?

APPENDIX 3: PARTICIPANT CONSENT FORM



Informed Consent Form

Principal Researcher/s:

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083 247 5296

Project Title:

**IMPACTS AND ISSUES OF A SOCIAL INNOVATION APPROACH TO DEVELOPMENT
FINANCE: A Case Study of Zoono**

Brief overview of the project and its purpose, and what is expected from the respondent:

The purpose of this study is to explore the issues and impacts of pursuing a social innovation approach to development finance and the extent to which it can create economic, social and personal capital in a developing economy such as Zambia.

The research will be conducted as an explorative and inductive study, where the researcher will seek to understand the research participant's experiences and ascertain what common themes will arise.

You have been approached to participate in this study because you are connected to Zoona as a member of the management team, as an agent or a customer.

As a research participant, you will be expected to commit to at least 1 hour of your time for the research interview. Should you be interested / available, you may be further invited to review the research report.

The research is conducted for academic purposes only to fulfil the requirements for the Master of Commerce in Development Finance programme. All results and data will be used purely for academic purposes. The identity of all research participants will be kept anonymous, unless explicit written consent is granted to reveal the participant's identity.

There are no known risks and dangers to you associated with this study.

Consent to participate:

I acknowledge that I am participating in this study of my own free will. I understand that I may refuse to participate or stop participating at any time without penalty. I understand that all information I give during interviews will be used for academic purposes to understand and explain the concept of social innovation for development finance. I understand that my identity will not be revealed at any stage during analysis, writing or publication of this study, unless I give written consent. I also understand that if I wish, I will be given a copy of this consent form.

Subject's signature: _____

Date: _____

*I additionally **DO** / **DO NOT** (circle choice) give permission to Lelemba C. Phiri (student name) to reveal my identity in the course of the research study analysis, writing and publishing.*

Subject's signature:_____

Date:_____