

Chapter 12

Social Entrepreneurship for Sustainable Economic Growth

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ABSTRACT

The purpose of this study is to explore the link between social entrepreneurship and economic growth. For nations' economic development there are several influencing factors that can be listed. Entrepreneurship has been an interest to academics and practitioners for a few decades and accepted as one of the important factors that are playing an essential role in advancing economic development. Social entrepreneurship (SE) is a new area of entrepreneurship, which focuses on creating social value initially for individuals. Thus, it is possible to say that social entrepreneurship should improve the wellbeing of individuals by generating social value. Hence, satisfying social needs embraces both social and economic aspects, which will also affect economic wellbeing in a positive manner. The argument of this research is social entrepreneurship is an important catalyzer of economic wellbeing and economic growth.

INTRODUCTION

21th century still has very big social problems that governments and individuals have to deal with. Regarding to those problems, although world leaders are set “Millennium Development Goals” through by the United Nations, sustainable development could not been achieved, so problems are neither reduced in quantity nor the violence of the problems. This situation makes it necessary to bring new, different, extraordinary and pragmatic perspectives to these problems. Today, public, private sector, civil society and multilateral agencies are involved to provide timely and effective interventions to social problems. Therefore, Social entrepreneurship activities which are thought to provide a new point of view for social problems, especially those of civil society origin. And also there is big the expectation that social entrepreneurship can come down to the heart of the problem, act locally, and transform the system completely through continuous development and improvement. As a matter of fact, while social entrepreneurship is

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constantly expanding its field of application on a global scale, it is becoming more and more catalytic in many countries' economies (Güler, 2011).

Rapid economic growth and radical transformation of social, economic and cultural life, often as a result of technological change, has led also to increased inequalities both within and between countries across the globe. Thus also causes systematic retreat of government from the provision of public goods in the face of new political ideologies in both developed and developing countries that direct people's self-efficacy. As a result of this transformation while the 'supply side' of resources available for public goods starts to lessen contrary more social and environmental value 'demand side' of resources are rapidly increase (Nicholls, 2004) (Shown Table 1.1). For last thirty years, social entrepreneurial activities are become more important and surfaced as global issues as part of these social and environmental demand and supply side developments (Nicholls, 2006; Mair & Marti, 2006).

Entrepreneurship has been an interest to academics and practitioners for a few decades. The term 'entrepreneur' has been used by Cantillon in 1755, to describe an individual with foresight and ingenuity who, within the parameters of economic markets, are willing to embrace uncertainty and engage proactively in pursuits of profit (Küçük, 2005). The modern concept of entrepreneurship in which much of the academic research is grounded was articulated by Schumpeter (1934), who saw an entrepreneur as visionary and innovator, making new combination of resources in an effort that could lead to "creative destruction" of existing combinations as a new product, process or market that replaces the old one (Eren & Kocapınar, 2009).

For new century entrepreneurship, for both new and established companies, is a major source of wealth and job creation, economic and technological growth, and social transformation (Zahra, 2016). Risk taking and innovation is a basic characteristic of entrepreneurs who introduced new technologies that help to emerge new industries, creating new jobs and changing and developing social and economic conditions of nations (Baumol, 2010; Phillips, Lee, Ghobadian, O'Regan, & James, 2015; McMullen & Warnick, 2016, Pathak & Muralidharan, 2017). On the other hand one of the important impact of entrepreneurship is improving the quality of life by stimulating innovation which is accepted as a means of creating momentum for growth in developed, emerging and less developed economies (Zahra, 2016).

Demographic shifts, liberalization of national economies and attendant markets, institutional and state failures have occurred to developed more social consciousness within businesses, providing new formation of social ventures (Zahra, 2008). As a consequence of these changes "social entrepreneurship" concept

Table 1.1 Drivers behind the growth of social entrepreneurship

Supply Side	Demand Side
Increase in global per capita wealth/ improved social mobility	Rising crises in environment and health
Extended productive lifetime	Rising economic inequality
Increase in number of democratic governments	Government inefficiencies in public service delivery
Increased power of multinational corporations	Retreat of government in face of free market ideology
Better education levels	More developed role for NGOs
Improved communications	Resource competition

Source: Adapted from (Nicholls, 2006), "Social Entrepreneurship New Models Of Sustainable Social Change "

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