

Social Entrepreneurship

EM3010 - Spring 2021

Assignment 1:

A critical review of the concept

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This paper criticizes and comments on the concept of Social Entrepreneurship, with a primary focus on its Entrepreneurial and Social aspects.

Introduction

The paper "Social entrepreneurship: A critical review of the concept" by Ana Maria Peredo and Muridith McLean starts with explaining the importance of social entrepreneurship in current times, emphasizing why we first need to be clear on what it exactly stands for. Social entrepreneurship has already been an established concept, with various associations and numerous articles devoted to studying and putting it into practice. The paper does not aim to clarify these points but establish the fundamental definition of "social entrepreneurship."

Entrepreneurial aspects

Social entrepreneurship's success depends on the social entrepreneurship skills, talent, and qualities present in a social entrepreneur. An entrepreneur uses his abilities and skills to can bring about positive social changes in society.

The paper describes many views towards social entrepreneurship:

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- **The minimalist view:** People tend to view social entrepreneurs as a person who starts up and or runs a small business.
 - **The business method view:** The entrepreneurial element in social entrepreneurship is linked closely with borrowing from the outlook and methods of market-driven enterprise.

After reading various views and critics regarding social entrepreneurship, I think a social entrepreneur must do the following:

- Identify the social issue/problem.

Social entrepreneurs should focus on solving social problems in society. They take positive steps to resolve these issues using social action and resource development.

- Developing a social mission

Social entrepreneurs should focus on social ventures. They should attempt to improve the community infrastructure, livelihood, standard of living. They should focus on how the organization's profits can be utilized for the benefit of the community and the environment.

- Develop support

Social entrepreneurs should develop plans and strategies that determine the efficient management of the problems. They need to identify the resources which would make the mission a success.

- Develop sustainable models

Social entrepreneurs should aim to develop businesses that would bring in a profit for the organization and benefit society as a whole.

- Impact assessment

Social entrepreneurship should assess the results and outcomes regularly. For example, did the business help develop any kind of employment or how many people have been benefitted, etc.

Social aspects

There is broad agreement that social entrepreneurs and their undertakings are driven by social goals, i.e., the desire to benefit society in some way or ways.

But people tend to view social entrepreneurship at two extremes:

- At one extreme are those who hold that some social goal must be the exclusive aim of the social entrepreneur
- And other say that profitability may be consistent with social entrepreneurship as long as social benefits still dominate the goal structure of such ventures.

In my opinion, these non-profit organizations should revolve around these businesses principles:

- Social goals with not-for-profit status
- To work for society (poverty, education, health, environment)
- Financial and economic sustainability
- Investors get back their money invested in social business. No dividend is given beyond investment money.
- When venture sum is paid back, organization benefit remains with the organization for extension and change.
- Gender-sensitive and environmentally conscious
- The workforce shows signs of improvement in working conditions.
- Do it with happiness.

Conclusion

The paper states that the paper was meant to be understood with appropriate flexibility, i.e., social entrepreneurship is exercised when some person or group aim at creating social value and show a capacity to recognize and take advantage of opportunities to create value by employing innovation, ranging from outright invention to adapting someone else's novelty, in creating or distributing social value.

To be an entrepreneur may therefore mean being an individual, a member of a group, or an organization that carries out the work of identifying and creatively pursuing a social goal. The authors submit that the notion as outlined above makes a significant contribution to understanding the complex phenomenon of directing organizational activity toward the achievement of social purposes.