Policy Paper:
Participatory Model for Inclusive Legislations of Social Enterprises in Nigeria

Tolulope Makinwa, MBA, CPLP, CMC, FIMC,
tolulope@muazuafrica.org

Abstract

This policy paper presents a participatory model for developing inclusive and sustainable policies to support social enterprises in Nigeria. By engaging diverse stakeholders, including government bodies, social enterprises, private sector partners, academia, and community members, this model aims to address the unique challenges faced by social enterprises and enhance their contribution to social and economic development. The proposed policy framework focuses on key areas such as access to finance, capacity building, market access, regulatory environment, and social impact measurement. Through a collaborative and transparent process, this participatory model seeks to create policies that are reflective of the needs and aspirations of all stakeholders, ensuring long-term impact and sustainability.

Introduction

Social enterprises in Nigeria have the potential to address numerous socio-economic challenges, including poverty, unemployment, and inadequate access to essential services. However, the absence of a comprehensive regulatory framework significantly hampers their growth and impact. This policy paper advocates for a participatory policy-making model that engages a broad range of stakeholders, including those at the base of the pyramid (BoP), to create effective and inclusive policies for social enterprises in Nigeria.

In addressing the multifaceted challenges of poverty and unemployment, a participatory model for policy development emerges as a critical tool for fostering inclusive and sustainable growth in Nigeria. Such a model would integrate the perspectives of various stakeholders to support social enterprises, which are increasingly recognized as catalysts for socio-economic transformation (Calderini et al., 2022; Jankelowitz & Myres, 2019).[1] Contradictions in existing policy approaches highlight the need for a more inclusive framework. While some poverty reduction programs in Nigeria have been critiqued for their lack of inclusivity and sustainability

[1] 'Research on the lack of public policies in the development of social enterprises in China' (2022) *Academic Journal of Humanities & Social Sciences*, 5(8). doi:10.25236/ajhss.2022.050804.

(Hassanat & State, 2023)[2] Others emphasize the potential of social enterprises to mitigate the negative effects of innovation-based growth and promote social and territorial inclusiveness (Calderini et al., 2022). Furthermore, the strategic goal of inclusive development within territorial communities underscores the importance of creating investment-attractiveness with effective governance (Zhukovska & Dyakiv, 2021)[3].

Several policy papers emphasize the importance of legal and regulatory frameworks for the success and sustainability of MSMEs in Nigeria. Idem et al, 2022[4] identifies weaknesses in the current legal and institutional regimes, suggesting a need for reforms to align with global standards. Onyeje et al. (2020)[5] also underscores the significance of national enterprise policy dimensions, including legal-regulatory aspects, in sustaining MSMEs. Olayemi et al. (2022)[6], while focusing on ease of doing business reforms, implies that improvements in the regulatory environment could benefit MSME operators, including social enterprises. Mohammed and Bardai (2024)[7] and Victor et al. (2020)[8] discuss the impact of training programs and taxation on MSME growth, respectively, which indirectly points to the broader context in which social enterprises operate. Oduyoye et al. (2013)[9] evaluate the role of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in supporting MSMEs, which could extend to social enterprises as well. This intended the policy paper would advocate for a participatory model that leverages the transformative potential of social enterprises to address Nigeria's socio-economic challenges (Makinwa, 2023)[10].

---

[2] Hassanat, A., T. (2023) 'Inclusive poverty reduction for sustainable development in Nigeria', *INTERNATIONAL JOURNAL OF SOCIAL SCIENCE AND EDUCATION RESEARCH STUDIES*, 03(05). doi:10.55677/ijssers/v03i5y2023-18.

[3] Zhukovska, A. and Dyakiv, O. (2021) 'Vectors and tools of inclusive community development', *Regional'ni aspekti rozvitku produktivnih sil Ukraïni*, (26), pp. 62–71. doi:10.35774/rarrpsu2021.26.062.

[4] An overview of Legal and Regulatory Framework for Micro, Small and Medium Enterprises in Nigeria *Udosen, J.I., Dare E O., Abiodun T.O., Emem O A., and Nnamdi G.I (*2022), *Conference Paper.*

[5] Onyeje, S.A., Court, T.O. and Agbaeze, E.K. (2020) 'National enterprise policy dimensions and sustainability of micro, small and Medium Enterprises (msmes)', *Journal of African Business*, 23(2), pp. 435–453. doi:10.1080/15228916.2020.1838838.

[6] Olayemi, O.O., Okonji, P.S. and Ogbeiwi, M.O. (2022) 'Ease of doing business reforms and business growth among selected micro, small and Medium Enterprises (msmes) in present day Nigeria: A hierarchical multiple regression modeling approach', *Journal of Economics and Management Research*, 10, pp. 57–73. doi:10.22364/jemr.10.04.

[7] Mohammed, M. and Bardai, B.B. (2024) 'Entrepreneurship development and micro, small and Medium Business Enterprises Capacity Building in Nigeria', *International Journal of Research and Scientific Innovation*, XI(III), pp. 214–225. doi:10.51244/ijrsi.2024.1103016.

[8] Victor E., I., Francis Sylvanus, U. and Uzoma Samuel, E. (2020) 'Taxation and the growth of small and medium enterprises in Nigeria', *Asian Journal of Social Sciences and Management Studies*, 7(3), pp. 229–235. doi:10.20448/journal.500.2020.73.229.235.

[9] Oduyoye, O. O., Adebola, S. A., & Binuyo, A. O. (2013). Services of small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and small business survival in Ogun State , Nigeria. *Singaporean Journal of Business , Economics and Management Studies*, *1*(11), 31–43. https://doi.org/10.12816/0003811

[10] *Muazu Africa Policy Corner: Tolulope makinwa: Social enterprise: Nigeria: Regulations* | (2024) *YouTube*. Available at: https://youtu.be/v7nRWrG5eaU?si=pVTRJN_-Kw3yUePt.

In summary, while the reviewed papers do not directly address the lack of legislation for social enterprises or the need for specific policies, they collectively highlight the critical role of a supportive legal and regulatory environment for the operation and growth of MSMEs in Nigeria. This suggests that social enterprises, as a subset of MSMEs, would also benefit from enhanced legislation and policies tailored to their unique needs and contributions to economic and social development (E et al., 2020; Husriadi et al., 2020; Idem et al., 2022; Martini et al., 2022; Mohammed & Bardai, 2024; Oduyoye et al., 2013; Oduyoye et al., 2013; Ogomegbunam, 2023; Olayemi et al., 2022; Onyeje et al., 2020).

The Regulatory Gap

Numerous studies have highlighted the regulatory challenges faced by social enterprises in Nigeria. For instance, Orah et al. (2021)[11] emphasize that the lack of a specific legal framework for social enterprises leads to ambiguity and hinders their ability to attract investment and scale their operations. This gap in regulation also affects the credibility and accountability of social enterprises, making it difficult for them to gain the trust of stakeholders and beneficiaries. This assertion aligns with the findings of Kuybida et al. (2023)[12], which underscores the importance of improving the legislative framework to enhance the effectiveness of investment attraction and achieve socio-economic efficiency. Kuybida et al. (2023) also suggests that reducing administrative burdens and tax pressures, and optimizing investment mechanisms are essential for attracting global investments and utilizing them effectively at the national level (Kuybida et al., 2023).

Interestingly, while Orah et al. (2021) focus on social enterprises, similar challenges are observed in different sectors and regions. For instance, Melnyk and Pohrishchuk (2018) [13] discusses the agrarian sector in Ukraine and emphasizes the need for completing the legal framework to attract investments and protect investors' rights. Papaskua (2021) also touches upon the financial and legal regulation of investments through crowdfunding platforms, indicating the broader relevance of legal clarity in investment attraction across various domains (Melnyk & Pohrishchuk, 2018; Papaskua, 2021)[14]. These corroborate the view that a robust legal framework is fundamental for social enterprises—and indeed, for various sectors—to attract investment and scale effectively. The development of such a legal framework should consider reducing

[11] Orah, C., et al. (2021). Challenges and Opportunities for Social Enterprises in Nigeria. *Journal of Social Entrepreneurship*, 12(2), 89-110.

[12] Kuybida, V. *et al.* (2023) 'Methodology of development of social investment projects for the Economy: Legal Aspects', *Journal of Law and Sustainable Development*, 11(4). doi:10.55908/sdgs.v11i4.902.

[13] Melnyk, V. and Pohrishchuk, O. (2019) 'Investment support for the agricultural sector: Creating opportunities in Ukraine', *Herald of Economics*, (3(89)), pp. 23–34. doi:10.35774/visnyk2018.03.023.

[14] Papaskua, G.T. (2021) 'Financially-legal regulation of attraction of investments with investment platforms', *Courier of Kutafin Moscow State Law University (MSAL))*, (9), pp. 158–166. doi:10.17803/2311-5998.2021.85.9.158-166.

administrative and tax-related impediments, as well as optimizing investment mechanisms to foster economic development and stability in the face of external environmental challenges (Kuybida et al., 2023).

The Need for Participatory Frameworks

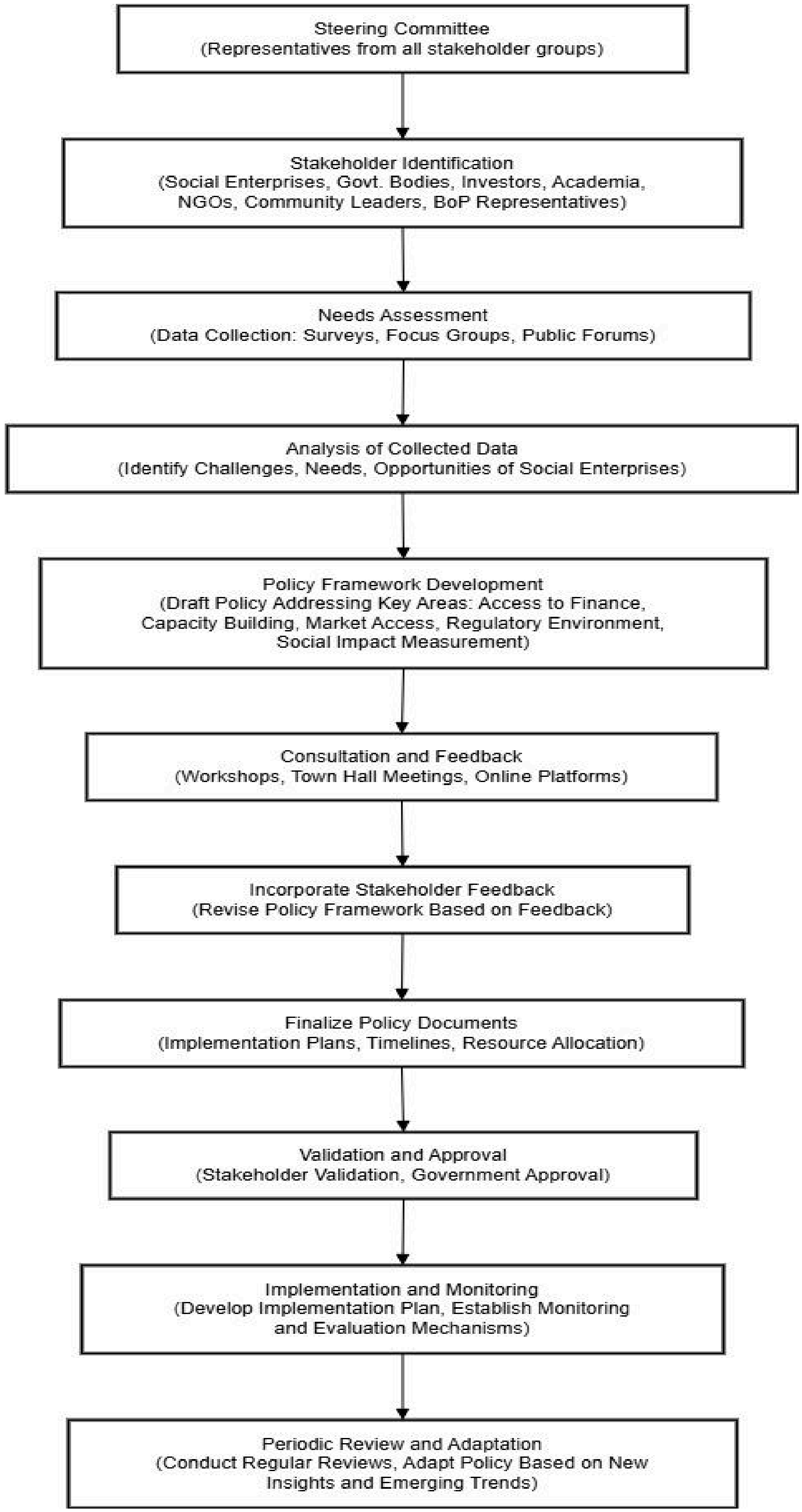
Participatory frameworks in policy-making have gained recognition for its ability to enhance the legitimacy, quality, and effectiveness of policies. Scholars like Coote (2010)[15] argue that involving a wide range of stakeholders in the policy-making process ensures that the resulting policies are reflective of diverse perspectives and address the specific needs of various groups, including marginalized communities. This approach is particularly relevant for Nigeria, where social enterprises serve a significant portion of the population at the base of the pyramid (BoP).

Participatory frameworks in policy-making are increasingly acknowledged for their potential to improve the legitimacy and effectiveness of policies. However, there are nuances to consider. Additionally, Goluža (2019)[16] highlights that despite the theoretical support for participatory frameworks, actual decision-making processes may suffer from a democratic deficit due to institutional arrangements and power dynamics, which can limit the effectiveness of stakeholder participation. While participatory frameworks are recognized for enhancing policy legitimacy and effectiveness, their success is contingent upon the quality of decision-making processes and the ability to manage power relations and institutional constraints. These findings underscore the importance of ensuring fair and effective participatory mechanisms to fully realize the benefits of inclusive policy-making.

For a broader perspective, find below a flowchart that illustrates the Participatory Policy-Making Framework for Social Enterprises in Nigeria with a focus on involving the base of the pyramid (BoP) created by Tolulope Makinwa:

[15] Coote, A. (2010). Participatory Approaches to Policy Making. In: *Governance for Sustainable Development: Coping with Ambivalence, Uncertainty, and Distributed Power* (eds. Meadowcroft, J., et al.). Edward Elgar Publishing. DOI: 10.4337/9781849807527.00020

[16] Goluža, M. (2019) 'Planning major transport infrastructure: Benefits and Limitations of the Participatory Decision-Making Processes,' in ˜*The œurban book series*, pp. 185–205. https://doi.org/10.1007/978-3-030-28014-7_12.


Steering Committee
(Representatives from all stakeholder groups)
Stakeholder Identification
(Social Enterprises, Govt. Bodies, Investors, Academia, NGOs, Community Leaders, BoP Representatives)
Needs Assessment
(Data Collection: Surveys, Focus Groups, Public Forums)
Analysis of Collected Data
(Identify Challenges, Needs, Opportunities of Social Enterprises)
Policy Framework Development
(Draft Policy Addressing Key Areas: Access to Finance, Capacity Building, Market Access, Regulatory Environment, Social Impact Measurement)
Consultation and Feedback
(Workshops, Town Hall Meetings, Online Platforms)
Incorporate Stakeholder Feedback
(Revise Policy Framework Based on Feedback)
Finalize Policy Documents
(Implementation Plans, Timelines, Resource Allocation)
Validation and Approval
(Stakeholder Validation, Government Approval)
Implementation and Monitoring
(Develop Implementation Plan, Establish Monitoring and Evaluation Mechanisms)
Periodic Review and Adaptation
(Conduct Regular Reviews, Adapt Policy Based on New Insights and Emerging Trends)

Legitimacy and Quality of Policies: Muazu Africa's Policy Corner

Participatory policy-making processes enhance the legitimacy of policies by incorporating input from those who are directly affected by the outcomes. This inclusive approach ensures that policies are not only accepted but also supported by a broad spectrum of stakeholders. Coote (2010) emphasizes that such engagement leads to more robust and well-informed policies, as stakeholders bring valuable insights and experiences to the table. The Muazu Africa Policy Corner, held in October 2023, exemplified this approach by bringing together social enterprises, government representatives, community leaders, and impact investors to discuss and develop policy recommendations tailored to the needs of Nigerian social enterprises.

The Muazu Africa Policy Corner, as described, aligns with the empirical research approach advocated in Bignotti and Myres (2022)[17], which emphasizes the importance of grounding social entrepreneurship in the specific contexts of the developing world. The gathering of social enterprises to discuss and develop policy recommendations is a practical application of this, as it directly involves the stakeholders from the context in question. This is particularly relevant given the unique social entrepreneuring models identified in South Africa, such as beneficiary-centric

[17] Bignotti, A. and Myres, K. (2022) 'A typology of social entrepreneuring models continued: Empirical evidence from South Africa,' *Africa Journal of Management*, 8(3), pp. 324–346. https://doi.org/10.1080/23322373.2022.2071576.

entrepreneurial nonprofits and customer-centric social businesses (Bignotti & Myres, 2022). Interestingly, the collaboration and partnership aspects highlighted in the Muazu Africa Policy Corner resonate with the findings of Sanzo-Pérez et al. (2021) and Álvarez-González (2021)[18], which suggest that partnerships between social enterprises and stakeholders can enhance accountability to beneficiaries and encourage social innovations. Furthermore, the focus on policy development is in line with the role of governments in supporting social enterprises, as explored and the complex interplay of commercial and social objectives within social enterprises (Fitzgerald & Shepherd, 2018)[19].

Muazu Africa Policy Corner's approach of convening social enterprises to formulate policy recommendations is supported by the empirical findings that stress the importance of context, the benefits of partnerships, and the role of government support . This exemplifies the collaborative efforts needed to address the unique challenges and opportunities faced by social enterprises in the developing world, and it underscores the theoretical and practical significance of such engagements in shaping effective policies for social entrepreneurship.

Addressing the Needs of Marginalized Communities

Involving marginalized communities, particularly those at the BoP, in policy development is crucial for creating policies that are equitable and effective. Social enterprises in Nigeria often operate in underserved areas, addressing critical issues such as poverty, unemployment, and inadequate access to essential services. By engaging the BoP in the policy-making process, stakeholders ensure that the unique challenges faced by these communities are addressed. This approach aligns with the principles of social justice and equity, ensuring that the benefits of social enterprise initiatives reach those who need them most (Prahalad, 2006)[20]. Additionally, social enterprises, through opportunity co-creation, can generate both social and economic value, addressing the needs of the BoP while also fulfilling the altruistic and consumption needs of the top of the pyramid (Silva et al., 2019)[21]. This is essential for developing policies that are responsive to the diverse needs of all societal segments.

Interestingly, while the engagement of marginalized communities in policy development is advocated, research reveals that Western firms have faced challenges in achieving this. They

[18] Sanzo-Pérez, M.J., Rey-García, M. and Álvarez-González, L.I. (2021) 'Downward accountability to beneficiaries in social enterprises: do partnerships with nonprofits boost it without undermining accountability to other stakeholders?,' *Review of Managerial Science*, 16(5), pp. 1533–1560. https://doi.org/10.1007/s11846-021-00485-6.

[19] Fitzgerald, T. and Shepherd, D. (2018) 'Emerging Structures for Social Enterprises within Nonprofits: An Institutional Logics Perspective,' *Nonprofit and Voluntary Sector Quarterly*, 47(3), pp. 474–492. https://doi.org/10.1177/0899764018757024.

[20] Prahalad, C.K. (2006) *The fortune at the bottom of the pyramid*. Pearson Prentice Hall.

[21] De Silva, M. *et al.* (2020) 'Transcending the pyramid: opportunity co-creation for social innovation,' *Industrial Marketing Management*, 89, pp. 471–486. https://doi.org/10.1016/j.indmarman.2019.12.001.

have learned the importance of being socially embedded to develop successful business models that are attuned to the local context. Moreover, partnerships between sustainable entrepreneurship ventures and BoP communities have shown potential in creating sustainable value, benefiting both businesses and low-income communities. These insights suggest that policy development should not only involve marginalized communities but also consider the complex dynamics of social embedding and partnership for effective outcomes.

Enhancing Effectiveness Through Collaboration

The effectiveness of policies is significantly enhanced when they are developed through collaborative efforts. Participatory frameworks foster partnerships among stakeholders, leveraging their diverse expertise and resources to develop comprehensive solutions. The Muazu Africa Policy Corner highlighted the importance of such collaborations, with participants working together to identify key policy areas such as access to finance, capacity building, market access, regulatory environment, and social impact measurement. By fostering a collaborative environment, the policy corner ensured that the resulting recommendations were practical, actionable, and supported by all stakeholders involved.

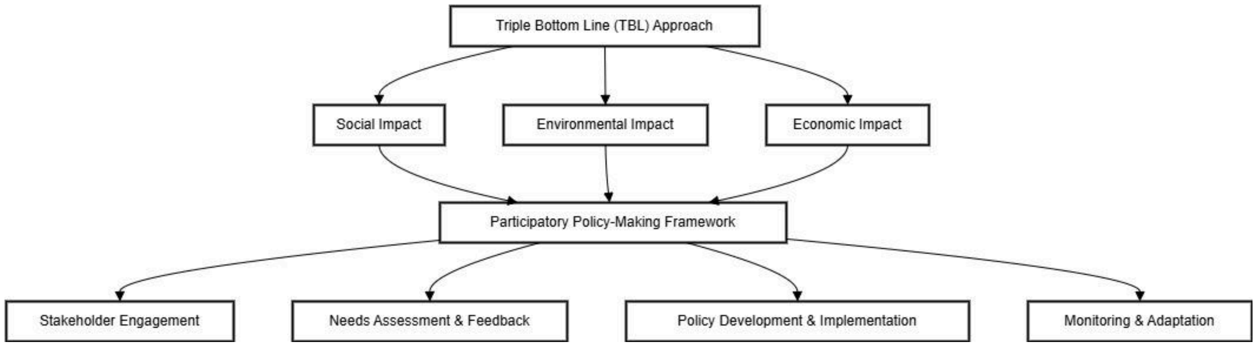
Triple Bottom Line Approach (TBL)

Adopting a triple bottom line (TBL) approach in participatory policy-making further strengthens the development of inclusive and sustainable policies. The TBL framework emphasizes three key dimensions: social, environmental, and economic impact provides insights that align with the multifaceted nature of policy-making (Hartmann, 2020; Stoddard et al., 2012)[22]. By integrating TBL into participatory policy-making, stakeholders can ensure that policies are not only economically viable but also socially equitable and environmentally responsible. However, the application of TBL is not without its challenges. Critics have pointed out the practical difficulties in measuring and integrating the three pillars of TBL, as well as the potential for ambiguity in its interpretation (Sridhar, 2011; Srivastava et al., 2021)[23].

For a broader perspective, see pyramid illustrating the Triple Bottom Line (TBL) approach in policy participation for social enterprises created by Tolulope Makinwa:

[22] Hartmann, B. (2020) 'Triple bottom line,' in *Routledge eBooks*, pp. 101–110. https://doi.org/10.4324/9781003037200-10.

[23] Srivastava, A.K., Dixit, S. and Srivastava, A.A. (2021) 'Criticism of triple bottom line: TBL (With special reference to sustainability),' *Corporate Reputation Review*, 25(1), pp. 50–61. https://doi.org/10.1057/s41299-021-00111-x.



The foundation of the pyramid in the context of the Triple Bottom Line (TBL) approach and participatory policy-making for social enterprises includes several key elements:

- Stakeholder Engagement

  Stakeholder engagement forms the basis of effective participatory policy-making. It actively involves a diverse range of stakeholders throughout the policy development process. This includes social enterprises themselves, government bodies, investors, academia, non-governmental organizations (NGOs), community leaders, and representatives from the base of the pyramid (BoP). Engaging stakeholders ensures that policies are reflective of diverse perspectives and are more likely to be accepted and supported by the community they aim to serve.

- Needs Assessment & Feedback

  Conducting thorough needs assessments and gathering feedback are crucial steps in developing policies that address real-world challenges and opportunities. This process involves collecting data through surveys, focus groups, public forums, and consultations with stakeholders. Needs assessments help identify the specific challenges faced by social enterprises and the communities they impact. Feedback mechanisms allow stakeholders to contribute their perspectives, concerns, and suggestions, ensuring that policies are responsive to actual needs and preferences.

- Policy Development & Implementation

  Policy development is where the needs identified and feedback received are translated into actionable policy frameworks. This stage includes drafting policies that address key areas such as access to finance, capacity building, market access, regulatory environments, and measuring social impact. Policies should integrate the principles of social equity, environmental sustainability, and economic viability—aligning with the Triple Bottom Line approach. Implementation plans outline how policies will be put into action, specifying timelines, responsibilities, and resource allocation. This phase requires collaboration among stakeholders to ensure smooth execution and effective delivery of intended outcomes.

- Monitoring & Evaluation

  Monitoring and evaluation mechanisms are essential for assessing the effectiveness and impact of implemented policies. Continuous monitoring allows stakeholders to track progress, identify successes and challenges, and make data-driven decisions for adaptation and improvement. This iterative process ensures that policies remain relevant and responsive to changing circumstances, emerging trends, and evolving stakeholder needs.

The foundation of the pyramid in participatory policy-making for social enterprises emphasizes stakeholder engagement, needs assessment and feedback, policy development and implementation, as well as monitoring and adaptation. These elements work together to create a robust framework that integrates the Triple Bottom Line approach—balancing social, environmental, and economic impacts—to drive sustainable development and positive change within communities. By prioritizing inclusive and collaborative approaches, policymakers can enhance the relevance, effectiveness, and acceptance of policies aimed at supporting social enterprises and fostering inclusive growth.

Furthermore, while TBL is a step towards a more systemic approach, it may still fall short in addressing the interconnectedness of sustainability issues. In summary, the TBL approach has the potential to enhance participatory policy-making by fostering policies that are more holistic and attuned to sustainability. Despite the criticisms and implementation challenges, the TBL framework remains a valuable tool for guiding the development of policies that consider the full spectrum of sustainability dimensions. Therefore, it is crucial to continue refining the TBL approach and addressing its limitations to fully realize its benefits in the context of policy-making.

Policy Limitations

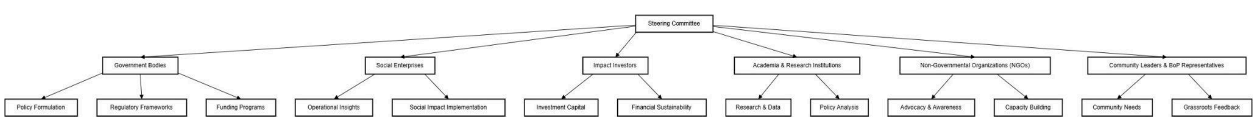
Policy Recommendations

Policy Action	Recommendation	Justification	Legislation
Distinct Legal Status	Create a distinct legal status for social enterprises that	A clear legal framework helps differentiate social	Introduce and pass laws that define social enterprises,

	recognizes their dual mission of achieving social impact and financial sustainability	enterprises from traditional businesses and nonprofits, providing appropriate tax benefits, funding opportunities, and regulatory support	similar to the UK's Community Interest Company (CIC) model
Incorporate Multi-Stakeholder Engagement	Ensure that the policy-making process involves all relevant stakeholders, including social enterprises, government agencies, investors, academia, NGOs, and representatives from the base of the pyramid (BoP).	Engaging diverse stakeholders leads to more comprehensive and inclusive policies, enhancing their legitimacy and effectiveness	Mandate stakeholder consultations and public participation in the development of policies affecting social enterprises.
Implement Tax Incentives and Subsidies	Provide tax incentives and subsidies to social enterprises to encourage their growth and sustainability	Financial incentives can lower operational costs and make it easier for social enterprises to reinvest in their social missions	Enact tax relief measures similar to those provided under the Social Investment Tax Relief (SITR) in the UK
Facilitate Access to Capital	Develop funding programs and facilitate access to diverse sources of capital, including impact investing, grants, and low-interest loans.	Access to capital is crucial for social enterprises to scale their impact and achieve financial sustainability	Create government-backed loan programs and impact investment funds targeted at social enterprises.
Promote Capacity Building and Technical Assistance	Provide capacity building and technical assistance to social enterprises to enhance their operational capabilities and impact measurement.	Training and support in areas such as business planning, financial management, and impact evaluation can significantly improve the effectiveness of	Fund and establish capacity-building initiatives through public-private partnerships

		social enterprises	
Encourage Partnerships and Collaboration	Foster partnerships between social enterprises, government agencies, private sector, and civil society organizations.	Collaborative efforts can leverage the strengths of different sectors, leading to more innovative and effective solutions to social challenges	Create frameworks that facilitate public-private partnerships and collaborative projects.
Implement Monitoring and Evaluation Mechanisms	Establish robust monitoring and evaluation mechanisms to track the impact and effectiveness of social enterprise policies and initiatives	Continuous monitoring and evaluation ensure that policies remain relevant and effective, allowing for necessary adjustments	Mandate regular impact assessments and public reporting on the performance of social enterprise initiatives
Promote Public Awareness and Education	Increase public awareness and education about the role and impact of social enterprises.	Greater public understanding and support can drive more investment, collaboration, and participation in social enterprise initiatives	Fund public awareness campaigns and integrate social enterprise education into school curricula

Policy Actors



Explanation of the Policy Actors Flowchart:

- Steering Committee

  Role: The Steering Committee is the central coordinating body that includes representatives from all stakeholder groups. Its primary function is to ensure that the policy-making process is inclusive and collaborative.
  Interactions: The Steering Committee connects with all the other stakeholder groups to gather inputs, coordinate efforts, and facilitate consensus-building.

- Government Bodies

  Role: Government bodies are responsible for the creation and implementation of policies, regulatory frameworks, and funding programs that support social enterprises.
  Sub-Roles

  Policy Formulation: Developing policies that address the needs of social enterprises and the broader community.
  Regulatory Frameworks: Establishing legal and regulatory structures that facilitate the operation and growth of social enterprises.
  Funding Programs: Providing financial support through grants, subsidies, and tax incentives.
  Interactions: Government bodies interact with the Steering Committee and other stakeholders to ensure that policies are well-informed and effectively implemented.

- Social Enterprises

  Role: Social enterprises are at the heart of the policy framework, providing practical insights into operational challenges and implementing social impact initiatives.

  Sub-Roles

  Operational Insights: Sharing real-world experiences and challenges to inform policy development.
  Social Impact Implementation: Executing initiatives that address social and environmental issues.
  Interactions: Social enterprises engage with the Steering Committee, government bodies, and other stakeholders to ensure policies are practical and supportive.

- Impact Investors

  Role: Impact investors provide the necessary financial resources to support the growth and sustainability of social enterprises.

  Sub-Roles

  Investment Capital: Offering funding through equity investments, loans, and other financial instruments.

Financial Sustainability: Ensuring that social enterprises can achieve long-term sustainability while pursuing their social missions.
Interactions: Impact investors collaborate with the Steering Committee, social enterprises, and government bodies to align financial support with policy objectives.

- Academia & Research Institutions
  Role: Academic and research institutions contribute by conducting research, providing data, and analyzing policies to ensure they are evidence-based and effective.

  Sub-Roles:

  Research & Data: Conducting studies and collecting data on social enterprise impact and effectiveness.
  Policy Analysis: Evaluating policies to determine their success and areas for improvement.
  Interactions: Academia interacts with the Steering Committee and other stakeholders to provide insights that inform policy development and evaluation.

- Non-Governmental Organizations

  Role: NGOs play a critical role in advocacy, raising awareness, and providing capacity-building support to social enterprises.

  Sub-Roles:

  Advocacy & Awareness: Campaigning for supportive policies and increasing public understanding of social enterprises.
  Capacity Building: Offering training and support to enhance the operational capabilities of social enterprises.
  Interactions: NGOs engage with the Steering Committee, social enterprises, and other stakeholders to ensure policies are inclusive and effectively communicated.

- Community Leaders & BoP Representatives

  Role: Community leaders and representatives from the base of the pyramid (BoP) ensure that the needs and perspectives of marginalized and underserved communities are included in the policy-making process.

  Sub-Roles:

Community Needs: Identifying and communicating the needs and priorities of local communities.

Grassroots Feedback: Providing feedback on policy implementation and its impact at the community level.

Interactions: Community leaders and BoP representatives work closely with the Steering Committee, social enterprises, and other stakeholders to ensure policies are grounded in grassroots realities.

This flowchart and detailed explanation illustrate the interconnected roles and responsibilities of different policy actors in creating a supportive and inclusive environment for social enterprises through a participatory policy-making framework.

Conclusion

This policy paper underscores the importance of participatory frameworks in policy-making, especially when it comes to bolstering social enterprises in Nigeria. Insights collectively highlight the multifaceted challenges and opportunities within the Nigerian context, ranging from the need for improved access to finance and markets to the transformative potential of innovation and technology in the social entrepreneurship sector. For instance, the low percentage of social enterprises in Nigeria suggests a significant untapped potential for contributing to employment and addressing social issues (Osabohien et al., 2022).[24] Moreover, data from the northeast of Nigeria illustrates the critical role of social entrepreneurship in advancing sustainable development goals (SDGs) (Dodo et al., 2021)[25]. These insights point to the necessity of inclusive policy frameworks that engage a broad range of stakeholders, including social entrepreneurs, government agencies, and the private sector. Participatory policy-making is not only needed but could be pivotal in enhancing the efficacy and reach of social enterprises in Nigeria. Such frameworks should aim to leverage the strengths and mitigate the challenges identified across the ecosystem, fostering an ecosystem that supports social entrepreneurship as a driver of economic development and social innovation. The integration of diverse perspectives and expertise in the policy-making process can help ensure that the resulting policies are robust, contextually relevant, and capable of catalyzing sustainable growth within the social enterprise sector. The Muazu Africa Policy Corner exemplifies the benefits of such an approach, providing

---

[24] Osabohien, R. *et al.* (2022) 'Social entrepreneurship and future employment in Nigeria,' *International Social Science Journal*, 73(250), pp. 927–937. https://doi.org/10.1111/issj.12360.

[25] Dodo, F., Raimi, L. and Rajah, E.B. (2021) 'Social entrepreneurship and SDGs: case studies from northeast Nigeria,' *Emerald Emerging Markets Case Studies*, 11(4), pp. 1–38. https://doi.org/10.1108/eemcs-10-2019-0264.

valuable insights and practical recommendations for developing supportive policies for social enterprises in Nigeria.

[Sign the petition.]