

# Startups can play a role in social change

By  Eugene Coetzee

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What role can tech startups play in helping to solve the unemployment crisis? The short answer is: in a greater capacity than you'd think. These startups have the potential to open up and democratise the market in virtually every sector thanks to their 'from-the-ground-up' structures and the accessible nature of technology itself.



Eugene Coetzee, co-founder of Jobbie

A surprising number of startup founders have shared that the spark that motivated them to finally found the startup they'd been ruminating over for years was an overwhelming desire to enact some kind of social change. My own startup, Jobbie, was no exception.

Year-on-year, we, as South Africans, are told by both the media and the government that our unemployment problem continues to worsen and that this situation particularly affects the most vulnerable segment of our labour market: young people.

Thousands of skilled South Africans are sinking further and further below the poverty line due to the disconnect between worker and customer, as they often simply have no way of reaching those who are in need of their skills.

This realisation led my business partner and me to co-found Jobbie in 2018. We were tired of standing idly by while more

and more skilled South Africans found themselves without work and without an opportunity to showcase their well-honed skills. We weren't alone in this - a recent report from Disrupt Africa found that 180 tech startups across the continent have developed solutions that have helped users to find work, both full-time and project-based.

I felt that it was important for our startup platform to be centred around a mobile app for ease of access, as the majority of people in developing countries solely use a mobile device to access the internet. The Jobbie app is designed to mitigate the traditional barriers of entry to the job market by connecting users to customers needing to get odd jobs done, matching them to nearby opportunities suited to their skills, exposing them to thousands of potential new customers and enabling them to get paid quickly and easily – all from their mobile phones.

## **Social Entrepreneurship**

The official term for this type of startup venture is social entrepreneurship, and it's on the rise. This upswing can be partly attributed to an increase of millennials in the labour market, a cohort which the Harvard Business Review has dubbed as "the most socially conscious generation since the 1960s". Millennials (and Gen Z-ers) demonstrate this social consciousness through the products that they buy, the businesses they support, and, in some cases, the startups that they found.

Startups that adopt the twin values of the business and social development are able to structure their operations in a manner that reflects the moral principles of its founders.

## **The bottom line**

Unfortunately for us idealists, the million-rand question remains: can social entrepreneurship be profitable?

At present, the financial returns of the social enterprise sector are not quite that of more developed fields like finance, but that profitability is set to grow over time, aided by the support of investors, government and the aforementioned increase in socially conscious consumers.

The questions you need to ask yourself if you wish to be a catalyst of social change through your startup:

- What is the social problem that your startup plans to combat?
- How is your startup's solution functionally better than existing alternatives?
- How does your startup benefit its users?
- How can your startup be both a social enterprise and a profitable business venture?
- Is your social enterprise scale-able, and will it lend itself to corporate partnerships?
- How will you, as a founder, hold yourself accountable to your original mission statement?

Ultimately, you need to fully understand the risks and rewards of the unconventional path you have chosen. There will be plenty of sceptics, and you need to anticipate the unique challenges associated with pitching startups that have social change over making tonnes of money as their primary goal to potential investors.

However, if you do your research, surround yourself with a strong team and stay true to your original mission statement, you just might succeed in starting a successful business that helps to make the world a better place.

## **ABOUT EUGENE COETZEE**

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