Social Entrepreneurship
Disposition

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1. Introduction

In the Interreg project Benefit4Regions, nine case studies have been set up with the goal of finding solutions to challenges in rural areas. Rural areas, when compared to urban areas, are disadvantaged – they, for example, are sparsely populated, have fewer resources and struggle with modest economic growth. Private investors lack interest in these areas and often public initiatives and funding are the driving force behind development. However, public institutions are not able to do on their own, they need the knowledge and support of the community to succeed.

Social entrepreneurship, as in the case of the Interreg project Benefit4Regions, can be an important tool to successfully work with development in rural areas. In this paper, we will define social entrepreneurship and outline which resources are important for social entrepreneurs to manage. Finally, we will look at social entrepreneurship in a rural context and point to aspects which are decisive for social entrepreneurship in rural areas to succeed.

2. Definition: Social entrepreneurship

The terms “social entrepreneurship” and “social entrepreneur” are much debated among researchers. There is a general lack of agreement on the meaning, forms and boundaries of social entrepreneurship (Dacin et al., 2010). Different definitions have emerged over the years, with slightly different focus.

Dacin et al. have reviewed the literature concerning social entrepreneurship and claim that the creation of social value and the actions leading to this are distinguishing social entrepreneurship from entrepreneurship in general and should thus be at the centre of defining social entrepreneurship (Dacin et al., 2010). In line with this, Defourny and Nyssens define social entrepreneurs as developing solutions to societal and/or environmental problems (Defourny, Nyssens, 2013).

The goal of social entrepreneurship is to add value to society by promoting societal change (Dacin et al., 2010). Social entrepreneurship encompasses a wide range of themes – including, for example, how to make business environmentally friendly, how to improve infrastructure and cultural activities in rural areas and how to improve citizen participation in villages. These themes have in common that they seek to change, for example, existing structures or ways of doing things. The solutions that are developed target the community as a whole, rather than specific individuals.

In entrepreneurship in general, focus is often on individuals who create or improve businesses. Social entrepreneurship takes this in a new direction and shifts focus to how teams – and not only individuals – find new ways to deal with societal challenges (Gretzinger, 2018). Social entrepreneurship prioritizes the needs of the community – and understanding the needs of the community requires the involvement of those close to these needs and with experience of the challenges being addressed. Thus, social entrepreneurship cannot be a “one-man army”, but must include groups to succeed (Thompson, 2002).

Social entrepreneurship exists in the business-sector, as well as outside the business-sector. An established enterprise or an aspiring entrepreneur with a societal purpose are examples of social entrepreneurs within the business sector. They seek to add value to society, and at the same time, generate economic profit for the shareholders of the company. Social entrepreneurs outside the business-sector, such as voluntary associations or public policy actors, are not faced with this dilemma and can therefore solely focus on developing solutions to societal challenges for the benefit of stakeholders (Dacin et al., 2010; Thompson, 2002). In the following pages, we will focus on social entrepreneurship outside the business-sector.
3. Important resources for social entrepreneurship

Dacin et al. have identified three types of resources that are important for social entrepreneurs to manage – relational resources, cultural resources and institutional resources. These reside in the external context in which social entrepreneurs operate (Dacin et al., 2010).

Relational resources refer to social entrepreneurs’ social network or interpersonal context. Social entrepreneurs interact with people and organizations and create formal as well as informal ties. They gain access to information and information channels and create contacts, which can be advantageous in realizing goals. However, having access to people, organizations or networks is valuable, but real value is first created when social entrepreneurs engage in forming professional relationships. In contrast to entrepreneurs in general, social entrepreneurs do not regard themselves as operating in a competitive environment. They do not set up competitive barriers or withhold information and resources, rather they view their network as a place to cooperate and share information as well as ideas (Dacin et al., 2010).

In Benefit4Regions, case study members have exchanged information and experiences at case study meetings. In the process of doing so, they have familiarized and, in some cases, built professional relationships. The case study members have similar backgrounds (primarily representatives from municipalities) and no case study members have a commercial interest in the case study work. Consequently, the atmosphere at case study meetings has been cooperative and open and focus has been on learning and sharing.

Cultural resources refer to, for example, norms, values and beliefs. Typically, these are viewed as residing inside an organization, but in the case of social entrepreneurs, cultural resources are external. When interacting with people and organizations in the network, it is crucial that social entrepreneurs can collect, understand and leverage cultural resources. Dacin et al. state that: “Knowing what is and isn’t permitted – or expected or considered legitimate - by social and cultural standards is key to developing successful social entrepreneurial strategies and operational plans.” (Dacin et al., 2010).

In Benefit4Regions, case study members have had to learn and understand each other’s norms, values and beliefs. This has been complicated by language barriers and cultural differences between case study members. However, in most case studies, the members have had an open mind towards dealing with these issues and the dialogue has been curious and non-judgmental.

Institutional resources are the political, legal and institutional framework in which social entrepreneurs operate. Social entrepreneurs must be able to leverage these resources – but also identify deficiencies or gaps in the framework that may hinder or obstruct their work. Often, deficiencies or gaps in institutional resources are the driving force for social entrepreneurs to engage in projects (Dacin et al, 2010).

In Benefit4Regions, familiarizing at case study meetings has aimed at getting to know each other personally, as well as gaining an understanding of the political, legal and institutional framework of the other participants. Sometimes, case study members have assumed that the institutional framework is the same in two countries and they have been surprised by fundamental differences. This has, in some cases, led to misunderstandings.

4. Social entrepreneurship in a rural context

Rural areas often struggle with a lack of resources, incomplete infrastructure and low economic growth (Niu et al., 2008). These conditions make it difficult to revitalize rural areas, simply because there are fewer actors, organizations and resources to attract, involve and draw upon in this process (Tödtling, Tripl, 2005). Consequently, public policy actors, such as municipalities, play an important role in developing rural areas. They represent a resourceful group of actors rooted in the region that – contrary to many other regional actors – have the framework and “muscles” to provide support,
resources and perhaps funding to social entrepreneurship projects. Their support can pave the way for others to engage in finding solutions to societal challenges in rural areas.

In Benefit4Regions, case study members are representatives from municipalities from Germany and Denmark. These municipalities have the common goal of finding solutions to challenges within rural regions – challenges that they each struggle with. This is a major focus of these municipalities and they have allocated a considerable amount of resources (time, money, people) to achieving this goal.

As mentioned earlier, knowledge of and experience with the societal challenge being addressed is vital for social entrepreneurship to succeed – both when developing and implementing solutions. Public policy actors working with social entrepreneurship in rural areas must therefore ensure they get citizens on board. If not, they risk developing solutions that are out of touch with what is actually needed (Thompson, 2002). Furthermore, the involvement and engagement of regional or local actors are some of the cornerstones needed when implementing solutions to societal challenges in rural areas. If those whom the solution aims to help do not find the solution relevant, they are not going to support its implementation. Thus, citizens need to feel ownership of the solution – and this is best done by involving them in the development of the solution.

Social entrepreneurship in rural areas requires getting the right team of regional actors. In this context, regional actors have several crucial attributes, which people/organizations outside the region lack or will have difficulties in achieving:

- Regional actors identify with the region and have an interest in working on solutions.
- Regional actors have first-hand knowledge of the problems, which outsiders must first acquire.
- Regional actors have access to networks and local resources within the region – they both know and are known to people and organizations, which can support the work. They can open doors, which may be closed for outsiders.
- Regional actors know which people and organizations are crucial to have in the team.

In Benefit4Regions, the case study members have used their regional network to invite local actors, such as regional firms and village associations, to meetings with the purpose of getting their view on the challenges discussed. The local actors have, for the most part, accepted the invitation and have found the work within the case studies both interesting and relevant. They have shared their experiences with the case study and their perspectives have been productive for the case study members who, perhaps, as representatives of municipalities, have a slightly more distanced view of the problems being discussed.
List of references


