

## Chapter 4

# Social Entrepreneurship and Sustainable Development: New Challenges and Opportunities

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### ABSTRACT

*There is no doubt about the relevant role of social entrepreneurs as social transformers and there seems to be broad consensus on the factors that characterize it, such as: a sustainable social orientation, the intensive use of innovation, and the aim of creating social value. This chapter offers an updated vision of social entrepreneurship around the world, showing the main advances made in recent years and analyzing the main challenges and opportunities for the near future. It includes a reflection on the concept of social entrepreneurship, since today there's not a single definition of that term, and a review of the evidence on good practices in this field, which could serve as a model for future initiatives.*

### INTRODUCTION

The development of entrepreneurship occupies a prominent place on the agendas of numerous international organizations, and it is found among the priorities of all governments across the five continents, as there is no doubt regarding the benefits it can provide to both the economy and society. Over the last few decades, the situation experienced in many countries has shown how entrepreneurship has been and continues to be a fundamental pillar regarding job creation. Moreover, it acts as a promoter of growth and competitiveness, while at the same time contributing to the accomplishment of certain social objectives.

Nowadays, the prominence of the social entrepreneurship within this field is becoming increasingly important. A simple glance at the international scenario provides an insight into the increasing number of entrepreneurial initiatives with a social aim and how social enterprises are beginning to be acknowledged as an essential agent within the global economic context. Among others, the Organisation for Economic

DOI: 10.4018/978-1-7998-1169-5.ch004

Co-operation and Development (OECD) and the European Commission highlight the resilience that social enterprises have demonstrated during the recent economic-financial crisis as well as their capacity to provide stability to the labour market (OECD/EU, 2017). In addition, the potential of the companies operating in the field of the social economy as promoters of sustainable economic growth is highlighted, with a view to achieving Sustainable Development Goals (SDGs) established in the 2030 United Nations Agenda (United Nations, 2018). Nevertheless, the organizations that have been working for many years in this field (for example, the Skoll Foundation, Ashoka, and the Schwab Foundation, among others) and which offer support and impetus to thousands of social entrepreneurs across the world, insist that the advances made in the field of social economy are still insufficient to meet the social and environmental needs existing in the world.

On the other hand, the so-called Fourth Industrial Revolution<sup>1</sup> occupies a prominent position in today's major world forums and meetings. As a matter of fact, it was a crucial point at the last annual meeting of the World Economic Forum (WEF), which took place in Davos (Switzerland) last January. Leaders from more than one hundred governments met with representatives from a wide range of organizations from all backgrounds to discuss issues that are revolutionizing today's global society. More specifically, they discussed on artificial intelligence (AI), energy storage systems, drones and robots, nanotechnology, biotechnology or neurotechnology, among other topics. In other words, it is about those technological advances that are changing the way we work in all the sectors of the economy, the ways we communicate and about understanding life. Professor Klaus Schwab, founder and executive chairman of the WEF and who seems to be the one who coined this term, points out that the reasons for the transcendence of this fourth revolution are: the speed with which innovations are produced, the breadth and depth of changes and the complete transformation of systems. He literally states that "it is the fusion of these technologies and their interaction across the physical, digital and biological domains that make the fourth industrial revolution fundamentally different from previous revolutions" (Schwab, 2016).

It is obvious that social entrepreneurship cannot remain oblivious to this phenomenon. In this respect, there are those who consider the fourth industrial revolution as a great opportunity to boost the growth of social enterprises, while others admit that this transformation process will only benefit those who are capable of innovating and adapting themselves quickly to changes.

Considering these aspects, this chapter presents an updated vision of social entrepreneurship around the world. First and foremost, a brief reflection on the concept of social entrepreneurship is carried out, since today there is not a precise definition of that term. Subsequently, the main advances achieved in recent years are shown and several challenges for the near future are presented and, finally, some evidences are provided on good practices in this field, which could serve as a model for future initiatives.

## **SOCIAL ENTREPRENEURSHIP: DIFFERENT MEANINGS FOR A SINGLE TERM**

Regardless of the efforts undertaken, by both academics and different public and private organizations, it is currently not possible to come up with a single definition of social entrepreneurship. This is somewhat understandable, bearing in mind that it is a term composed of two concepts ("entrepreneurship" and "social") both of which have a multidimensional and complex character<sup>2</sup>.

Nowadays, there are a vast number of articles, reports, researches and initiatives aimed at providing a concise definition of what is meant by entrepreneurship, in which the philosophical aspects of the

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