



Case Study: CENTRE FOR COMMUNITY JUSTICE and DEVELOPMENT

Using Innovative Financing to Sustain Legal Empowerment Work in South Africa

When Winnie Martins took the helm of the Centre for Community Justice in 1997, the organization was operating within The University of KwaZulu-Natal in South Africa. The Centre had done important work for many years, hosting high-profile conferences on policing, prosecution, and the criminal justice system during apartheid. The conferences led to the establishment of influential working group and one of the first high-level meetings of major political parties on the issue of policing.

Yet, when Winnie was appointed executive director, she recognized that the Centre needed to expand their mandate from conducting research to directly serving the surrounding community. "We used to go out into the community and conduct research and then come back and write research papers," she recalls, "When I became executive director, we began to recognize that our work was not actually that relevant to those local community people. The work might be relevant to academics at the law school, but what about community members around the university? It's not good for us to just go and administer questionnaires and collect information from community people without leaving something of value to them."

With the changing political order from apartheid to democracy, CCJ shifted its focus away from research to expanding people's access to their new rights. In 1997 it started the Community Outreach Programme and established advice offices at institutions of criminal justice around KwaZulu-Natal.

Paralegal staff aimed to work with police and magistrates to help women and children in rural areas who were victims of rape, sexual assault and other forms of abuse. They equipped women and children with the knowledge and skills to learn about and claim the rights guaranteed by the new democratic constitution.

Soon an increasing number of men also wanted help with issues such as labour disputes and obtaining pensions, social grants and child maintenance. To meet this need, the advice offices widened their scope and used the law and state services to try to solve almost any legal, social or personal problem that individuals had.

Under Winnie's leadership, the organization became a nonprofit social enterprise focused on the intertwined mission of "justice" and "development" for local communities surrounding the university. Today, the organization supports a network of 15 advice offices that provide free legal services to rural South Africans.

How did Winnie and her team navigate this transition from a university research center to a social enterprise? How do they continue to fund their work?

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Building an "Umbrella Model"

Today, CCJD focuses on four key activities (1) community outreach through free legal services provided by paralegals through 15 advice offices (2) training and capacity building for these advice offices and certification of the paralegals who work there (3) research on the benefits and effectiveness of community advice offices to convince governments to fund them and (4) development projects conducted in coordination with local advice offices to set up programs like childcare centers to directly meet the needs of their communities.

"The story of our work is found in our name," Winnie explains, "The community justice program is implemented by community advice offices and through community paralegals that we train. Over the years we have a developed a deeper understanding of the issues faced by communities in KwaZulu-Natal and the critical role paralegals play in providing relief to the poor and enabling them to access justice to claim their rights. There is also a development aspect to our work. We have an integrated training program that offers accredited initial paralegal certification. This means we help all of the paralegals who run the advice offices become qualified. Through the work of these paralegals, CCJD also gains access to rich knowledge that resides within the community advice offices. We are able to disseminate that knowledge through

our research program and promote the community advice sector more broadly in South Africa."

Winnie built what she calls an "umbrella model" to streamline operations of the organization. CCJD supports 15 advice offices staffed by paralegals embedded in the community. All of these organizations are independently registered nonprofits, but they fall under their "umbrella" of the head office that handles all of their administrative work and provides operational support.

"We realized early on that it was going to be very difficult for people working in the advice offices to be dealing with administrative issues when they were also dealing with community issues on a day to day basis," Winnie explains, "It's not uncommon to find 20-30 people who are waiting to be attended by 2 paralegals. How can the paralegals focus on these people if they also have to deal with administrative issues, fundraising, and writing reports? We want to shield them from all of those other administrative burdens so they can spend more time helping people. That is why we ended up developing an umbrella model. It means we are responsible for providing technical support and then we just leave the community advice offices to do what they're good at." With 15 community organizations under CCJD's "umbrella," Winnie's next task was developing a sustainable funding model. This has required grit and creativity.

Why Innovative Financing is Needed in the Legal Empowerment Sector

Winnie quickly realized that relying on grant funding alone was not going to be sufficient to sustain CCJD and the advice offices. She came to understand that the legal empowerment sector requires innovating financing models for several different reasons.

"First, the paralegal program in South Africa is poorly financed," she observes, "It has been an ongoing struggle to sustain the work of community advice offices. For many of them, it is a year to year struggle. When they get a little bit of funding from a donor, it is often restricted because the donor does not want to fund certain kinds of activities. So that compromises the quality of the work you can do with the funding that is provided. That frustrates the community advice offices and it frustrates CCJD as an organization that is supporting their work."

"Second, we recognized a need for innovative financing because of the human resource challenges associated with doing nonprofit legal empowerment work. If your organization is poorly funded, it also means that the pay is below market rate. So there are no financial incentives for staff to do the work. You end up relying exclusively on the personal commitment of paralegals who have the passion for what they are doing. You are required to find those rare people who stay because they love what they are doing."

Winnie often found that these dedicated people could work their entire careers as paralegals, but then not have any retirement savings or safety net to rely on when they grew old. This injustice personally pained her, and became something she was determined to fix.

"The third thing," she observes, "is that we have realized over the years that the social and legal needs of people in outlying areas far outstrip our resources. We have found it is very difficult to achieve our goals of legal empowerment at a larger scale relying on donor funding alone. Innovative financing is needed because you often cannot charge the poor people directly for the services of paralegals, but grant funding comes with too many restrictions. Legal empowerment organizations need to find ways to generate their own income to become less dependent on the cycle of donor funding and more able to meet the demand they see in communities."

For all of these reasons, Winnie began exploring the field of social entrepreneurship. Yet, as she began learning about social enterprise and seeing how complementary it could be to the legal empowerment sector, she also encountered many misconceptions.

"I often heard people say that profit and social change are poor partners. Often profit can be associated with exploitation, manipulation, and abuse. This could be true depending on the kind of business you're doing and it is something that one must bear in mind. However, if you can develop a social enterprise that incorporates progressive values of a responsible society and holds the power of a profit motive in check, it can become a powerful sustainability tool," she observes.

"The other misconception I've heard is that the social mission will be lost in trying to build a for-profit vision. This is why it is important for people who are trying to pursue a social enterprise strategy come up with a vision that is not going to distract them from their original mission," she says.

Finally Winnie observes: "We found that donors may also be reluctant to assist if they feel their funds will be used to support a profitable business instead of nonprofit work. We learned quickly to keep our funders informed about our overall sustainability strategy and explain to them how earned income can be compatible with work funded by philanthropy. I think those misconceptions can be easily addressed."



Developing a Social Enterprise Model for CCJD

Cost savings from local in-kind contributions: To keep the costs associated with running community advice offices manages, Winnie has helped community advice offices identify local stakeholders who can donate space and other resources. "Sharing of resources has been something very critical to our model. We didn't have all the funding for operational costs, but by collaborating with stakeholders at community level, our organization does not pay these costs. The space that is occupied by advice offices is free. We don't pay for amenities like lights or electricity. We have been very enterprising. If we don't have enough resources for operational costs, then we can find them by collaborating with other stakeholders.

Research and consulting services for other organizations: Second, Winnie turned the organization's research capabilities into a paid consulting services. "If other organizations want research to be conducted, we charge," Winnie explains, "There are also other businesses who come to us and want us to help them set up a social investment portfolio. We also charge for that. We have developed expertise that others will pay for. And when we get that money, we don't sit on it, but reinvest it so that it earn more money."

Dormitories for students from rural areas:

A few years ago, the University of KwaZulu-Natal was facing a housing shortage for students. Winnie knew that many of the children who were being served by CCJD's community advice offices in rural areas were having difficult finding housing when they started school. "Our offices are 400 meters from the university. I have a history of working in the university. CCJD was run within the university for 18 years," Winnie explains. This made her uniquely positioned to identify a market opportunity: "We were responding to the student accommodation crisis that the university was facing."

Winnie had CCJD buy several properties and turn them into student housing. She outsourced the management of these properties and collected monthly rent from the university. "This meant that with our social enterprise we were addressing a problem. We saw that students would always be coming to the university looking for accommodation. We had a client (the university) and the solution we could provide is not far from our work. The majority of children who are struggling with accommodation are from rural areas and so, again, the organization is addressing a problem faced by the core demographic we serve. We are making sure students from the families we serve are staying in a conducive environment that

encourages learning so that they can pass and go and contribute to society. There was definitely a connection between our core work and our social enterprise."

Although it might seem that real estate investment is unrelated to legal empowerment, Winnie leveraged the organization's existing relationship with the university and their trusted connections to rural communities to connect supply and demand in a creative way. She built a business model she was uniquely positioned to operate. "We actually didn't have to go off and do something that was far removed from what were already did," Winnie explains.

Lessons for Other Social Entrepreneurs in the Legal Empowerment Field

Winnie has spent many years working as a social entrepreneur while also researching how social enterprise can be applied in the legal empowerment sector. In 1999, she was named an Ashoka Fellow, a title that recognizes people who champion innovative ideas that transform society's systems.

She has reflected a great deal on what the term social entrepreneurship means and how other legal empowerment organizations can begin to apply it: "There are some researchers who define social entrepreneurship as the activities and processes undertaken to discover,

define and exploit social wealth by creating new ventures or managing existing organizations in an innovative manner," Winnie says, "But then there is a definition proposed by a scholar called Santos that I really like. He simply says social entrepreneurship is the process of pursuing innovative solutions to social problems. That is very short and sweet. It's the definition I've adopted in our work. I always think about how we can help others in an innovative way with very limited resources, but trying to make sure you make the most of whatever resources you do have. You make sure those resources generate more money so that we generate more social wealth and more people benefit and their quality of life improves so they are able to seek justice. Social entrepreneurs see solutions where other people see problems," she says.

Here are the key lessons about developing social enterprise models that Winnie would share with other legal empowerment organizations:

Identify your nonprofit's "entrepreneur:" "You need to have an individual within an organization who is enterprising. That individual brings the whole group together around an idea. And they come up with solutions that are workable. Without an innovative individual within the organization, it is very difficult to advance anything because then it means many people will come and go.

This kind of work needs to be done by so many people and each person will contribute to the success, but you need to have one committed individual to drive the vision forward," Winnie advises.

Find a source of funding aligned with your core mission: "Your social enterprise should not be far off from your core business so that you do not get distracted from your main mission. That is very, very important," Winnie says. She points to Reel Gardening in Capetown and Brien Holden Vision Institute as two other examples of South African social enterprises that have done this well.

Find a community of people who share your vision of entrepreneurial change: "The first thing an individual exploring a social enterprise venture must know is that they must have courage because it is not an easy thing. You need to go and meet with other entrepreneurs and figure out how they've started their enterprise, be it commercial or social. You also need to collaborate with those who share your vision both within your organization and outside your organization. Start finding people who share your vision. Think about the people from your past who know your work and also might think in innovative ways. They can give you advice on whether what you're thinking is going to work or not."

Think about how you'll differentiate your offering in the market: "You need to look at the competitive advantage of whatever (product or service) you want to introduce. You cannot just go and identify some projects and pursue them all at the same time. You need to be thinking about how you will get clients. It helps to be creative in your enterprise because everyone might be doing similar things. Why will yours be different from others, especially one that is run by a nonprofit?"

Learn to communicate your idea in the simplest way possible so people understand it. "Your communication should be very clear about your project. State it in the simplest way possible so that people can understand. Talk to your other funders and inform them about your ideal and how it fits into an overall sustainability strategy." Winnie has found it critical to bring lots of different types of people along with her thinking, ranging from the bankers to local staff at community advice offices. She has found that using straightforward language helps them understand her vision.



Pay attention to the team: "You really have to hire people who want to do more than a job because you really won't be paying competitive salaries compared to the private sector." Look for people who have passion and commitment for the work and will not just be motivated by financial incentives.

Be prepared to take risks: "You need to take a risk because in any enterprise—be it commercial or social enterprise—you can lose the money or you can invest all your money and not get anything in return. So a lot of work needs to go in to mitigating this risk. But if you're over-cautious, you won't be able to start something."

Not everyone can be a social entrepreneur. "It is an individual choice. You have to be committed to that organization. You have to be committed to seeing that organization surviving. If you know you will only be there for a few years before exploring greener pastures, then you won't give the new venture your best attention. You also have to have passion. Are you passionate about that project and what you are trying to achieve through that sustainable funding? Because if you are passionate, it means you won't give up on that project. I went through a lot of difficulties trying to convince people in the business sector to partner with a nonprofit organization. The businesspeople were very skeptical. They were saving that we were here to

make money so it's not going to work for us. So that was a lesson learned on my part, but I never gave up until I was able to launch this project that became our sustainability strategy. Social entrepreneurs are not fully compensated for their time, their risk and their effort. So not everyone can just do it. You can only do it if you are passionate and committed to what you are doing because you will have to go the extra mile, take risks, and spend more hours than necessary to make sure this thing will work over and above your other work. Be prepared to pursue a vision relentlessly."

Questions to Consider

- In your own words, describe the revenue streams that CCJD has assembled to fund their work. Who are the paying customers?
- What factors do you think have made Winnie a successful social entrepreneur?
- What cost saving measures has Winnie implemented to make CCJD particularly efficient?
- Which of the lessons that she shares might be particularly applicable to your work?

Case Study Written by Amy Ahearn of Acumen, April 2019. Thanks to Winnie Martins who generously contributed insights to produce this case.

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