

MASTER

Change agency by grassroots entrepreneurs

An exploration of the transformative impact on sustainable development in Sub Saharan Africa

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Change agency by grassroots entrepreneurs: An exploration of the transformative impact on sustainable development in Sub Saharan Africa

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Abstract

The story of Africa's development is a difficult one. Over the past centuries its development was slow compared to countries on other continents. And many policies and programs aimed at fostering development of African countries have failed. However, there are some promising signs. Currently the GDP growth of some African countries is among the world's fastest and the term 'Africa Rising' has been aired. Simultaneously, concerns are being voiced that the growth is distributed unfairly, that the income inequality in these Sub-Saharan Africa countries is only increasing, and poverty is not declining. This points to a need for a much more fundamental and inclusive transformation. A possible potential force for this transformation may lie in grassroots entrepreneurship which operates at the Base of the Pyramid and concerns more local solutions, initiatives and knowledge. The way in which grassroots entrepreneurship can contribute to fundamental transformation is through change agency. By exercising change agency, entrepreneurs navigate or maneuver between different logics, rules, cultures, institutions, and/or more, exploiting gaps and changing the rules for their own and others' benefit. This paper is the result of a literature analysis aimed to better understand how grassroots entrepreneurs can have a great impact on the transformation through their change agency, in the developing world in general and in the context of Sub Saharan Africa specifically. It draws on socio-technical transitions research for insights about different innovation activities that can be seen as efforts by actors to exercise change agency. This information is used to design a framework with which the literature collection on grassroots entrepreneurship is systematically scrutinized for evidence of different activities that entail change agency. In addition, key drivers and motivations of social entrepreneurs for engaging in these activities, as well as the developmental outcomes and impacts on social transformation are explored. Features that are specifically important in the African setting found to include careful navigation and bridging, cooperation with communities, and developing and mobilizing further support. The thesis ends with identification of challenges and barriers that impede larger-scale impact of grassroots initiatives and furnishes recommendations for policy to address these, and it offers reflections on useful avenues for further research.

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Chapter 1: Introduction

The African continent has a vast amount of natural and human resources. However, in the course of the historic development in the west and the catching up of certain, mostly Asian, countries most of the African countries have remained underdeveloped. After a long period where there was little economic growth we now see growth in certain African countries (International Monetary Fund, 2019; The Economist, 2011). For example, the term ‘Africa Rising’ was aired, pointing towards the economic growth in Sub Saharan Africa. A lot of literature is focused on it, but the question is what this exactly implies and what the real effects are, and what the consequences of this economic growth for social and/or sustainable development are (Santiso, 2007). Concerns are being voiced that the growth is distributed unfairly, that the income inequality in these Sub-Saharan Africa countries is only increasing, and poverty is not declining (Beegle et al., 2016; Odusola et al., 2017). Part of the problem here is a regime that does not allow for fair distribution of profits often because of corruption, weak or unfair institutions, high income and wealth inequality, and an economy strongly dependent on resource extraction. There is no social transformation. According to the United Nations Sustainable Development Group (UNSDG), social transformation is most of all about leaving no one behind and that everyone shares in the benefits from growth (UNSDG, n.d.). In order to achieve that no one is left behind, it is necessary “to eradicate poverty in all its forms, end discrimination and exclusion, and reduce the inequalities and vulnerabilities that leave people behind and undermine the potential of individuals and of humanity as a whole” (UNSDG, n.d.). In the words of Alvord et al. (2004): “solutions to social problems—such as sustainable alleviation of the constellation of problems associated with long-term poverty—often demand fundamental transformations in political, economic, and social systems” (Alvord et al., 2004, p. 260). Important in this connection is that local grassroots people get the possibility to improve their own context and the systems that affect them, gaining more control to shape their own lives. So this is about developing their capability to be able to work on social transformation of their own context, as opposed to development strategies that view people in the role of passive beneficiaries of the results from externally designed development interventions. Such a grassroots-based approach could ensure inclusivity and beneficial social transformation that is locally rooted and would score high on the ladder of inclusive innovation for development (Heeks et al., 2014).

A possible potential force to challenge the current growth pattern and foster this fundamental transformation may lie in grassroots entrepreneurship. The narrative on this topic “emphasizes locally initiated solutions and knowledge” (Opola et al., 2020, p. 7). Grassroots entrepreneurs are those that operate at the Base of the Pyramid (BOP). It is claimed that they can impact local communities through their actions. What is especially relevant about grassroots entrepreneurs is that they often have a goal to improve their own community. It may even be that an entire community acts as an entrepreneur (Broehl, 1978; Burra et al., 2003; Mohamad et al., 2012). There is not only a commercial motive but also a social motivation (Achtenhagen & Brundin, 2016; Alvord et al., 2004; Beresford, 2020; Kroesen et al., 2020; Pansera & Sarkar, 2016; Pastakia, 1998; Siebeling & Romijn, 2008b, 2008a). This social motivation makes the approach and effect of grassroots entrepreneurship much more inclusive (Gupta, 2012; Pansera & Sarkar, 2016). As Alvord et al. (2004) state: “The test of social entrepreneurship, in contrast [to conventional entrepreneurship], is change in social systems that create and maintain the [social i.e. unfair distribution, income inequality etc.] problem, although the organizations involved may become smaller or less viable as they catalyze societal transformation” (Alvord et al., 2004, p. 261). It is therefore relevant to analyze the narrative of grassroots entrepreneurship and see whether these entrepreneurs are able to fundamentally contribute to the transformation of the societal systems and regime that maintain the old, unfair and unequal, model of growth.

The way in which grassroots entrepreneurship can contribute to fundamental transformation is through change agency. By exercising change agency, entrepreneurs navigate or maneuver between different logics, rules, cultures, institutions, and/or more, exploiting gaps and changing the rules for their own and others’ benefit (Bjerregaard & Luring, 2012; Kroesen et al., 2020).

The literature indicates the need for change in the local context, the system, rules, and more (Burra et al., 2003; Wieczorek, 2018). Through profound changes by actors, called change agents, it seems that a transition can take place and a more sustainable foundation for development can be achieved. This paper will try to bring light to the link between entrepreneurship, that is initiated from within, that has potential for social transformation through change agency by these entrepreneurs.

Through harnessing this change agency for societal transformation, hopefully, grassroots entrepreneurship is able to create a way towards igniting change in the direction of a system that is socially more just and sustainable. Where the benefits of growth are shared more equally and fairly and where true development is possible.

Change agency in this paper is seen as both formed and shaped by and shaping and forming structure and culture and agency involves actors who “anticipate, give meaning, search, learn, and can deliberately deviate from existing routines and rule-regimes” (Grin et al., 2010, p. 31).

Concluding the key objective of this thesis is to explore the possible contribution of grassroots entrepreneurs towards an inclusive and social transformation of low-income countries from a societal system dominated by exclusionary economic growth to one of socially inclusive development. To explore this the focus will be on active change agency, and the change agency by grassroots entrepreneurs will be mapped.

Therefore the research question for this paper will be:

What is the contribution of Grassroots Entrepreneurs as change agents for social transformation, and how can this role be enhanced?

A fitting lens to analyze the issue of grassroots entrepreneurship and change agency to affect transformation is that of transition theory. This theory focuses on issues of transition and transformation and the ways in which change can take place, in particular how dominant socio-technical regimes are changed due to pressure from their environment and niches. Social-technical regimes are in the context of this paper key subsets of a societal system as mentioned previously.

Sub questions are:

- *What are relevant theoretical aspects and definitions of grassroots entrepreneurship, change agency, and transition theory that can be related to answer the main research question?*
- *In what way can grassroots entrepreneurs acting as change agents be seen to contribute to social transformation according to empirical literature and experts on entrepreneurship in development?*

Sub Saharan African (SSA) countries have a high rate of Total Entrepreneurial Activity (TEA) in the data of the Global Entrepreneurship Monitor (GEM). In fact, they are among the highest rates of TEA in the world (Balunywa et al., 2012; GEM, n.d.). These SSA countries have a strong culture of social entrepreneurship and the call for a more social and African type of entrepreneurship has been increasing in these countries. An example of this is the term Africapitalism coined by an African entrepreneur and African scholars are calling to rethink the role of business more towards this more indigenous African commitment to economic and social growth (Amaeshi, 2015; *The Tony Elumelu Foundation - Africapitalism*, n.d.). Therefore, this thesis will research whether these, and other, aspects provide fertile ground in SSA for encouraging grassroots entrepreneurship as change agents for transformation.

- *If grassroots entrepreneurs acting as change agents can – potentially – play an important role in social transformation, do countries in Sub Saharan Africa offer a potential or fertile ground for encouraging this kind of grassroots entrepreneurship?*

- *What are the main challenges faced by grassroots entrepreneurs acting as change agents and what kind of support is needed to overcome challenges and further enhance the role of grassroots entrepreneurship for social transformation?*

1.1 Social transformation and sustainable development

Transition theory looks at the radical change that is needed in certain systems in order to tackle (global) complex challenges in the way major societal needs are fulfilled, e.g., in food, transport, sanitation, and health. There is a certain relevance of transition theory for the subject matter in this research because its perspective on transition, i.e., systemic change helps to conceptualize part of the social transformation processes that grassroots entrepreneurs aim to achieve. Transition theory and social transformation narratives have in common that they place systems center-stage and that these systems are considered to be socio-technical in nature; thus, they view change as involving all aspects of a complex system. This comprises technological, institutional, economic, and social issues (Wieczorek, 2018). Although social transformation is generally considered to constitute a more overarching change perspective than a transition in all, or multiple, aspects of a socio-technical system, both entail complex major change. Moreover, from the perspective of this paper, it is important that transition and transformation are also broadly in alignment regarding the direction of change. This paper considers transitions and transformations as societal movement towards sustainable development. Sustainable development includes balanced, social, economic, and environmental development with the purpose of achieving a more sustainable world in line with the Brundtland conception of sustainable development in Our Common Future (1987). This paper will focus on the transformative impact of grassroots entrepreneurship. When talking about transformation and social transformation in this paper it is about a positive transformation and it is considered that social transformation implies sustainable development. The terms are almost synonymous in the case of this paper, but it is considered that social transformation is a very important basis to achieving sustainable development.

1.2 Structure

This thesis will be structured as follows: After this introductory chapter 1 which has provided context and the research questions, chapter two will describe the research methodology. Chapter three will describe insights for the theoretical analysis, it will look at the relevant theoretical aspects and definitions of grassroots entrepreneurship, change agency, and transition theory, and finally it will also establish overarching topics to be applied during the empirical analysis. The findings from the empirical analysis on how grassroots entrepreneurs acting as change agents can be seen to contribute to social transformation will be discussed in chapter four and five, where chapter four will discuss the literature analysis and chapter five the analysis of expert interviews. Both chapters will discuss grassroots entrepreneurship in practice, also aspects of change agency will be described along the structure of the overarching topics described in chapter three. Both chapters will also discuss the effects of change agency by grassroots entrepreneurs to transition and sustainable development. Following these two chapters, chapter six will discuss the findings on whether countries in Sub Saharan Africa do offer a potential or fertile ground for encouraging grassroots entrepreneurship. After this, chapter seven will discuss the main challenges faced by the grassroots entrepreneurs and what kind of support is needed to overcome these challenges and enhance the role of grassroots entrepreneurship for social transformation in countries in Sub Saharan Africa. Finally, chapter eight will formulate conclusions, discuss the findings, and recommend issues for future research.

Chapter 2: Methods

Note: The methodology changed in the course of the research conducted for this thesis. The first plan was to first perform a literature review and next go to Kampala in Uganda to do a case study on a grassroots entrepreneur in sanitation. However, the second part could not be executed due to the coronavirus outbreak.

Research conducted for this thesis went through three stages to sharpen the research question and finalize the method. In the first stage, the plan was to conduct an in-depth case study on a sanitation company in Uganda, based on the conduct of field research. The company was started and managed by a local Ugandan social entrepreneur who was born and bred in a slum in Kampala. The choice for this case was informed by information from Ugandan contacts about the remarkable benefits achieved by this company for poor slum dwellers, combined with the introduction of innovative closed-loop sanitation technologies. This case matched well with the keen interest of the author of this thesis in locally-grown development initiatives in poor countries. Already at that early stage, the intention was to conduct the field research using insights from transition theory and concepts to frame the entrepreneur's social transformation impact or potential.

However, in the course of writing the research proposal it became clear that it would become impossible to conduct field research in Uganda due to Covid 19. Therefore, during the second stage, the thesis orientation was changed to a literature study, in which the main goal became the discovery of already documented cases of successful local entrepreneurship similar to the inspirational Ugandan case. After a preliminary orientation in Scopus and reading abstracts, it soon became clear from reoccurring terms in the literature that the literature study should be centered on the concepts of "grassroots entrepreneurship" and "frugal innovation"¹. Relevant bodies of literature in which these phenomena have been studied were found to include mainly: works on entrepreneurship in development; contributions from the development studies domain focused on local innovation; and papers with a transition studies perspective focused on African (and other) developing countries.

In the course of conducting this literature search, it was discovered that issues of change agency are very relevant and important for grassroots entrepreneurship to contribute effectively to transformational change towards sustainable development, especially in the context of Sub-Saharan African countries. Therefore, in the third stage of the research process the contents of the literature that was already selected during the second stage were reviewed a second time. At this time, a more specific conceptual lens was used to discover evidence of grassroots entrepreneurs *acting as change agents*, the drivers that cause the entrepreneurs to exercise their change agency, and the impacts on sustainable development. In addition to conceptual works on entrepreneurship, the conceptual perspective of transition theory proved useful for this purpose, given its focus on activities undertaken by various societal stakeholders – including entrepreneurs – in fostering and pushing transformational change. Although transition theory as a whole has leaned more towards the study of structures than agency, several recent contributions in this field have pointed up the importance of stakeholders performing 'institutional work'. Using different strands of transition studies, an inventory was made of the different types of activities undertaken by stakeholders which signal change agency in order to gain an applicable conceptualization of agency. This resulted in a classification of core dimensions of change agency (see Chapter 3 for details). This classification was applied while scanning the empirical entrepreneurship literature for evidence of manifestation of change agency, and what this entails.

The literature collected in stages two and three was mainly found by using the keywords of grassroots entrepreneurship, frugal innovation, change agency or change agent(s), and transition and/or development through a Scopus search. Further snowballing was used by tracing literature references given in important papers identified in Scopus. Next, the abstracts and/or introductions were read. The

¹ Frugal innovation will be defined in chapter 3.1

articles were assessed on their applicability for the research questions depending on the extent to which they mention or describe aspects of grassroots entrepreneurship, change agency, transition or transformation, and whether they recognize the importance of bottom-up/grassroots agency. Having sorted the articles on their importance for the research topic in this way, the most relevant ones, 42 in total, were read in full. The first reading was done with a broad-brush approach to get a general overview and main insights on the conceptual perspective of transition theory and on the concept and definitions of grassroots entrepreneurship. Next, the articles were read more systematically and in-depth looking for specific qualitative insights on different categories. These categories are: entrepreneurship term, description of the term, how performance is measured, country of analysis, sector of analysis, business model, transition theory insights, change agency, the extent to which change agency is considered (minimal, medium, maximal, or mixed), connections to development, traits and motivations of entrepreneurs, the key role of external support, the contextual framework used, the methodology used, and comparison between developed and developing countries. The qualitative insights from the different categories were coded and overlapping themes in the coding were grouped together. Finally, the articles that discussed countries in Sub-Saharan Africa were reread for insights on the potential of the region for grassroots entrepreneurship.

The literature review resulted in a theoretical chapter on grassroots entrepreneurship and the development of an analytical lens² which was applied in the empirical analysis to look for evidence of the developed overarching topics contained in the analytical lens and to look for additional topics and underlying aspects of the overarching topics.

After this, experts on African grassroots entrepreneurship were searched for in order to interview them. The focus here was on having a balanced mix between researchers and people with practical experience who either classify as grassroots entrepreneurs or train or have trained grassroots entrepreneurs. Initial possible experts to interview were selected and contacted using the network of the supervisor of this thesis, and additional candidates were selected and contacted through snowballing. Eventually, 7 people were interviewed through digital means. One interview could not be used for this research due to connectivity issues and faltering sound in the recorded audio. Two of the people interviewed were Dutch researchers with expertise on entrepreneurship in developing countries. One person interviewed was a Ugandan researcher on entrepreneurship in Uganda. One other person interviewed was also a Ugandan researcher working on a training and mentoring program for starting young entrepreneurs. There was also an interview with a Ugandan grassroots entrepreneur who set up an NGO in Uganda. And finally, people were interviewed who worked for an African foundation, that was established to train, mentor, and support African entrepreneurs, as mentors or supporters of entrepreneurs. These experts were interviewed in a semi-structured way, focusing on themes of aspects of grassroots entrepreneurship and definitions, (reason of) success of entrepreneurship, needs for external support and policy, aspects of change agency, transitional and transformational impacts, and personal experience. Their responses were transcribed and organized and coded in a similar way as was done with the literature. Finally, the insights from literature and interviews were combined in one empirical analysis, in order to answer the research question and to suggest future steps for policy and research.

² To be discussed in chapter 3

Chapter 3: Theory, Concepts, and Definitions

3.1 Grassroots entrepreneurship

Entrepreneurs have been deemed to be key agents for affecting change. Ever since Schumpeter attention has been paid to the potential of entrepreneurs in influencing change through their introduction of novelties or innovations. Scholars have argued that “entrepreneurs effect change by recognizing, articulating, and enacting new ideas, strategies, and forms of value within a community that alter social relations” (Beresford, 2020, p. 68). Schumpeterian entrepreneurship is about doing something different in the own context, not necessarily invention but doing something new relative to the local environment. If it is successful, this creates a disequilibrium and this can transform the market. Already since the ideas of Schumpeter a special quality of an entrepreneur is seen to be his/her quality of affecting change (Broehl, 1978; Schumpeter, 1959). On top of that entrepreneurship is deemed essential or vital for the economy. It can stimulate economic growth. Entrepreneurship is linked to the ability to “create jobs (Folster, 2000); ensure the economy’s welfare, efficiency, and productivity (Baumol, 1990), and serve as a major engine for promoting innovation, accomplishing business ideas, and transforming economic structures” (Adusei, 2016, p. 201). Entrepreneurs can create value from practically nothing and are able to identify (social) needs and act on these needs (Adusei, 2016; Olatunji et al., 2016).

For this paper we consider entrepreneurship to be the coordination of resources and capabilities, creation of new enterprise or organization, and innovation.

However, just considering entrepreneurship as being a way towards future development and growth for underdeveloped countries is insufficient. African countries have had a high rate of Total Entrepreneurship Activity (TEA) in the data of the Global Entrepreneurship Monitor (GEM) (Balunywa et al., 2012; GEM, n.d.). This high rate of TEA has been present and has been higher than in more developed countries since the GEM started measuring it in 2001, remaining more or less constant over time. This should then point to the fact that mere high entrepreneurial activity in countries is not the silver bullet for economic growth. In addition, it has to be mentioned that economic growth does not equate economic development. Whereas economic growth indicates an increase in average income or output per capita, it does not automatically result in the improvement in any of the measures for quality of life. In African countries it is more often the case that the growth only benefits the elite. This is mostly related to an increase in the extraction of natural resources and corruption (Abdurazokzoda, 2014; Pettinger, 2018). Just like the fact that financial support and/or aid is most of the time not the way towards economic sustainability and/or development (Moyo, 2009), the same counts for entrepreneurship (Chrysostome, 2019).

Instead, literature points towards the significance for economic development of action and entrepreneurship that are initiated from within and that affect/serve local communities (Bruton, 1979, 1985). Moreover, the literature talks also about the importance of locally initiated entrepreneurship action for affecting local communities on more profound aspects, often social or environmental, in addition to serving economic purposes.

This type of entrepreneurship is also known as grassroots entrepreneurship. It goes beyond the concept of entrepreneurship that serves only economic aspects. As the name already indicates it focuses on operation at the grassroots or BOP (Burra et al., 2003; Mohamad et al., 2012; Pansera & Sarkar, 2016), the poorer people in society (Hossain, 2018a, 2018b). The entrepreneurs themselves do not need to come from this context but their entrepreneurial actions are in the grassroots milieu. The focus of grassroots entrepreneurship is therefore local (Beresford, 2020; Bjerregaard & Lauring, 2012; Broehl, 1978). Because the focus is local this may also often imply a small scale of operation, however, this need not be the case and there is still potential to grow into a large company/organization while still maintaining a local focus. Grassroots entrepreneurs stand stronger in their local and community focus because they often possess relevant traditional knowledge and know-how. Even though they often lack formal education they are well-suited to understand and act on the specific needs of the local community

(Cozzens & Sutz, 2014; Kroesen et al., 2020; Pansera & Sarkar, 2016; Siebeling & Romijn, 2008a). Grassroots entrepreneurs have an ability to positively affect those at the BOP, through this they can contribute significantly to social development in their local communities but also in the country or region (Berner et al., 2012; Chrysostome, 2019; Cozzens & Sutz, 2014; Hossain, 2018b; Siebeling & Romijn, 2008b).

A lot of the literature about development signifies a need for exactly these kinds of bottom-up projects and initiatives that focus on local development and assist local communities. Or as Wieczorek (2018) states it:

“... experience shows that interventions are most powerful when initiated ‘from within’ and demand driven. The emerging sustainability experiments initiated by local actors but informed by international developments, are a great example of such dynamics that might be built upon. Additionally, they give a promise of different, more sustainable development pathways. In that light, international organizations might need to reconsider the ways they provide support to developing countries and how they design ‘projects’: away from interventions isolated in space and time and involving selected actors, towards stimulating social entrepreneurship, supporting the creation of new business models and assisting local actors in setting up projects that meet their own needs.” (Wieczorek, 2018, p. 212).

Beyond the fact that grassroots entrepreneurship is bottom-up there are certain other aspects of grassroots entrepreneurship that are relevant to change agency and transition. One aspect often reoccurring in the literature is that grassroots entrepreneurs are “socially inclusive towards the local communities” (Pansera & Sarkar, 2016, p. 2) and trying to improve or change the communities’ social relations and interaction and solving problems at the grassroots (Beresford, 2020; Hossain, 2018a). Most of all their approach to entrepreneurship is not a western capitalist one but, besides the goal of legacy building and wealth creation, they are concerned with social transformation and empowerment, trying to serve underserved customers (Beresford, 2020; Burra et al., 2003; Hossain, 2018a).

Grassroots entrepreneurs also take social risk by ‘being different’ (Olatunji et al., 2016). They are different because they try to alter social relations, or cultural aspects, and affect change and try introducing new products or services or methods of organization or changing societal perception or behavior (Alvord et al., 2004).

Navigating different values, being different, and changing social relations is viewed as a method to change old regimes and/or institutions or establish brand new regimes/institutions. This isn’t usually accomplished easily, requiring careful navigation between different institutional logics and social rules or relations (Beresford, 2020; Bjerregaard & Luring, 2012; Kroesen et al., 2020). Innovation can be a very relevant aspect for socio-economic transformation and poverty alleviation when practiced at the grassroots. Examples of successful development in which innovation by grassroots entrepreneurs played a substantial role are countries like South Korea, Singapore, Taiwan, Japan, Vietnam, and Malaysia (Chrysostome, 2019; Park & Johnston, 1995; Wade, 1988).

Technological innovation often constitutes a considerable challenge for grassroots entrepreneurs because there is often a lack of education, training, capital, or a combination of the three (Kabecha, 1999). This is why many grassroots entrepreneurs engage in so-called ‘frugal innovation’. This phenomenon is especially relevant at the grassroots since it relies on local, traditional knowledge and a limited availability of resources (Arocena, 2019; Gupta, 2012; Hossain, 2018b; Pansera, 2013). As Albert (2019) defines it:

“Summing up, frugal innovation is mostly understood as a new solution, usually a product, which is generated through a new rethought process (compared to conventional innovation processes). Frugal innovation can be characterized by substantial cost reduction, concentration on core functionalities, and optimized performance level (Weyrauch and Herstatt, 2016a,b). Initiators can range from big

multinational corporations to individuals and grassroots entrepreneurs. The market context is always an emerging one” (Albert, 2019, p. 4).

There is quite a lot of research in the area of frugal innovation. However, this paper will only consider it insofar it concerns a possible aspect of grassroots entrepreneurship. The issue of frugality and innovation in the resource-constrained context of the grassroots is important but the term is currently used in a wide array of applications. Not all these applications are relevant for our consideration of a process initiated from within that affects mostly social development. Frugal innovation, especially that driven by big corporations can still be at the expense of the poor and weaker people, mainly benefiting the corporations, leaving little benefit and growth for the local communities (Bähre, 2012; Da Costa, 2013; Meagher, 2018). This is not the type of frugal innovation that is used as “a source of empowerment for informal actors (which) means according them real influence over innovation processes and the distribution of gains across profits, wages and pricing at the BoP” (Meagher, 2018, p. 15).

Entrepreneurs are individuals who are able to recognize these opportunities for local socially sustainable development. However, it would be a mistake to view grassroots entrepreneurship only as consisting of opportunity recognition. Many grassroots entrepreneurs in developing and low-income countries, although providing opportunities, started out of a dire need or necessity (GEM, n.d.). However, it should be noted that some low-income countries are seeing an increase in opportunity entrepreneurship relative to necessity entrepreneurship (Balunywa et al., 2012). Necessity entrepreneurship is something that is often triggered by a need for survival and securing additional income (Edoho, 2015a; Patzelt & Shepherd, 2011). Certain experts therefore argue to focus on opportunity entrepreneurship. They argue opportunity entrepreneurship is more often growth-oriented, more innovative and creative, creates more jobs, and is more promising for poverty alleviation. But other experts argue that necessity entrepreneurship can also be very innovative, that it is equally correlated to economic growth, and that necessity entrepreneurs can grow their business into an opportunity or growth based business or start a new business based on opportunities perceived (Achtenhagen & Brundin, 2016; Balunywa et al., 2012; Berner et al., 2012). Besides, there is increasing critique in academic circles on the simple distinction made between necessity and opportunity-based entrepreneurship. Certain authors argue that motives are often too complex and interrelated to easily group them in one of the two categories (Balunywa et al., 2012; Rosa et al., 2006; Smallbone & Welter, 2003; Williams et al., 2009). Therefore, this thesis aligns with the view that it is crucial to not only focus on and search for opportunity-based entrepreneurship. Even in necessity-based grassroots entrepreneurship, there lies potential for change agency and transition. Besides that, ignoring a significant part of the grassroots entrepreneurs for the sake of focusing on opportunity-based entrepreneurs because of their growth potential, may actually hamper further social development. This is due to the fact that necessity-based entrepreneurship is currently crucial for income security for many, helping to make ends meet and preventing them from “slipping deeper into poverty” (Berner et al., 2012, p. 390; Junne, 2018).

A final aspect of grassroots entrepreneurship that is mentioned in the literature is the presence of an environmental inclination. Certain grassroots entrepreneurs may also have a goal to provide environmentally sustainable solutions and/or introduce environmental-friendly interventions (Gibbs, 2006; Pansera & Sarkar, 2016; Pastakia, 1998; Patzelt & Shepherd, 2011; Woolthuis, 2010).

3.2 Successful business models & strategies of grassroots entrepreneurs

Grassroots entrepreneurs can employ different strategies to try and be successful. “Successful” can mean many different things in this context, ranging from surviving as an enterprise, achieving growth, and/or achieving change. One aspect often mentioned is the relevance of innovation. Here frugal innovation plays an important role. These aspects additionally to appropriate application by grassroots entrepreneurs have already been mentioned but their relevance for a successful business are none the less important to note. Aspects that were not yet mentioned but were also encountered in the literature as contributing to business success or survival are: engagement in search & learning, growth orientation,

stakeholder involvement, cooperation, promotion, legitimacy generation, and formality or informality of operation.

Search & learning indicates an active and conscious approach by the entrepreneur. It includes searching for solutions to problems and opportunities and learning from others how they tackle similar problems, this often involves learning by doing (Arocena, 2019; Cozzens & Sutz, 2014; Hossain, 2018a; Pansera & Sarkar, 2016; Siebeling & Romijn, 2008a, 2008b). This process allows one to enhance one's competencies and capability development. This learning and capability building is very relevant for further development of the business and of the grassroots entrepreneur. Beyond this, it can also result in further capability building and development in the community, in the area, and/or in the system (Arocena, 2019; Cozzens & Sutz, 2014; Siebeling & Romijn, 2008a, 2008b). This effect can happen because in the process of search and learning not only the entrepreneur learns but other stakeholders learn as well, which allows them to develop new capabilities (Cozzens & Sutz, 2014; Siebeling & Romijn, 2008a).

Growth-oriented entrepreneurs show a capability to create employment for others and acquire and/or increase capital (Berner et al., 2012). Growth orientation is quite often considered in policy and focus for targeting the businesses with the highest potential and that are growth-oriented for economic support (Edoho, 2015a). But one should be careful, because, as previously mentioned, the lines between necessity and opportunity/growth orientation are blurred and both can contribute to development (Edoho, 2015b). Growth orientation and focus can be very difficult to achieve or maintain in certain contexts. An example is certain African cultures, where it is difficult to accumulate capital or invest it in the business due to cultural expectations that one "invests" more in family or the community (Kroesen, personal interview, May 1, 2020). Investment in this sense is and can be very important to further development too. Therefore, it should not be ignored but instead promoted because it can have an increasing impact. Also, growth orientation is not necessarily present from the start, it can be something that arises after having achieved a positive impact on a small scale, or after having learned or developed new capabilities through previous search and learning. Besides, the growth orientation should still be in line with certain cultural expectations or at least carefully navigate these, otherwise, it can either result in exploitation or failure due to too much backlash from the community.

The inclusion of stakeholders is also important, in order to ensure inclusivity and to better tackle complex social and/or environmental problems (Hossain, 2018b; Pansera & Sarkar, 2016). It could also benefit the search and learning and it allows to better fulfill, or act on, the needs of people (Hossain, 2018b). Involvement of stakeholders can also allow for capability building beyond that of the entrepreneur (Cozzens & Sutz, 2014). Moreover, it allows to bridge certain missing capacities or capabilities of the entrepreneur (Alvord et al., 2004). Additionally, it can allow to bridge different visions and expectations to develop a shared vision (Alvord et al., 2004), which can allow for greater cooperation (Alvord et al., 2004; Cozzens & Sutz, 2014; Hossain, 2018a; Powell, 1991; Siebeling & Romijn, 2008a, 2008b), impact (Cozzens & Sutz, 2014; Pansera & Sarkar, 2016; Siebeling & Romijn, 2008a), and legitimacy (Alvord et al., 2004; Chrysostome, 2019; Pansera & Sarkar, 2016; Pastakia, 1998).

3.3 Personal traits & motivation of grassroots entrepreneurs

Personal traits and motivations are also relevant aspects of grassroots entrepreneurs to take account of, especially when considering their change agency and developmental impact. To achieve change or have an impact on social development grassroots entrepreneurs often face challenges, and success can take a lot of time. Traits and motivations can be very important driving factors of success in overcoming challenges. In terms of motivation, a strong sense of commitment is often noted in the literature (Achtenhagen, 2016; Beresford, 2020; Cozzens & Sutz, 2014; Patzelt & Shepherd, 2011; Siebeling & Romijn, 2008b). Commitment is especially relevant when it comes to dealing with time-consuming processes and setbacks. Not only can this ensure continuation and perseverance, it can also encourage

participation and cooperation and inspire others (Siebeling & Romijn, 2008a). This commitment is strongly linked to social motivation. As discussed earlier grassroots entrepreneurs often have a social inclination. This inclination stems often from a social motivation. Similar to commitment, social motivation is often linked to success. A social motivation can act both as a driving force and as a guide for prioritization. A strong social motivation can also encourage others to participate and cooperate for a common goal and motivate them to continue cooperating (Achtenhagen & Brundin, 2016; Beresford, 2020; Cozzens & Sutz, 2014; Gibbs, 2006; Siebeling & Romijn, 2008a, 2008b; Woolthuis, 2010).

Different personal traits are mentioned in the literature. However, their perceived importance or relevance to achieving success or having an impact is mixed. For example, a certain level of education and/or training is deemed important by certain authors (Achtenhagen & Brundin, 2016; Kabecha, 1999; Park & Johnston, 1995). On top of that, a lot of literature on social, economic, and sustainable development stresses the importance of education for further development. However, the literature also shows cases of people with little formal education that can have a tremendous impact on development (Hossain, 2018a, 2018b; Pansera & Sarkar, 2016). Education seems to be relevant but not necessary, however, it can be very important especially for the diffusion of change (Hossain, 2018b). Another example is that of experience. While some state the importance of this factor (Achtenhagen & Brundin, 2016; Kabecha, 1999), cases show that the inexperienced can also achieve great things and should not be underestimated (Siebeling & Romijn, 2008a). Other traits mentioned are: having a long term vision (Gibbs, 2006; Powell, 1991; Woolthuis, 2010), possessing a strong social network or social capital (Achtenhagen & Brundin, 2016), a technological involvement or understanding (Hossain, 2018a), status (Beresford, 2020), and finally being able to understand and work across cultural boundaries (Achtenhagen & Brundin, 2016; Alvord et al., 2004).

3.4 Grassroots entrepreneurs as change agents

As previously discussed grassroots entrepreneurs have a potential to effect change and/or transition, the ability to effect positive change is even deemed to be an important quality of an entrepreneur (Schumpeter, 1959). The way in which grassroots entrepreneurs can contribute to development and/or transition of a country is through their agency. For the future transition it is important to encourage this aspect of change agency in grassroots entrepreneurs. Using change agency, entrepreneurs need to navigate or maneuver between different logics, rules, cultures, institutions, and more, exploiting gaps and changing the rules for their own and others' benefit (Bjerregaard & Lauring, 2012; Kroesen et al., 2020).

Change agents are actors, they can be individuals, groups or communities, or a coalition that drives and pushes for change. They often initiate a process of change, this can be technical change, social change, institutional change, or a combination. This process of change in these areas is what can achieve transformation of a regime that defines how society fulfills a major social need and foster social or socio-technical development. It is a purposive action by change agents to effect change and often involves disrupting institutions, cultural and normative values, and/or relations, but it also often requires the creation of new ones and maintaining others (Chrysostome, 2019; Hoogstraaten et al., 2020). This again requires purposive action by the agents to balance certain aspects and navigate between what can and what cannot be done in the local context to achieve the desired change successfully (Ramos-Mejía & Balanzo, 2018). Grassroots entrepreneurs act as change agents "by establishing a different way of thinking and acting that modifies existing paradigms prompting deep social and institutional change" (Ramos-Mejía & Balanzo, 2018, p. 2). Through actions like mobilizing or creating demand (Burra et al., 2003; Chrysostome, 2019; Hossain, 2018b; Pastakia, 1998; Powell, 1991; Siebeling & Romijn, 2008b), innovating (Arocena, 2019; Gupta, 2012; Hossain, 2018a, 2018b; Pansera & Sarkar, 2016; Siebeling & Romijn, 2008b), challenging of the "system" and the established rules (Alvord et al., 2004; Amankwah-Amoah et al., 2018; Beresford, 2020; Broehl, 1978; Edoho, 2015a; Gibbs, 2006; Kroesen et al., 2020; Woolthuis, 2010), alteration of social relations or culture (Arocena, 2019; Burra et al., 2003; Chrysostome, 2019; Gupta, 2012), and community development & capacity building (Alvord et al.,

2004; Broehl, 1978; Chrysostome, 2019; Pansera, 2013; Patzelt & Shepherd, 2011) grassroots entrepreneurs often push for this change. Especially in the context of Sub-Saharan Africa it seems entrepreneurship is often undertaken to establish new rules and “systems”, building a new legacy for the country, and provide more power to the marginalized (Beresford, 2020).

Change can be very difficult to achieve due to inertia and resistance to change often present. However what entrepreneurs are good at is creating demand, and that can also be creating demand for change. Profound change can be achieved through the creation of a movement. The creation of a movement requires that the agent mobilizes and brings together others. Grassroots entrepreneurs are able to network and create effective collaborations. Due to their grassroots and entrepreneurial nature, they are well suited to connect relevant stakeholders and involve them in the process, and in their understanding of the context they can make more appropriate decisions in this process of mobilization.

3.5 Entrepreneurial change agency: insights from transition theory

Transition theory helps to analyze causes and drivers of stability and change in different areas or systems and helps in the understanding of the nature and direction of change processes and their interplay, in the direction of sustainability. The perspective allows to look at specific levels of change and at the role of game-changers in the transformation process. It also allows to look at grassroots entrepreneurs as possible game changers, trying to (de)stabilize and/or change parts of the system to achieve a transformation through specific actions. Especially in the past few years change agency has been receiving increasingly more attention in transition theory. This thesis, looking at the influence of actors, specifically grassroots entrepreneurs, will focus on their agency and how they change or create institutions, culture, technology and create pressure for change and transition. This perspective allows to analyze the internal dynamics of socio-technical systems, and how innovators or entrepreneurs (need to) change institutions during transitions or contribute to transitions (Fuenfschilling & Truffer, 2016; Hoogstraaten et al., 2020). Results may indicate the importance of grassroots entrepreneurs as actors and their agency in transition processes and the value of these grassroots entrepreneurs in the global social development effort.

Transition theory encompasses different models or perspectives on transition. One model is the Multilevel Perspective (MLP), which consists of three levels of structuration. The three levels are regimes, landscape, and niches. The regime consists of the established practices and rules within the system often resistant to change due to certain inertia. The landscape consists of exogenous factors, beyond the influence of actors at the regime and niche levels. It is often a regime-stabilizing factor since it is often quite stable itself, but changes in the landscape can result in strong pressure for change in the regime. Finally, niches are potential alternatives for the regime, this is where experimentation and novelty take place. Transformation in the MLP occurs due to instability in the regime, caused by pressure from niches, the landscape, and/or internal inconsistencies emerging from within the regime. A factor at play here is change agents that drive the transformation by trying to exert pressure and ensuring that different pressures reinforce each other (Wieczorek, 2018).

Another model in transition theory is that of Strategic Niche Management (SNM). It uses the three levels in the MLP as its conceptual basis but it has a more pronounced actor or agency approach, looking at actions to upscale niches and create pressure for change or transition towards the regime. Actions include: Shielding, nurturing, and empowerment. Additionally, learning, networking, and alignment of expectations are important aspects of nurturing (Smith & Raven, 2012).

A third perspective is that of Transition Management. It is a governance-based approach focused on how different forms of governance can influence change in the long-term. The focus is more on analyzing and managing change processes. It argues for strategic action and to “mobilize, guide, and accelerate social innovation” (Loorbach, 2010, p. 163).

The final framework of transition theory that is considered is the Technological Innovation System (TIS) framework. TIS considers the development of new technologies and the conditions that influence their development. It looks at the actors involved and their interactions and relationships additionally to technology and information flow. TIS analysis involves looking at structural components, which are actors, networks, and institutions, and the interaction and processes between these components called functions. “The TIS framework is a suitable approach for exploring how entrepreneurs can stimulate sustainability transition, for three reasons: First, the TIS framework is concerned with emerging environmental technologies ... Second, the analysis can be conducted during the formative phase ... Finally, the approach has been empirically proven to be a valid framework to analyze processes of technological change” (Planko et al., 2017, p. 616). Planko et al (2017) describe seven key processes relevant for entrepreneurs. These key processes are: entrepreneurial experimentation, knowledge development, knowledge diffusion, guidance of search, market formation, resource mobilization, and creation of legitimacy.

In summary, the following terms and perspectives from transition theory were deemed to be most relevant and will be applied to guide the empirical analysis of change agency:

Applied perspectives	Overarching topic
Mobilizing of social innovation, resource mobilization, knowledge diffusion, alignment of expectations, learning, networking, shielding	Mobilization
Exerting pressure on the regime, accelerating social innovation, market formation, knowledge diffusion	Challenging the regime
Creation of legitimacy, empowerment, guiding social innovation	Social development & legitimation
Experimentation and novelty, knowledge development	Technology & innovation

Table 1: Transition perspectives

Thus for the empirical analysis of change agency by grassroots entrepreneurs four overarching topics will be the central focus. These are: Mobilization, Challenging the regime, Social development & legitimation, and Technology & Innovation. These are visualized in Figure 1.

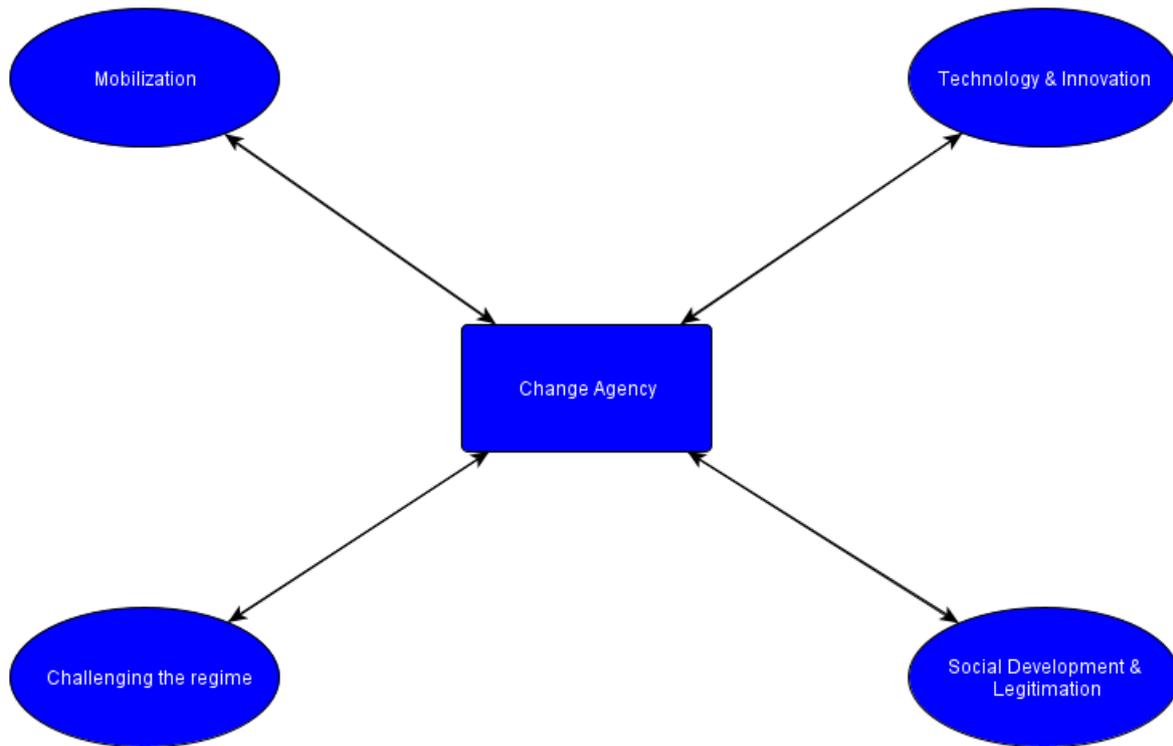


Figure 1: Topics of change agency

As this chapter has discussed, grassroots entrepreneurship is considered to often be initiated from within. The focus of operation is at the grassroots or BOP and the operation is often also small scale in nature. The grassroots entrepreneurs tend to have a strong community and socially inclusive focus and can positively affect those around them at the BOP because of that. They can be innovative and engage in frugal innovation. In terms of strategies their business model often consists of some of the following aspects: engaging in search & learning, involvement of stakeholders, cooperation, and generation of legitimacy. Besides that they can also showcase different traits and motivations. These traits and motivations can be important driving factors for the entrepreneurs to start, proceed, overcome challenges, and achieve change. The most relevant traits and motivations are commitment, strong social motivations, and sometimes a relevant education can be of relevance as well although this is debatable. Furthermore this paper described the aspects of change agency and that change agents are actors that that purposefully try to imitate a process of change. The actions of these agents involve disrupting, creating, and maintaining different institutions, norms, rules, values and relations. The actions require careful navigating and balancing to be able to gain support, and create movement and pressure for change. Grassroots entrepreneurs seem to be well suited to create demand for change, connect the relevant stakeholders, and make appropriate decisions in the relevant context. Finally this chapter discussed that theory points to different aspects of grassroots entrepreneurship which allow grassroots entrepreneurs to take on the roles of change agents. Four overarching topics have been indicated in Figure 1 which will be used to further explore how grassroots entrepreneurs can influence transformations through change agency.

Chapter 4: Empirical insights from literature

Chapter 3 described what grassroots entrepreneurship means, what change agency includes and means, theoretical perspectives on transitions and transformations of relevance, and aspects of social, economic, and environmental development. With the understanding of these aspects now it can be explored what role grassroots entrepreneurs have as change agents in development according to the empirical literature on the subject. Here the relevant perspectives of transition theories will be used as a lens along with additional relevant or related insight discovered in the literature.

First, this chapter will explore the nature of grassroots entrepreneurship in practice in section 4.1. After that, different dimensions of agency found to be present in cases will be explored in section 4.2. Next, the transitional and transformational aspects will be discussed in section 4.3. In section 4.4 contributions of grassroots entrepreneurship to sustainable development will be discussed.

4.1 Grassroots entrepreneurship in practice

Cases in the literature show that grassroots entrepreneurs, through their local and (often) small scale nature, are much more able to provide “appropriate, socially acceptable, and environmentally sustainable solutions”(Pansera & Sarkar, 2016, pp. 3–4). Many grassroots entrepreneurs mentioned in the literature have seen or experienced the problems first hand and through their entrepreneurship recognize opportunities to tackle them (Burra et al., 2003; Cozzens & Sutz, 2014; Hossain, 2018a, 2018b; Mohamad et al., 2012; Pastakia, 1998; Siebeling & Romijn, 2008b, 2008a). Having experienced the problems faced by the local communities their goals and approaches result in a highly socially motivated and also a socially operated kind of entrepreneurship. As described in the previous chapter this approach makes them very socially inclusive. The enterprises and goals are more often motivated by a desire to transform the local community. A great example of grassroots entrepreneurship being much more than just about profit and technology is given in the research by Beresford (2020) of entrepreneurs in South African slums:

“Entrepreneurship is not undertaken as a “technology of self” but rather is viewed as a mechanism for building legacies with the goal of establishing new distributional regimes—ones in which Black South Africans are attempting to take back economic positions of power and use market relations to support their networks and communities in more just and equitable ways. As Ntando told me one afternoon, becoming an entrepreneur is about “the bigger picture” and, “the bigger picture is not now. It’s five, it’s ten, twenty, thirty, forty, fifty, a hundred years later. That’s what we are looking at. We are trying to build for our great, great, great grandchildren” (cited from interview conducted by Beresford, May 11, 2016). Much in the same way that previous generations sought to establish legacies of wealth that supported their communities, this new generation of entrepreneurs views entrepreneurship as a distinctly social role” (Beresford, 2020, p. 75). The fact that grassroots entrepreneurs often have a social inclination doesn’t mean that there is no economic motive or that the social motive gets priority over the economic motive. There is still a capitalist or profit motive present. Their form however is more hybrid, mixing “firstly identities traditionally associated with either the business or nonprofit world and furthermore organizational forms from both these contexts” (Achtenhagen & Brundin, 2016, p. 111; Beresford, 2020). It is that their social nature allows for more inclusive approaches that can generate greater benefits than just profit (Arocena, 2019; Gupta, 2012; Pansera & Sarkar, 2016). And their social approach turns out to be very relevant for the diffusion of behavioral and cultural change, which needs to precede any technical change in order for a transition to become successful (Pastakia, 1998).

In the previous chapter it was also indicated that in order to achieve transformative change, grassroots entrepreneurs need to be different from the local context as well. This ‘being different’ from the local context is what Kroesen (2020) describes as navigating two systems; System I and System II. Where “System I is characterized by traditional values like lifelong solidarity, loyalty, obedience to authority, synchronic behavior, closed in-groups, System II is characterized by values like initiative, planning, individualism, teamwork, etc.” (Kroesen et al., 2020, p. 14). The two-systems perspective has been

developed in the context of Sub Saharan African countries but is for the most part applicable to many different contexts of the Global South. Certain value attributes needed for successful entrepreneurship but also for social sustainability may not be present in the local system (System I). Entrepreneurs need to be different and apply certain aspects from System II for successful growth and/or change. In this introduction of something new and creation or alteration of structures lies the entrepreneurial aspect of innovation and a need to “act as a broker between the opposing logics” (Bjerregaard & Luring, 2012, p. 36). Through innovation, and being different from established business practices, new opportunities are created. New opportunities for economic development and capacity building, but also for social development in the case of grassroots entrepreneurs (Olatunji et al., 2016). Cases in the literature showcase that grassroots entrepreneurship is a promising approach to “create innovative solutions to immediate social problems” (Alvord et al., 2004, p. 262), and empower those at the BOP. Examples of grassroots entrepreneurship producing innovative solutions will be discussed in section 4.2.4 Technology and innovation.

Through innovativeness, business-minded behavior, appropriate application, and social motivation grassroots entrepreneurs can create new value or add value to existing resources. As Edoho (2015b) states “there is no such thing as a resource until man finds use and therefore endows it with economic value” (Edoho, 2015b). Especially in Africa, endowed with a lot of natural and human resources, a key challenge is adding value to these resources through entrepreneurship (Chrysostome, 2019; Edoho, 2015b). An important role here, especially in developing economies, is “in creating higher socioeconomic values at the grassroots level” (Chrysostome, 2019, p. 127). Perceiving the problems at the grassroots, grassroots entrepreneurs are more likely to recognize appropriate (business) solutions, to act on these and create or add new value. Additionally, due to their stronger reliance on their natural environment for income generation, they are able to understand the importance of ecological preservation/action having experienced the problems of environmental degradation first hand (Patzelt & Shepherd, 2011). However certain authors are critical on the question whether grassroots entrepreneurs have a positive effect on sustainability and point to cases where most positive environmental effects are more due to spillovers than to focused effort by grassroots entrepreneurs. Grassroots entrepreneurs, in these cases, often focus more on economic and social sustainability than environmental sustainability (Albert, 2019; Rosca et al., 2017; Wohlfart et al., 2016). Sometimes environmental development occurs at the cost of social or economic sustainability in these cases. Additionally, focusing on environmental sustainability sometimes is too much of a luxury for these grassroots entrepreneurs. However, in grassroots entrepreneurship the motivations for social development and environmental development can easily overlap due to a stronger interlinkage between the aims in poor communities (Achtenhagen & Brundin, 2016; Pastakia, 1998). Environmental development may be crucial to achieve social development in certain cases or vice versa. The issue of the environmental, economic, and social sustainability objectives of grassroots entrepreneurship will be discussed a bit more in detail later in paragraph 4.4.

4.2 Change agency

Incidences of grassroots entrepreneurs contributing to transformational aspects of change agency are frequently encountered in the literature. These aspects of change agency in the literature are closely intertwined with the perspectives of transition literature mentioned in the previous chapter and summarized in Table 1. These perspectives often require or implicate active involvement of actors (agents); these will be discussed below. The first action-topic that is present among grassroots entrepreneurs that contributes to a transformation is the creation of a movement. This is mostly closely related to mobilization and acceleration. The second action-topic is challenging and/or changing the regime. This is mostly related to the exertion of pressure on the regime. Third, are the actions that influence change on social and cultural aspects through social development and legitimation. Fourth are actions related to technology and innovation. As a fifth topic in this section, actions by other relevant change agents will be discussed who are not strictly speaking social entrepreneurs but who do act in similar ways.

4.2.1 Mobilization

The first aspect to be discussed is mobilization and the creation of a movement or generation of a momentum and force for change. This aspect of movement creation is crucial for grassroots entrepreneurship to achieve change. Especially with such a bottom-up approach, there is little power or influence coming from the top-down. The power at the grassroots is more dispersed and often the people at that level have less power because they are unorganized and may lack the education and other resources. Additionally, in a developing context diffusion of innovations and change is often slow (Kroesen, personal interview, May 1, 2020). Yet, grassroots power can be especially important in the context of developing countries (Wieczorek, 2018). Therefore, grassroots entrepreneurs often engage in the creation of a movement as a force for change. This involves mobilizing political, financial support, and expertise. (Chrysostome, 2019; Mara J. van Welie & Romijn, 2018). However, as these are important especially for growth and impact on a somewhat larger scale, mobilization of local popular support and local mindset transformation is much more important for an initial impact. Here there is a need for local cooperation so as to achieve an appropriate and effective impact. In this mobilization also lies empowerment or strategic usage of power. By encouraging commitment and building of capacities or enabling/using untapped capacities of people grassroots entrepreneurs show a capability of effecting empowerment and mobilization. Mobilization is closely related to the social aspect of entrepreneurship and successful mobilization likely requires socially responsible entrepreneurship. This is addressed by Kroesen et al. (2020) stating that: “For those reasons entrepreneurship in developing economies as a rule cannot be implemented otherwise than as socially responsible entrepreneurship. That means: Enterprises cannot avoid to create a social environment that is conducive to their functioning themselves” (Kroesen et al., 2020, p. 171).

Through the establishment of new relationships and collaborations, a new grassroots impulse can be seen to be taking place in many examples. This impulse often involves a change in mindset, culture, and capabilities by challenging all who are involved to collectively steer towards this new path, while simultaneously demanding for change by others, using the collective power of this exact impulse. Not only does a grassroots impulse allow for change and transformation for all who are involved and push for further transformation, the bottom-up approach adds a more appropriate nature to it. The bottom-up style of management of grassroots entrepreneurs is much more in line with local needs but is also better at recognizing local potential, capabilities, and needs which allows to mobilize local popular support, ownership, and commitment more easily. A call for activating exactly this capability of grassroots entrepreneurs is nicely indicated in the following citation which states that:

“The management of transitions in the developing world would improve if the relevant decisions were made by local social actors, rather than at headquarters in capital cities” (Wieczorek, 2018, p. 207).

And just as is being increasingly recognized there is no silver bullet i.e. one approach which works in one village will not necessarily have the same success in the next village. Therefore, many different local grassroots projects where decisions are made locally and that are initiated from within can have a much greater impact than larger centrally organized projects. Grassroots entrepreneurs show to be relevant initiators and local “managers”.

Part of the process in mobilization often used by grassroots entrepreneurs is the development of a shared vision (Mara J. van Welie & Romijn, 2018). Through this process other aspects like ownership and commitment can be better encouraged or ensured. By having a shared vision, the entrepreneurs ensure that people stay motivated and are willing to cooperate because they feel that they can benefit from it and it is in line with their expectations of the future. Important for successful mobilization is to develop a vision that is win-win. Unlike for larger corporations, who are able to ensure their interests through money and power, for grassroots entrepreneurs “only socially responsible entrepreneurship offers a way forward” (Kroesen et al., 2020, p. 171). Thus, most important criteria are non-financial ones that mostly concern the community. Consideration of cultural aspects is important here, mostly for the

encouragement of collaboration, mobilization, building bridges, and building trust. As long as the challenge for change is one motivated by community challenges and established in the local culture, profound changes and diversion from usual practices can find support from local participants. Here grassroots entrepreneurs show that their goals are often motivated by exactly these community challenges, having often experienced these challenges at first hand. Because grassroots entrepreneurs who act as change agents are motivated by these challenges their vision goes beyond that of creating wealth towards legacy building, taking the future into their own hands (and into that of the community), and enabling a social transformation that empowers and supports those of the community, building bridges between the old system, focused around solidarity and traditional relations, and a new system more towards equal access and collaboration (Broehl, 1978; Kroesen et al., 2020). This vision of transformation and empowerment mobilizes and motivates those that rely on and need this. It also encourages them, as one example of a grassroots entrepreneur can inspire many others to do the same. By taking (back) power themselves, grassroots entrepreneurs show others that they could do the same.

This mobilization often is performed in steps, where institutionalization or implementation of a project can showcase potential and link new people to the idea and to the movement.

A great example of mobilization is the case of community-managed toilet blocks in India. Here a bottom-up grassroots movement from local community members together with an NGO (Non-Governmental Organization) started an initiative for community-managed toilet blocks in a slum, to provide safe and healthy access to sanitation. Those community members acted as grassroots entrepreneurs, championing the design, building, and management of the toilet blocks. As Burra et al. (2003) describe they successfully managed to mobilize the community to participate but also local government agencies to support and accept the project. Through their success they showcased that local communities are willing and able to design, build and manage these toilet blocks, and even lead the entire project, to other communities and to government actors. And such a case allows for even further mobilization and capability building. Because "...each new toilet that is built is better than the last one. With the widespread dissemination of experiences, each time it gets easier and smoother, the 'circle of preparation' shrinks, and the number of people able and willing to get things done grows considerably. Each time a toilet block is built, it is also cause for a festival to celebrate its opening, and each festival draws a larger crowd. The ability of the Federation/Mahila Milan network to link people and help them take control makes this whole process possible" (Burra et al., 2003, pp. 27–28). A similar story about mobilization and bottom-up organization is recounted by Cherunya (2019) involving informal grassroots movements in informal slum areas in Nairobi.

All cases in the literature indicate that grassroots entrepreneurs do showcase an ability at: mobilizing a potential to address their needs (Beresford, 2020) and articulate own interests (Meagher, 2018), mobilizing actors and communities, mobilizing resources and expertise, mobilizing people to pursue their own interests, lobbying for political and popular power, inspiring others to participate, follow, or lead, mobilizing ownership and commitment, creating networks of cooperation, and last but not least creating demand for change and/or alternatives (Alvord et al., 2004; Bjerregaard & Luring, 2012; Broehl, 1978; Chrysostome, 2019; Kroesen et al., 2020; Pastakia, 1998; Siebeling & Romijn, 2008b, 2008a; Mara J. van Welie & Romijn, 2018)

4.2.2 Challenging the regime

Challenging the regime is closely related to mobilizing and movement creation. Mostly because to be able to successfully challenge the regime one needs to generate sufficient force and pressure for change. In a large part, this lies in ways of changing institutions, regimes, or systems. This does not only lie in changing social or cultural aspects, which will be discussed later on, but also in creating new business models, practices, etc. that are less dependent on and embody less unstable or unfair institutional conditions often present in developing-country contexts. This can be seen in examples like that of South African grassroots entrepreneurs in the slums, who try to assert a new economic order that breaks with

the current systems based on western and colonial aspects (Beresford, 2020). The goal for grassroots entrepreneurs who act as change agents is often to (re)develop the system so that there are fairer opportunities for them and their community whilst simultaneously creating growth opportunities. However, challenging the regime is difficult since a regime and the institutions are often embedded in local (and non-local) contexts. Especially in developing-country context there often are informal institutions which can have quite a lot of power. Challenging these institutions often requires the stabilization of certain institutions whilst changing others. This often also means dealing with contradictions but beyond that, it is often the effort of many different entrepreneurial actors (Bjerregaard & Luring, 2012).

Grassroots entrepreneurs can challenge and change regimes and systems by transforming traditional relationships. In the context of developing countries there is often a relationship, between politicians and people (being voters), of patrons and clients. In the old system projects etc. were 'gifted' by politicians. However, through grassroots entrepreneurship people begin to see certain things as a right instead of something like a gift. Beyond that through grassroots entrepreneurship ownership, management, and control changes more to the hands of those at the BOP, as they own the project and consult with others such as politicians and government representatives how they want to proceed and what they want for the community. When changes in institutions and systems can result in entrusting more responsibilities to actors at the BOP and local communities this can lead to many additional developmental benefits (Achtenhagen & Brundin, 2016; Burra et al., 2003). The socio-technical systems are altered through this change of ownership, management, and control. Through grassroots entrepreneurship these processes and relations are democratized, creating new opportunities but also more access to these opportunities for those at the BOP (Edoho, 2015a; Hossain, 2018b; Siebeling & Romijn, 2008a). Weaknesses and shortcomings in old institutions, regimes, systems, and/or relationships are exposed and better alternatives are shown by grassroots entrepreneurs as they try to fill the institutional voids (Chrysostome, 2019; Pansera & Sarkar, 2016). Grassroots entrepreneurs even try and tackle certain institutions which are still a leftover from colonial times (Beresford, 2020; Kroesen et al., 2020). But grassroots entrepreneurs do not want to change everything or break with everything. They recognize their abilities and their strengths and want to change the system in such a way so that local people can be able to better their own life. As a South African grassroots entrepreneur states:

““If we were to come and just topple what is already there, I think it will take the next 100 or 200, maybe 500 years to start over. We do not need to reinvent the wheel, we just need to pimp the wheel. ... If we could take what we have, and the lessons from our [Black South Africans'] past, and pimp the wheel, you know, and continue moving forward, things will be better for us” (interview, May 5, 2016)” (Beresford, 2020, p. 76).

Challenging the regime and changing institutions is not always easy. Grassroots entrepreneurs need to carefully consider when and how to break with certain practices, institutions, and even cultural behavior. Breaking away completely could result in too much backlash whereas changing too little might fail to tackle the problems that need to be changed (Broehl, 1978). This requires careful navigation between sometimes seemingly opposing logics of change of certain institutions/values and stabilization of others (Bjerregaard & Luring, 2012; Pansera & Sarkar, 2016). This is what Kroesen et al. (2020) describe as steering between System I and System II, as indicated in Chapter 3. Examples of navigating these values are grassroots entrepreneurs who try to motivate a change in practices using local religious values, or entrepreneurs in the slums who draw inspiration from stories of great western entrepreneurs on how to form their business while motivating their business with a focus on local development and empowerment. Grassroots entrepreneurs can introduce something new, and sometimes also conflicting, to the local context, building of the logics of a more modern system and trying to introduce it within the traditional system, creating formal structures within communities, changing attitudes, and changing access to donor and government resources (Burra et al., 2003; Kroesen et al., 2020). Grassroots entrepreneurs perform a sort of mediating role between society and business/operation, between local

traditional practices and more modern practices (business practices but also other) (Bjerregaard & Lauring, 2012; Broehl, 1978). Through dealing with different logics, mediating, navigating, and acting on the limitations of existing institutions grassroots entrepreneurs create their own opportunities and advantages (Bound & Thornton, 2012; Pansera & Sarkar, 2016).

Social pressure has always been a powerful and effective mechanism in developing countries, especially Africa. By acting on the weakness of institutions and navigating, mediating, etc., successful grassroots entrepreneurs exert pressure for change, partly through a competitive advantage and providing superior solutions (Broehl, 1978; Burra et al., 2003). By creating new successful dynamics grassroots entrepreneurs show they can become ““a major force in the overall transition towards a more sustainable business paradigm’ (Schaper 2002: 27), acting as ‘exemplary solutions for a social transformation’ (Isaak 1998: 88)” (Gibbs, 2006, p. 70). Additionally, by organizing the grassroots, such entrepreneurs show the ability to create a much more effective and influential force for change (Alvord et al., 2004), creating noise and being a stronger voice to address societal issues and advocating their grassroots solutions (Beresford, 2020).

4.2.3 Social development and legitimation

As previously mentioned, social inclination and motivation is strongly present within grassroots entrepreneurs as change agents. Factors of social and cultural change are then of course closely linked. The strongest connection with social change is community development by grassroots entrepreneurs. One part of community development by grassroots entrepreneurs is that as change agents they often strive to empower the local community and/or social minorities. They are able to strengthen part of the social, economic, and/or environmental integrity of the community (Achtenhagen & Brundin, 2016; Albert, 2019). Empowerment also involves entrusting and allocating more responsibilities to the community, which was previously discussed. This can contribute to profit generation in the community because complementary craft services and other services are needed and the local population’s purchasing power improves when these are supplied locally (Achtenhagen & Brundin, 2016).

A second way in which grassroots entrepreneurs show to contribute to community development is by enabling the community to solve their own problems by building their capacity. Examples of capacity building are: strengthening of organization, instituting community savings practices, conducting pilot projects, organizing exchanges with other communities, training, and encouraging participation in projects. Sometimes even the capacity is already present and through a project that builds on the capacity this can be showcased to government officials, organizations, and/or community members. Beyond allowing self-help and problem solving, capacity building allows for more effective resource usage, (better) endowment of economic value to resources, and more effective collaboration (Achtenhagen & Brundin, 2016; Albert, 2019; Alvord et al., 2004; Chrysostome, 2019; Edoho, 2015b; Opola et al., 2020; Pansera, 2013; Siebeling & Romijn, 2008b, 2008a).

A third way in which grassroots entrepreneurs foster community development is by democratizing parts of society through transformation of the local community, by allowing or enabling those at the BOP to benefit and/or participate in local development (Achtenhagen & Brundin, 2016; Burra et al., 2003; Pansera & Sarkar, 2016; Siebeling & Romijn, 2008a, 2008b). A great example of such community development in the case of grassroots entrepreneurship as change agency is the Siyabuswa Educational Improvement & Development Trust (SEIDET). The project involved democratic processes for the assigning of particular jobs and improvement and evolution of the program, continuously consulted with the stakeholders, encouraging of participation, and allowing of self-development of participants and stakeholders (Siebeling & Romijn, 2008a).

Another important mechanism to achieve social change by grassroots entrepreneurs is through leading and guiding people towards a ‘new context’. This means transferring and diffusing of (new) ideas and knowledge and providing access to new ideas by engaging in cultural innovation. This often requires balancing global and local cultural aspects, traditional and modern aspects, and western and local

aspects. This means bridging the divide between different practices and/or bridging between old systems and more modern systems and integrating existing rights, obligations, and cultural expectations into a new market economy. An example is a successful tobacco farmer in a small village in Malawi who “is still subordinating himself to traditional normative patterns of rights and obligations to add legitimacy to economic action” (Bjerregaard & Luring, 2012, p. 37) whilst simultaneously utilizing “the new opportunities of exchanging money for positions in the powerful institutions. Thereby, the Tobacco Man is trying to integrate market forces into the traditional hierarchy – and building a bridge between the traditional, social logic of rights and obligations requiring redistributions and the new logic of market exchange and accumulation” (Bjerregaard & Luring, 2012, p. 37). Grassroots entrepreneurs who work towards social change try to add legitimacy to their economic actions by navigating the traditional normative patterns of rights and obligations, that are often contradictory to the logic of private accumulation in a developing-country context. The bridging and navigating aimed at adding legitimacy is extremely important for grassroots entrepreneurs to be able to negotiate a space to be able to develop further and allow for alternative practices (Bjerregaard & Luring, 2012; Chrysostome, 2019; Gibbs, 2006; Hossain, 2018a, 2018b; Kroesen et al., 2020). This bridging, navigating, and legitimation is a process that often needs to be done continuously to prevent jealousy and accusation and to ensure stable relationships and access to resources (Bjerregaard & Luring, 2012). Additional to this bridging and balancing, grassroots entrepreneurs also show an ability to develop a platform for change, adaptation, and the facilitation of entrepreneurship. This platform can often also help in overcoming societal barriers. But it is also a platform for collaboration, created by grassroots entrepreneurs by building a development community that works towards the future and a new context, involving community members, educating people on the importance and need for change, encouraging interaction, and connecting different people from different cultures and backgrounds (Achtenhagen & Brundin, 2016; Beresford, 2020; Chrysostome, 2019; Gupta, 2012; Siebeling & Romijn, 2008a). Grassroots entrepreneurs further contribute to leading towards a ‘new context’ by creating or promoting awareness and changing the mindset of people. They can contribute to social change in this way by organizing events or projects whilst also generating an income from this. They also contribute to this by teaching and educating people about new better opportunities, technologies, and/or practices and convincing others to adapt or change. Furthermore, grassroots entrepreneurs promote awareness and change mindsets by developing a sense of ownership, enthusiasm, and social motivation among participants, community members, customers, and others. An example is a project of grassroots entrepreneurs using principles of Ubuntu applied to a more modern context of technology, encouraging active participation and the rethinking of values. Breaking through taboos can be an additional way of changing people’s mindset. This however can also result in backlash and both requires careful navigation and (almost stubborn) perseverance (Achtenhagen & Brundin, 2016; Broehl, 1978; Chrysostome, 2019; Hossain, 2018a, 2018b; Siebeling & Romijn, 2008a). And finally, grassroots entrepreneurs trying to achieve social change can harness the energy of socio-religious movements, using these established institutions, their resources, and their rituals, norms, and values to strengthen their program or project and urge towards change by combining ideas and ideals with new opportunities (Broehl, 1978; Chrysostome, 2019; Kroesen et al., 2020; Mohamad et al., 2012; Pastakia, 1998).

By empowering people, building their capacity and capabilities, democratizing social processes and transforming social relations, adapting values and mindsets to a new context, navigating possibly conflicting values and logics in this new context, developing a platform for change, and harnessing socio-religious movements, grassroots entrepreneurs show a capability of creating new practices and behavior that are in sync with local values, culture, and environment, but are simultaneously different from previous practices (Bjerregaard & Luring, 2012; Broehl, 1978; Gibbs, 2006; Mohamad et al., 2012; Pastakia, 1998).

4.2.4 Technology and innovation

Innovation and the introduction of new technologies are also mentioned by certain authors when discussing how grassroots entrepreneurs can effect change and transformations. Especially the Frugal

Innovation literature focuses on these issues with relation to change and transformation. Profound changes in technology can create new opportunities and transform a business sector. Innovations and new technologies can be used to democratize a business sector, system, or institution by providing opportunities for many. Also it can contribute to more inclusiveness and create new workplaces or business sectors (Achtenhagen & Brundin, 2016; Albert, 2019; Alvord et al., 2004; Gibbs, 2006; Hossain, 2018b; Pansera, 2013; Pansera & Sarkar, 2016; Powell, 1991; Woolthuis, 2010). Additional to that innovations and new technologies can be used as a way to leverage discourse because these innovations and technologies provide new opportunities and can affect previous interactions, relations and power structures.

One example is of a frugal innovation that made the process of cotton deshelling faster, easier, and safer. Thanks to the innovation the processing cost decreased 20 fold and it increased the revenue for farmers. Due to the fact that the processing could be done much faster the time between harvesting and selling also decreased significantly creating a more stable stream of income. A great side effect was that children did not need to help anymore in the deshelling process allowing them to stay in school during this period (Pansera & Sarkar, 2016).

Another great example is that of a grassroots innovator and entrepreneur who developed a new machine that allowed to produce cheap and affordable sanitary pads for women. In developing countries women at the BOP face great difficulties when menstruating. In most developing countries the issue of menstruating is still a taboo topic to talk about. Often even women are seen as impure during menstruation. On top of that regular sanitary pads are very expensive and unaffordable for most. Therefore, women often rely on husks or old rags as alternatives. These however are not sanitary and can result in health risks. The grassroots innovator with his invention not only enabled the production of sanitary pads that are affordable for those at the BOP but it even allowed for them to start producing the pads themselves using the machine. Thanks to its simplicity and application of locally available parts it can be operated by people at the grassroots (Pansera & Sarkar, 2016).

4.2.5 Other change agents

A striking aspect emerging from the literature is the fact that change agency through aspects of grassroots entrepreneurship is not exclusive to entrepreneurs and business owners as such. The literature shows that other actors and/or organizations also can operate as a kind of grassroots entrepreneurial change agent. Among those mentioned in the literature are associations (Burra et al., 2003; Chrysostome, 2019; Kroesen et al., 2020), socio-religious movements (Chrysostome, 2019; Kroesen et al., 2020; Mohamad et al., 2012; Siebeling & Romijn, 2008a), NGOs (Achtenhagen & Brundin, 2016; Alvord et al., 2004; Bjerregaard & Lauring, 2012; Kroesen et al., 2020; Pansera & Sarkar, 2016; Park & Johnston, 1995; Mara J. van Welie & Romijn, 2018), government and local leaders (Chrysostome, 2019; Park & Johnston, 1995; Wade, 1988), and diaspora (Achtenhagen & Brundin, 2016; Chrysostome, 2019).

One example of an NGO acting as a grassroots entrepreneurs is an NGO that used a niche-innovation approach to provide a sanitation service to a slum to create a sustainable service and system of sanitation and waste management in slums (Mara J. van Welie & Romijn, 2018). Another example, one of socio-religious movements, is of religious communities in Malaysia that set up organizations and systems to deal with waste and recycling, creating more environmentally friendly practices and solutions (Mohamad et al., 2012).

4.3 Effects of change agency by grassroots entrepreneurs

Transition effects are a stepping stone towards social transformation, and in that a stepping stone towards social, economic, and environmental development. This paragraph will both discuss the effects of change agency by grassroots entrepreneurs on transition and sustainable development.

4.3.1 Effects on transition

The most important aspects of change agency have been discussed using insights from transition theories. However, in the previous parts of this chapter the focus was on transformation, here the effects on transition will be discussed. These insights are worthwhile to mention but will not be explored thoroughly.

First, it is clear that grassroots entrepreneurs constitute a niche push, creating pressure for change in the regime. Due to the (initial) small scale nature of their initiatives, they act to create and foster niches, striving to be different from the system and to change it (Beresford, 2020; Broehl, 1978; Doran et al., 2018; Edoho, 2015a, 2015b; Gupta, 2012; Hossain, 2018a; Kabecha, 1999; Pastakia, 1998). They push through their inclusive innovation and in bottom-up fashion, in ways that are embedded in local values or culture, grouping and mobilizing local communities but also other entrepreneurs and furthering the (entrepreneurial or local) development communities (Alvord et al., 2004; Bjerregaard & Luring, 2012; Siebeling & Romijn, 2008a). Through innovation and entrepreneurial action they can create cultural change and further the diffusion of technologies, innovations, (entrepreneurial or other) practices, and/or culture (Bjerregaard & Luring, 2012; Chrysostome, 2019; Cozzens & Sutz, 2014; Doran et al., 2018; Hossain, 2018a; Kabecha, 1999; Pansera & Sarkar, 2016; Pastakia, 1998; Powell, 1991). Beyond changing the economic system they also tend to strive for mentality change and transforming the socio-technical system (Chrysostome, 2019; Edoho, 2015b; Hossain, 2018a; Junne, 2018; Mohamad et al., 2012; Pastakia, 1998; Powell, 1991). And finally, they tend to achieve change through economic growth through generating more stable incomes ensuring more (financial) stability, and also growth in terms of human network and participants, and increase in the number of entrepreneurs striving for the same goal (Bjerregaard & Luring, 2012; Broehl, 1978; Edoho, 2015a, 2015b).

Second, in the literature certain grassroots entrepreneurs show a capability to practice aspects of SNM, while others show to be in need of these aspects in terms of support. The literature mentions aspects of shielding often through gaining and ensuring (mostly local) political and/or popular support. More than shielding the literature describes aspects of empowerment, empowerment of those who are marginalized, those at the BOP with little opportunities, and minorities (Alvord et al., 2004; Arocena, 2019; Cozzens & Sutz, 2014; Hossain, 2018b). But most of all the literature mentions aspects of nurturing through community development, capability building, alignment of expectations and/or visions, organization and mobilization, learning and education, and networking (Alvord et al., 2004; Beresford, 2020; Bjerregaard & Luring, 2012; Burra et al., 2003; Chrysostome, 2019; Cozzens & Sutz, 2014; Hossain, 2018a, 2018b; Junne, 2018; Kabecha, 1999; Mohamad et al., 2012; Pansera & Sarkar, 2016; Park & Johnston, 1995; Powell, 1991; Siebeling & Romijn, 2008a, 2008b).

Third, the literature sometimes mentions aspects of regimes and institutions in relation to grassroots entrepreneurship. For instance, certain pieces of literature mention the (possible) effect of grassroots entrepreneurs on socio-economic transformation, market transformation, or institutional change (Achtenhagen & Brundin, 2016; Alvord et al., 2004; Beresford, 2020; Bjerregaard & Luring, 2012; Chrysostome, 2019; Cozzens & Sutz, 2014; Edoho, 2015a; Hossain, 2018a, 2018b; Kabecha, 1999; Meagher, 2018; Olatunji et al., 2016; Park & Johnston, 1995; Wade, 1988). Also, the literature especially stresses the relevance and influence of institutions. In developing countries, it is often mentioned that formal institutions can be rather weak and/or non-conducive to the furthering of sustainable development. In these developing-country contexts often informal institutions have filled the gaps left by the formal institutions. Informal institutions are more difficult to recognize from an outsider's perspective and require careful consideration. Additionally, with informal institutions it often depends whether they are supportive and conducive for sustainable development and transformation on many factors. As with many established institutions, lock-in can occur in a regime, and actors in the regime and institutions can and regularly will resist change (Berner et al., 2012; Edoho, 2015b; Junne, 2018; Kabecha, 1999).

Fourth, the literature also describes cases of landscape pressure on the regime that are also a factor for change and transformation. For example, due to globalization and the fact that people get in touch with different cultures and ideas traditions and rules in the regime are slightly changing (Amankwah-Amoah et al., 2018; Beresford, 2020). Additionally, due to globalization of the economy but also of relations and interactions there appear system or culture clashes where regimes and rules are no longer in sync with the current situation and context (Pastakia, 1998). And finally, with the coming of age of the younger generations there is also a demand for change by the youth who also want to have a say for the sake of their own future (Balunywa et al., 2012; Chrysostome, 2019).

4.3.2 Effects on sustainable development

As this paper considers transitions and transformations it looks at the transformation towards sustainable development. Sustainable development includes social, economic, and environmental development. In the end the relevance of transformation is to try and achieve a more sustainable world.

Social development

Social development in the literature on grassroots entrepreneurship is often mentioned in relation to issues like inequality of income, power and marginalization, and inclusivity (Chrysostome, 2019). Social development is about improving the livelihoods of the poor and marginalized (Albert, 2019; Beresford, 2020; Berner et al., 2012; Cozzens & Sutz, 2014). This involves creating value, opportunities, and gains for those that are less well off (Albert, 2019; Balunywa et al., 2012; Beresford, 2020; Hossain, 2018a; Patzelt & Shepherd, 2011), building their capacities and capabilities through development of human resources (Chrysostome, 2019; Siebeling & Romijn, 2008a), empowerment and/or self-empowerment (Hossain, 2018a; Siebeling & Romijn, 2008a), but also ensuring fair distribution of profits between different stakeholders (Patzelt & Shepherd, 2011).

Economic development

With economic development mostly rural areas and local communities are considered (Beresford, 2020; Siebeling & Romijn, 2008a). Important aspects of economic development are the creation of employment (although often still mostly self-employment (Kabecha, 1999)), consumption, and wealth generation (Patzelt & Shepherd, 2011). Often of relevance is the discovery or exploration of entrepreneurial opportunities and employing new ways to generate economic gains (Patzelt & Shepherd, 2011). Important for economic development is creating competitive advantage and developing skills to become more productive or add (more) value to resources. But this should not be a one-time addition of value but one that can be sustained and creates sustainable livelihoods (Amankwah-Amoah et al., 2018; Powell, 1991). Often of relevance is the creation of new businesses and increasing diffusion of innovations, technology, and practices (Amankwah-Amoah et al., 2018; Cozzens & Sutz, 2014; Hossain, 2016). Closely linked to economic development is economic growth, however achieving economic growth alone won't be enough to achieve (sustained) economic development (Adusei, 2016). What is needed is the creation of a base for sustained value creation and development, with increased access to human and material resources, reduction of costs, an expansion of markets or creation of new markets, and capture of wealth while simultaneous ensuring that most of the wealth stays in "the area" (Balunywa et al., 2012; Beresford, 2020; Junne, 2018; Powell, 1991). Grassroots entrepreneurs show a capability of creating sustained value creation that can have a positive effect on economic growth and entrepreneurship.

Environmental development

Environmental development is about on the one hand decreasing negative effects (direct and indirect) on the environment and on the other improving or reinforcing aspects of the environment. Decreasing negative effects involves reducing of pollution and creation of waste, avoiding contamination, and reducing consumption and resource usage (Gibbs, 2006; Pansera & Sarkar, 2016; Pastakia, 1998). The improvement of environmental conditions is about conserving nature and ensuring that the exploitation of natural resources can still be sustained in the far future, reinforcing natural integrity and resilience,

and the creation of positive externalities for the environment (Pansera & Sarkar, 2016; Pastakia, 1998; Patzelt & Shepherd, 2011). Of great importance is often the changing of practices to make human behavior and consumption more in sync with a sustainable environment (Pastakia, 1998).

This is in line with the aspects of social, economic, and environmental sustainability and development described in *Our Common Future* (1987). With regard to social aspects it mentions improving well-being, encouraging self-sufficiency, reducing income inequality, improving the position of marginalized, protecting vulnerable groups, encourage local participation and democratic processes in decision making, providing equal access in resources, ensuring a fair distribution of costs and benefits, allowing for self-determination, improving education, improving health, and creating fair opportunities. In relation to social development the description of social sustainability given in the report is about: “meeting the basic needs of all and extending to all the opportunity to satisfy their aspirations for a better life” (World Commission on Environment and Development, 1987, p. 42) In terms of economic development definitions it concerns economic growth, accounting for the deterioration of stock and resources (often natural), not overexploiting resources which may compromise future generations, decreasing vulnerability to crises, raising human productivity and potential, enabling sustainable work opportunities, and enabling people to meet minimum consumption standards, and improvement or generating of resources to improve health and education. With environmental development the focus is on the environmental aspects and resources but here there is a return for the call to not overexploit natural resources, managing or encouraging consumption standards as to keep them in equilibrium with the production capacity of the environment, managing demographic development and population growth and keep it in harmony with the (re)production capacity of the environment. Environmental development also means not endangering those environmental systems that are crucial/important for supporting life on this earth, limiting the usage of, or relieving pressures on, constrained resources, keeping ecosystems intact, and limiting waste (World Commission on Environment and Development, 1987).

Chapter 5: Empirical insights from interviews

The previous sections of chapter 4 discussed the empirical analysis of the literature. This chapter will discuss the analysis of the interviews and the resulting insights. To prevent needless repetition this chapter will mainly discuss where the interviews support the insights from the literature analysis, where the analysis of the interviews disagrees with the literature, and additional insights not recognized in the literature.

5.1 Grassroots entrepreneurship in practice

The analysis of the interviews paints a similar picture on grassroots entrepreneurship in practice as the literature. The experts do recognize an often recurring social motivation and operation of grassroots entrepreneurs who act as change agents. These grassroots entrepreneurs are often motivated to transform the local community and have a socially inclusive effect with their enterprise. The social inclination of grassroots entrepreneurs does fit quite well to their (in this case Sub Saharan African) culture which is highly communalist. These social grassroots entrepreneurs may not contribute to direct economic growth but can have a considerable positive effect on social development, therefore it is stressed that success should not be just measured in terms of economic impact or growth. Another aspect also mentioned in the interviews is the entrepreneurial practice of brokerage and being different from established business practices and the creation of innovative solutions and new opportunities. An important note on grassroots entrepreneurship is that for grassroots entrepreneurship (whether it constitutes entrepreneurial change agency or not) factors of survival, hustling, basic needs, and appropriateness are very important. In terms of appropriateness one person interviewed provides a clear description stating that: “grassroots entrepreneurs tend to have a very good understanding of the context of the society in which they are and operate. And when and if they have come up with a solution they tend to know how best to put this ‘out there’” (R. Namatovu, personal communication, April 17, 2020).

The social motivation and drive to effect change is strikingly described in the following citations:

“A lot of it comes from personal experience and they want to make a profit but at the same time they still want to make a change and a difference” (A. Amamgbo, personal communication, June 3, 2020).

“They [grassroots entrepreneurs] don’t want to change the world for instance. It’s just that they want to change a local community. So they will probably provide jobs and I have seen for example grassroots enterprises, in villages where young people have no jobs or are addicted to drugs, where people have decided to set up spaces where young people come and learn skills for working with their hands, for example for fabrication or making mats and so on. So there is a skill but it’s often very localized it’s not something that you are going to see spiraling up to the national level. It would be local. And then, like I said, again the source of this knowledge is very local. So the learning is not very huge it’s just one man transferring a skill to another person. And that’s how it all goes” (R. Namatovu, personal communication, April 17, 2020).

5.2 Change agency

Similar to chapter 4 this section will discuss the action topics of mobilization, challenging of the regime, social development and legitimation, technology and innovation, other relevant change agents, transformational change, and contributions to sustainable development.

5.2.1 Mobilization

In the interviews the importance of mobilizing a voice or call for change and generating extra noise is stressed more. Thus, voice and noise are not only relevant for challenging the regime but also very relevant for the aspect of mobilization. It is seen as something important for grassroots people to get support especially from government programs. Examples are calls by grassroots entrepreneurs to be included in oil projects in Uganda or calls for more support for women and youth entrepreneurs. One of the persons interviewed described the importance and effect of mobilizing noise and voice as follows:

“I think grassroots level entrepreneurs they need to be organized, they need to be mobilized and organized. When they are organized or mobilized they have a voice, they have a platform. (..) So if the grassroots entrepreneurs or community level entrepreneurs are able to bring the local leadership on their side then their voice filters into the development program of the community” (I. Odongo, personal communication, April 17, 2020). A loud voice and higher level of mobilization is already present in certain sectors of developing countries, however this differs greatly per sector so others may lack sufficient mobilization and thus a loud voice. Especially NGOs are recognized by the interviewees as effective and important mobilizers at the grassroots level. By mobilizing communities, it is easier to work with communities and teach them new practices and production methods, but it is also a way to advocate for a mobilized community with a shared vision.

One other insight coming from the interviews is that grassroots entrepreneurs can decide to mobilize and group together when they recognize their own potential to produce and sell, and sometimes even export, products. In that case they try to partner with organizations and form an association of grassroots entrepreneurs, calling for support by government, NGOs, and or funds, or demanding the allocation of government contracts or business contracts for projects to the grassroots entrepreneurs.

Besides these two additional insights the aspects of mobilization highlighted by the interviews support the findings from the literature analysis.

One nice example of inspiring others is that of changing the social image of entrepreneurs as one interviewee described it. Stating that: “In Uganda there has been so much media about successful entrepreneurs and oftentimes you see young people looking forward to these mentors or people who have been very successful. (...) So there is a very positive light on being an entrepreneur in the Ugandan society generally” (R. Namatovu, personal communication, April 17, 2020).

5.2.2 Challenging the regime

One thing clearly recognized in the interviews is the potential of grassroots entrepreneurs to challenge and transform the regime, to change institutions, and to transform business sectors. Grassroots entrepreneurs can be able to tackle and deal with resistance of institutions and established regimes to change. By creating pressure and demand for change of institutions and regime, by holding institutions and officials accountable, by breaking with unsupportive rules, practices, and institutions, and by engaging government to gain political power or support they are deemed to challenge the regime and create opportunities for change and transformation. As one person stated on the transformative effect of grassroots entrepreneurs: “...and our entrepreneurs are doing amazing things, they are helping and they are transforming each one of the sectors that they are in” (A. Amamgbo, personal communication, June 3, 2020).

An example of breaking with unsupportive rules, practices, and institutions that seems simple but can still have a transformative impact (and can also be difficult) given by one of the interviewees is the following (translated from the original in Dutch): “...the youth is more willing to do different things than their grandparents [and parents] did”³ (G. Junne, personal communication, April 20, 2020).

An example of grassroots entrepreneurs acting and taking initiatives where institutions fail is in the area of education. Where education is lacking or failing grassroots entrepreneurs establish private education. Finances are difficult because most people cannot afford to pay a tuition fee. Through innovative solutions these private schools manage to ensure an income. For example, students have to work in the school garden, others have their students practice what they learn like maintenance of the electricity grid for students studying to become an electrician.

³ Original in Dutch: “... jongeren zijn meer bereid om andere dingen te doen dan hun grootouders [en ouders] hebben gedaan”

5.2.3 Social development and legitimation

From the interviews it becomes clear that to achieve successful change and transformation grassroots entrepreneurs need to break away from certain traditions, systems, and/or institutions. However, this breaking away needs to be navigated carefully and there needs to be a balance between which traditions, systems, and/or institutions are changed, and which are maintained or reinforced. Whereas certain western approaches may be beneficial to the enterprise and/or change others can result in a clash and fail to achieve either benefit. Therefore, grassroots entrepreneurs trying to effect change should embed their approach in the local context and culture and use local values whilst trying to steer towards a new context, towards change and transformation.

An example of how grassroots entrepreneurs are seen to effect change is by changing the societal perception of, often marginalized, societal groups leading to empowerment and more inclusion. Another example is by changing behavior through changing perception and understanding of a concept like taking a loan.

“It has taken time to see that people can change their behavior. Before people were just interested in getting loans and do with it what they want, like paying school fees But now you can see that people who get these loans take their time to understand why they should take the loan and consider how they can repay that loan” (B. Bwanika, personal communication, June 2, 2020).

It is also necessary to be different and break with certain traditions and/or practices and try to guide people towards behavior more fitting to a new context. As one expert states (translated from the original in Dutch): “When people operate in a very traditional way they think too small, they do not think about the market, they think in a too hierarchical way, employees get too little responsibility, their professionalism will not develop, and is there too little focus on planning”⁴ (O. Kroesen, personal communication, May 1, 2020).

5.2.4 Technology and innovation

The aspects of technology and innovation in relation to change agency were not that much present in the interviews. The most important thing learned from the interviews here was that through simple innovations and limited resources grassroots entrepreneurs can have a significant impact on change and transformation and through adapted technology appropriate solutions can be provided that create new opportunities.

Another interesting lesson from the interviews is that innovations and their diffusion tend to happen very slowly in developing-country contexts. As one interviewee states it (translated from the original in Dutch): “ . . . you just know when something new is started what will be the speed with which this new idea will be adopted by others. It is a speed of five kilometers per year. It is more or less as far as a farmer who is on foot looks around him what is happening elsewhere, so they walk and see something and think ‘oh something interesting is happening there which yields more than I can achieve right now’. The speed of diffusion of certain innovations has been researched, for example in the cassava sector, and that the speed of diffusion is five kilometer per year is a kind of sad observation”⁵ (G. Junne, personal communication, April 20, 2020).

⁴ Original in Dutch: “Als mensen heel traditioneel opereren dan denken ze te klein dan denken ze niet aan de markt, denken ze te hiërarchisch, krijgen werknemers te weinig verantwoordelijkheid, ontwikkelt hun professionaliteit ook niet, en wordt er te weinig aan planning gedaan”

⁵ Original in Dutch: “ . . . je weet gewoon dat als er iets nieuws begonnen wordt wat de snelheid is waarmee dat overgenomen wordt door anderen. Dat is een snelheid van vijf kilometer per jaar. Het is als het ware zo ver als een boer om zich heen kijkt van wat er elders gebeurt, die lopen dus en die ziet van ‘oh daar gebeurt iets wat interessant is en wat meer oplevert dan wat ik tot stand kan brengen’. Het [de diffusiesnelheid] is een keer bij een aantal innovaties geanalyseerd, bijvoorbeeld in de cassave sector, en dat [de diffusie snelheid van vijf kilometer per jaar] is een beetje een droevige constatering”

5.2.5 Other change agents

All other actors that can effect change at the grassroots level and also act in a similar way to the private individual entrepreneurs described in the literature analysis were also recognized in the analysis of the interviews. One interviewee describes their importance and relevance for change and transformation at the grassroots as follows (translated from the original in Dutch): “NGOs can be important but in the case that you do have a district officer or a local governor, they can also be change agents. So, there is the glorification of the entrepreneur that should establish his/her own enterprise, but here we also have the discussion of intrapreneurs who try to improve things in certain institutions and set up new things. And you need them [intrapreneurs, NGOs, district officers, and local governors] just as much as people trying to establish their own enterprise and produce something”⁶ (G. Junne, personal communication, April 20, 2020).

As this citation indicates there are also intrapreneurs, they can be government officials and local leaders, and others who are active in institutions and who can change these institutions from within. A brief search for literature on intrapreneurs and transition confirms that the importance of intrapreneurs for transitions and change has been recognized by others as well (Hoogstraaten et al., 2020; Planko et al., 2017).

Another kind of change agent that was mentioned in the interviews is that of champions. The fact that an entrepreneur him/herself can be an innovation champion has been recognized in some literature (Douthwaite, 2002). Unrecognized in the literature, however, is the role of champions in the environment of the entrepreneur who can take a broad variety of roles: Champions can act as a protector, someone who partners with a grassroots entrepreneur or niche and nurtures them, or someone who promotes the business or organization and helps in getting support and funding. They are often considered a patron of a community or institution. What is important is that they can form a driving force towards change and often carry some power in the relevant context which they can use to encourage change and transformation.

A quote on the importance of local leaders by one of the interviewees describes how local leaders can act as champions and how they can be relevant change agents is the following: “The other avenue are the local leaders; local leaders are important because of the decentralized kind of governance in Uganda to this day where planning and all the development programs are all to the sub-county levels you find that the local leaders have a say in terms of what programs will be implemented, how much money would be allocated to the different programs and so on. So, if the grassroots entrepreneurs or community level entrepreneurs are able to bring the local leadership on their side then their voice filters into the development program of the community. So that is where you need leaders who are committed to support the development of grassroots entrepreneurs because if they are, then they can say to the government “no in our local context these are our priorities” and government cannot change those priorities because the national development plan is a bottom-up kind of approach. So I think if local leaders can do that, by local leaders I mean counselors and members of parliament, you have all these representatives in the communities who in a way challenge government in terms of the priorities of their communities” (I. Odongo, personal communication, April 17, 2020).

5.3 Effects of change agency by grassroots entrepreneurship

Similar to paragraph 4.3 this paragraph will discuss the effects of change agency by grassroots entrepreneurs on transition and sustainable development according to the interview analysis.

⁶ Original in Dutch: “NGOs kunnen belangrijk zijn maar stel dat je wel een district officer hebt of een lokale gouverneur, dat kunnen ook allemaal change agents zijn. Dus er is die verheerlijking van de entrepreneur die zijn eigen onderneming zou moeten opzetten, maar we hebben hier ook de discussie van intrapreneurs die in bepaalde instituties proberen dingen te verbeteren en op te zetten. En die [intrapreneurs, NGOs, district officers, en lokale gouverneurs] heb je even hard nodig als mensen die een eigen onderneming proberen op te zetten en iets proberen te produceren”

5.3.1 Effects on transition

The insights from the interviews on the transformational change and transition impacted by grassroots entrepreneurs agree with the insights from the literature. In this respect, the findings refer to the importance of a niche push, the practicing of SNM-aspects or a need for such practices, the interplay with regimes and institutions, and pressures from the landscape.

One difference is that slow and historical change is stressed more in the interviews. They point towards a need to look more at the historical change to understand the context and situation in developing countries and/or communities and to understand how to better manage change. They stress the aspect of slow change because it can require a lot of patience to achieve successful, effective, and impactful change. There are many barriers to change and they all need to be tackled.

Two relevant citations discussing slow and historical change are the following:

(Translated from the original in Dutch): "... at the same time you need to take the history of the west into consideration. Sometimes it surprises my students when I mention that around the year 1000 the tribes and communities were still very vital in Europe. We need to understand how we made the transition from a tribal society towards what we now call modernity. And then you see that it has a lot to do with an increase of scale and thinking differently and it came from that thinking differently. So, the mindset, the soul of man, has changed the social relations here"⁷ (O. Kroesen, personal communication, May 1, 2020).

(Translated from the original in Dutch): "I have compared it once to the situation of a large table that doesn't stand on four legs but on 10. So that means that you can remove one obstacle but nothing changes, the tables still stands on nine legs. You can remove two obstacles and it is still the same. So, you still need to create so many conditions or remove obstacles before something will actually be set in motion"⁸ (G. Junne, personal communication, April 20, 2020).

5.3.2 Effects on sustainable development

In terms of grassroots entrepreneurship contributing to sustainable development the interviews indicate that the biggest impact is on a local level. Grassroots enterprises rarely grow to large scale but can have a profound local sustainable developmental impact. This impact is mostly social and economic.

Social development

An example of social development from the interviews is the following: "So you are asking if entrepreneurs through their business are able to change societal perceptions for maybe women and stuff like that [empowering and changing societal roles]? Most definitely, we do have some entrepreneurs who are committed to making that difference, a lot of women for example who have gone into tech and are using tech solutions to make [a difference] within their communities" (A. Amamgbo, personal communication, June 3, 2020).

⁷ Original in Dutch: "... je moet tegelijkertijd je eigen westerse geschiedenis in acht nemen. Ik verras studenten daar wel eens mee als ik benoem dat zeg maar rond het jaar 1000 de stammen nog zo vitaal waren in heel Europa. Wij moeten zelf snappen hoe wij de transitie hebben gemaakt van stammensamenleving naar wat wij nu moderniteit noemen. En dan zie je dat dat heel veel te maken heeft met schaalvergroting en anders denken en het is vanuit dat anders denken gekomen. Dus de mindset, de ziel van de mens, heeft hier de sociale verhoudingen veranderd"

⁸ Original in Dutch: "Ik heb het een keer vergeleken met dat de situatie een beetje is als een grote tafel die niet op vier poten staat maar op 10. Dat wil zeggen je kan één obstakel weghalen en er gebeurt helemaal niks, de tafel staat nog steeds op negen poten. Je kunt twee obstakels weghalen en het is nog steeds zo. Je moet dus eigenlijk nog steeds zo veel randvoorwaarden creëren of obstakels weghalen voordat er daadwerkelijk iets in beweging komt"

Economic development

In terms of economic development, the following quote puts it rather strongly (translated from the original in Dutch): “In itself this is very simple: Without entrepreneurship there is little economic development”⁹ (G. Junne, personal communication, April 20, 2020). A quote that describes the contribution of grassroots entrepreneurship to economic development more extensively states the following: “What entrepreneurship does, especially at grassroots level, is to put money in the pocket of the people. Because if I produce crops then I go and sell in the market and then I have money in my pocket, so with that money in my pocket I am able to take my children to school, I am able to buy medicine when I get sick, I am able to buy clothes from the market, so it increases the purchasing power of the communities and then creates demand for other additional products and services. And that is where the development now comes. Because now when they have the money then they buy, they buy clothes. If I have money I want to renovate my house, then I go and buy cement from the shop. So now the shop owner who sells cement also benefits because he is able to sell his cement. Then to renovate my house I need water, so then those people who drill boreholes and so on are able to drill water in the communities because the communities will need water and so on. I need to buy clothes for myself and my family, so the people in the shops who sell clothes and so on also get income. If I fall sick I want medicine and I want medical service, then the hospital is not sufficient and somebody opens a clinic in the community and provides private medical services. So, you can see how putting money in the pockets of people in the community creates demand for additional services. And when creating demand for additional services then you see development taking place, then you see towns springing up, you see roads coming up, because now supplies need to get into the villages, and then you see banks coming up because now there is money in the community so the banks realize that there is money there they can tap into and then microfinances see that they can also lend money to these people, these communities. Because you now can see a demand for different services. So that is how development is then created, by you simply boosting production in the communities yes” (I. Odongo, personal communication, April 17, 2020).

Environmental development

Finally, considering the contribution to environmental development there is still a challenge for grassroots entrepreneurs. There is often less focus on these environmental impacts by grassroots entrepreneurs. There have often been environmental values present in the local cultures, but these have been pushed somewhat to the side by industrial development, lust for money, but most importantly a need to survive and secure an income in the era of industrial development. The environmental values are now slowly reappearing and regaining ground in the past few years, but this is mostly thanks to a push by NGOs and regulation. As one of the interviewees puts it: “But as the years have gone by, it’s almost ten years now, you see an understanding of the environment and this is an agenda that has been pushed forward by NGOs, where they are supporting enterprises or they have special money for enterprises that they are calling responsible for example enterprises that are more environmentally charged that they are now encouraging them. And so, entrepreneurs are having a little bit of thought on how can I benefit from this by addressing environmental issues” (R. Namatovu, personal communication, April 17, 2020).

This observation ties in well with another interview response: “...And that shows that society needs to change if you want to solve the ecological problem”¹⁰ (O. Kroesen, personal communication, May 1, 2020).

⁹ Original in Dutch: “Dat is op zich heel banaal: zonder entrepreneurship weinig economische ontwikkeling”

¹⁰ Original in Dutch: “... En dat laat dus zien dat de samenleving moet veranderen wil je ook het ecologische probleem oplossen”

Chapter 6: Grassroots entrepreneurship in Sub Saharan Africa: distinct elements

As stated in the introduction Sub Saharan Africa experiences strong economic growth but sustainable and inclusive growth is still lacking. Countries in Sub-Saharan Africa also have seen a rise in entrepreneurship and have become more conducive to entrepreneurship (Amankwah-Amoah et al., 2018). And as Edoho (2015a) sums up there is a very positive attitude and perception about entrepreneurship, low fear of failure, high level of entrepreneurship. “In all SSA countries, without exceptions, entrepreneurship is seen as a good career choice; more so than in any other region except Latin America. At 28 percent, with the exception of South Africa (7 percent), the average rate of total early-stage entrepreneurial activity (TEA) in SSA is significantly higher than all other geographic regions. Countries like Zambia (41 percent, Ghana (37 percent), Nigeria (35 percent), and Angola (32 percent) boast some of the highest TEA in the world” (Edoho, 2015a, p. 2). The literature points towards the fact that “Africa is full of entrepreneurial people” (Balunywa et al., 2012; Edoho, 2015b; Junne, 2018, p. 117).

The African environment and context differ greatly from the European and internally there are also many differences. This may seem obvious since cultures differ, and the physical environment differs as well. Above all this means that European, North American, Asian, or other theories, practices, business models, development approaches, and even economic systems may not fit perfectly to a Sub Saharan Africa context. Sub Saharan Africa is very community or tribal centered and social. This is also often reflected in the grassroots enterprises that are regularly focused on community and social issues or take them into consideration. The entrepreneurs need to take social and/or community issues into consideration in order to fit into the local environment and context, but beyond this it is also important to consider these social and community issues in order to contribute to sustainable development. This influences the nature of grassroots entrepreneurship and its potential to affect social, economic, and environmental development, giving it distinct African characteristics.

What is reflected in the stories of the grassroots entrepreneurs that affect change according to the literature is that they consider a more social type of entrepreneurship. This is also strongly reflected in stories of grassroots entrepreneurs, in a Sub Saharan African context, who want to affect change. “For these entrepreneurs, entrepreneurship is a path through which they can “build legacy”, create wealth, and enable social transformation that supports present and future populations” (Beresford, 2020, p. 66). The continent has historically considered wealth as a way in which someone can mobilize their resources for social purposes, like strengthening relations and developing new relations (often patron-client). This is reflected in the stories of grassroots entrepreneurs who want to make a difference in the social domain. But currently, elements of new grassroots entrepreneurs are emerging that are different. As Beresford (2020) explores among younger entrepreneurs in South African slums, these individuals can build on “higher levels of education, increased technology skills, and improved internet access via wireless network” (Beresford, 2020, p. 70), and they desire, beyond making a social difference and supporting their community or family, to achieve social transformation by mobilizing their business and allocate a bigger role to black South Africans in the South African economy. This social nature with a potential to also affect transformation is also discussed in the SEIDET initiative described by Siebeling and Romijn (2008) they describe the value of Ubuntu as follows: “One of the entrenched truly African values is that of "Ubuntu". It is based on the notion that "I am, because you are", a highly communal way of living in which one always extends a helping hand to another person in need. The concept of "helping others in one's own community" has always been something "that one does", and this naturally extended to the SEIDET initiative” (Siebeling & Romijn, 2008a, p. 20). Siebeling and Romijn further explore this project and their research shows that grassroots entrepreneurship built on a social notion and aimed at improving socio-economic conditions can be very successful at achieving change and transformation and as such furthering sustainable development in the context of Sub Saharan Africa.

This traditional presence of a social and communal focus combined with new desires to affect change and transformation, and a rising understanding that certain systems, practices, cultural aspects, and institutions are non-conducive to sustainable and inclusive development (Hoff & Sen, 2011) shows to be very fertile ground for grassroots entrepreneurs to contribute or work towards change and transition in the context of Sub Saharan Africa.

The potential of grassroots entrepreneurs could further be enhanced in Sub Saharan Africa by the rising notion of Africapitalism. “Africapitalism is the economic philosophy developed by our Founder and Chairman, Mr. Tony O. Elumelu, CON [Commander of the Order of the Niger], and is predicated on the belief that Africa’s private sector can and must play a leading role in the continent’s development. Africapitalism is a call-to-action for businesses to make decisions that will increase economic and social wealth and promote development in the communities and nations in which they operate. Such a decision will ultimately help businesses become more profitable as the communities they serve become well-off consumers, healthy and better-educated employees, and even entrepreneurs who go on to become suppliers and service providers. Africapitalism means we cannot leave the business of development up to our governments, donor countries, and philanthropic organizations alone. The private sector must be involved in the business of development” (*Africapitalism - The Tony Elumelu Foundation*, n.d.). With this vision the Tony Elumelu Foundation has trained and supported many entrepreneurs all over Africa, enabling many entrepreneurs to add value to natural or human resources and transform their respective business sectors according to employees of the Tony Elumelu Foundation (A. Amangbo, personal communication, June 3, 2020). Chrysostome (2019) adds to this that to be able to achieve a transformation there should be “capacity to initiate, facilitate, and manage change” (Chrysostome, 2019, p. 21) and that this capacity, although still at a deficit, has seen rise and development in Africa.

This paper previously cited Wiczorek (2018) who stated that: “... *experience shows that interventions are most powerful when initiated ‘from within’ and demand driven. The emerging sustainability experiments initiated by local actors but informed by international developments, are a great example of such dynamics that might be built upon. Additionally they give a promise of different, more sustainable development pathways. In that light, international organizations might need to reconsider the ways they provide support to developing countries and how they design ‘projects’: away from interventions isolated in space and time and involving selected actors, towards stimulating social entrepreneurship, supporting the creation of new business models and assisting local actors in setting up projects that meet their own needs.*” (Wiczorek, 2018, p. 212). The literature seems to point towards the notion that Sub Saharan Africa provides fertile ground and many opportunities for and by grassroots entrepreneurs to initiate and initiating interventions from within, to practice and practicing social entrepreneurship, to meet and meeting their own needs, and to create and creating new business models. Although this may be difficult due to cultural or environmental constraints through support, cooperation, and careful navigation grassroots entrepreneurship in Sub Saharan Africa are a great potential for transformation and change (Achtenhagen & Brundin, 2016; Beresford, 2020; Chrysostome, 2019; Edoho, 2015a, 2015b; Kroesen et al., 2020; Siebeling & Romijn, 2008b, 2008a).

Chapter 7: Challenges and support

The fact that grassroots entrepreneurs show a potential to successfully contribute to transformative change does not mean that this is easy or straightforward. Grassroots entrepreneurs face many challenges both to maintain (and grow) their enterprise and to achieve change and break through barriers. The most generally present challenges found in the literature review conducted for this paper are a lack of finances or funding, underdeveloped, obsolete, or lacking infrastructure, a lack of training and education (both general and entrepreneurial specific), and institutions non-supportive for growth and development at the grassroots¹¹. Besides that, the challenges that are not exclusive to grassroots entrepreneurs working towards change and transformation but are seemingly felt stronger by them are that of established tradition, cultures, and practices that are not supportive of these grassroots enterprises to achieve their goals, and because of which they often clash with the “system”. There will always be a clash when acting as a change agent, a clash between those who want change and those who want to stick to the old system, but also a clash with established practices and ways of thinking that need to change but this requires careful attention. The question is mainly whether the change agents, in this case grassroots entrepreneurs, are equipped well enough to deal with this clash and able to carefully navigate it. And a final challenge revolves around the motivation of grassroots entrepreneurs. Their motivation is often social and focuses on solutions for social problems, this makes their business model often social. This is also challenging since the entrepreneurs can also be forced to stick to certain social rules, norms, and practices. An example is that through their inclusive nature they feel compelled to hire a nephew to work in the enterprise despite him lacking all necessary skills. They may be forces to create certain social value in the local cultural environment, but they may not be rewarded in those efforts in terms of higher profits.

Grassroots entrepreneurs may not be adequately equipped to deal with the challenges faced when trying to sustain their enterprise to act as a change agent. Still, without much external support, some grassroots entrepreneurs are successful at achieving change. However, in order to increase the impact grassroots entrepreneurs can have on a transformation and to further the number of grassroots entrepreneurs that act as change agents external support is necessary. Important aspects of external support can be¹²: provision of funding (12), training (16), education (16), and learning (15), protection and incentives (mostly from governments) (15), capacity building (15), nurturing and mentoring (9), provisioning of networking opportunities (7), provision of access to relevant information (10), development of infrastructure (14), encouragement of cooperation between grassroots entrepreneurs (3), development or improvement of institutions (13), democratization of processes and institutions (4), tackling of corruption (5), and championing and advocacy (3). As can be seen certain aspects were not mentioned often in the literature. These aspects were, however, important aspects stressed by experts interviewed and therefore deemed important to include.

For this external support to be appropriate, adequate, and effective it is important to understand the root causes of challenges faced and to employ a holistic approach in terms of support. The quote by G. Junne about the table on 10 legs that is resistant to movement (section 4.5.3) is relevant here. Many constraints need to be alleviated simultaneously. Such a holistic approach of support would often mean that the focus should be on supporting particular grassroots enterprises and that the support should be multifaceted. This need not be the case for all approaches to support and for all entrepreneurs, but it is likely to be more effective in situations where grassroots entrepreneurs face many challenges.

¹¹ The analysis on mentions of challenges and important aspects of external support in the literature was conducted as a whole. Therefore the numbers indicated at the part discussing important aspects for external support also include the issues of challenges.

¹² Number of times a specific type of support was mentioned in the literature is indicated between brackets.

It also needs to be pointed out that not all grassroots entrepreneurs face the same challenges and subsequently do not need the same type of support. Some are quite able to solve certain issues themselves or they might even be non-issues to them.

But maybe more important and relevant in every case is an understanding of the root causes of challenges faced by grassroots entrepreneurs and an ability to see, understand, and identify ways of supporting grassroots entrepreneurs. The support should be demand driven. As the literature stresses “every community has an innate capacity to come up with effective solutions to solve the problems they face on a daily basis” (Pansera & Sarkar, 2016, p. 3). The exploration of the capabilities of grassroots entrepreneurs shows them to be capable to both offer solutions and also points towards their needs and the communities’ needs for support. As authors in the development literature stress the importance of according people at the grassroots real influence over innovation processes, development programs, and demand driven interventions (Meagher, 2018), certain support approaches may be relevant in the consideration of capabilities and needs of the grassroots entrepreneurs. One approach which this paper would recommend is a type of scouting similar to programs like the Honey Bee Network. As an author describes this scouting it states that “the scouting is far more important than just waiting for the innovators to turn up at your door. Most countries which have tried to develop some opportunities for grassroots innovators have failed to elicit much response mainly because of this reason” (Gupta, 2012, p. 36). Using a way of scouting the supporting and developing programs do not stay passive but actively look for grassroots entrepreneurs dealing with needs at the grassroots and having a potential, or already employing one, intervention that is initiated from within and also demand driven. On top of that, especially in terms of investment and funds, support should focus on small investment in local entrepreneurs who can have a local positive impact and move away from a focus large capital investment and rapid growth (Sanyal et al., 2020).

Chapter 8: Conclusion

This thesis set out to investigate the contribution of grassroots entrepreneurs as change agents for the inclusive and sustainable development of low-income countries, and how this role can be enhanced. To approach this, knowledge sources were explored on the role of grassroots entrepreneurs as change agents and their insights were linked to transition theory. This paper discussed evidence that grassroots entrepreneurship in practice is quite able to provide appropriate solutions; through a local, small scale, and bottom-up nature they are quite fit to provide solutions that suit the local social context. The grassroots entrepreneurs and their solutions are therefore often socially fitting and acceptable. Grassroots entrepreneurs often experienced the problems at the grassroots firsthand, which can (and often does) instill a desire for change and transformation towards sustainable social, economic, and/or environmental development. In the business model of grassroots entrepreneurs, the mixing of a profit motive and social motive is often recognized. Sometimes there is also a mixing of profit motive and environmental sustainability motive, a mixing of a social motive and environmental sustainability motive, or a combination of the three.

The thesis further explored different aspects of how grassroots entrepreneurs can be seen to contribute to change and to what extent and how they are acting as true change agents. This was done under different action-headings that are commonly recognized in socio-technical transition studies.

First, acts of mobilization were explored. Considerable evidence was found of cases where grassroots entrepreneurs develop a shared vision of how their own future should be, taking the future into their own hands, challenge all involved to transform themselves, inspire others, organize themselves, and build confidence, both their own and that of others.

The second part discussed acts of challenging, which are also strongly present in the literature and interviews. Grassroots entrepreneurs are found to challenge the regime and transform (aspects of) the system by changing institutions or developing new institutions, exerting pressure for change, creating noise and becoming a rising voice for change, holding officials accountable, and gaining political power. The aspects of voice and noise are also found to be important for the first act of mobilization.

Third, acts of social development and legitimation were discussed showing evidence of how grassroots entrepreneurs develop communities or people and/or groups at the grassroots by empowering the marginalized and changing the perception of marginalized groups, how they build capacity and capabilities at the grassroots, how they democratize processes, access and other issues, how they lead and steer others towards adapting to a new context by using local values and embedding the change in the local culture and potentially harnessing socio-religious movements, how they deal with clashing values by breaking with traditions and practices non-conducive to development and navigate conflicting and clashing values, how they generate legitimacy for change, and finally how they change practices and behavior.

Fourth, evidence was discussed of how grassroots entrepreneurs introduce new technologies or innovations through which they can transform business sectors or industries, democratize technology, and leverage technology for the discourse of change. Important here is also the entrepreneurs' impact on diffusion of innovation which can be very slow in a developing-country context, thus diffusing of innovations and new ideas can be important to encourage or speed up change.

The fifth and final aspect of change agency explored how acts of grassroots entrepreneurship and subsequent change agency through these actions is not limited to 'having a business' or 'being an entrepreneur' in the strict sense of these words. Others that can act as grassroots entrepreneurs in a broader sense and affect change are associations and movements, socio-religious movements, NGOs, Governments and local leaders, intrapreneurs, champions, and diaspora.

In chapter 3 Figure 1 showed the overarching topics that would be focused on with regards to change agency. Figure 2 shows the same figure with added relevant aspects of each of the overarching topics.

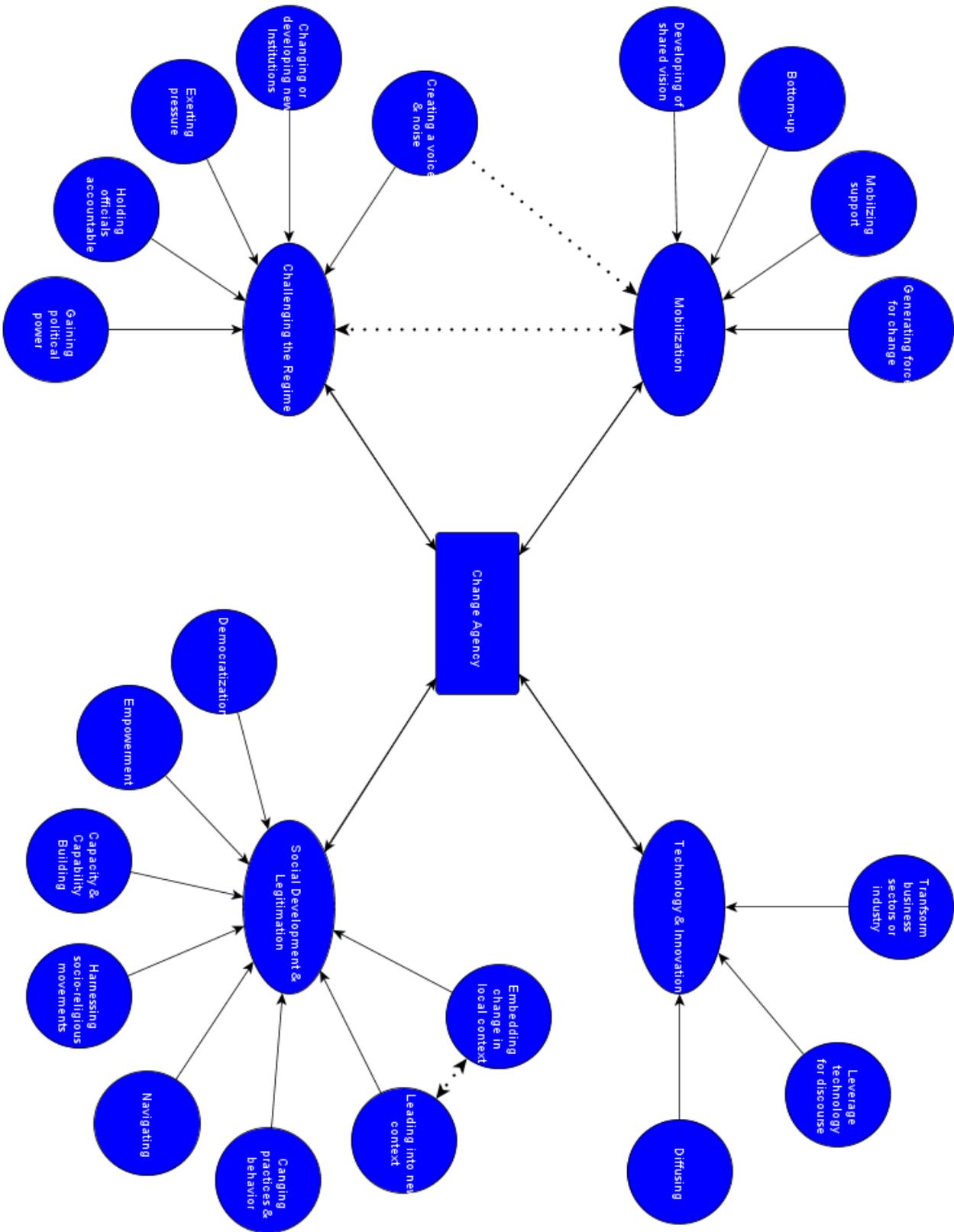


Figure 2: Topics and aspects of change agency by grassroots entrepreneurs

Additional to discussing the different aspects of change agency, this paper explored impacts therefrom on transformational change and transition by grassroots entrepreneurs. First, it pointed to how grassroots enterprises create pressure for change acting as niche-creators and niche-nurturers and constituting a niche push. Second, the relevance of taking an SNM perspective was discussed, pointing to how grassroots entrepreneurship can practice aspects of SNM but may also require SNM-type support interventions. Third, aspects of regimes and institutions were explored in their relevance to grassroots entrepreneurship and change, pointing to the relevance of especially informal institutions. Fourth, factors of landscape pressure were found to be relevant, pointing towards changing contexts due to factors like globalization and the coming of age of younger generations. An aspect linked to landscape change indicated in the thesis is that it is important to consider aspects and cases of historical change to better understand and manage processes for change but also that change can be slow and patience is needed for successful change to materialize.

With regards to sustainable development the evidence found in the research conducted for this thesis indicates that grassroots entrepreneurs acting as change agents carry great potential and can be considered to be a great force for impact with regards to sustainable socio-economic development. Additionally there is promising potential for environmental impact but grassroots entrepreneurs have tended to focus less on this aspect in the past, there is however increasingly more attention to this aspect by grassroots entrepreneurs in the last ten years.

Having discussed how grassroots entrepreneurs can act as change agents and contribute to sustainable development in the Global South as a whole, next this paper looked at whether Sub Saharan Africa in particular could be a promising or relevant place to encourage this. With a high percentage of entrepreneurs in the population and a rise in the numbers and increasingly positive perception of entrepreneurship, a strong presence of social entrepreneurship, increasing concern of social change, transformation, and empowerment by grassroots entrepreneurs, and the rising notions of ideas like Africapitalism, Sub Saharan Africa shows that encouraging and promoting change agency by grassroots entrepreneurship can be a valuable and promising approach. In this way, it can be promoted that grassroots entrepreneurs themselves can contribute to transformation and sustainable development and that this transformation and development can be homegrown, in contrast to so many development efforts that have been imposed on the continent by outsiders.

There are still many challenges and struggles grassroots entrepreneurs face when trying to achieve change and there is still a great need for external support. Development programs are still important despite the call for a more indigenous homegrown style of transformation. Their contribution to the transformation could be more effective if their focus is more geared towards enabling grassroots entrepreneurs to become change agents and bringing the change needed in their local context themselves, being guided more by the voice of the entrepreneurs about their needs. Support methods and investment could use a scouting method to locate potential grassroots entrepreneurs with a positive impact and potential for change agency. The focus in this approach should be on demand-driven bottom-up support and on a local impact and small but significant investment followed by efforts for wider innovation upscaling and diffusion instead of large investment with a focus on rapid growth. Thus it can be concluded that grassroots entrepreneurship can be viewed as an important factor for development because it can create a lot of jobs in many different sectors, increase social wealth, and reduce poverty. It has been noted in the literature that grassroots entrepreneurs are able to solve problems in many different sectors and aspects of society, that they can be valuable promoters of sustainable development at the grassroots, and finally that they are, as previously discussed, a source of innovation (Chrysostome, 2019; McMullen, 2011; Patzelt & Shepherd, 2011).

Besides pointing out the relevance and potential of grassroots entrepreneurs acting as change agents for transformation this paper also shows that perspectives from transition theory are relevant and suitable when researching grassroots entrepreneurship, especially in the case of mapping their change agency. Using a transition theory lens for grassroots entrepreneurship allows for a thorough analysis and the

finding of relevant and interesting insights. Grassroots literature can really benefit from applying transition theories. Besides that it shows that it by highlighting the concept of change agency allows to highlight and pinpoint the importance and relevance of grassroots entrepreneurship. It is also the case that transition literature could benefit by also considering and researching aspects of grassroots entrepreneurship. It is a sometimes forgotten actor while their role can be significant and important. Thus more appreciation in the line of 'small is beautiful' could lead to insights of the beautiful potential and impact of actors like grassroots entrepreneurs.

8.1 Discussion and recommendations

This thesis and its research relied heavily for its sources on other papers and findings discussed by other authors. The literature analysis conducted was rigorous and systematic. Additionally, the use of interviews strengthened certain insights while also adding new insights, strengthening overall findings, understanding, and quality of the research. Linking the aspects of grassroots entrepreneurship and change agency to the transition theory and literature, while not using one specific model of transition theory, allows for more systematic analysis and structuring of the thesis. These aspects are considered to be a strong aspect of this thesis and to add some value to the overall paper and its conclusions. However, there are also some weaknesses and side notes to discuss. First, as mentioned, this paper relied heavily on literature, but it is lacking in terms of primary sources and findings from own fieldwork. Due to travel restrictions it was impossible to conduct fieldwork. Second is that, although interviews were conducted, the total number of interviews conducted is limited. However, to ensure the possibility for diverse findings and insights a balanced mix was maintained in the backgrounds and expertise of the people interviewed.

Further research on the issue of grassroots entrepreneurs as change agents is recommended. Transition theory can provide valuable tools for approach and analysis, but it would be recommended to not stick to one specific model. The agency or action aspects may sometimes be underrepresented in the transition theories in focus (Duygan et al., 2019), however the theoretical perspectives provide enough material for analysis as this paper has shown. It is recommended to conduct field research to further research the aspects of grassroots entrepreneurship, the ways in which the entrepreneurs act as change agents, the way they contribute to transformation and sustainable development. Beyond that it is recommended to also research how to locate grassroots entrepreneurs with potential for change agency transformation and sustainable development and what kind of support is needed to further unlock and boost their potential. Finally there are various types of regimes in developing countries like those in Sub Sharan Africa, which van Welie (2019) describes as splintered regimes. Different types of regimes can have different impacts on entrepreneurship and agency strategies. Where it was not the scope of this thesis to map out the different regimes it is recommended to research this further.

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