March 30, 2009

Dear Mr. McKague:

Please find attached our report for the project titled Sustainable Microenterprise: A Dynamic Model of Growth and Survival under Resource Constraints, a 2006-2007 Canadian-African Capacity Building Grants for Private Sector Development Research in Africa, funded by the Investment Climate and Business Environment Research Fund (ICBE RF), The International Development Research Centre (IDRC) and TrustAfrica (Ford Foundation) for CAN$50,000.

The report is organized in three components:
1. Summary of Research
2. Summary of Training
3. Summary of Expenses

We append detailed descriptions of several large-scale collaborative events at academic forums.

If you have any questions, or if we can provide additional information, please do not hesitate to contact our research team at your earliest convenience.

Sincerely yours,

Stewart Thornhill, PhD
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Richard Ivey School of Business
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David G. Burgoyne Faculty Fellow
Richard Ivey School of Business
University of Western Ontario
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Email: obranzei@ivey.uwo.ca

Widad Abd El Rahman, PhD
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Ahfad University for Women
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Tel: 249-87554870 ext.154
Email: wida_ali@hotmail.com

Donath Olomi, PhD
Director, Entrepreneurship Center
University of Dar es Salaam
P.O. Box 110099, Tanzania
Tel: 255 222410115
Email: olomi@fcm.udsm.ac.tz
I. Summary of Research Collaborations

I.1. Research Partnerships

The seed grant enabled joint research leading up to an application for a Social Sciences and Humanities Research Council Grant, Sustainable Development under Resource Constraints: Enterprise Emergence and Social Capacity Building in War-torn Areas, funded for CAN$124,000 under the 2008 SSHRC Standard Grants Competition.

Principal Applicant: Dr. Oana Branzei, Co-applicants: Dr. Stewart Thornhill, Dr. David Wheeler and Dr. Benson Honig, African Partners:

Objective: The objective of this research program is to develop and validate an integrative framework delineating the pro-peace, pro-social functions of enterprise-led sustainable development under resource scarcity by (1) explicating when and how entrepreneurship can contribute to sustainable development, poverty alleviation and community engagement in emerging markets, (2) exploring the social dynamics which enable or hinder venture creation and growth at different degrees of conflict (ranging from war-torn areas, to post-conflict reconstruction, to peace-building, to stable and enterprise-nurturing contexts in East Africa), and (3) understanding how entrepreneurial activities improve gender equity, restore the social fabric of the community, and promote stability and self-reliance.

Research Question and Focus. The African continent has long been afflicted by poverty and conflict (Goodhand & Hulme, 1999). Recent reports estimate the costs of armed conflict at $18 billion a year – as high as all the development aid (IANSA, Oxfam & Saferworld, 2007: 3). We ask when, how and under what contingencies entrepreneurial activities may help reverse the downward spiral of conflict and poverty by creating more socially equitable and sustainable economic opportunities for underprivileged communities in post-war zones. We are particularly interested in three types of ventures which emerge, survive, and drive sustainable development under conditions of resource scarcity or social and political instability: women-led enterprises (Ayudurai & Sohail, 2006; Honig 2001a), community enterprises (Peredo & Chrisman, 2006), and grassroots enterprise networks (Hite, 2005; Wheeler et al., 2005).

Team and Partners. Five Canadian and five African researchers will join their complementary expertise in research, consultancy and outreach, and leverage their prior field work, research insights, institutional connections and personal relationships with a wide range of entrepreneurs in Sudan, Tanzania, Kenya, Uganda and Rwanda to observe, document, refine, develop and validate our understanding of how different degrees of resource scarcity and conflict shape the incidence, success, and multi-faceted outcomes of entrepreneurship (economic, social and environmental, across levels of analysis ranging from the individual entrepreneurs and their immediate family, their community and region or country).
I. Summary of Research Collaborations

I.2. Canada-Africa Events & Projects

Symposia & Professional Development Workshops


(Appendix A)


(Appendix B)


Case Collections (Appendix A)

The research team developed a proposal for an Africa-based case collection grouped by teaching subject and by region. The collection includes cases authored and co-authored by African colleagues. We are currently working on publishing the first edition of the Case Collection, forthcoming in 2009 (Appendix C outlines the proposal).

I.3. Research Projects

Awards

Best Paper Award 2009, the Entrepreneurship and Family Business Division of Administrative Sciences Association of Canada, for The Renaissance of Community Enterprise in Postwar Sudan

Best Case Award, Dark Side Case Study Competition 2007, Academy of Management, for City Water Tanzania.

Second Place, International OIKOS Case Competition 2007, for City Water Tanzania.

Articles


Book Chapters

I. Summary of Research Collaborations


Conference Proceedings


Cases & Simulations


I. Summary of Research Collaborations

Forthcoming Cases, Ivey Publishing 2009


Branzei, O. and McKague (2009). WonderWelders

Karugu, W.N. and Branzei, O. (2009). Hotel Serena


Conference Presentations


II. Summary of Training

II.1. Doctoral and Master Students

The grant supported the participation of Winifred Karugu in the 2008 PhD Sustainability Academy, and a working visit with Dr. Branzei and Dr. Thornhill.

The grant supported one doctoral student, Samer Abdelnour, who worked in Sudan as a research assistant with Dr. Abd El Rahman and assisted Winifred Karugu with literature reviews on gendered enterprise. Samer Abdelnour was actively involved in case research and two data collection projects, focused on Darfur and the Blue Nile. The latter will form the context for his dissertation work, examining the evolution of community enterprise in postwar Sudan, under the supervision of Dr. Branzei.

The grant also supported case research by two master students, Melissa Peneycad and Alice Wan, who worked in Tanzania with Dr. Olomi, supporting the development of research and teaching cases on enterprises and microenterprises in Tanzania.

II.2. Course Development


The research team has developed customized course outlines and will be working with textbook publishers to develop condensed versions of cases for Africa-based editions.

II.3. Dissemination

The results of the research projects were shared with doctoral students at several international events, including several Canada-Africa symposia and professional development workshops:


Dr. Branzei will provide training on business models, with a focus on Africa, to the OIKOS PhD Academy held in August 2009.

The research team is preparing an overview of the research findings for the Africa Business Journal.

Corporate Knights provided a feature article on the work conducted by the team in Darfur.
### III. Summary of Expenses

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<thead>
<tr>
<th>Description</th>
<th>Proposed</th>
<th>Actual</th>
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<tr>
<td><strong>African Team Members</strong></td>
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<td></td>
</tr>
<tr>
<td>Local field travel (initial site observation and two follow up visits)</td>
<td>1000</td>
<td>741.2</td>
</tr>
<tr>
<td>Faculty exchange visits/in-country research support (4 week visits)</td>
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<td>19426.33</td>
</tr>
<tr>
<td>Conference travel, fees and living expenses</td>
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<td>1871</td>
</tr>
<tr>
<td>Student data collection</td>
<td>1000</td>
<td>1500</td>
</tr>
<tr>
<td>Equipment &amp; supplies</td>
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</tr>
<tr>
<td><strong>Total African Team Members</strong></td>
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<td>29226.55</td>
</tr>
<tr>
<td><strong>Canadian Team members</strong></td>
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<td></td>
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<tr>
<td>Work visits &amp; case related travel expenses</td>
<td>12000</td>
<td>5469.86</td>
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<tr>
<td>Research assistantships (two terms, $3,000 per term): case writing</td>
<td>6000</td>
<td>6000</td>
</tr>
<tr>
<td>Editing and web publishing expenses</td>
<td>4000</td>
<td>4000</td>
</tr>
<tr>
<td>Dissemination</td>
<td>3000</td>
<td>2802.340</td>
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<tr>
<td><strong>Total Canadian Team Members</strong></td>
<td>25000</td>
<td>18272.2</td>
</tr>
<tr>
<td><strong>Total budget</strong></td>
<td>50000</td>
<td>47498.75</td>
</tr>
</tbody>
</table>
Table 1: The role of relational practices and social fabric in traditional business models

Moderator:

Tarek Hatem (Professor of Management, American University in Cairo, Egypt, and Chairman of the Management Consultants Association in Egypt) will initiate the discussion using his research on the award winning Egyptian enterprises SEKEM (http://www.sekem.com/) and SIWA Sustainable Development Project (http://archnet.org/library/sites/one-site.tcl?site_id=4343; http://www.iccwbo.org/WBA/id7026/index.html)

Contributors:

Li Ronglin (Professor, Institute of International Economics, Nankai University, Tianjin, China) will discuss how Tsinghua Tongfang (THTF), a Beijing-based high technology computer company developed the Changfeng computer for Chinese rural users with the support of Beijing agencies.

David Wheeler (Dean, Faculty of Management, Dalhousie University, Co-Chair of the UNDP Growing Inclusive Markets Case Study Initiative) will reflect on his 2005 qualitative study (http://sloanreview.mit.edu/smr/issue/2005/fall/09/) of 12 business models in Africa, 11 in Latin America, 15 in Asia, and 11 others around the globe to highlight when and why relational practices make a difference in sustainable development.

Monica Kruglianskas (Lecturer, School of Communication, Universidad Autonoma de Barcelona/UAB, and EAE Business School, Universidad Politecnica de Catalunya/UPC) will share her insights about the interplay between social responsibility, communication strategies and reputation management strategies amongst Brazilian enterprises.

Jaynne Carolina Rivas (Associate Professor, Instituto de Estudios Superiores, Caracas, Venezuela, PhD Candidate Tulane University) will share her insights from researching emergent of social enterprises in Latin America.

Discussant:

Kevin McKague (Senior Research Fellow, Institute for Research and Innovation in Sustainability, President, Foundation for Sustainable Enterprise and Development) will wrap-up the thematic discussion with a broad framework that summarizes insights to date on the role of innovative networks in unleashing grassroots entrepreneurship.

Table 2: The role of entrepreneurship in post-conflict stabilization and peace-building (women-led micro-enterprises)

Moderator:


Contributors:

Benson Honig (Betty and Peter Sims Professor of Entrepreneurship, Director, NeXt, & Assoc. Professor, School of Business and Economics, Wilfrid Laurier University, Canada) will reflect on the challenges faced by micro-enterprises under structural upheaval and their contributions to stabilization and peace-building. He will discuss new research findings in social entrepreneurship, http://www.wlu.ca/docsnpubs_detail.php?grp_id=647&doc_id=19682, and his research work in conflict zones, from Gaza to Sudan.

Audrey Kahara-Kawuki (Professor and Director of the Entrepreneurship Centre at the Makerere University Business School, Uganda) will explore how social norms and situational factors influence Ugandan women’s entrepreneurial choice and growth options and feature insights from her recent collaborations with ILO, CARE, African Development Bank and the Bank of Uganda, which have resulted in several published reports and training manuals for Ugandan women micro-entrepreneurs.

Discussant:

Samer Abdelnour (Research Associate with the Centre for Refugee Studies, York University) will summarize the points raised using his deep insights as both a field researcher and manager of a project promoting sustainable enterprise development and post-war reconstruction in Sudan.
Table 3: The pros and cons of community-based enterprise

Moderator:

Ana Maria Peredo (Associate Professor, Faculty of Business, University of Victoria, and Program Director, Canadian Foundation for the Americas, Western Office) will introduce the theories concerning community-based business model and their positive and negative implications for social and economic change which she recently published in leading journals (Academy of Management Review, Journal of International Development).

Contributors:

Anant Nadkarni (Vice President, Corporate Social Responsibility, TATA Group India) will reflect on the history of the group’s involvement in community enterprises and the forward-thinking leadership style that emerges by getting involved at a deeply human level.

Melissa Peneycad (Consultant and Client Service Manager, Terrachoice Environmental Marketing, and former CARE Enterprise Partners Intern in Tanzania) will share her ethnographic work on the evolution of community-based women’s groups in Zanzibar, and more generally on the role of social support groups on the development of enterprises and entrepreneurial potential.

Sandra Waddock (Professor of Management, Boston College Carroll School of Management, Senior Research Fellow, Center for Corporate Citizenship at Boston College, and Visiting Scholar, Harvard University, John F. Kennedy School of Government) will discuss insights from her award winning research on corporate social responsibility, with a specific focus on the complex interactions between businesses and the communities they operate in.

Discussant:

V. Kasturi (Kash) Rangan (Malcolm P. McNair Professor of Marketing and Director of Research, Harvard School of Business)

Table 4: The cycles of value creation and appropriation in formal & informal segments

Moderator:

Prabakar (PK) Kothandaraman (Senior Researcher, Harvard Business School – India) will stimulate critical reflection on value creation and appropriating by drawing on his research and case studies of four different organizations: Fabindia Overseas Pvt. Ltd. (published by Harvard), Sulabh, Narayana, and NTADCL. These cases cover artisans, sanitation (provision of public and private toilets), cardiac health care and water provision.

Contributors:

Winifred Kargu (Director Institute for Human Resources Development, Professor, Jomo Kenyatta University of Agriculture & Technology, Member of the International Association of Agricultural Economists and the African Technology and Policy Studies Network) will discuss the role of CFW shops – micro-franchise pharmaceutical outlets operating in slums and low income areas, and also draw on her research on long-life malaria medicine distribution and water access in informal segments.

Robert Osei (Research Fellow, Institute of Statistical Social and Economic Research, and Professor of Economics, University of Ghana) will focus on natural resource economics and informal enterprise in Ghana, sharing his insights about value creation and appropriation in an innovative partnership among Barclay Bank, micro-enterprises and Susu collectors.

Christian Seelos (Lecturer and Senior Researcher, IESE, University of Navarra) will draw our attention to the interface between company strategy and emerging issues of the global sustainability agenda such as climate change, water stress, poverty and neglected diseases and global health, and share insights from his case studies with special emphasis on Sekem.

Discussant:

Oana Branzei (Assistant Professor, Richard Ivey School of Business, University of Western Ontario) will discuss the interaction between value creation and appropriation and their impact on value chain reconfiguration using her field research work and several award-winning case studies from Kenya, Tanzania, and Sudan and reflect on the broader implications on value creation-appropriation dynamic in base-of-pyramid markets.
Table 5: Grounded and gendered perspectives on social entrepreneurship in emerging economies

Moderator:

**Johanna Mair** (Assistant Professor, IESE Business School of the University of Navarra, Spain, one of the leading contributions to defining and theorizing about social enterprise, and co-editor of the first book on Social Entrepreneurship published by Palgrave in 2005) will discuss several of the key insights and challenges from the rapid evolution of research on social enterprise.

Contributors:

**Patrick Onsando** (Head of Department, School of Economics and Business Management, Moi University, Kenya) will comment on the macroeconomic factors which hinder the creation and appropriation of value by pro-poor enterprises in Kenya.

**Waswa Balunywa** (Dean and Vice Chancellor, Makerere University Business School, Uganda) will comment on the theoretical and managerial opportunities and challenges in studying for-profit versus not for profit social entrepreneurs in Uganda.

**Mike Valente** (Assistant Professor, Faculty of Business, University of Victoria, Canada) will discuss the determinants and processes that explain how business sustainability becomes embedded in the organization as a legitimate and value-laden strategic imperative, using his inductive theory building work on 16 longitudinal case studies of companies operating in Kenya, Tanzania, South Africa, and Egypt.

Discussant:

**Aneel Karnani** (Associate Professor, Stephen M. Ross School of Business, University of Michigan) will emphasize the benefits of grassroots initiatives in increasing the purchasing power of base of pyramid suppliers – and contrast the discussed models with the more traditional view of poor as consumers.

Table 6: Innovative approaches to sharing and learning private sector development and sustainable enterprise

Moderator:

**Martin Hall** (Deputy Vice Chancellor, University of Cape Town, South Africa, Professor UCT Graduate School of Business and Visiting Professor, Stanford University) will open the discussion with a thought provoking argument on how small enterprise development helps appropriate knowledge that stimulates pro-poor value creation.

Contributors:

**Pedro Franco**, Dean, School of Business Administration and Accounting; Director, Center for the Sustainability Performance, Universidade del Pacifico, Peru, author of the UNDP MiBanco case study [http://www.up.edu.pe/data/ciup/documentos/20070704171734_Mi%20Banco%2025.04.07.pdf](http://www.up.edu.pe/data/ciup/documentos/20070704171734_Mi%20Banco%2025.04.07.pdf)

**Claudio Becahat**, Director of Sustainability and Corporate Responsibility at the Fundação Dom Cabral in Brazil, and the Brazilian representative in the Globally Responsible Leaders Initiative, sponsored by UN Global Compact and European Foundation for Management Development; and in the UN Global Compact Task Force for Principles for Responsible Management Education. Also author of several impactful case studies, including: Natura, on local sourcing from Amazon communities.

**Motoko Aizawa** (Head, Policy and Standards Unit, Environment and Social Development Department, International Finance Corporation) will share insights from her work in managing the most comprehensive environmental and social policy update process in the history of the International Finance Corporation, the development of new Social and Environmental Sustainability Policy and Performance Standards, and the design and implementation of the internal and external consultation and communication process, including Equator bank consultations.

Discussant:

**Patrick Onsando** (Head of Department, School of Economics and Business Management, Moi University, Kenya) will discuss Sustaining Economic Growth through Proper Linkages in National Educational Systems, a contribution to the UNESCO Forum on Higher Education, Research and Knowledge, [http://unesdoc.unesco.org/images/0015/001503/150304m.pdf](http://unesdoc.unesco.org/images/0015/001503/150304m.pdf)
Doing Better at Doing Good
Broadening the Base of the Pyramid

Whether and how companies can do better by doing good are contested propositions among management thought leaders. In the December 2006 issue of Harvard Business Review Michael Porter argues that social initiatives help firms unlock new sources of competitive advantage and Clayton Christensen links disruptive innovation with social change. The application of the ‘doing well by doing good’ debate to poverty alleviation and progress towards the United Nations’ Millennium Development Goals is particularly controversial and tantalizing. Is there a fortune to be made by serving the needs of consumers at the bottom of the pyramid, as C.K. Prahalad and Stuart Hart have argued in their best-selling books? Or should we rethink the role of the 1.6 billion living between $1 and $2 dollars a day and advocate production-driven business models and sustainable networks of grassroots enterprises instead? As the promise and appeal of the influential ‘fortune at the bottom of the pyramid’ argument has grown more influential, its critiques also intensified. This symposium is the first forum to take on this controversy explicitly in an innovative debate and response format which includes champions of the consumption-driven, production-based, and networked approaches to doing well while serving the needs of the poor. It also brings together a passionate group of provocateurs and a distinguished panel of responders including action leaders directly involved in path-breaking work with both large multinationals and grassroots businesses serving developing markets around the world.

Co-Organizers

<table>
<thead>
<tr>
<th>Oana Branzei</th>
<th>Kasturi (Kash) Rangan</th>
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<tbody>
<tr>
<td>Assistant Professor</td>
<td>Co-chairman of the Social Enterprise Initiative</td>
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<tr>
<td>Richard Ivey School of Business</td>
<td>Malcolm P. McNair Professor of Marketing</td>
</tr>
<tr>
<td>University of Western Ontario</td>
<td>Harvard Business School</td>
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The Debate: Can Business Really Broaden the Base of the Pyramid?

<table>
<thead>
<tr>
<th>Mark Milstein</th>
<th>Aneel Karnani</th>
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<tbody>
<tr>
<td>Center for Sustainable Global Enterprise</td>
<td>Stephen M. Ross School of Business</td>
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<tr>
<td>Johnson School</td>
<td>University of Michigan</td>
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The Panel: Framing the Debate, and Its Global Implications

<table>
<thead>
<tr>
<th>Jane Nelson</th>
<th>James (Jim) P. Walsh</th>
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</thead>
<tbody>
<tr>
<td>Senior Fellow and Director, CSR Initiative</td>
<td>Academy of Management Program Chair Elect</td>
</tr>
<tr>
<td>Kennedy School of Government</td>
<td>Gerald and Esther Carey Professor of Management</td>
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<td></td>
<td>Stephen M. Ross School of Business</td>
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<tr>
<td></td>
<td>University of Michigan, Ann Arbor, MI 48109-1234</td>
</tr>
<tr>
<td>Ángel Cabrera</td>
<td>Martin Hall</td>
</tr>
<tr>
<td>President, Thunderbird School of Global Management</td>
<td>Deputy Vice-Chancellor</td>
</tr>
<tr>
<td>Academic Taskforce, UN Global Compact</td>
<td>Director of the Multimedia Education Group</td>
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<tr>
<td></td>
<td>University of Cape Town</td>
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</tbody>
</table>

Panel Moderator

<table>
<thead>
<tr>
<th>David Wheeler</th>
<th>Sandra Waddock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean, Faculty of Management</td>
<td>Senior Research Fellow</td>
</tr>
<tr>
<td>Dalhousie University</td>
<td>Center for Corporate Citizenship</td>
</tr>
<tr>
<td>Kenneth C. Rowe</td>
<td>Professor of Management</td>
</tr>
<tr>
<td>Management Building</td>
<td>Carroll School of Management, Boston College</td>
</tr>
<tr>
<td></td>
<td>Visiting Scholar, Harvard Kennedy School of Government</td>
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</table>
# Appendix C: Africa Case Collection

## Overview by Chapter and Topic

<table>
<thead>
<tr>
<th>Human Capital</th>
<th>International Business</th>
<th>International Development</th>
<th>Social Enterprise</th>
<th>Cross-sector Partnerships</th>
<th>Disruptive Business Models</th>
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<tbody>
<tr>
<td>Human Resource Management in Multinational Banks in Tanzania</td>
<td>The New Partnership for Africa Development</td>
<td>Habitat for Humanity International in South Africa</td>
<td>Selena Hotels</td>
<td>One Laptop per Child</td>
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<tr>
<td>Technology</td>
<td>Lonrho PLC: An African Conglomerate</td>
<td>Houses for Africa</td>
<td>The Lapdesk company</td>
<td>ApproTEC Kenya</td>
<td>M-pesa</td>
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<td>Nutrition &amp; Agriculture</td>
<td>Nestle’s Milk District Model</td>
<td>Care Enterprise Partners</td>
<td>The Yogurt Mamas: Nutrition against AIDS</td>
<td>Care Kenya</td>
<td>Honey Care Africa</td>
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<td>Water Management</td>
<td>City Water Tanzania</td>
<td>Energie du Mali</td>
<td>PSI: Social Marketing Clean Water</td>
<td>International Rivers Network and the Bujagali Dam Project</td>
<td>Zenon Environmental, Inc.</td>
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<tr>
<td>Energy/ Resources</td>
<td>Royal Dutch Shell in Nigeria: Operating in a Sudan</td>
<td>China in Africa: The Case of Sudan</td>
<td>Windhoek Nature Reserve: Financing a Sustainable Conservation Model in Namibia</td>
<td>The Rwandan Tea Industry: Looking into the Future</td>
<td>E+Co</td>
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<td>Enabling Infrastructure</td>
<td>Celtel International B.V.</td>
<td>WIPHOLD</td>
<td>Bridge Expeditions and InstaFoods in Kibera</td>
<td>Unitus: Microfinance 2.0 – Reinventing an Industry</td>
<td>Micro-insurance Agency: Helping the Poor Manage Risks</td>
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</table>

Special Interest Topics:
- Women-focused models (6 cases)
- SMEs (6 cases)
- Subsistence Marketplaces (6 cases)
- Micro-franchising (3 cases)
- Micro-enterprise (3 cases)