

Social entrepreneurship is the booster to achieving sustainable development.

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Abstract : Corporate social responsibility (CSR) is one of the most important practices that should be adopted by the various public and private organizations; in addition to that, there is a growing perception between entrepreneurs that the success of their organization can be achieved only with adoption of the concept of social responsibility and achieving the economic and social well-being.

Therefore, this study aims to understand and grasp the important role of social entrepreneurship and the effective contribution to achieving sustainable development.

Keywords: Entrepreneurship, Social entrepreneurship, corporate social responsibility, sustainable development.

Jel Classification Codes: *M31, Q40, Q43*

ملخص: يعد موضوع المقاولاتية الاجتماعية من المواضيع الأساسية التي تتطلب أن تحتل أهمية كبيرة من قبل المنظمات على اختلاف أنواعها؛ وعليه أصبح الفكر التنموي الحديث يستوجب على منظمات الأعمال أن تلعب وتبني دورها في إطار التنمية المستدامة من خلال العمل على إرساء مبادئ و مفاهيم ومؤشرات المسؤولية الاجتماعية بالتزامها المسؤول و المستديم إتجاه أصحاب المصالح و المجتمع كله.. إذ أصبح تطور منظمات الاعمال إلى مستوى المواطنة التسويقية لا يعني تخليها عن مسؤوليتها في تحقيق الربح، وإنما لابد أن يكون في إطار تحقيق معادلة المثلث السحري بمنظور إستراتيجي يمنحها التميز و الشهرة الجديدة.

الكلمات المفتاحية: المقاولاتية الاجتماعية ، المسؤولية الاجتماعية للمنظمة ، التنمية المستدامة، المواطنة

الرمز *M31, Q40, Q43:Jel*

1.Introduction:

The Modern developmental thought endeavor to find the best way to satisfy the needs; and desires of communities without wasting the right of future generations to achieve that through establishment of sustainable development as a system based on triple bottom line of economic; social and environment sustainability. It has embodied entail changing the policies; the programs of development and the strategies that adopted by organizations including private of them.

Corporate social responsibility (CSR) considered as a main entrance of the contribution of entrepreneurship in achieving sustainable development (SD) and social prosperity. When it adopted, the entrepreneur abide to integrate social and environment concerns in the economic practices, which requires the enjoyment of personal capabilities and managerial competencies to combine between economic development role that conserve the environment and social role in the lines of the one, and requires a growing awareness of each of the stakeholders to participate effectively to circulate it.

Recent studies indicate that social entrepreneurship is a goal to contribute to the development society; and a mechanism for the excellence and reputation, so if the entrepreneur adopted it on this basis will ensure an internally and externally support to its mission and goals. Moreover, an automatical defense for their survival and development which based on a balance between economic and social performance.

The purpose of this study is to understand the nexus between social entrepreneurship and sustainable development from a corporate social responsibility based perspective, basing on this we propose the main question as: How does social entrepreneurship contribute to sustainable development? Is corporate social responsibility relevant in sustainable development?

2.Literature Review

2.1 Sustainable Development

Sustainability is related about how individuals should act towards nature and how they are responsible for the other and the future. The vision of sustainability aims at “justice” in the domain of individual-nature-relationships and in view of the long-term and uncertain future including three specific relationships such as justice between individuals of different generations, justice between different individuals of the present generation and justice between individuals and nature¹

The concept of “sustainability” and “triple bottom line” (Elkington, 1997) has created a platform consisting of business, government and civil society. Triple bottom line as a concept includes three main dimensions, which are closely related with each other. Figure 1 shows the sustainability dimensions including economic, environmental and societal as a whole. Economic sustainability is the preliminary step of a company’s survival and sustainability, which is the ability to manage its capital, stock and funds including capital, tangible and intangible assets. Environmental sustainability ensures that companies operate without harming the ecosystem and creating over-dose emission. Societal sustainability implies that companies have to manage their business operations according to the stakeholders’ needs, which should be in accordance with the value system of the company²

As is seen from the figure, all the dimensions have a different direction and effect showing the interaction and interdependency among them



Fig 1. The Dimensions of Sustainability (İyigün, N. Ö.2015)

The term “sustainable development” was first coined at the United Nations Conference on the Human Environment in 1972 and later gained prominence by way of a report to the United Nations by the World Commission on Environment and Development³, chaired by Norwegian Prime Minister Gro Harlem Brundtland (henceforth referred to as The Brundtland Report). The definition emerging from the report, “Sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs”⁴, emphasizes the dynamic aspect of sustainability. At its core is the notion that all natural systems have limits, and that human well-being requires living within those limits³

The world is becoming wealthier and intangible business assets and business value can’t be described in economic terms because of the definition paradox. A business model, which has the value creation at the core, will allow concepts of CSR and sustainability because value creation is the primary motivator⁵. It is impossible for a company to achieve its sustainable survival without creating value to its employees, shareholders, customers, society and all of its stakeholders because of the new dimensions of competition such as environmental and societal success². Value-based cultures demonstrate integrity, honesty, respect and tolerance while promising transparency and stakeholder engagement⁶. With this perspective, a company could not be successful by focusing on only its short-term based economic performance, neglecting environmental and societal performance². The overwhelming complexity of sustainable development has increased the goals for companies and entrepreneurs to take on responsibility for social and environmental challenges in a more proactive way and beyond mere legal compliance⁷.

2.2 Corporate Social Responsibility

Corporate social responsibility (CSR) is known by a number of other names. These include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship, responsible entrepreneurship, and “triple bottom line”, to name just a few. As CSR issues become increasingly integrated into modern business practices, there is a trend towards referring to it as “responsible competitiveness” or “corporate sustainability”⁸

The term corporate social performance was first coined by Sethi (1975), expanded by Carroll (1979), and then furnished by Wartick and Cochran (1985). However, the credit to define CSR at the global level goes to Howard Bowen (1953) who highlighted the status and degree of responsibilities that business class should accept⁹. Liberal thinker Milton Friedman defined the concept CSR in terms of owner’s objectives and stakeholder responsiveness which recognizes direct and indirect stakeholder interests¹⁰

The main idea of CSR is that companies have an obligation to work towards meeting the needs of their stakeholders and to be engaged in value creation instead of wealth creation¹¹

CSR and business ethic focuses primarily on capacity building, empowerment of communities, more inclusive socio-economic growth, environment sustainability, promotion of environmentally

benign and energy efficient technologies, development of underdeveloped regions, and upliftment of the marginalized and under-privileged sections of society¹².

Generally, CSR means that corporation and businesses in general while working on their main goal of maximizing their shareholders' profit should also keep in mind the societal concerns and needs and act responsibly towards the society in which they operate¹³. World Business Council for Sustainable Development has defined CSR as “the commitment of business to contribute to sustainable economic development, working with employees, their families, and the local communities”⁹.

2.2.1 Development of the Concept of Corporate Social Responsibility

The concept of CSR first emerged in the 19th century in Great Britain; however, it was in the United States (US), which experienced the growing interest in CSR in the 1960s and 1970s¹⁴. The scope of CSR was widened in the 1980s, which integrated corporate objectives with the social responsibility of business thereby making it responsible to care for environment, employees and also make good profits. The globalization of economy further highlighted the importance of corporate responsibilities in other developed countries of the world⁹.

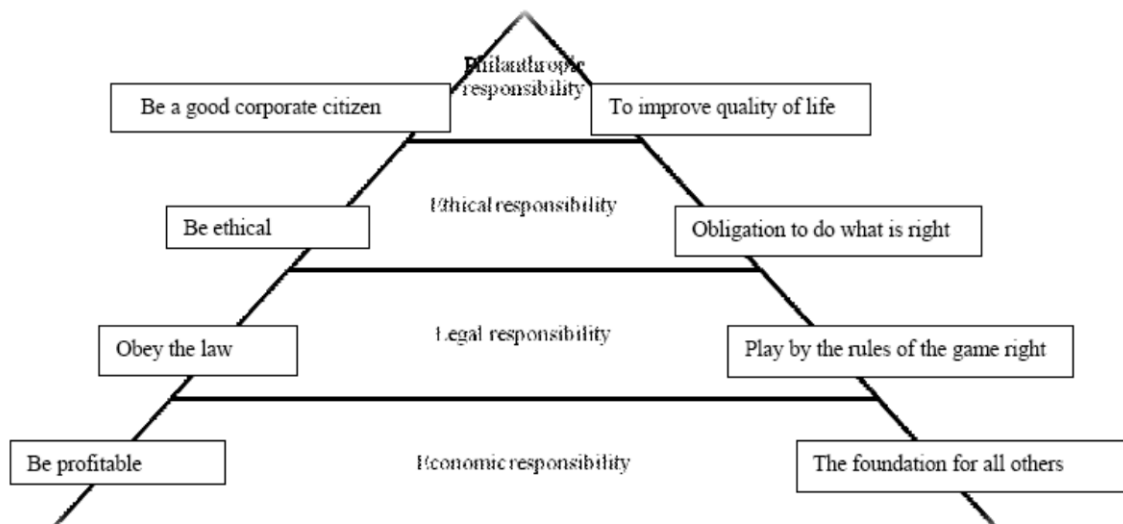


Fig 2: The Pyramid of Corporate Social Responsibility.(Pankaj .D et al ,2013)

In the 1990s, Peter Drucker and many other authors propagated CSR as a part of corporate strategy¹⁵. Carroll (1991) presented a more systematic sequence of the development of CSR in his model as a pyramid, which is shown in the figure 2.

Carroll demonstrated that all these responsibilities have always existed to some extent, but it was only recently that ethnic and philanthropist dimensions have emerged an integral part of business¹⁶. Moreover, the post - 2000 period is observed as increased institutionalization of CSR laws and legislation. Although, social and environmental responsibilities of corporate world has not yet been

codified and institutionalized with coercive mechanism in international political arena. There are three important non-binding institutional development regarding CSR. First, is the OECD Guidelines, which were adopted in 1976 and were substantially revised in 2000. The OECD policy Guidelines aim to “encourage the positive contributions that multinational enterprises can make to economic, environmental and social progress and to minimize the difficulties to which their various operations may give rise”⁹

Second, the 180 members ILO declaration established in 1977 and revised in 2006 offers guidance in the fields of general policies, employment, and training, conditions of work and life as well as industrial relations. The aim of the ILO Declaration was to “encourage the positive contribution which multinational enterprises can make to economic and social progress and to minimize and resolve the difficulties to which their various operations may give rise”¹⁷.

Finally, the UN Global Compact initiative, launched in 2000, also highlighted the importance of corporate social responsibility initiative in achieving the MDGs¹⁸. Moreover, the United Nations Millennium Campaign, started in 2002, aims to ensure wider public and private participation to achieve the following Millennium Development Goals (MDG). “The Millennium Development Goals set time bound targets, by which progress in reducing income poverty, hunger, disease, lack of adequate shelter and exclusion – while promoting gender equality, health, education and environmental sustainability – can be measured. They also embody basic human rights – the rights of each person on the planet to health, education, shelter and security”¹²

Unfortunately, it could be stated that all CSR is about brand enhancement and gaining a reputation as a positive citizen to win friends. Corporate leaders feel pressured by activists to take action on various social issues, and by donating money to a social issue, it is easier to make friends and positive associations. The “feel-good” of CSR seems to be evidence enough¹⁹.

2.3. Entrepreneurship

Nowadays, entrepreneurship and small businesses are the basics of economy, responsible for breakthrough innovations that influence the growth of free market economy and its general performance².

Initially entrepreneurship was detected as establishing a business with people using their own capital. Entrepreneurs with their pivotal role have been known to exist for a long time, but the study of entrepreneurship in the contemporary sense started with Schumpeter’s definition of entrepreneurs as “innovators, who use a process of shattering the status quo of the existing products and services to set up new products, new services”²⁰

With this perspective, entrepreneurship could be defined as the creation of new enterprising activities such as innovation, new venture and strategic renewal leading to social and economic performance within companies²¹. Entrepreneurs also construct new rules by delivering new products, establishing more efficient and effective processes, innovating in ways that lead to the development of new markets, and shaping new norms and beliefs²². Entrepreneurship is the main factor for economic growth, management process which is based on innovation and which requires remaining competitive on the market after technological revolution, it is to a great extent based on

technologies driven by already developed production information and knowledge². Entrepreneur is the one who exploits that opportunity brought by change and not the one who causes the change. Entrepreneurial opportunity can be found in person's network and as a result, a network rich in entrepreneurial opportunities surrounds a person motivated to be an entrepreneur²³

A contemporary researcher Howard Stevenson of the Harvard business school, describes the entrepreneur as one who pursues exploitation of business opportunities without regard to resources currently controlled, In other words, Stevenson sees a social entrepreneur as one who is not limited by the constraints of resources currently available to proffering social challenges²⁴.

2.4 Social entrepreneurship

A growing number of initiatives across the world seem to be defying the obstacles that have prevented individuals and providing services to the poor and disadvantaged. Addou, Fahmy, Greenward and Nelson (2011) identify the principles of social entrepreneurship to include; achievement of positive social impacts, non-conventional thinking, use of sustainable methods and innovation. Saifan (2012) building on the definitions of social entrepreneurship proposes boundaries to properly position social entrepreneurs in the spectrum of entrepreneurship²⁵.

The eventual focus of social entrepreneur is to create and sustain social value and impact add to creating permanent improvements. Some of the definitions on social entrepreneurship summarized as follows:

Table 1: Definitions of Social Entrepreneurship

1	Fowler	2000	Social entrepreneurship is the creation of viable (socio-) economic structures, relations, institutions, organizations, and practices that yield and sustain social benefits.
2	Brinckerhoff	2001	Social entrepreneurs are people who take risks on behalf of the people their organization serves.
3	Thompson et al.	2002	Social entrepreneurs are people who realize where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather together the necessary resources (generally people, often volunteers, money, and premises) and use these to “make a difference”.
4	Alvord et al.	2004	“Social entrepreneurship that creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources, and social arrangements required for sustainable social transformations.”
5	Seelos and Mair	2005	‘Social entrepreneurship paves the way to a future that may allow coming generations to satisfy their needs better than we are able to satisfy even the basic needs of today’s population’.

6	Roper and Cheney	2005	"In its least problematic formulation, social entrepreneurship seeks to marry rational economic calculation and socially inspired vision".
7	Zahra et al.	2009	Social entrepreneurship encompasses the activities and processes undertaken to discover, define and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner.
8	Ziegler	2009	"So-called social entrepreneurs are transforming social dilemmas in developing countries into manageable problems, which they solve in innovative and entrepreneurial ways".
9	Ashoka	2012	Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are both visionaries and ultimate realists, concerned with the practical implementation of their vision above all else.
10	Moses et al	2014	"Activities of social entrepreneurs secure the right to live for the present generation and to be born for future generations as well as guarantee their freedom to live while also having access to basic human needs."
11	Howaldt et al.	2015	Social entrepreneurs are agents of social innovation by acting entrepreneurially in a new frame of reference and thereby inventing, developing and achieving a new social practice in the society.

3. Social entrepreneurship for Sustainable Development

Several studies found that entrepreneurs' action with sustainability innovation have played major role to preserve the eco system²⁶

The European commission has defined CSR as "a business contribution to sustainable Development" (European commission 2002). From this definition, we can see the unrivalled role of social entrepreneurship as "the contribution of individual entrepreneurs to sustainable development".

Among the entrepreneurs, social entrepreneurs are in the forefront to create a sustainable society. They have taken up innovative practices especially in developing nations, such as, enhancing education, productivity, socioeconomic status of the marginalized people, physical health, waste management, energy retention and self-reliance of individuals and societies etc. for the same. Zahra *et al.* (2014) proposes social entrepreneurship-sustainability model that considers social entrepreneurship as an approach to become more sustainable as it moves beyond social, economic, and environmental *efficiency* and shifts toward *effectiveness*, thereby contributing to business sustainability²⁶.

With the limited research and phenomenon understood so far, it has been projected as a panacea for all social problems²⁷

Social entrepreneurship involves various market strategies in order to attain sustainable solutions for social problems communities come across. The achievement of sustainable development still requires innovation and effective strategies especially for developing nations²⁸.

There is growing evidence to prove that social entrepreneurs enhance social growth and promote sustainable development²⁹. Various studies have shown that social entrepreneurs have the potential to meet the challenges of sustainable development. It is undoubtedly a tool for overcoming social, economic and environmental challenges towards achieving the objective of sustainable development of any state or nation²⁶

As is seen from the figure 3, Entrepreneurial efforts target three distinct levels: individuals; large communities or whole societies; and future generations. The needs that SE meets range from basic social needs of individuals; societies' needs for structures and capacity to build sustainable communities; and the need of future generations to inherit a minimum of constraints (e.g. polluted environment that demands high levels of investment for clean-up), so as to maximize the choices they have to fulfill their own needs and desires³⁰.

Fig 3: an operational model of the contribution of social entrepreneurship to sustainable development

Purpose		Sustainable Development		
Levels		Individuals	Communities/Societies	Future Generations
Social challenges		Basic Socio-Economic Needs	Needs for Enabling social structures	Needs for maximizing choice
Social Entrepreneurship		Effectively meeting Social Challenges/ Problems		

Source: Adapted from Seelos and Mair (2005).

4. Conclusion

The conclusion of this study containing a set of findings and suggestions listed below:

- The continued commitment by the companies that practice social responsibility, to support the culture of sustainable development.
- Allotment a special budgets to social responsibility for use in improving the environmental conditions.
- The social entrepreneur must to make a clear vision to the orientations of his organization containing sustainable development.

Lastly, we can say the entrepreneur have to deal with the social role within a strategic perspective more organized and effective to ensure compatibility between economic and social performance by virtue of that social responsibility requires the integration of social standards and various stakeholders concerns in a creative and responsible economic practices.

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