

GST401: Social Entrepreneurship for Community Development

Concepts and opportunities in Social Entrepreneurship

Social entrepreneurship, otherwise called community-oriented organization, is the process by which

1. individuals,
2. startups and
3. entrepreneurs

develop and **fund** solutions that directly address *social*, *cultural*, or *environmental* issues.

What will you suggest to be Social Issues within your locality?

EXAPLES OF SOCIAL, CULTURAL, OR ENVIRONMENTAL ISSUES TO LEVERAGE ON FOR A SOCIAL ENTREPREUR

Nigeria, like many other countries, faces a range of social, cultural, and environmental issues that could serve as focal points for social entrepreneurship. Here are some examples:

- **Access to Clean Water:** Many regions in Nigeria struggle with access to clean and safe drinking water, leading to health issues such as waterborne diseases. A social entrepreneurship venture could focus on innovative water purification technologies or community-driven water management solutions.
- **Youth Unemployment:** Nigeria has a large youth population, but a significant portion of it is unemployed or underemployed. Social entrepreneurs could develop initiatives focused on vocational training, entrepreneurship education, or job placement services tailored to the needs of young Nigerians.
- **Gender Inequality:** Despite progress in recent years, gender inequality remains a significant issue in Nigeria, particularly in terms of access to education, economic opportunities, and political representation. Social entrepreneurship ventures could address this by promoting women's empowerment through education, skill development programs, or advocacy campaigns.
- **Waste Management:** Rapid urbanization and population growth in Nigeria have exacerbated waste management challenges, leading to environmental pollution and health hazards. Social entrepreneurs could create ventures focused on waste recycling, composting, or innovative waste management solutions tailored to local communities.
- **Access to Healthcare:** Many Nigerians, especially those in rural areas, face challenges in accessing quality healthcare services due to factors such as distance, cost, and inadequate infrastructure. Social entrepreneurship ventures could focus on mobile healthcare clinics, telemedicine platforms, or community health worker programs to improve healthcare access and delivery.
- **Education Quality:** While Nigeria has made progress in increasing access to education, issues such as overcrowded classrooms, inadequate infrastructure, and low-quality

teaching remain prevalent, particularly in rural areas. Social entrepreneurship initiatives could focus on improving educational outcomes through innovative teaching methods, educational technology solutions, or community-led initiatives to support schools.

- **Environmental Degradation:** Nigeria is grappling with environmental challenges such as deforestation, desertification, and air and water pollution, which have wide-ranging impacts on public health and livelihoods. Social entrepreneurs could develop sustainable initiatives focused on reforestation, renewable energy adoption, or environmental conservation education and advocacy.
- **Rural Development:** Many rural communities in Nigeria face challenges such as limited access to basic infrastructure, healthcare, education, and economic opportunities, leading to high levels of poverty and migration to urban areas. Social entrepreneurship ventures could focus on holistic rural development initiatives that address these challenges, such as community-led infrastructure projects, agribusiness development, or microfinance initiatives tailored to rural entrepreneurs.

A social entrepreneur, therefore, is a person who explores business opportunities that have a positive impact on their community, in society or the world.

Social entrepreneurship is an approach by individuals, groups, start-up companies or entrepreneurs, in which they develop, fund and implement solutions to social, cultural, or environmental issues. This concept may be applied to a wide range of organizations, which vary in size, aims, and beliefs.

Social entrepreneurship is a concept that combines elements of entrepreneurship with a focus on addressing social and environmental issues. It involves the creation and implementation of innovative and sustainable solutions to tackle various societal challenges. Social entrepreneurs are individuals or organizations that leverage entrepreneurial principles to drive positive change and make a significant impact on communities and the world at large.

The ideology was traced to Bill Drayton, hence is referred as the father of social entrepreneurship.

The end goal of social entrepreneurship

What sets a social entrepreneur apart from a traditional entrepreneur is that

- while the **traditional entrepreneur's ultimate goal is to create wealth, the social entrepreneur seeks to create lasting societal change.**
- A key characteristic of social entrepreneurship is it will often involve the people it is trying to help or support.
- Social entrepreneurs work to address social and environmental problems using entrepreneurial principles, and measures their success based on social impact rather than profit.

- social enterprises are often referred to as "social purpose businesses" - not for profit, not for charity, but for social purpose.

Origin of social enterprises

The idea of a social enterprise as a distinct concept first developed in the late 1970s in the UK as an alternative commercial organisational model to private businesses, co-operatives and public enterprise. The concept, at that time, had five main principles divided into three values and two paradigm shifts.

How social enterprises work



Social enterprises are businesses whose primary purpose is addressing a social or environmental challenge rather than creating profit for owners or shareholders. They bring together the entrepreneurial skills of the private sector and the values of public service. Everyone has the capacity to become a social entrepreneur.

In running a social enterprise, there is no single clear path to success. This is a sector that rewards innovation like no other. In fact, it is fair to say that the more innovative your approach, the better: A simple yet very clever idea could really strike a chord with your potential customers and investors! What really matters is that a social entrepreneur can define his social goal and identify an effective way of achieving it.

Identification of Social Entrepreneurship Opportunities

Typically, opportunities in social entrepreneurship are based on the need to create social value which benefits the local community. A social enterprise usually does this by solving a problem or providing assistance in an area of need or disadvantage.

Quick things to note about social entrepreneurs:

Social Entrepreneurship:

1. Is achieved through experiences, knowledge and passion.
2. Just like entrepreneurs are not marked from birth; but are people who made a series of good decisions in their businesses and lives, social entrepreneurs are not born; they are made.
3. Social entrepreneurship is not so much a career as it is a calling, a driving vision that compels one to dedicate a life to a particular social outcome.

4. The creation and taking to scale of breakthrough enterprises in the social sector, whether nonprofit or for-profit, is at the core of social entrepreneurship.

Important Qualities that Make a Successful Social Entrepreneur

1. **Deep Empathy:** Successful social entrepreneurs possess a deep empathy for the communities they aim to serve. This empathy allows them to truly understand the needs, challenges, and aspirations of the people they seek to help. By empathizing with their target beneficiaries, social entrepreneurs can develop solutions that are truly impactful and responsive to the community's needs.
2. **Innovation:** Innovation is crucial for social entrepreneurs to develop creative and effective solutions to complex social problems. They constantly seek new approaches, technologies, and business models that can address social issues more efficiently and sustainably. Whether it's inventing new products, services, or processes, innovation enables social entrepreneurs to stay ahead of the curve and maximize their impact.
3. **A Systemic View:** Successful social entrepreneurs understand that social problems are often deeply interconnected and influenced by broader systemic factors. They take a holistic view of the issues they're addressing, considering the underlying causes, root structures, and interconnectedness of various social, cultural, and environmental factors. By understanding the systemic nature of social problems, social entrepreneurs can develop more comprehensive and sustainable solutions that tackle root causes rather than just symptoms.
4. **A Sustainable Approach:** Sustainability is key for the long-term success and impact of social entrepreneurship ventures. Successful social entrepreneurs develop financially sustainable business models that generate revenue while also creating social or environmental value. They strive for a balance between financial viability and social impact, ensuring that their ventures can continue to thrive and serve their communities in the long run.
5. **Involving Changemakers:** Successful social entrepreneurs recognize the importance of collaboration and partnership in driving social change. They actively involve various stakeholders, including local communities, governments, NGOs, businesses, and other changemakers, in their initiatives. By building coalitions and leveraging the expertise and resources of diverse stakeholders, social entrepreneurs can amplify their impact and create meaningful change at scale.
6. **Resilience:** Social entrepreneurship often involves navigating through complex challenges and setbacks. Successful social entrepreneurs demonstrate resilience in the face of adversity, maintaining their commitment to their mission despite obstacles.
7. **Adaptability:** Social entrepreneurs operate within dynamic environments that may require quick adaptation to changing circumstances, regulations, or market conditions.

Being adaptable allows them to pivot their strategies, business models, or approaches as needed to achieve their goals effectively.

8. **Collaboration:** Successful social entrepreneurs understand the importance of collaboration and partnership-building. They actively seek out partnerships with other organizations, stakeholders, and communities to leverage resources, expertise, and networks in advancing their mission.
9. **Visionary Leadership:** Visionary leadership is crucial for social entrepreneurs to inspire others and drive meaningful change. They have a clear vision of the impact they want to create and possess the ability to communicate that vision effectively to stakeholders, motivating them to join in their efforts.
10. **Resourcefulness:** Social entrepreneurs often operate with limited resources, requiring them to be resourceful in finding creative solutions to problems. Whether it's leveraging existing networks, repurposing materials, or tapping into alternative funding sources, resourcefulness is a key quality for success.
11. **Ethical Integrity:** Integrity and ethical conduct are essential for social entrepreneurs, as they often work in sensitive areas and with vulnerable populations. Upholding ethical standards builds trust with stakeholders and ensures the sustainability and credibility of their initiatives.
12. **Data-Driven Decision Making:** Successful social entrepreneurs rely on data and evidence to inform their decision-making processes. They gather and analyze relevant data to understand the root causes of social issues, measure impact, and continuously improve their strategies and interventions.
13. **Cultural Competence:** Social entrepreneurs operating in diverse communities or addressing culturally sensitive issues need to demonstrate cultural competence. This includes understanding and respecting local customs, traditions, and norms, as well as effectively engaging with diverse stakeholders.
14. **Persistence:** Creating sustainable social change often requires a long-term commitment and persistence. Successful social entrepreneurs demonstrate perseverance in pursuing their goals, even in the face of slow progress or initial failures.
15. **Capacity for Learning and Growth:** Social entrepreneurs continuously seek opportunities for learning and personal growth. They are open to feedback, reflect on their experiences, and actively seek out opportunities to enhance their skills, knowledge, and effectiveness in driving social impact.

The role of a social entrepreneur (Creating a business structure that is a mean to another external beneficial ends)

- Often, social entrepreneurs drive the production of environmentally friendly products, meet the needs of an underserved community or focus on philanthropic activities.
- Through non-profit, for-profit and hybrid enterprises, social entrepreneurs promote a broad range of solutions focused on sustainable development.

BENEFITS OF SOCIAL ENTREPRENEURSHIP

There are a number of key business advantages of being a social enterprise as summarised below:

1. **Stronger Customer and Client Relationships:** Social enterprises often build stronger relationships with their customers and clients due to their shared values and the positive social impact associated with their products or services. Customers tend to be more loyal to businesses that demonstrate a commitment to social responsibility, leading to increased customer satisfaction and retention.
2. **Greater Employee Motivation and Retention:** Employees of social enterprises are often more motivated and engaged because they are part of a mission-driven organization focused on making a positive impact in society. Social enterprises attract employees who are passionate about the organization's purpose, leading to higher levels of job satisfaction, retention, and productivity.
3. **Increased Creativity:** Social enterprises are driven by a desire to address social or environmental challenges, which often requires innovative thinking and creative problem-solving. This focus on creating positive change encourages a culture of innovation within the organization, leading to the development of new products, services, and approaches that benefit both society and the business.
4. **Increased Productivity:** Employees of social enterprises are often more motivated and committed to their work, leading to higher levels of productivity. When employees feel connected to the organization's mission and values, they are more likely to go above and beyond in their roles, resulting in increased productivity and efficiency.
5. **Enhanced Brand Awareness and Reputation:** Social enterprises are often perceived favorably by consumers, investors, and the public due to their commitment to social or environmental impact. This positive perception leads to enhanced brand awareness and reputation, which can differentiate the business in the marketplace and attract customers, investors, and partners who share similar values.
6. **Access to Funding and Investment Opportunities:** Social enterprises may have access to a wider range of funding and investment opportunities compared to traditional businesses. Impact investors, philanthropic organizations, and social venture capital firms are often interested in supporting social enterprises that demonstrate a strong social or environmental mission alongside financial sustainability.

7. **Regulatory and Tax Benefits:** In some jurisdictions, social enterprises may be eligible for regulatory incentives or tax benefits designed to support businesses that generate positive social or environmental outcomes. These incentives can reduce operating costs and enhance the financial sustainability of the enterprise.

DIFFERENT TYPES OF SOCIAL ENTERPRISE AND BUSINESS MODELS

Social enterprises are inherently innovative organisations in that they use established business practices to achieve progressive, forward-thinking goals. However, there is more than one way to run a social enterprise. Some of the different types of social enterprise business models, which can help in deciding what approach one might take to make the world a better place, are discussed below.

1. Community interest companies
2. Community enterprises and co-operatives
3. Social firms

Community Interest Companies (CICs):

Community Interest Companies (CICs) are a type of social enterprise structure in the United Kingdom that specifically aims to benefit the community rather than private shareholders. CICs operate as limited companies but with additional regulations and restrictions to ensure their social mission remains central to their operations. They are required to have a community interest statement and are subject to an asset lock, meaning that assets are dedicated to achieving their social objectives. A Nigerian example of a Community Interest Company could be a social enterprise that provides vocational training and employment opportunities for disadvantaged youth in a specific community. The enterprise could generate revenue through its training programs and use the profits to reinvest in the community by funding education initiatives or infrastructure projects.

Community Enterprises and Co-operatives:

Community enterprises and cooperatives are social enterprise models characterized by their democratic ownership and control structures. They are owned and operated by their members, who can be individuals, businesses, or other organizations within the community. These enterprises operate for the benefit of their members or the broader community, often prioritizing social or environmental objectives over maximizing profits. A Nigerian example of a community enterprise could be a cooperative of farmers in a rural village. The cooperative could pool resources, share knowledge, and collectively market their agricultural products to achieve better prices in the market. By working together, the farmers can improve their livelihoods and strengthen the local economy.

Social Firms:

Social firms are businesses that primarily aim to create employment opportunities for disadvantaged or marginalized groups, such as individuals with disabilities, ex-offenders, or people experiencing homelessness. These businesses operate in competitive markets and generate revenue through the sale of goods or services, while also providing supportive employment and training opportunities for their target beneficiaries. For Example, A catering company that employs individuals with disabilities to prepare and deliver meals to corporate events and social gatherings. The company provides on-the-job training and support services to help employees develop culinary skills and gain valuable work experience. By prioritizing social impact alongside profitability, the social firm contributes to the economic empowerment and social inclusion of marginalized individuals in the community.

These are just a few examples of social enterprise business models, each with its own unique approach to addressing social or environmental challenges while operating within a business framework. Depending on the specific mission, target beneficiaries, and operating context, social entrepreneurs can choose the model that best aligns with their goals and values to make a positive impact in their communities.

SKILLS OF A SOCIAL ENTREPRENEUR

Running a social enterprise can be risky. So whatever path you choose to take, you'll need to ensure that you have the appropriate insurance cover in place.

- Leadership. Social entrepreneurs identify problems and take action against unjust social issues.
- Optimism.
- Grit.
- Resilience in the face of adversities, obstacles, challenges, and failures.
- Creativity and innovation.
- Empathy.
- Emotional and social intelligence.

Pillars of social entrepreneurship

The four pillars of social enterprises are:

- The economic viability of the project. Like any sustainable business activity, social entrepreneurship projects must meet a real demand previously identified in a market study.
- Social and/or environmental objectives.
- Profit distribution.
- Governance.

Elements of a Successful Social Enterprise

- Sustainable. The goal of every enterprise is to become self-sustaining.
- Socially Inclusive. Social enterprises are attractive in modern society because they strive for inclusion in the workplace.
- Diversifiable.
- Professional.
- Easily Replicated.
- Value Addition.
- Reactive.

Challenges of social entrepreneurship

The top two challenges faced by social enterprises are: The talent gap and the distribution gap.

How do I start a social entrepreneurship business?

7 Steps for Starting a Social Enterprise

1. Articulate a problem and a solution.
2. Surround yourself with experts in your field.
3. Hire staff that's flexible and entrepreneurial.
4. Shake a hand, raise a naira.
5. Make noise in the media.
6. Choose your board wisely.
7. Be able to measure your impact.

Can one get rich from social enterprise?



Social enterprises can sell anything that a typical business offers. Like any other business it will only make money if its product or service is of good quality, in demand (i.e. you have researched your customers and know exactly what they need), professionally delivered and hence can make a profit/surplus. Social entrepreneurs also make monies sometimes from donations and other support causes.

Main goals of a social enterprise



All social enterprises usually adopt two main goals – the first is to generate profits, while the second is to reach its social, cultural, economic, or environmental outcomes outlined in the company's mission.

Objectives of a social enterprise

The objective of a social enterprise is to benefit society by using and sometimes donating its profits to fund training programmes, improve community facilities and promote sustainable goods to protect the environment.

Key Takeaways

Corporate sustainability is a growing concern among investors who seek not only economic profit but also social good. There are three pillars of sustainable investing: environmental, socially responsible, and governance.

An example of social entrepreneurship

One example of social entrepreneurship is microfinance institutions. These institutions provide banking services to unemployed or low-income individuals or groups who otherwise would have no other access to financial services.

Types of social entrepreneurs

When it comes to driving change through social entrepreneurship, there are many definitions. These individuals and companies represent a vast cross-section of what they are trying to accomplish with their businesses. They also differ in terms of their strategies and goals for bringing about social change.

Dr. Joe Johnson is an entrepreneur who has studied the field for over 25 years. He is the founder of Welfont, which has funded and launched over a dozen start-ups. Dr. Johnson has outlined what he considers to be the four most common types of social entrepreneurs.

1. The Community Social Entrepreneur

This entrepreneur seeks to serve the social needs of a community within a small geographical area. These entrepreneurial initiatives could be anything from creating job opportunities for marginalized members to building a community center. Social entrepreneurs on this scale are usually individuals or small organizations. Microfinance loans are one example - offering financial solutions to local people with no access to banking.

These entrepreneurs work directly with members of the community. This means more vested interests and a slower decision process, but it comes with the advantage of long-term solutions. Both community members and local organizations are likely to sustainably carry on with the project even without the entrepreneur's direct involvement.

This is where most people start, as a change in your own community is instantly visible. You can see the results of such social entrepreneurship almost immediately and talk to people you are helping directly. All you need to do to start this type of endeavor is find a local isolated social problem and apply yourself to solving it.

2. The Non-Profit Social Entrepreneur

These entrepreneurs are focused on social, not material gain, meaning they prioritize social well-being over traditional business needs. They reinvest any profits into the business to facilitate the further expansion of services

Non-profit social entrepreneurs are usually companies and organizations that choose to use their power for social good. The story of Goodwill Industries serves as a great example: In 1902, the company started employing poor residents to work with donated goods, reinvesting all profits into job training programs.

These entrepreneurs are usually more likely to meet their stated goals due to readily available funding. However, they are also dependent on its successful generation for social good.

This path is usually taken by more business-savvy entrepreneurs who want to use their skills for creating change. While the results often take longer to manifest, they can take effect on a larger scale. Joining a local non-profit or training program is usually a reliable way to start.

3. The Transformational Social Entrepreneur

These people are focused on creating a business that can meet the social needs that governments and other businesses aren't currently meeting. The transformational category is often what non-profits evolve to with sufficient time and growth. They become larger organizations with rules and regulations - sometimes growing to the point of working with or getting integrated into governmental bodies.

Accelerators like The Social Innovation Warehouse are great examples of this social entrepreneur type. They specifically empower other impact-driven entrepreneurs to create positive change. This then creates a system of interconnected businesses focused on social benefits.

Transformational entrepreneurs have an easier time getting top talent for these efforts. However, they are also bound by a web of rules and regulations that larger organizations have to create.

Such organizations usually recruit and foster talent in-house. If you apply for a job opportunity or volunteer position and show social entrepreneurship skills, they are likely to help you enroll in a mentorship program and facilitate your growth from there.

4. The Global Social Entrepreneur

These entrepreneurs seek to completely change social systems in order to meet major social needs globally. It's often where big companies end up when they realize their social responsibility and begin concentrating on positive change as opposed to just profits. It's also where the largest charity organizations, such as the Bill & Melinda Gates Foundation, stand.

The global need in question can be anything from free access to education to clean water. This is usually a lofty goal that spans continents and links many organizations and interests together. However, the trade-off is in scrutiny - if global social entrepreneurs fail to meet the needs and gather sufficient support, their failure has a bigger impact than those of smaller organizations.

These organizations are usually tied to a particular cause and work with other social entrepreneurs to make it happen. As such, you are more likely to achieve these heights if you connect with other social entrepreneurs and build a global community around solving social issues.

Additionally, there is a growing number of organizations that blend the best for-profit practices with non-profit missions. They fall under all types outlined above, being in different stages of

growth and scalability. We suggest finding a cause that works best for you and charting a way forward from there.

The rise of social entrepreneurship

As the co-founder of The Center for the Advancement of Social Entrepreneurship at Duke University, Greg Dees points out that these individuals are a "special breed" of leaders. Author David Bornstein, who specializes in writing about social innovation, says, "What business entrepreneurs are to the economy, social entrepreneurs are to social change."

We often think of entrepreneurs as those who start their own businesses with the sole purpose of making money. Currently, there are 582 million entrepreneurs around the world. Social entrepreneurs are cut from the same mold. However, these are individuals who seek to impact a particular social cause, which benefits society and hopefully brings about positive change.

Countries with the most social entrepreneurs

Canada has been named the best place to be a social entrepreneur in a survey of the world's 45 biggest economies – while the UK falls out of the top ten and the US suffers a bruising decline.

The top ten countries overall are named as:

- Canada.
- Australia.
- France.
- Belgium.
- Singapore.
- Denmark.
- Netherlands.
- Finland.

6 steps to becoming a successful social entrepreneur

1. Find your passion. Social entrepreneurs believe and trust that a first step can lead to change.
2. Build a team culture.
3. Get started.
4. Keep at it (how to stay motivated and persevere in difficult times).
5. Fund your venture and grow organically.
6. Scale up.