



# NIRLABA & KEWIRAUSAHAAN PUBLIK

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# The conceptual challenge of social entrepreneurship

Traditionally, entrepreneurship, as an activity, has been intimately associated with the world of business and making profits. However, the picture of entrepreneurship we have developed so far has insights that can go beyond purely profit-motivated activity. In particular, we have seen that:

- entrepreneurship is a style of management;
  - entrepreneurs are managers who are very effective at pursuing opportunity and creating change;
  - entrepreneurship is a social as well as an economic activity; and
  - the motivations of the entrepreneur are varied and go beyond a desire to make money; they also involve a desire to create a new and better world
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**Figure 8.1** The hierarchy of entrepreneurship in its wider social context

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## **Distinguishing the social entrepreneur from the classical entrepreneur**

Given that the social entrepreneur is as much an entrepreneur as the classical, how, then, to distinguish them? Seven aspects are critical in the distinction:

- personal motivation
  - sector of activity
  - organisational form created
  - strategies adopted
  - definition of, and relationship with, stakeholders
  - interaction with wider social environment
  - ethical reflections.
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**Table 8.1 Distinguishing the social entrepreneur from the commercial entrepreneur**

	Pure 'classic' entrepreneur	Pure 'social' entrepreneur
<i>Personal motivation</i>	Maximise personal wealth	Maximisation of 'social value'
<i>Sector of activity</i>	Commercial	Not-for-profit/public
<i>Organisational form created</i>	Traditional business hierarchy with entrepreneur taking leadership role	Non-traditional organisational form with an emphasis on egalitarianism rather than efficiency
<i>Strategies adopted</i>	Focused on competition and maximising return to entrepreneur/investors	Avoid competition; focused on creating and delivering social value
<i>Definition of, and relationship with, stakeholders</i>	Relationship with investors considered critical; relationship with customers seen as means to end	Stakeholders defined over wide and broadly defined groups
<i>Interaction with wider social environment</i>	Aspires to no wider social legitimacy	Seeks broad based social legitimacy with wide group of parties
<i>Ethical reflections</i>	Self-interested; not altruistic. Ethically neutral or unethical?	Altruistic at expense of self-interest. Ethical?

# TASK POINT

1. 'Only government can create opportunities for not-for-profit entrepreneurs.'
2. 'Not-for-profit entrepreneurs need different skills to profit motivated entrepreneurs.'



# REFLEKSI

- Informasi penting hari ini
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- Manfaat penting dari informasi penting hari ini

- Tindak lanjut yang dapat saudara lakukan
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Thank You