

Understanding social entrepreneurship

The process of undertaking a business venture in order to achieve social goals



“We started Ashoka here in India with a simple idea: that you needed social entrepreneurs to deal with problems that don't fit the business paradigm” **Bill Drayton**

Tags/Category: Social: entrepreneurship, social enterprise

Challenge

Many of the institutions and processes that have grown up in our societies are struggling to meet the new challenges that the world faces: climate change, an ageing population, the globalisation of the economy, In particular, the ever-larger scale upon which business is conducted means that local communities often find it hard to ensure their own balanced and sustainable development.

There are two main trends which offer the hope of rebalancing this trend and bringing more control back to the local level. On one hand new digital technologies offer new and efficient ways through which citizens can express their opinions and collaborate over long distances. On the other hand the difficulty governments are facing in collecting taxes from transnational corporations, and popular resistance to high taxation, mean that public authorities are seeking to shrink the state and devolve more of the management of public services to the population through participation.

Solution

As the term is currently used, social entrepreneurship is not identical to social enterprise. The European Commission's definition of 'social enterprise' (which it uses interchangeably with the term 'social business' has three criteria:

- a social objective
- limited distribution of surpluses
- participative governance involving stakeholders such as users and workers

The main worldwide support organisations are:

- The Ashoka Foundation, which aims to “make everyone a changemaker”,
- Also operating worldwide, the Skoll Foundation set up the Skoll Centre for Social Entrepreneurship at Oxford University, and holds an annual networking event, the Skoll World Forum, at which it presents awards to winners of its competition.

References

Ashoka Foundation: https://www.ashoka.org/social_entrepreneur

Skoll Foundation: <http://www.skollfoundation.org/>

Impact Hubs: <http://www.impacthub.net/>

Social economy in the EU: http://ec.europa.eu/growth/sectors/social-economy/index_en.htm

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