



Research Article

Social Entrepreneurship's economic empowerment strategy (SEES)

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Abstract

This paper examines social entrepreneurship as a powerful mantra for economic empowerment with emphasis on the youths of Nigeria. Social entrepreneurship signals the imperative to drive social change, and it is that potential payoff, with its lasting, transformational benefit to society, that sets the field and its practitioners apart. Social entrepreneurs are setting trends and sparking movements that are spreading across the world. These could have far-reaching effects in different locations and future scenarios. What is most important about social entrepreneurs, wherever they operate, is that they challenge existing rules and institutions and create innovative vehicles to achieve their social goals. These may end up directly provoking markets through competition or providing alternatives, or they may indirectly put pressure on industries by creating awareness and stimulating behavioral and attitude change. The paper discusses social entrepreneurship schools of practice the ecosystem of social entrepreneurship, principles of social entrepreneurship, models of social entrepreneurship and the assumptions of social entrepreneurship among others. Youth social entrepreneurship should grow out of young people's own interests, motivations and ideas. It entails young people being actively involved by initiating their own activities rather than just being told what to do. Yet it also requires resources and supportive and experienced adults who can mentor/guide young people without being controlling. The key now is to focus on how social enterprise can sustain growth and generate more impact. The role of public policy is to stimulate and orchestrate this process of collective innovation. Politicians, policy-makers and civic leaders can make a unique contribution by changing the way society frames its challenges and mobilizes public, private and voluntary resources to meet them. Demand for social enterprise solutions will not lessen because they attack fundamental issues of how to create public goods and solutions to social problems in an open market economy.

Keywords: Social entrepreneurship, Youth empowerment, Volunteerism and Economic Development

INTRODUCTION

Social entrepreneurship is becoming established as a vocation and mainstream area of inquiry, not only in the United States, Canada, and Europe, but increasingly, in Asia, Africa, and Latin America.

Social entrepreneurs existed long before they were labeled as such. Since the Grameen Bank and its founder Muhammad Yunus were jointly awarded the Nobel Peace Prize in 2006, however, media coverage of this growing phenomenon and accompanying accolades have made social entrepreneurs highly visible.

In May 2009, U.S. President Barack Obama announced the creation of a \$50-million Social Innovation Fund and a new White House Office that will coordinate the fund's efforts "to identify the most promising, results-oriented non-profit programs and expand their reach throughout the country.

This commitment to supporting and nurturing a diverse range of decentralized alternative solutions to intractable social problems taps a wave of global popularity and public awareness that has been building around the phenomenon of "social entrepreneurship" for several years.

The origin of the phrase “social entrepreneur” can be traced to Bill Drayton, a former business management consultant who in 1980 set up Ashoka, the first foundation to support and fund such individuals.

Today Ashoka has over 2,000 “fellows” in more than 60 countries and continues to expand. Other important global support organizations include the Schwab Foundation, which invites fellows to attend the World Economic Forum in Davos, and the Skoll Foundation, which also holds an annual world forum. The latter was set up by eBay founder Jeff Skoll, one of a group of high-profile “new philanthropists” funding SEIs - a group that includes Bill Gates and George Soros.

What is most important about social entrepreneurs, wherever they operate, is that they challenge existing rules and institutions and create innovative vehicles to achieve their social goals. These may end up directly provoking markets through competition or providing alternatives, or they may indirectly put pressure on industries by creating awareness and stimulating behavioral and attitude change. Achieving this kind of change is a long and bumpy road, but one of the most distinctive characteristics of social entrepreneurs is persistence.

The challenge remains extending the adoption of these ideas across both the public and the private sector and throughout society so that they do not become isolated effort but penetrate all economic, social, and political domains.

Social entrepreneurs use a variety of organizational forms from social businesses and Cooperatives to leveraged nonprofits, hybrids, and pure charities.

But they all have one thing in common: the innovative use and combination of resources to pursue opportunities to catalyze social change.

Social entrepreneurship signals the imperative to drive social change, and it is that potential payoff, with its lasting, transformational benefit to society, that sets the field and its practitioners apart.

Social entrepreneurs are setting trends and sparking movements that are spreading across the world. These could have far-reaching effects in different locations and future scenarios.

The history of social Entrepreneurship

Historical social entrepreneurs include Florence Nightingale (UK), founder of modern nursing; Jane Addams founder of the Hull House social settlement in 1889; and Maria Montessori, the first female physician in Italy as well as the creator of the Montessori child education system in 1906.

Current well known social entrepreneurs include Muhammad Yunus, founder of Grameen Bank and winner of the 2006 Nobel Peace Prize; Victoria Hale of Institute for One World Health who taps existing but abandoned pharmaceutical research to bring new drugs to the world’s poorest people; and Ann Cotton of CAMFED who is dedicated to educating girls in rural Africa only in the last two decades has social entrepreneurship emerged as a recognizable field.

Social Entrepreneurship Schools of practice

The Social Enterprise School presents social entrepreneurship as “social enterprise” initiatives. That is, “any organization, in any sector, that uses earned income strategies to pursue a double bottom line or a triple bottom line, either alone (as a social sector business) or as part of a mixed revenue stream that includes charitable contributions and public sector subsidies”.

Much of the activity and focus of the Social Enterprise School centers on earned income activity by nonprofits, but also includes market based solutions to social problems as well as businesses that generate profit that is donated to a social venture or purpose.

The Social Innovation School views social entrepreneurship as the initiatives of innovators pursuing social change and aiming to alleviate a particular social problem. The emphasis here is more about social outcomes rather than income generation. This is the “change-maker” approach advanced by many foundations such as Ashoka, Echoing Green, and The Schwab Foundation.

The concept of social Entrepreneurship

While definitions vary, **social entrepreneurship** can generally be seen as a label for initiatives that proactively address social or environmental issues through delivery of a product or service that directly or indirectly catalyzes social change.

To ensure that change is sustainable, a large part of what social entrepreneurs do is to challenge or disrupt existing institutions

A social entrepreneur is an individual, group, network, organization, or alliance of organizations that seeks sustainable, large-scale change through pattern-breaking ideas in what and/or how governments, nonprofits, and businesses do to address significant social problems.

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A social entrepreneur is a change agent who:

Adopts a mission to create and sustain social values

Recognizes and relentlessly pursues new opportunities to serve that mission

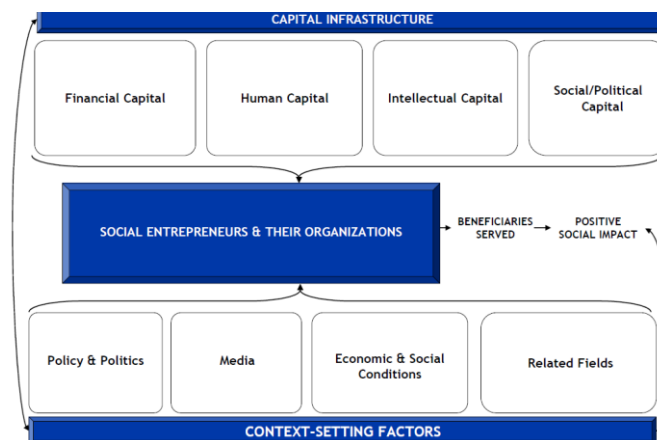
Engages in a process of continuous innovation, adaptation, and learning

Acts boldly without being limited by resources currently at hand, and

Exhibits heightened accountability to the constituencies served and the outcomes created” Dees defines social entrepreneurs as follows:

- Social entrepreneurs play the role of change agents in the social sector, by:
- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.

The ecosystem of social Entrepreneurship



“Developing the field of social entrepreneurship” – June 2008 2

The ecosystem of social Entrepreneurship with Examples



“Developing the field of social entrepreneurship” – June 2008 2

Four central principles of social Entrepreneurship:

These include the following:

Achievement of positive social impact: Social entrepreneurship responds to communities that have been marginalized or excluded by existing market actors and nonmarket institutions;

Non-conventional thinking: Social entrepreneurship aims for what Joseph Schumpeter called “creative destruction,” a revolutionary transformation of a pattern of production that is often associated with entrepreneurship at large but, in the case of social entrepreneurship, is applied to social challenges;

Use of sustainable methods: Social entrepreneurship must include a strategy for achieving financial sustainability, such as earning income; and Innovation that can be adapted and “scaled up” beyond a particular local context: It is by pioneering ideas that can be applied at a larger scale that social entrepreneurship is able to contribute to “systemic” and path breaking change.

Four critical aspects of social Entrepreneurship:

These include the following:

Opportunity Identification and Innovation

Social entrepreneurs are innovators who create change. What innovative insight did the entrepreneur bring to identify an opportunity to create change? How did s/he create and spread this innovation and change?

Value Creation and Impact

What new value was created by the enterprise/ entrepreneur, and how? What can be the conceptual tools to measure/assess the impact and effectiveness of the social enterprise?

Sustainability

How did the social entrepreneur make the venture sustainable financially, organizationally, and in terms of continuity of the venture?

Leadership and Personal Qualities

What were the characteristics of social entrepreneurs’ leadership? What personal qualities (background, skills, values, beliefs, etc) helped the entrepreneur to succeed in creating value?

Models of social Entrepreneurship

Social enterprises can assume a variety of legal and organizational models, but generally can be divided into four categories:

Leveraged nonprofits

Capitalize on the interest of a variety of stakeholders to operate and to secure ongoing support based on a diversified portfolio of funding.

Enterprising nonprofits

Have a self-financing component contributing to the organization’s sustainability.

Hybrid enterprises

Combine aspects of the for profit and nonprofit legal models, either through an innovative legal structure or by using a for profit subsidiary to support the social activities of the nonprofit.

Social businesses

Are those that can demonstrate market-level financial performance and competitiveness while expressing an equal or greater commitment to a social aim.

The attributes of social Entrepreneurship

Academic literature has defined and contextualized the concept of social entrepreneurship.

Social entrepreneurship has been associated with several attributes:

Proactive

Thompson et al. (2000) view social entrepreneurs as individuals who see and identify an unmet need in a society and mobilize manpower, financial, and other resources to make a social impact.

Risk-takers

In an earlier definition, Theobald (1987) describes these individuals as risk-takers who possess skills and abilities to deliver new concepts and ideas into a wider framework of society.

Mission-oriented

Brinckerhoff (2000:12) defines the concept of social entrepreneurship in the context of a pre-defined mission, non-profit endeavor, organization-centric, and stewardship of financial resources.

Focused on societal reform

Other authors perceive social entrepreneurship as heavily anchored on social responsibility. For instance, Dees (1998) highlighted the relevance of social goals and objectives while implementing the operational strategies. Finn (2004) noted that social enterprises are founded by individuals who have converged business acumen and social conscience. Puttnam (2004) views these individuals as process-doers that act outside of the traditional methodologies of business, governance and philanthropy and focus on social transformation.

Policy reform catalysts

Banuri and Najam (2002) observed several cases where civic-oriented entrepreneurs were instrumental in positive policy changes. In an earlier study, Charlton and May (1995) noted the key role of societal actors as catalyst for policy reform and enhancement.

Innovative and adaptive spirit

Dees et al. (2001) expanded the role of social entrepreneurs to include being precursors of change through the creation of social value, innovation, and parsimonious adaptation, while Banuri et al. (2003) indicated the strong desire to build social capital through concept enhancement, introduction of new methodologies technologies, and management systems.

Entrepreneurial methodologies

Fowler (2000) stressed the tendency to incorporate a value added component and the need to generate an operational surplus among social entrepreneurs.

Pomerantz (2003) noted the business centered approach and the strategic utilization of alliances and partners, while Overholt et al. (2004) observed a propensity to utilize skills relating to efficient resource mobilization, orientation towards results, operational efficiencies, and the use of effective managerial approaches. Eikenberry and Kluver (2004) pointed out the emerging trend towards heightened market sensitivity and revenue generating activities among social entrepreneurs.

International Orientation

Boyles (1997) highlighted the emergence of internationally-directed civic-oriented actors that are functioning as non-institutional bodies and are transforming the global agenda. Keck and Sikkink (1998) alluded to the fact that although social venture activities typically comprise domestic residents where a project is situated, there are instances where foreign citizens have played an active role. Davis (2002) noted the expanding growth and approaches in global governance initiated by socially inspired citizens. The conveniences brought about by the ease of global communication, the Internet, and new technologies have broadened the scope of social entrepreneurship to encompass activities in international locations.

The assumptions of social Entrepreneurship

This definition contains eight basic assumptions about the sources, goals, and strategies of social entrepreneurs, the socially-entrepreneurial organizations they either build or inherit, or the less-entrepreneurial organizations they change to full-blown socially-entrepreneurial purposes.

1. Social entrepreneurs do not have to be individuals, they can also be small groups or teams of individuals, organizations, networks, or even communities that band together to create pattern-breaking change. This assumption moves the field away from individual-centered study, while expanding the number of potential social entrepreneurs that might already exist.

2. Social entrepreneurs seek sustainable, large-scale change. This assumption, which adopts the prevailing goal-oriented nature of the contemporary debate, nonetheless moves the field away from questions about who becomes an entrepreneur to what they seek, while again expanding the number of potential social entrepreneurs that might exist.

3. Social entrepreneurship can involve pattern-breaking ideas in either how or what gets done to address significant social problems. This assumption moves the field toward a broader definition of social entrepreneurship that includes organizational and administrative reforms, as well as “using old stuff in new ways.”⁹ It also embraces Dees’ definition of “enterprising social innovation” as a blend of the social enterprise (or market-driven) school of thought with the “social innovation” school presented in this volume.

4. Social entrepreneurship can involve pattern-breaking ideas in either how or what gets done to address significant social problems. This assumption opens the discussion beyond nonprofits to include other sectors and multi-sectoral entities. Social entrepreneurship may be more difficult to launch and sustain in government, for example, where the penalties for risk taking are immediate, but it exists nonetheless. Again, it also embraces Dees and Anderson’s notion of “sector-bending” organizations that use elements of nonprofit and for-profit thinking.

5. Social entrepreneurs need not engage in social enterprise or use market-based tools to be successful. This assumption breaks the necessary-but-not-sufficient relationship between social enterprise and social entrepreneurship by rendering earned income as one of many possible means to a social-purpose end. As Dees (2004) recently writes, “Successful social entrepreneurs will use the most effective structures, strategies, and funding mechanisms to achieve their social objectives. Social entrepreneurship should not be seen as a funding strategy, and it should not be tied to the idea of business ventures. At its heart, entrepreneurship is about establishing new and better ways to create value”.

6. The quantity of social entrepreneurship can vary greatly across individuals and entities. Some social entrepreneurs will be very entrepreneurial compared to others, while others may restrict their entrepreneurial activity to a particular program or unit. This assumption allows for comparisons across individuals and entities that are very, fairly, or only somewhat entrepreneurial, which may yield valuable knowledge on the conditions that might permit greater activity, as well as the conditions that might make lower levels of entrepreneurship quite appropriate.

7. The intensity of social entrepreneurship can and does ebb and flow over time as circumstances change. This assumption allows further study of the economic, political, social, and organizational conditions that might explain stall points, pauses, stops, and restarts in socially-entrepreneurial activity. Under this assumption, social entrepreneurs can occasionally look very non-entrepreneurial as they consolidate, retrench, or respond to inevitable external pressures. Challenge the conventional wisdom, and the conventional wisdom will almost always challenge back that is, after all, how the conventional wisdom survives.

8. Social entrepreneurs sometimes fail, though at as yet to be determined rates. Much as they may seek to create pattern-breaking change, they face serious barriers to success, not the least of which is the tendency of the status quo to push back against pattern-breaking change. That is, after all, the way the status quo endures.

Professor Dees admits that his definition is an “idealized” one. “Social sector leaders will exemplify these characteristics in different ways and to different degrees. The closer a person gets to satisfying all these conditions, the more that person fits the model of a social entrepreneur.

Those who are more innovative in their work and who create more significant social improvements will naturally be seen as more entrepreneurial. The truly Schumpeterian social entrepreneurs will significantly reform or revolutionize their industries”.

The characteristics of successful social Entrepreneurship

Dees (2001) identified five characteristics as essential to successful social entrepreneurship:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting heightened accountability to the constituencies served and for the outcomes created

SOCIAL Entrepreneurship and sustainable development

Sustainable development involves three basic things which include:

1. Satisfying human needs
2. Creating communities that establish norms, rights and collective behavior as a pre requisite for participating in social and economic development
3. Translating the more abstract needs of future generations into action today.

Social entrepreneurship is therefore a tool that could be used to bring about a sustainable development. This is as depicted in the figure below:

Importance of promoting social entrepreneurship for adolescent and youth development

Adolescence is the period in life when people develop their identities as individuals, begin to explore wider social relations, and interact independently with the broader community. “Most leadership theorists believe that the skills critical for effective leadership, including the capacity to understand and interact with others, are developed most deeply in adolescence and young adulthood”. “Enabling young people to meaningfully engage in initiatives that they create not only makes youth the stakeholders of their immediate future, but of their community’s long-term well-being. While providing occasion for development of a range of skills, including critical thinking, writing, public speaking, planning, and group dynamics, youth social entrepreneurship also has the potential to create a more engaged citizenry.

Ashoka’s decision to launch Youth Venture was based on an understanding of the importance of youth. Youth is a time of practicing being powerful and acquiring the required skills of applied empathy, teamwork, and leadership, which are essential to being a social entrepreneur. “If young people do not grow up being powerful, causing change, and practicing these three interlocked underlying skills, they will reach adulthood with a self-definition that does not include change making and a social skill set that largely precludes it. Just as one must develop strong emotional foundations in the first three years of life or suffer for a lifetime, young people must master and practice these social skills and the high art of being powerful in and through society while they are young.

The Positive Youth Development approach advocates helping young people to achieve their full potential as the best way to prevent them from engaging in risky behaviors.³⁵ Proponents of this perspective promote holistic programs focused on youth-led initiatives which give youth the chance to exercise leadership, build skills, and get involved. This approach allows “young individuals to develop multiple core competencies, ranging from cognitive to emotional, physical, moral, vocational, and cultural, ultimately contributing to the young person’s sense of self-worth and identity. This approach differs from earlier models focused either on enabling youth to participate in adult-led and organized initiatives or on adult-intervention strategies targeting youth with specific problem behaviors such as drug abuse. The youth led approach takes the next step by challenging indeed expecting young people to lead the way by deciding what needs to be accomplished and then accomplishing it”.

Youth-led initiatives such as Do Something, Youth Venture, and Be the Change “create spaces that value the participation, ideals, voice, and decision-making process of young people and give young people an opportunity to define for themselves what skills, values, attitudes, knowledge, and commitments they want and need (Ford 1998; CHN 2001). As a result, young people develop increased confidence, autonomy, a sense of belonging, and competence. By allowing and encouraging young people to create their own vision instead of following an adult’s or a formulaic program vision, youth-led development instills youth with confidence in their autonomy and capacity to affect change. Youth-led initiatives give young people a sense of competence, responsibility, and achievement which manifest themselves in young people’s social confidence, interactions, and positive future performance.

Young people must be given the opportunity to lead, the opportunity to create something at a very young age, so that they sense that this is something they can do, that they can contribute to solving the world’s problems. Research on Do Something concluded that young people are more likely to be engaged with their community as adults if they are involved before age 14.

Those youth that have had these opportunities are significantly more likely to remain committed and active community members. Having had the opportunity to learn by doing, youth are better equipped to positively, if not dramatically, impact their communities.

Youth social entrepreneurship is a viable means for young people to develop and exercise leadership while effecting concrete changes in their communities. In recognizing that young people are capable of addressing societal problems and concerns and providing a forum for them to do so, youth social entrepreneurship can be a dynamic and powerful strategy. Through youth social entrepreneurial ventures, young people’s ideas and energy can contribute meaningfully as they participate in community building, work toward social change, and apply their leadership skills, all the while gaining access to services, supports, and opportunities that facilitate their own development.

The youth social entrepreneur movement believes young people, from age 10 to 18, have the creativity and the

energy to create and launch new initiatives that can change their communities.

Indeed, many youth have already formed such ventures. Youth social entrepreneurship should grow out of young people's own interests, motivations and ideas. It entails young people being actively involved by initiating their own activities rather than just being told what to do. Yet it also requires resources and supportive and experienced adults who can mentor/guide young people without being controlling.

The characteristics of successful youth social Entrepreneurs

Youth social entrepreneurship provides an opportunity for young people to develop and develop traits which provide them with valuable life skills that will facilitate their transition into adulthood and benefit them throughout their adult lives. The literature suggests a variety of characteristics that are common across social entrepreneurs worldwide and include the following:

Visionary

The young leaders have a vision for change, inspire others, mobilize young people, form alliances, and use the media to get their messages across and to mobilize resources. They are savvy promoters of their causes and experienced networkers who understand the importance of combining a strong community base with wider national and international support.

Innovative

Ability to be creative and identify and exploit new/ untapped opportunities for creating lasting social change.

Leadership and dedication

Committed in leading the creation of superior social value as well as persistency in overcoming setbacks and unending challenges through the ability to motivate targeted groups, team members, investors and other stakeholders.

Resourceful

Ability to make remarkable achievements against many odds. Social entrepreneurs do not depend on external support and do not wait for others to take the lead.

Rather they lead by example, taking responsibility as young citizens and claiming their place in their community's development.

Willingness to Self Correct

Successful entrepreneurs are highly self-correcting since they are attached more to a goal rather than a particular approach or plan. Interventions usually must evolve in response to problems, new opportunities and changing market conditions in order to achieve major impact. "The inclination to self-correct is a quality that seems to distinguish younger entrepreneurs from their older and better-established counterparts.

Replicability and Scalability

Ability to adapt models or processes from different cultures and regions for successful implementation with local conditions as well as ability to scale-up pursued innovations. Young social entrepreneurs, being members of their communities, are in tune with local culture and know how to bring about change in their communities and which arguments to use to promote change.

Ethical fiber

Foster the development of good organizational values, vision, and ethics for all to follow as well as the ability to build trust.

Formative Experiences

Research has revealed that almost all social entrepreneurs had life changing experiences during their formative childhood and teenage years. They experienced poverty first-hand, had a mentor with outstandingly strong values, or experienced a time of intense pain. These experiences are often motivations for future action.

Fun

While young entrepreneurs are tackling serious social, economic and political issues in their communities, they also know that youth social action has to be fun and colorful in order to attract young people and to ensure their continued interest and support. They manage to turn youth into a powerful force for change and to overcome civic apathy among young people.

Nurturing youth social Entrepreneurs

Taking initiative, creating a project, conceptualizing and launching one's own venture are exceptions, not the rule in most young people's experience. Every child is good at something.

Encouraging and giving that child the opportunity to succeed is extremely important in shaping their personality and tolerance for risk.⁵² The multiple successes of youth social entrepreneur programs provide us with the models and opportunities to engage and assist young people. Key areas in which youth social entrepreneurs need support include:

Knowledge

It is imperative to provide training and technical assistance to help young leaders gain the skills necessary for their projects to be successful; too often young people lack the skills and information to manage people and resources effectively. Trainings should include basic finance, accounting, marketing, and management, as well as problem solving, planning, and leadership.

It is also helpful to include insights into global development issues as well as a young social entrepreneur guidebook. Many organizations including Youth Venture, Peace child (Be the Change), and even UNICEF's Voices of Youth, already provide guides for youth to start their own ventures. Guides are most useful when received as part of an initial training program such as that provided by Junior Achievement.

Networking

Facilitating a network for young social entrepreneurs enhances knowledge sharing, collaboration and the collective discovery process between members. An electronic platform, such as that provided by Youth Venture, Voices of Youth, and Changemakers.net also provide a venue for sharing experiences and documenting best practices.

Mentorship

Mentors can open doors of opportunity and reveal paths that lead to bold, new, unexpected achievements. Mentors can provide training, motivation, and feedback, as well as provide a reference as the youth seek new initiatives or funding. An engaged mentorship program provides young social entrepreneurs with experienced mentors to help them throughout their project to maximize the learning and sustainability.

Finance

Most young people are not in a financial situation that allows them to fund their own initiatives. Young social entrepreneurs need funding to transform innovative ideas into action or to scale up their social ventures.

The global environment has opened up opportunities for social enterprises to expand their concepts to international venues. An international expansion, however, exposes the enterprise to uncharted challenges and opportunities.

The similarities and difference between the business and social Entrepreneurs:

Like any business entrepreneur, social entrepreneurs also find gaps and create a venture to serve the unserved 'markets'

The primary difference between the business and the social entrepreneurs, however, is the "purpose" for setting

up the venture. While the business entrepreneurs' efforts focus on building a business and earning profits, the SE's purpose is to create social change.

While a business entrepreneur may also create changes in the society, but that is not the primary purpose of starting the venture. Similarly, a social entrepreneur may generate profits, but for him/her that is not the primary reason for starting the venture. Profitability - not 'profit-making' - however, is important for the SEs. Being 'profitable' helps self-sustainability of the venture, and also works as a mechanism for self-monitoring.

Another key difference between the social and the business entrepreneur is in the meaning of "wealth" creation. For the business entrepreneur, 'wealth' is same as profits. For the social entrepreneur, however, wealth also encompasses creation/sustenance of the social and environmental capital.

The relationship between the public sector, the private sector and social Entrepreneurship

Leadbeater's (1997) diagram illustrates how the social-entrepreneur sector overlaps with the public, private and voluntary sectors:

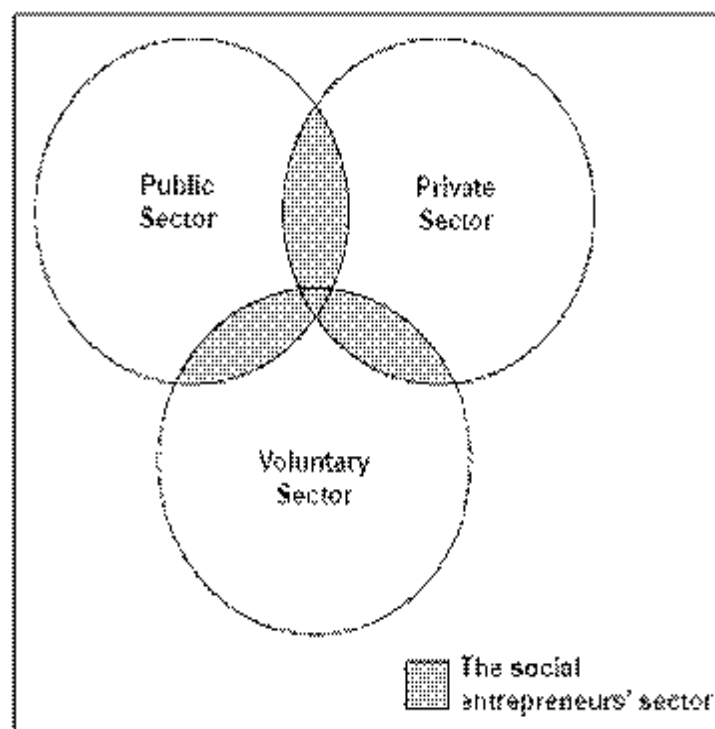


Figure 1. Sources of the Social Entrepreneur Sector (Leadbeater, 1997, p.10)

Seven types of nonprofit Entrepreneurs

Young laid the groundwork for much of the contemporary research on social entrepreneurship in his 1986 framework. According to Young, **there are at least seven types of nonprofit entrepreneurs**, each with a somewhat different motivation for action.

1. Independents who seek small organizations in corners of the sector where new entry is relatively easy.
2. Searchers who want their freedom from cumbersome organizations and inflexible rules.
3. Power seekers who value the opportunities for advancement provided by large organizations.
4. Conservers who concentrate on large, stable, and mature organizations that provide security and established traditions.
5. Professionals who search for organizations with the resources to pursue their endeavors.
6. Artists who pursue organizations large enough to support their work, yet small enough to give them a chance to be recognized.
7. Income seekers, who have no goals other than to enhance their income potential, be it in a large organization or small.

Strategies for the promotion of social Entrepreneurship

These include the following:

Selective leveraging of social issues

The practice of “social leveraging” or transferring the management of social issues in one location to another venue where it is needed or desired deserves special merit.

Focus on niche locations

The expansion of social entrepreneurship ventures can be limited due to constraints in time and resources. It is essential for social entrepreneurs to focus on niche locations where a more significant impact may be made.

Plan strategically

Strategic planning is an important consideration for social entrepreneurship venture expansion.

Establish networks and build credibility early

Once an appropriate location is determined, there is a need for practitioners to build a strong presence in the new environment.

Heighten awareness of the issue and highlight the urgency

Elevating the social cause to a level of crisis and urgency facilitates the gathering of early support

Form a dynamic and well-motivated team

As in any business enterprise, the recruitment of an action-oriented team contributes to remarkable results. A team’s sharing of values and commitment to the endeavor can facilitate and expedite the implementation of the organization’s agenda.

The role of investors, intermediaries, and international donors in social Entrepreneurship

Investors and donors are critical to the functioning of the social entrepreneurial ecosystem.

These include financial intermediaries (e.g., investment networks), information providers (ratings agencies), and technical assistance providers (training, management consulting, industry research, business plan development, and support in scaling social enterprises).

In the global social investment landscape, there is some overlap between investors and intermediaries, with a number of organizations providing a blend of financial investment and technical assistance

The role of educational institutions in the promotion of social Entrepreneurship

The last decade has witnessed a burgeoning of social entrepreneurship and social enterprise education and training programs in many of the world’s leading academic institutions and through a number of endowed centers and institutes, as well as at the level of schools.

In a growing number of universities, courses and fulltime professors are dedicated to the field and, in some; graduate degree programs in social entrepreneurship are offered.

Research activities, network development, and conferences are becoming more routine on leading campuses.

These programs and activities are providing the field of social entrepreneurship with three components that are critical to its development:

- i) Raising awareness and building a knowledge base,
- ii) Building a social entrepreneurial culture and developing skills, and
- iii) Providing services and creating pathways for development.

Building a social entrepreneurial culture and developing skills

Although it is important to note the limitations of formal education in teaching people the skills needed for entrepreneurship or social entrepreneurship, educational institutions can help students capitalize on their natural potential. As Greg Dees of Duke University states:

“We’re not ‘teaching’ [students] to have the personal characteristics required to be a successful social entrepreneur. Though we don’t teach courage, for instance, we can inspire potential social entrepreneurs to act with courage by exposing them to people like themselves who have started social ventures.

A teacher can draw out the potential of a student to be a social entrepreneur and most human beings have that potential if they want to exercise it.

The nature of a social enterprise

Social enterprises trade products and services to further social and environmental goals. They are led by a sense of social purpose and aim to show that businesses and markets can deliver social benefits and tackle intractable social problems.

Social enterprises are based on the recognition that innovative solutions to difficult social problems are unlikely to come from markets left to their own devices.

A social enterprise is any business venture created for a social purpose mitigating/reducing a social problem or a market failure and to generate social value while operating with the financial discipline, innovation and determination of a private sector business.

The raison d’être of social enterprise practitioners is to create and sustain social value.

Social value creation speaks directly to accomplishing a social mission and achieving social program objectives, while sustainability requires organizational and leadership capacity, business-oriented culture and financial viability. Thus, a social enterprise is more likely to achieve sustained social value when the enterprises integrated within program, operations, culture, and finance.

Social enterprise offers a new way to do business that is animated by a social purpose. Although, most social enterprises are small, and many are fragile, the sector has attracted growing interest from policymakers, young people, entrepreneurs, funders and established businesses. That interest is testimony to the way that social enterprise addresses weaknesses in the operation of both markets and government.

CONCLUSIONS

Government can help to swell the rising tide of voluntarism and giving that in turns supports social enterprise by focusing on four main areas of activity:

1. Support social entrepreneurs to operate at greater scale, through organisational growth where appropriate, clustering, networks and licensing
2. Encourage a wider giving culture and sense of social responsibility that will feed into consumer behaviour in ethical markets, charitable giving to support social enterprises and voluntary contributions to support public services, for example in the care economy
3. Commission public services to promote social innovation and more effective social outcomes, including encouraging user-led innovative public services
4. Encourage and where necessary require a more urgent sense of social responsibility from business.

All of this will be underpinned by a growing body of techniques and tools for assessing and reporting on social value, alongside more traditional measures of financial performance.

The four-pronged approach set out above connects social value creation in the five areas of the economy by linking the voluntary economy of giving, to social enterprise, public services, socially responsible and mainstream business and the rise of ethical markets.

The key now is to focus on how social enterprise can sustain growth and generate more impact. That in turn raises questions about how social enterprises trigger wider processes of social innovation engaging both the public and private sectors.

Social innovation – like many other forms of innovation – is a process of collective innovation involving many players: social enterprises, companies, service users, regulators, funders, politicians.

Complex public goods – like a clean and safe environment have to be created through collaborative innovation involving many contributors, the public, private, not-for-profit sectors as well as citizens and neighbourhoods.

The role of public policy is to stimulate and orchestrate this process of collective innovation.

Politicians, policy-makers and civic leaders can make a unique contribution by changing the way society frames its challenges and mobilises public, private and voluntary resources to meet them.

These they can achieve through these three ingredients:

1. Diagnosing the challenges and opportunities a city faces
2. Prescribing actions and responsibility for different players
3. Motivating and sometimes equipping people to take action, together.

Government needs a framework for social innovation in which social enterprise is likely to play a critical role. It can help to swell the rising tide of voluntarism and giving that in turns supports social enterprise by focusing on four main areas of activity:

1. Support social entrepreneurs to operate at greater scale through organisational growth where appropriate, clustering, networks and licensing
2. Encourage a wider giving culture and sense of social responsibility that will feed into consumer behavior in ethical markets, charitable giving to support social enterprises and voluntary contributions to support public services, for example in the care economy
3. Commission public services to promote social innovation and more effective social outcomes, including encouraging user-led innovative public services
4. Encourage and where necessary require a more urgent sense of social responsibility from business.

Demand for social enterprise solutions will not lessen. They attack fundamental issues of how to create public goods and solutions to social problems in an open market economy.

The last ten years have seen some important steps forward: more volunteering and giving; more venture philanthropy and investment; a robust and comprehensive policy platform for social enterprise development; a growing role for social enterprises in public service provision.

The best social entrepreneurs have great results. Government is looking at ways to get results at low costs. Social entrepreneurs can help them achieve this. They can test new ideas and innovations, and partner with government to bring successful ones to scale. Therefore, to be viable, a social entrepreneurship venture must show a positive Social and/or Environmental Role.

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