

**The Promotion of Ethical Entrepreneurship in the Third World:
Exploring Realities and Complexities from an Embedded Perspective**

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Abstract

Ethical entrepreneurship has become a global concern phenomenon. Its promotion is coming with meaningful implications for entrepreneurs in both developed and underdeveloped countries. This article explores the supportive approach to ethical entrepreneurship in the Third World, taking as a case study one of the older NGOs of Zimbabwe that is implementing support programs for enhancing an ethics-driven entrepreneurship. Attention is given to the often elusive influence of the idiosyncrasy of the context in the understandings of ethical entrepreneurship. Guidance in its interpretation is provided by the notion of embeddedness, which helps to clarify how the meaning and the measures to promote ethical entrepreneurship are shaped by the culture and values that people share in contexts characterized by extreme poverty. Based on narrative interviews, informal conversations, direct observation and secondary sources, findings show that, in general, the success of support programs depends on the integration of the measures into local people' expectations of what ethical means in the context of entrepreneurship.

Keywords: Ethical Entrepreneurship; Third World; Africa; Embeddedness; NGOs.

1. Reconciling Ethics, Entrepreneurship and the Third World

Both entrepreneurship and ethics are recognized as inseparable paradigms for the 21st century. Some decades ago, however, they did not seem to have much in common. The enterprise culture in the 1980s portrayed entrepreneurship as the solution to the greatest socio-economic problems. But the focus was placed only on the creation of economic value, while ethics was disregarded as irrelevant. Nonetheless, as corporate moral scandals have expanded around the world, there has been widespread acceptance that the traditional enterprise culture can no longer provide the prosperity and goodness that today's societies desire. In fact, it has become generally accepted that entrepreneurship cannot work well unless it is an ethics-driven entrepreneurship (Harris, Sapienza, & Bowie, 2009; Power, Di Domenico, & Miller, 2017).

The increased global interest in promoting a more ethical entrepreneurship is clearly reflected by the growing number of articles currently appearing in scholarly journals and popular press (Branzei & Abdelnour, 2010). Yet, most of the contributions turn back to a Western point of view (Chikweche & Fletcher, 2017). Ethical questions are normally addressed through the lenses of developed countries but, unfortunately, authors rarely draw on contexts characterized by extreme poverty.

In 2013 – the year of the latest comprehensive data on global poverty so far – about 767 million people were struggling to live on less than US\$1.90 a day (World Bank, 2016). Most of these people are geographically concentrated in African, Asian, Latin American and Middle Eastern countries, which often are referred to as the global South or the “Third World” (Solarz, 2012). In addition to extreme poverty, other prominent challenges that these countries face often include chronic unemployment, low national skill, poor education levels, high HIV/AIDS prevalence rate, constraints in basic service provision such as access to clean drinking water or electricity, and poor governance in addressing such problems (Shafik, 2016). Not surprisingly, there is also limited entrepreneurial activity, and it is not strange to find a number of local non-

governmental organizations (NGOs) helping to fill markets or institutional gaps (Olthaar, Dolfma, Lutz, & Noseleit, 2017). Such active roles, however, might only be understood from the perspective of their relationships with other constitutive groups in society – e.g., aid donors, global NGOs, political movements – who become influential actors by providing not only financial support but also guidance to the NGOs. This has been clear with the growing concern about ethical entrepreneurship in Western economies (De Leon, 2011; Tesfayohannes & Driscoll, 2010; Wempe, 2005); NGOs from developing and underdeveloped countries are voicing such concern driven, in great part, by demands from Western donors, despite that the ethics of entrepreneurship had not initially received the same attention than in the West (Azmat & Samaratunge, 2009; Shafik, 2016).

As organizations that promote responsible and ethical entrepreneurial practices, many NGOs have become involved in external development interventions. But as they are part of the societies in which they operate, they are also driven by the concern for advocating solutions that are valued and sought after by local people. Difficulties in grasping this paradox are a result of disregarding the complexities and local realities of the context. Hence, the purpose of this article is to explore some of these realities to better understand the phenomenon of ethical entrepreneurship and its promotion in the Third World. To do this, we focus on the case of one of the older NGOs in Zimbabwe that is implementing support programs for enhancing an ethical, sustainable and socially responsible entrepreneurship. Zimbabwe currently has one of the poorest economies in the world (World Bank, 2017), so the case-study can bring some useful insights about what ethical entrepreneurship is meant to be and how it emerges in challenging contexts such as the Third World. Nonetheless, by focusing on Zimbabwe we do not pretend to trivialize the wideness and heterogeneity of the Third World. The decision to deal with Zimbabwe under such an umbrella is made for analytical reasons meant simply to acknowledge the fact that despite Third World's heterogeneous character, it does share some

characteristics that make it different from developed countries and most of the regions from the North.

To further facilitate the discussion, we will first look at the background in the literature on the ethics of entrepreneurship in the context of developed and underdeveloped countries. Moreover, as we assume that the implementation of any support measure might be affected by local understandings, a framework based on the notion of embeddedness (Granovetter, 1985; Zukin & DiMaggio, 1990) will be used to gain insights to our interpretations. Such framework will be briefly explained before we present the case study and analyze its main characteristics. Finally, we will conclude by commenting on the main implications that come from the case.

2. Ethical Entrepreneurship In-Context

2.1. Understanding the Ethics of Entrepreneurship from Advanced and Developed Economies

Researchers investigating the ethics of entrepreneurship from a Western perspective are usually associated with the development of this topic (e.g., Hannafey, 2003; Harris, Sapienza, & Bowie, 2009). However, there is no common view concerning the ethics-entrepreneurship relationship in the West (Cressy, Cumming, & Mallin, 2011). Reductively put, one can subdivide the available literature into accounts that assume a skeptical position in the relationship between entrepreneurship and ethics and those which evaluate the entrepreneurship-ethics nexus more positively (Brenkert, 2009; Dey & Steyaert, 2016). Characteristic of the former case are accounts that suggest a functional view of entrepreneurship and ignore or discount any further ethical issue in decision-making processes because it is perceived as a burden for the business life. As a result, the business strategies influenced by this view are mainly focused on short-term economic outcomes, while the ethical side of the firm is limited to the fulfillment of legal codes (Hess & Cottrell, 2016). The latter, in contrast, sees entrepreneurs' ethical responsibilities

as an opportunity to contribute to the betterment of the business and society (e.g., Brenkert, 2002; Sarasvathy & Venkataraman, 2011). However, there are differences regarding the moral reasons that justify such positive position. For instance, by adopting a pragmatic and utilitarian view, some authors maintain a subjective “rationality” of what society – or a consensus within a society – considers to be important and useful, supporting ethics as a way of making the business marketable (Harmeling, Sarasvathy, & Freeman, 2009; Sarasvathy & Venkataraman, 2011). Instead, other authors hold a deeper view of a firm’s stakeholders and regard their care as the basis of the ethical action (Carr, 2003). Underlying the two positive perspectives there is a dominant rationalist and normative understanding of the way entrepreneurs should behave to make ethical decisions; thus, at the end, ethical entrepreneurship is associated with the implementation of a set of principles (deontological ethics), consequences (teleological ethics), or behaviors derived from possessing certain virtues or character (virtue ethics), which are assumed to work for the betterment, of course, of Western societies.

However, even though it is still commonplace to view the ethics of entrepreneurship confined within the traditions of the Western, liberal democratic lives, recent research suggests a more natural fit with the context in which entrepreneurship occurs (Amaeshi, Adegbite, & Rajwani, 2016; Azmat, 2010; Clarke & Holt, 2010; Dey & Steyaert, 2015). This shift towards a greater consideration of the context implies adopting a more culturally-oriented perspective on ethical entrepreneurship (Payner & Joyner, 2006). It entails, therefore, a greater engagement with the way in which different cultures, values, and religions can influence entrepreneurs’ perceptions of ethical behaviors and, consequently, their understandings of ethical entrepreneurship. In this respect, it makes sense to question how the ethics of entrepreneurship is understood beyond the Western world.

2.2. How Is the Idea of “Ethical Entrepreneurship” in the Context of The Third World Being Addressed?

There is a great difficulty in capturing the meaning of ethical entrepreneurship in the context of the Third World. There is a lack of studies approaching the topic. Yet, discussions around this issue can be identified under other labels.

“Responsible entrepreneurship” is one of the typical expressions used to refer to the ethics of entrepreneurship in underdeveloped countries (Azmat & Samaratunge, 2009; Chikweche & Fletcher, 2017). It often suggests a narrow and restrictive view of ethics that involves doing nothing that could harm stakeholders according to the current regulations and, in case of causing harm, rectify it, either voluntarily or in response to legal requirements or some sort of encouragement (Azmat & Samaratunge, 2009). Scholars on this topic have widely analyzed the reasons behind dishonest attitudes, suggesting that there is an excess of unethical practices in countries of the Third World. Particularly, there has been considerable support for arguments that in developing countries small-scale entrepreneurs' struggle for existence and their low level of education lead to irresponsible behaviors (Azmat & Samaratunge, 2009; Jameli, Lund-Thomsen, & Jeppesen, 2017; Lavallée & Roubaud, 2018).

Nonetheless, there is also an important body of literature which does question the link between challenging contexts and irresponsible business practices (Amaeshi, Adegbite, & Rajwani, 2016; Gallis, 2010; Jameli, Lund-Thomsen, & Jeppesen, 2017). Gallis (2010), for example, found that a considerable number of individual entrepreneurs around Africa were engaged in sustainable and socially committed business practices. Other authors have plainly recognized that social and sustainable entrepreneurship is a common type of entrepreneurship in developing and underdeveloped countries (e.g., Karanda & Toledano, 2012; Pillay & Kaye, 2017; Littlewood & Holt, 2018). Notwithstanding the term “ethics” is not always used explicitly, the ethical approach is sensible in the way that social and sustainable

entrepreneurship are connected to seeking solutions to deep social problems, creating social value, the pursuit of sustainable development, and the existence of honest people driven by values to these causes (Levinsohn, 2013). Ethical dimensions appear then interwoven with social or sustainable dimensions and they seem to be largely associated with the impact that some cultures or values have in how people live and relate to each other (Amaeshi, Adegbite, & Rajwani, 2016). In some manner, this observation appears conceptually developed by the notion of structural and cultural embeddedness, whose main meanings are discussed below.

2.3. Embeddedness and the Importance of the Context for Understanding the Ethics of Entrepreneurship

The notion of embeddedness is gaining recognition for opening new avenues to the way entrepreneurship is approached as a contextual process. Granovetter's (1985, 1990) works are acknowledged to be of greatest influences in the entrepreneurship field. He presents the argument of embeddedness by placing economic relationships in a wider context of on-going social relations. Following his reasoning, the entrepreneurial action would be embedded in networks of interpersonal relations, where the relational aspect of embeddedness (the personal relations) becomes as important as the structure of the overall network of relations; but going further this implies that entrepreneurship is shaped by the social structures where it occurs (McKeever, Jack, & Anderson, 2015). If such structures emphasized ethical behaviours, then the practice of ethical entrepreneurship would be expected to occur naturally. In Granovetter's (1985) terminology, this situation can be described by the notion of *structural embeddedness*, which would positively impact on the ethics of entrepreneurship. Yet, social structures may also act as constraints to entrepreneurship, for example, when social aspects of exchange supersede economic imperatives (Uzzi, 1997); obviously, they may act as constraints to ethical entrepreneurship as well.

Economic decisions can also be shaped by other contextual dynamics. *Cultural embeddedness* is the expression used to refer to the manner in which economic decisions are shaped by shared collective understandings (Zukin & DiMaggio, 1990). It has a cognitive function, in the sense that it serves as a channel to providing information, influence perception and the ends that people pursue. But it also implies affective and valuative aspects. In addition, as it occurred with structural embeddedness, diverse forms of culture – e.g., categories, values, beliefs, informal norms – may enable or restrict any economic activity (Dequech, 2003). The same may be argued to the case of ethical entrepreneurship; thus, culture may influence the entrepreneurs' ethics not only negatively but also positively. Particularly, culture might be understood as constitutive of entrepreneurs' ethical behaviours in at least two important senses. First, due to the fact that culture prepares the actor to act according to the market logic, before the market society is well established (Dequech, 2003), it might also prepare an entrepreneur to act according to an ethical or unethical logic. Second, even though culture may orient people to perform an ethical role as entrepreneur or market participant, such role may be played in very different ways. In the remainder of the article, we will discuss how and in which ways the notion of embeddedness affects not only the perception of ethical entrepreneurship in Zimbabwe but also its promotion.

3. The Case Study

This research was based on a single case study (Yin, 2013) about one of the older NGOs involved in developmental work in Zimbabwe. With more than twenty years experience in giving assistance in development projects and being one of the few local NGOs fully committed to promoting responsible entrepreneurial practices, it provided an interesting opportunity to gain insights about ethical entrepreneurship in an underdeveloped and challenging context. Since the NGO's inception, it has been working with international organizations – mainly from

German and Australia – that have collaborated as donors of the local interventions and, in some manner, have guided its social actions. Nonetheless, the NGO's interventions have not been developed without difficulties. On several occasions, NGOs have received public criticism and even threats from the local government, so that their actions may not influence people's opinions about the governmental ways of facing problems. This occurred with our case-study and, for this reason, we were asked to maintain its confidentiality. Therefore, throughout the article we will refer to it as NGO-ET (non-governmental organization for ethical entrepreneurship). To better understand its strategies and approaches, it is important to first keep in mind some basic facts regarding Zimbabwe's context.

3.1. Zimbabwe's Context

Zimbabwe is one of the countries included within the broad category of the Third World. According to the most recent data from the World Bank (2017), it has one of the lowest incomes of the African countries. Its Gross Domestic Product (GDP) was worth 16.29 billion US\$ in 2016 for a total population that achieved the 16.1 million at the end of that year (Trading Economics, 2017). In terms of HIV/AIDS, Zimbabwe has one of the highest HIV rates in Southern Africa, with around 1.3 million people living with HIV (Avert, 2017). Moreover, as all the countries of the Third World, Zimbabwe faces the problem of chronic unemployment. Its unemployment rate has risen significantly since 2010 and currently stands at 95% of the potential working population (Trading Economics, 2017). Such a challenging context is compounded by problems of food shortages, environmental degradation, severe droughts and political insecurity characterized by having the same president leading the country for thirty seven years. An emergency situation was declared on November 14, 2017, when the army took over the city of Harare with the objective of removing the government. This goal was peacefully achieved one week later, on November 21, although the new political future remains uncertain.

Despite such negative data, Zimbabwe does boast high rates of educated people compared to other underdeveloped countries. Although only a small percentage of the population has university degrees (approximately 8%), the literacy rate has reached 90% in all age sectors and almost half of the population has finished secondary studies (UNESCO, 2017). However, these and the previous rates are not geographically uniform within the country. For instance, rural districts have been more acutely harmed by Zimbabwe's economic situation than urban areas. This has translated to greater suffering for rural populations in terms of getting basic commodities, access to infrastructure, basic service provision such as electricity or clean water, and educational opportunities. This explains why NGOs' interventions often adopt different strategies when approaching urban and rural areas. In the discussion that follows we will distinguish the NGO-ET's interventions in the rural districts of Rushinga and Mt Darwin from its interventions in the urban areas of Chitungwiza, Bindura and Chinhoyi. The main data on how the investigation was conducted are summarized in the Text Box below.

[Insert Text Box about here]

4. Insights From the Case-Study

Table 1 summarizes a timeline of the main tasks integrated in NGO-ET's programs aimed at promoting responsible and ethical entrepreneurship in Zimbabwe. There were five areas (Rushinga, Mt Darwin, Chitungwiza, Bindura and Chinhoyi) that were addressed for a period of three years. The following sections highlight the key strategies carried out by NGO-ET, their causes and implications from the new businesses and society.

[Insert Table 1 about here]

4.1. NGO-ET's Strategies in Weak and Challenging Rural Contexts

Rushinga and Mt Darwin are some of the poorest rural areas in Zimbabwe. They are located in the North East of the country and have a population of about 200,000 people. Most of the people are below the age of 50 years and have completed some kind of formal education. The main economic activity is self-subsistence agriculture, with maize as the most commonly cultivated crop. However, the land is marginal to proper agricultural production; it cannot supply people that go beyond farmers' families. All the household-family members contribute in the tasks of planting and harvesting as a way of saving family income. Between periods of planting and harvesting, local farmers have to look for wild fruits to feed their families and have to work part-time in towns far from home, which means some of them have to live in makeshift accommodations.

NGO-ET targeted smallholder farmers with land and capacity to produce (even though on a very small scale) as possible beneficiaries of its programs. This choice was made to take advantage of the capacities already in place among the folk. One of the NGO-ET's coordinators explained this logic: *"We try to multiply the effects of any intervention so that people (local farmers) can improve their future becoming more entrepreneurial as responsible farmers; we want them to be both good and productive (.....) we would like to make sure that they can have an opportunity to do well even though we will not be here to support them after the end of the project."*

Strategically addressing local farmers was a crucial part of the NGO-ET agenda. Yet, to come up with proper support measures NGO-ET needed to understand farmers' attitudes and motivations in terms of doing well as responsible entrepreneurs-farmers or, in other words, to know how they thought about ethical issues in the agricultural business context. An NGO-ET's coordinator made this point clear by saying: *"To come up with a proper measure we need to involve the people who are going to benefit from it, otherwise it would never make sense; we*

would never come up with any positive result.” In this sense, for local farmers, responsible entrepreneurial behaviours included: (1) to build successful agribusinesses that provided enough food for their families and communities, and (2) to adopt farming practices that caused less damage to the lands. These ideas were intertwined, as it was illustrated by one of the farmers interviewed who affirmed that, *“I must take care of my land, of this place; otherwise it will not care for us.”*

NGO-ET elaborated on farmers’ ideas and played a pivotal role in operationalizing what is widely known as “sustainability entrepreneurship” (Levinsohn, 2013). Particularly, NGO-ET’s program was implemented in Zimbabwe’s rural areas by providing quality seeds, training, and knowledge about conservation agricultural techniques – including post-harvest handling techniques – as well as basic management skills. NGO-ET’s coordinators remarked that the main objectives were to help local farmers to introduce an ecological resource-use that made their lands more productive and to help them get the necessary skills to manage their lands more responsibly. Besides, farmers-beneficiaries’ commitments involved achieving ecological goals – also productive – through shifted operational practices. But how was this related to the characteristics and history of the context in which farmers were embedded? This question is detailed in the discussion below.

4.1.1. The contextual drivers for ethical entrepreneurship’s support measures in rural areas:

Discussion and lessons learned # 1

Prior research has noted that ethical entrepreneurship in developing and underdeveloped contexts emphasizes an environmentalist and social perspective (Gallis, 2010; Pillay & Kaye, 2017). Our case-study indicated a similar understanding in Zimbabwe’s rural areas. Yet, it showed that the interrelatedness was not only among the ethical, social and environmental dimensions but it also included the economic dimension. The NGO-ET’s coordinators stressed

that they had identified opportunities for cost saving associated with pro-environmental behaviour and had considered the economic benefits that an ecological approach may produce in order to meet the rural communities' food needs. Knowing such needs was a key issue for NGO-ET to design its support programs in these areas. In fact, because of the food needs, the promotion of ethical entrepreneurship in Rushinga and Mt Darwin was primarily driven by an economic rationality. Put it differently, being an ethical entrepreneur and being efficient in economic terms were seen as the two sides of the same coin, which support, in part, a pragmatic and utilitarian understanding of the ethics of entrepreneurship (Harmeling, Sarasvathy, & Freeman, 2009; Sarasvathy & Venkataraman, 2011).

However, it would be inaccurate to say that in Zimbabwe's rural areas the economic pragmatic view was the only one to grasp the meaning of ethical entrepreneurship. As mentioned earlier, the idea of environmental stewardship appeared to be especially desirable among local farmers. From farmers' narratives, the influence of a certain cultural embeddedness (Zukin & DiMaggio, 1990) became clearer, particularly, the influence of moral values that supported efforts towards the protection of nature. Certainly, many farmers' comments on their lands suggested a clear sense of what is good and bad for their environment; they held the care for their lands in high esteem. Nonetheless, a contradiction between their deepest values and their habitual farmer practices was also evident. On the one hand, at a first glance, Zimbabwe's broad rural reality spoke in terms of unethical farmer practices characterized by the widespread use of toxic fertilizers and other harmful practices for the environment. On the other hand, farmers' narratives and stories shed light on people's great respect for nature and the environment. As shown through our data, farmers were aware of the importance of living on the land without ruining it. But while an ethical-sustainable approach was embedded in the way they ideally conceived responsible entrepreneurial farmer practices, they also had an economic burden that influenced most of the time for them to ignore such ideals in their daily life. As one

of the farmers noted, “*one thing is what you feel, and other what you can do with what you feel; to be honest, I can do very little.*” So, with this account he suggested that farmers suffer, in some way, from a certain unresolved tension because of the economic constraints they feel bound, despite their environmental ethic.

In sum, the case of NGO-ET’s interventions in the rural areas of Zimbabwe teaches us that, by providing proper mediums, farmers’ practices can turn out to be a proper kind of ethical entrepreneurship in the sense of viable, sustainable, and social entrepreneurship. To come up with the proper mediums it is helpful to pay attention not only to the economic local needs but also to the notion of cultural embeddedness in its diverse dimensions (Zukin & DiMaggio, 1990). When such dimensions are associated with the respect of nature and environment it would be logical to expect that people will show willingness to engage in ethical-sustainable entrepreneurial practices once their basic economic needs are met. So, as a consequence, it would be advisable to promote ethical entrepreneurship from a sustainable and utilitarian rationality.

4.2. NGO-ET’s Strategies in Weak and Challenging Urban Contexts

The urban area of Zimbabwe is formed by its capital, Harare, and the closest towns to it. Chitungwiza, Bindura and Chinhoyi are three of these towns. The proximity to Harare has facilitated their population – about 466,129 – to reach high educational standards and almost 70% of them have secondary studies – with 9% having completed university degree. However, despite their potential, most of the population receives their income from a fragile and informal economy. Considered as farming towns, their economies are based on fruit, vegetables and other horticultural products. While their locations have allowed them to serve as staging posts for small-scale markets to Harare, the exchanges are not formal or constructed and their economies remain depressed. The “business activity” is usually reduced to sell small quantities

that are replenished once the sale has been made. Despite this, these “entrepreneurs” often manage to generate substantial numbers of livelihoods through the informal market.

In these areas, NGO-ET targeted individual entrepreneurs who were operating within the informal sector as potential beneficiaries of its interventions. When asked about the decision, a NGO-ET coordinator explained that, “*we cannot underestimate them (unregistered entrepreneurs); being involved in informal activities does not mean that they are not honest people, many of them may do better with some help.*” Particularly, NGO-ET’s intervention was focused on helping informal entrepreneurs to enter the formal market places, which meant that they should have enough resources to pay rent to the Municipality and also proper knowledge to manage the enterprise formally. Precisely, such requisites drove the twofold NGO-ET’S intervention in Zimbabwe’s urban areas, which included income saving and lending programs (ISAL) and training programs.

Through ISAL, NGO-ET provided financial resources (seed money) to informal small entrepreneurs excluded from access to mainstream financial services. The financial resources took the form of small loans to villagers (informal entrepreneurs) who were integrated in groups (so-called ISAL groups). While the loans had to be paid back with a minimum rate of interest, such interest was kept by the ISAL group in order to provide lending amounts to other groups, so, it functioned as revolving seed money in the community. The engagement in responsible entrepreneurial activities was the requirement to access the loans, so that the small informal initiative became a formal business with productivity improvement. In order to facilitate such transition, NGO-ET also provided different training sessions and promoted the holding of several workshops. The main goals of these measures were to fill skill gaps and enhance collaboration between markets and providers. Yet, to understand the reasons why these interventions may be interpreted as measures that enhance ethical entrepreneurial activities we need to pay closer attention to the contextual features of the urban Zimbabwe.

4.2.1. The contextual drivers for ethical entrepreneurship's support measures in urban areas: Discussion and lessons learned #2

In the absence of legal and reliable examples of entrepreneurship in the urban areas of Zimbabwe, NGO-ET implemented a mixture of measures that could stimulate a proper context to the creation of legitimate and ethical entrepreneurial initiatives. This perspective was clearly reflected by one of the NGO-ET's coordinators who observed that, *“people don't have funds to engage in proper entrepreneurship neither knowledge of running the basic administration of a small business, so when you make them available they can learn how to account and how to take risk, and by doing that you are making a proper – ethical – entrepreneurship possible.”* However, as he also recognized, this was not an easy task because there were many factors that they had to consider. This is illustrated by the following comment that he made: *“In business, any action is made of many threads, so when you pull a thread you must be careful of how you could leave the skein.”*

A clear driver of NGO-ET's action was the role that a cultural and structural embeddedness (Granovetter, 1985; Zukin & DiMaggio, 1990) was playing around the informal economy. Because people's subsistence obligations could not be met through formal employment, a culture of informal economy, spread and fed by solid informal networks, had pervaded Zimbabwe's urban areas during the last years. Yet, based on insights given by our informants, it could be argued that there was a profound “formality” within the informal economy, so that informal businesses were seen as the “normal” way of doing business, and informal networks as the proper channels to make them work. Thus, there was an inner logic, a shared behaviour, on how to face business routines. Despite such routines may externally be seen as unethical practices, it is necessary to call attention that there was an inner ethical logic: high standards of integrity were maintained in business exchanges. This “normative structure”

of informal entrepreneurs was composed of a cultural and structural design set of prescriptions that had shaped the boundaries of what was understood as a “proper entrepreneurial action.” As it was exemplified by one of the NGO’s workers, “*in their exchanges, people trust each other, and without any contract they fulfil their <business obligations> by virtue of their belonging to a particular family, tribe or community.*” Similar comments were also made by informal entrepreneurs who repeatedly said that, “*this is the way we do business here, it is the way to make a living.*” In general, people identified with that type of entrepreneurial culture, one that incorporated ethical values even within unethical market ideologies.

In view of the particularities of this context, all NGO-ET’s attempts to encourage a more responsible entrepreneurship in urban areas were premised on pursuing the legality of entrepreneurial initiatives. But to do that it had to bring the cultural and social issue at the centre of its strategy, so that it came as a kind of cultural clash. Conceptually then, cultural and structural embeddedness (Granovetter, 1985; Zukin & DiMaggio, 1990) played a critical role on how NGO-ET defined a strategic orientation to influence the emergence of ethical entrepreneurship. Important as the financial assistance might be for the informal entrepreneurs, the most remarkable fact was to open up different possibilities for them to utilize those financial resources properly. In this sense, ISAL, training programs and workshops became key to NGO-ET’s strategy. ISAL programs contributed to shedding light on the importance of formal business for helping the community. Through training programs NGO-ET helped informal entrepreneurs turn their commodity products in a production of value-added goods, while participation in workshops enhanced the creation of new business networks between formal markets and legal entrepreneurs.

In sum, the culture of informal economy and the informal networks associated to it provided the categories and understandings that led people to engage in business the way they did. Such dynamic interaction of cultural and social elements influenced significantly the

decision-making process of NGO-ET with respect to the support measures to ethical entrepreneurship that were implemented in urban areas. Hence, the main lesson that the case-evidence suggests is that as long as there is a cultural and structural embeddedness (Granovetter, 1985; Zukin & DiMaggio, 1990) associated with the idea of informal economy, it is more likely that ethical entrepreneurship and its promotion are linked to a narrow and legal notion of ethics.

5. Establishing the Relationship between Embeddedness and Ethical

Entrepreneurship in the Third World: Final Remarks

Ethical entrepreneurship can be a source of both “doing good” and “doing well” for any society. Yet, it would be an error to presuppose uniformity in its meaning by ignoring the context in which the ethics of entrepreneurship unfold. The evidence from the case study has shown that in some areas of the Third World, such as the rural and urban areas of Zimbabwe, ethical entrepreneurship can carry out meanings mainly related to sustainability or legality, respectively. Besides, by paying attention to the notion of embeddedness, the reasons why Zimbabweans attach such meanings to the ethics of entrepreneurship have become clearer. Particularly, the consideration of cultural and structural embeddedness has helped us to re-establish a concern with the relational aspect of these places. Thus, in addition to seeing them as geographical areas we can appreciate them as spaces that encompass a history and idiosyncrasy.

Analogously, cultural and structural embeddedness also play a role in the promotion of ethical entrepreneurship. In some sense, NGOs have to make workable the guidance that they get from donors (as it is the fact of promoting ethical entrepreneurship) in contexts very different from the donors. The case reveals that making the promotion models more adaptive to the context in which it is applied might allow NGOs and organizations that work on support policies to improve their outcomes. NGO-ET operated under microbehavioral decision

processes that advised interventions based on discrete categories of cultural and structural embeddedness. Undoubtedly, ethical entrepreneurship can be fostered through different measures and pursuing different goals, but what is crucial is that local institutions, NGOs and international organizations involved in this task recognize that such goals can be better attained considering a kind of “embeddedness reasoning.”

Still, there is a critique that builds on how consolidated the changes can be after the NGO’s programs have withdrawn their support. Zimbabwe’s stagnant economy, as the economic situation of other countries in the Third World, does not help in this regard. In fact, there will always be a risk that the improvement trajectories that NGO-ET put in place can be maintained by themselves in future. Yet, as long as the interventions involve local people to develop collective solutions, the idea of promoting an ethics-driven entrepreneurship will have gained, in some manner, certain legitimacy, and the learning experience will be part of the Zimbabweans’ next actions.

Finally, what seems to be clear is that isolated interventions pursuing to promote ethical entrepreneurship without considering the particularities of the context are unlikely to result in successful experiences. Organizing participative and collaborative ways of working with local people may be the first step towards the development of collective solutions that take into account the effect of embeddedness and diversity within the poorest economies. Local NGOs and other organizations involved in such activities may then have a significant role to play in developing an ethical entrepreneurship culture in the long term.

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Text Box. Case-study design

The main field data were collected through narrative interviews, informal conversations and direct observation of key informants. Thirty seven people were interviewed in total – most of them more than once – among NGO-ET’s coordinators, beneficiaries and potential beneficiaries, such as informal entrepreneurs, over an eight-month period of time (from April 2016 till November 2016). Formal interviews had an average duration of 70 minutes. They were conducted in English and Shona, a vernacular language spoken by both one of the researchers and some of the respondents. The information collected was recorded and transcribed for analysis. Field notes were also taken whenever possible and copious memos were written after each engagement. Such data were triangulated by analyzing secondary sources such as NGO-ET’s evaluation reports, and public documents referring to the donors. To protect the confidentiality of the interviewee, pseudo identities will be used to identify the key informants.

Table 1. NGO-ET’s timeline

Date	Workplan/events during period
2014 January	NGO-ET receives funding for the promotion of entrepreneurial initiatives with a clear ethical approach.
2014 February/ April	Baseline survey, study and analysis of the diverse rural districts and urban areas of Zimbabwe.
2014 May/June	Selection of possible target areas of Zimbabwe to promote and support ethics-driven entrepreneurial initiatives.
2014 July/August	Set up and selection of potential entrepreneurial participants. Development of agreements of collaboration planning and plan implementation.
2014 September	Implementation of project with clear monitoring and evaluation strategies.
2015 September	Mid-term evaluation by independent contractor.
2017 November	End of project evaluation.