

A CONCEPTUAL OVERVIEW OF SOCIAL ENTREPRENEURSHIP AND ITS RELEVANCE TO THE NIGERIA'S THIRD SECTOR

Akuraun Shadrach Iyortsuun

Federal University, Wukari

P. M. B. 1020, Katsina-Ala Road, Wukari, Taraba State, Nigeria

ABSTRACT: *Social entrepreneurship has evolved as an important instrument for achieving measurable and sustainable change in the society. This paper attempts a conceptual overview of the field and the third sector in Nigeria. Interview and secondary data sources guided the author to find that there is a dearth of information on social entrepreneurship in Nigeria and a lack of collaboration, partnership and the scalability of innovative solutions to address societal problems. However, the study recommends that the social entrepreneurship ecosystem should be developed and the political institutions recognize and support social entrepreneurs as sustainable positive change agents in the society.*

KEYWORDS: *social entrepreneurship; third sector; Nigeria; social change; social innovation; social problems*

INTRODUCTION

“Nobody ever comes out and says they are in favor of starving children or inadequate sanitation or war and conflict. And yet they persist. So how is it that if no-one is for these things, and everyone is against them, these problems persist?”

Broadcaster Ray Suarez

At the 10th Annual Skoll World Forum, Oxford

Society has evolved overtime and arguments and counter-arguments have been put forward in the attempt to evolve solutions to address society's numerous challenges and problems. Numerous civilizations have documented the evolution of societies from the epoch of clans and kingdoms to the evolution of various forms of government such as socialism, capitalism and communism. Of all the experimentation, inherent in each is a deficiency, which leaves unsatisfied problems in the society that requires urgent attention. In the attempt to address this deficiency, various ideas have been offered and proposed as a means of correcting this anomaly. Social entrepreneurship as a concept is also a mechanism propounded and espoused as a veritable tool for addressing the society's problems or achieving an utopian level in society or what Dees (2007) refers to as “ideals of a good society”.

At the 10th Annual Skoll World organized at Oxford, Ray Suarez raised a fundamental question, which has attracted interest and debate by actors in the third sector. His question reemphasized the need for interconnectivity, collaboration, partnership and scaling innovative solutions if social problems are to be addressed. This line of argument is summarized by Brilliant (2013) when he writes, “social change is participatory. That’s what makes it social. But lasting change happens by engaging and affecting large numbers of people. Today scale comes from connectivity”. The focus of social entrepreneurship is therefore, on social change that is sustainable, change that “is believable if it creates a new, positive equilibrium that becomes self-perpetuating”, (Osberg, 2009). To me, social entrepreneurship crosses the t’s not crossed by actions of actors in other sectors of an economy and dots the i’s left by the activities of those working creatively to advance a society. Social entrepreneurship steps in to evolve creative solutions to address social problems. They are currently involved in providing services that were originally the exclusive preserve of governments, especially in the developed economies, (Aggarwala, 2013).

Innate in each person is the desire to bring about change to the society without “direct financial benefits for the entrepreneur” (Mair & Marti, 2005). To qualify as a social entrepreneur, scale and focus must exist with the creative ability to harness the business ideas and new approaches to produce sustainable social change for the benefit of the society i.e. “change maker, part of the warp and weft of social change” (Brilliant, 2013).

Social entrepreneurship as a concept is developing significant interest and enthusiasm among scholars and researchers as a tool for sustained social change. Social entrepreneurs bring social innovations in their drive to tackle observed deficiencies in the society. It is without doubt that innovations, new technologies and methods are needed if the world’s social problems are to be tackled sustainably. As Brilliant (2013) puts it “the newest technology can be an antidote to existential threats brought about by modernity”. Dees (2008a) argues that new methods that favor “entrepreneurial, market-oriented approaches are being embraced as an integral element in creating lasting social change”. However, it is important to point out that not all social problems can be solved effectively and efficiently by market-based solutions or approaches (Oghojafor, Aduloju & Olowokudejo, 2011). This is especially true in the case of low-income developing economies where tackling the problem of poverty by market-based approaches alone is rather challenging, Dees (2008a).

The purpose of this paper is to present a clear understanding of the concept of social entrepreneurship and how it is relevant as a tool for achieving sustainable societal change in Nigeria. This paper is timely given the myriad of problems and challenges faced in the country, which has contributed significantly to the disequilibrium in the social status of the country resulting to social chaos in some segments of the country and mostly negative agitations by nationalities in the country. The author offers social entrepreneurship to the third sector as an alternative mechanism to address the imbalance in the social status of the

country. The paper has the methodology employed then a literature review is given. The literature review has the origin of the concept of social entrepreneurship in its first part followed by a detailed overview of the concept of social entrepreneurship, social enterprise and who a social entrepreneur is. The next sections explains the applicability, the workability of the concept followed by the ecosystem of social entrepreneurship and then the study gives the challenges, findings and recommendations and lastly summary and conclusion.

METHODOLOGY

Social entrepreneurship in Nigeria faces a dearth of empirical knowledge and findings, as the area is just eliciting academic interest and debate. Contributing to the field by authors and scholars should be of utmost priority to researchers in the field just like in any other field. Given this noticed challenges and perceived constraints, this study will adopt a detailed review of the extant literature on social entrepreneurship with an additional focus on the literature of the third sector as it relates to Nigeria. The secondary sources of data focused on journal articles, newspaper publications, government policy documents and reports, nongovernmental organizations' reports, web resources on social enterprise and the third sector and lastly, sundry documents. Furthermore, the study took into cognizance the importance of soliciting for practical firsthand information and data on the workings and understanding of the third sector and therefore, chose to interact with some selected NGOs with particular emphasis on a network of NGOs operating in North-Central Nigeria, called BENGONET. The analysis and discussion was carried out after an extensive and exhaustive study of the secondary sources of data and the information solicited from NGOs, which guided the researcher in arriving at his findings and recommendations.

LITERATURE REVIEW

Origin of Social Entrepreneurship

The term social entrepreneurship was coined in 1981 by Bill Drayton, founder of Ashoka, the world's first organization to promote social entrepreneurship and latter promoted and popularized by Charles Leadbeater. Drayton was influenced by the Vinoba Bhaves's Land Gift Movement, a champion of wealth redistribution by agitating for the transfer of land to the poor people in India. Drayton saw that social entrepreneurship employing creative measures, could lead to a significant change in the society for the better. Social entrepreneurship as a concept and practice predated the era of Drayton as overtime in society, numerous actors and promoters strongly advocated for programs and activities designed purposefully and intentionally to address the societal problems and challenges of their time.

Nayab (2011) identifies early notable people who evolved creative measures to solve social problems as Robert Owen (1771-1858) who pioneered the cooperative movement and

improvement in working conditions in factories in Great Britain, Florence Nightingale (1820-1910) founder of the first nursing school and developer of modern nursing practice, Henry Durant (1829-1910) who lobbied for national voluntary relief organization which led to the establishment of the International Red Cross, William Booth (1829-1912) who established the Salvation Army and Frederick Law Olmstead (1822-1903) promoter of city parks across America. Others include Dr. Maria Montessori (1870-1952) who pioneered child education reform in Rome and John Muir (1838-1914) who pioneered the establishment of the national park system in America. In an attempt to explain the concept, Dees (2008b) postulated that the origin of social entrepreneurship can be broadly classified into two schools of thought and practice, the social enterprise school which says that social entrepreneurs operate a business venture to solve or address social problems and the social innovation school, which focuses on “establishing new and better ways of creating and sustaining social value”.

Brilliant (2013) argues that the story of social change is as old as humanity and as he succinctly puts it, “trying to improve our children’s future is as old as history”. Social change and social movement has therefore, evolved over time employing differing tools and tactics but the determination has remained unchanged. The history of social movement is attributed to individuals who were engaged in debates, protest and other methods to address fundamental problems of society. From the change makers relying on philanthropy to survive to evolving creative business approaches to ensure sustainability in addressing social problems (Nayab, 2011), actors in the third sector have worked assiduously to address global challenges. But over time, more structured approaches were preferred such that in the contemporary society at present, organizations have arisen that have harnessed the business tools and techniques in addressing social problems in a sustainable manner. These creative individuals are called social entrepreneurs. As argued by Nayab, the social entrepreneurs “have successfully brought enormous synergies and benefits by unifying business principles with social ventures”.

Concept of Social Entrepreneurship, Social Enterprise and Social Entrepreneur

The theory and practice of social entrepreneurship has grown significantly. As reported by Osberg (2009), a search on Google in 2006 of the term social entrepreneur returned 12400 results. In 2007, 100000 results were returned, 2008, 7500000. By 2014, a search of the term returns about 131000000. In another research, Short, Moss and Lumpkin (2009) (as cited by Terjesen, Lepoutre, Justo, & Bosma, 2009), reported a 750% increase in articles published on social entrepreneurship between 1991 and 2009. This is proof of a significant and dramatic interest in the concept (Center for the Advancement of Social Entrepreneurship [CASE], 2008; Kerlin, 2010) as more and more people and institutions seek new ways of addressing the society’s global problems. According to Zahra, Rawhouser, Bhawe, Neubaum and Hayton (2008), the four factors “fueling the globalization of social entrepreneurship” are global wealth disparity, the corporate social

responsibility movement, the market, institutional and state failures and the technological advances and shared responsibility.

Different scholars have viewed social entrepreneurship in different ways. Gary McPherson of the Canadian Center for Social Entrepreneurship argues that “social entrepreneurship strives to combine the heart of business with the heart of the community through the creativity of the individual” (as cited in Foryt, 2002). Alvord, Brown and Letts (2004) sees social entrepreneurship as creating “innovative solutions to immediate social problems and also mobilizes the ideas, capacities, resources and social arrangements required for long-term, sustainable, social transformations” while CASE (2008) sees social entrepreneurship as “recognizing and resourcefully pursuing opportunities to create social value or crafting innovative approaches to addressing critical social needs”.

Some scholars and researchers in the field of social entrepreneurship have argued that the definition of social entrepreneurship is all encompassing such that most social activities are considered social entrepreneurship. This line of argument is supported by Martin and Osberg (2007) who argue that “social entrepreneurship has become so inconclusive that it now has an immense tent into which all manner of socially beneficial activities fit”. Furthermore, the field has “no unanimity” (Dobele, 2012; OECD, 1999) in its definition and as such “is one of the greatest problems in the field” (CASE, 2008). However, the definition of social entrepreneurship by authors and scholars falls in the three broad categories of creating social value distinct from economic value (Dees, 1998), solving social problems through solutions and lastly, social change (Whitman, 2010). Limiting the definition of social entrepreneurship to one of these dimensions is in essence, limiting the understanding of the concept of social entrepreneurship. I would not place greater premium on arguing for a single universally accepted definition of social entrepreneurship but would rather argue for an appreciation and acceptance of social entrepreneurship as being fundamental in creating social value, solving society’s problems and bringing dramatic social change.

However, the definition of social entrepreneurship given by Dees (1998) suffices:

“Social entrepreneurs play the role of change agents in the social sector by:

- *Adopting a mission to create and sustain social value (not just economic value),*
- *Recognizing and relentlessly pursuing new opportunities to serve that mission,*
- *Engaging in a process of continuous innovation, adaptation and learning,*
- *Acting boldly without being limited by resources currently in hand, and*

- *Exhibiting heightened accountability to the constituencies served and for the outcomes created*

He argues further that “the closer a person gets to satisfying all these conditions, the more the person fits the model of a social entrepreneur”. This definition offered by Dees summarizes the whole concept of social entrepreneurship. The concept has as its central theme, an attempt at solving society’s problem (Terjesen, et al., 2009; Ogunyemi, 2012). The medium through which this can be achieved, that is, the organizational form is dependent on how effective the actors can mobilize the needed resources to tackle the identified problem (Noruzi, Westover, Rahimi, 2010; Terjesen, et al., 2009). As argued by scholars, social entrepreneurs may be interested in profits but their major concern is addressing societal problems and bringing social change. “What business entrepreneurs are to the economy, social entrepreneurs are to the society”, (Rajendhiran & Silambarasan, 2012). As argued by Martin and Osberg (2007), “social entrepreneurship is as vital to the progress of societies as is entrepreneurship”.

However, what separates business entrepreneurship and social entrepreneurship is the focus of their mission and vision as the former organizes for financial gain whereas the latter neither “anticipates nor organizes for financial gain but aims for value in the form of large-scale, transformational benefit to society” (Martin & Osberg, 2007). As argued further by Martin and Osberg, both show a high degree of “inspiration, creativity, direct action, courage and fortitude” in addressing dysfunctions in the system they operate as both “are attracted to this suboptimal equilibrium, seeing embedded in it an opportunity to provide a new solution, product or process”.

Social entrepreneurship provides the opportunity to the society of scaling innovative solutions to the global problems with less risk to the society. Furthermore, the “bureaucratic, ineffective, wasteful, too political and antithetical” (Dees, 2007) nature of government limits its ability to bring innovative solutions to the global problems. Some of these global problems are best solved by institutions that are not government owned and operated, especially if it involves working to address such problems in cross-border situations where such issues have significant impact in several nations.

Various authors have tried to define who a social entrepreneur is. Nayab (2011) says a social entrepreneur “is usually a creative individual who questions established norms and harnesses entrepreneurial spirit and dynamism to enrich and help the society rather than make themselves rich”. On his part, Bornstein (2004) argues that “social entrepreneurs identify resources where people only see problems. They view the villagers as the solution, not the passive beneficiary. They begin with the assumption of competence and unleash resources in the communities they are serving”. Brilliant (2013) argues that “social entrepreneurs aren’t traditional activists. They don’t often drive millions of people to the streets, but they do seek to create social change that can scale up”. Bell (2009) (as cited in Yunus, 2009), say that “social entrepreneurs use inspiration, creativity, courage, fortitude

and most importantly, direct action to create a new reality – a new equilibrium – that result in enduring social benefit and a better future for everyone”.

To Rajendhiran and Silambarasan (2012), social entrepreneurs “identify practical solutions to social problems by combining innovation, resourcefulness and opportunity”. Noruzi, Westover, and Rahimi (2010), sees a social entrepreneur as “an individual, group, network, organization or alliance of organization that seeks sustainable, large-scale change through pattern-breaking ideas in what and/or how governments, nonprofits and businesses do to address significant social problems”. In her argument “social entrepreneurs look for opportunities to create social value, uncover the best approaches for realizing those opportunities and build social ‘capital’, that capital we can pass on as inheritance, rather than debt, to the next generation”, Osberg (2009). To Renner (2013), social entrepreneurs “puzzle out new models to transfer innovation, problem solving competence, customer orientation, professional management structures and efficiency to areas that traditionally had been reserved for the charitable sector”.

It is however, important to point out the difference between social entrepreneurs and other actors involved in delivering believable change like social movements, pressure groups and unions among others. A social entrepreneur seeks out opportunities for change (Zahra et al., 2008) to create social value, determines the best method or approach to address the problem and build social capital (Osberg, 2009). Dees (2007) argues further that social entrepreneurs “create new opportunities through a process of exploration, innovation, experimentation and resource mobilization”. In another vein, Dees (1998) proposes that “wealth is just a means to an end for social entrepreneurs”. Martin and Osberg (2007) depict clearly the difference between social entrepreneurs and other forms of social organizations in figure one below.

[Insert Figure One Here]

As clearly shown by the model above, a social entrepreneur is actively involved in direct action, which produces a new equilibrium in a sustainable manner. The difference between a social entrepreneur and other forms of social organizations such as the social service provision is “in the outcome” (Martin & Osberg, 2007) or what can be said to be scalability. For social entrepreneurship and social activism, the difference is “the nature of the actor’s action orientation. While social entrepreneurship takes direct action, the latter takes indirect action”, (Martin & Osberg, 2007) by influencing others to take action – NGO’s, government, consumers etc. However, models exist that combine more than one of the ideas of social engagement called hybrid models. As explained by Martin and Osberg in their submission, “social service provision and social activism at a more tactical level can also produce an outcome equivalent to that of social entrepreneurship”.

Social entrepreneurs work is achieved through the medium of social enterprises. It can therefore, be said that social enterprises are the means through which social entrepreneurs attempt to eliminate social problems or bring positive change in the society. Alter (2006) defines a social enterprise (as cited in Nagler, 2007) as “any business venture created for a social purpose – mitigating/reducing a social problem or a market failure – and to generate social value while operating with the financial discipline, innovation and determination of a private sector business”. Terjesen et al. (2009) identifies three distinctive features of a social enterprise as “the predominance of a social mission, the importance of innovation and the role of earned income”.

Applicability and Workability of the Concept

Social entrepreneurs are present in virtually all sectors or segments of the society. Their footprints can be found in organizations that work for child rights, women empowerment, save environment programs, waste management, financial issues for rural and marginalized groups, health problems, housing, transport among others (Dugguh, 2013). Keep in mind that social entrepreneurship uses the principle of entrepreneurship with the intent of creating social capital and not being essentially profit-centered.

The applicability of social entrepreneurship in solving social problems is perhaps the most reliable approach to create “a new stable equilibrium that secures permanent benefit for the targeted group and society at large”, (Martin & Osberg, 2007; Osberg, 2009). The argument that social entrepreneurship brings social change is argued further by Martin and Osberg (as cited by Rajendhiran & Silambarasan, 2012) that:

- “a) An existing imbalance subjugates an impoverished segment of the population;*
- b) Someone notices the imbalance and uses creativity and action to help;*
- c) A new balance develops and life is better for the formerly impoverished group as well as, often, society as a whole”*

As agreed by scholars, social entrepreneurship has a great potential and promise in addressing the problems of industrialization, climate change, global insecurity, health challenges, population growth and inequality in the society (Dees, 2007) and most particularly in Nigeria the problems of food waste, food production and preservation, post harvest opportunities among others. However, many have questioned and argued against the prospects of social entrepreneurship in bringing innovative solutions to the global problems and challenges, (Soros, 2000). They have expressed their concerns but the position of proponents and supporters as well as the successful social enterprises in various climes has clearly portrayed the benefits of supporting and encouraging the practice of social entrepreneurship as a medium through which social issues can be tackled especially in the present economic circumstances, (Dobele, 2012). As supported by Terjesen, et al. (2009) “even though social entrepreneurship is increasingly recognized as an important

vehicle for betterment, it is still a rare phenomenon”

Several examples abound where successful sustainable social enterprises are established and operated. Foodbank Nigeria strives to address the challenges of food wastages, food production, and post harvest opportunities, Paradigm Initiative Nigeria (PIN), a social enterprise that connects under-served Nigerian youth with ICT-enabled opportunities. Around the world, successful social enterprise abound. In India, the Aravind Eye Hospital is established with 70% of its patients paying virtually nothing (Rubin, 2001). Social stock exchanges are established in London and Singapore. In Egypt, the government’s recognition of the problem of unemployment has led to the establishment of a Development Marketplace (DM) Project as a competition for social entrepreneurs “with projects that have a strong impact on sustainable job opportunities, especially for low-income and marginalized groups” especially in the agricultural sector. Other examples of successful application of social entrepreneurship is the Acumen Fund, established to implement sustainable and innovative solutions to provide affordable housing, health and water (Dees, 2008), Prisma Microfinance, a for-profit social enterprise offering low-interest loans in Latin America with none of its funds coming from donations, and the Grameen Bank, established by the legendary Mohammed Yunus, a Nobel peace prize winner and pioneer of microfinance to provide low-interest loans to the rural poor in Bangladesh among others.

Dees (2008) list the basic levels of support that can be extended to social entrepreneurship to include “direct investment in different types of social entrepreneurship at different stages of development, field-level support for infrastructure including financial, human, intellectual and social capital, investments in useful research on key issues such as scale, business models and performance assessment.” Social entrepreneurship can work when a social entrepreneur “incorporates features from the commercial side of the social venture spectrum”, (Dees, 2008) as clearly indicated in figure two below. It involves a balancing act, designed and adopted based on the conditions and realities at hand. What will work for a particular person may not work for another. It involves innovative thinking to adopt what works best given the circumstances.

[Insert Figure Two Here]

For a social enterprise especially a for-profit to succeed, several factors listed by Foryt (2002) must be present which include the need for low cost but high quality product offering, segmenting the market in terms of pricing, the program should be a priority to those intended for, collaboration and partnership building, community involvement and the customer relationship building. The success of entrepreneurship in the business context involves an expanding and viable business while for social entrepreneurship, success is measured by “a change in the social dynamics and systems that created and maintained the problems”, (Alvord, Brown & Letts, 2004). Renowned researchers and avid supporters of social entrepreneurship have concluded that “social entrepreneurs, operating outside of the

constraints of government, significantly enhance our ability to find and implement effective solutions to social problems”, (Dees, 2007).

For social entrepreneurship to succeed in Nigeria, the fundamental issue of funding must be addressed. The actors working for sustainable change need to adopt strategies creatively to tackle the problem of funding. As argued by Renner (2013), three models are available for the social entrepreneur to choose from. In the first model, he may operate a charity in the charitable sector but with significant revenue stream derived from market revenues or its business activities thereby being free from reliance on donations. In the second model, a social entrepreneur can operate a social business, that is, the profits are reinvested in its business and not paid out as dividends or may operate in such a way as not to accumulate profit. This model is championed by Muhammad Yunus of Grameen Bank. In the third model, he may operate a for-profit business as a means of achieving a social problem.

The choice of a model is dependent on the social problem to be addressed, the government and regulatory environment, the environment in which the entrepreneur operates, the funding opportunities available and the sustainability of the model. Also, the stage at which the social enterprise is at the moment is also an important determinant of the preferred model given that social enterprise start-ups can hardly secure funding from the market place but from the soft funds, a problem which is compounded given the paucity of social business angel investors especially in developing economies like Nigeria.

A Model of Social Entrepreneurship

As argued in the preview section, the success of a model of social entrepreneurship is dependent on the “concepts and contexts with the social enterprise movement”, (Kerlin, 2010a). Variations exist in the different regions of the world where successful social enterprises operate. What works in one region is in variance with what works in another. It is what Kerlin (2010b) regards as the “specific socioeconomic conditions” found in the different locations around the world. Thelen (1999) (as cited in Kerlin, 2010b) argues that “existing socio-economic processes and patterns constrain the options available to actors in the innovation of institutions across time”. The evolution of social enterprises across regions is dependent on the socio-economic variable found in the region. In Nigeria, what determines the present state of the third sector is the result of fundamental variables or what Kerlin (2010a) calls “factors or institutions”. He lists the factors or institutions as the civil society, market, government and international aid. What makes social enterprise in Nigeria in variance with other localities is the “strength or weakness of the four institutions in actual social enterprise activity”, (Kerlin, 2010b). The question is, how has the civil society, market, government and international aid as institutions contributed to making the public sector what it is in Nigeria?

The four fundamental factors that determine the state of the public sector in any given region helps us to identify six variables that characterize social enterprises in such regions

as “outcome emphasis, program area focus, common organizational type, legal framework, societal sector and strategic development base” (Kerlin, 2010a). What characterizes social enterprises in Nigeria that makes our third sector different is the above six variables. Taking the variables individually and relating it to the Nigerian experience, we can see that for the outcome emphasis, the focus is on social benefits. On program area focus, emphasis is on human services (health, poverty reduction among others) while for organizational type, the most common type of social enterprise is nonprofits (registered as companies limited by guarantee or as incorporated trustees) which are regulated by the Company and Allied Matters Act (CAMA) 1990. On legal framework, no separate legislation is enacted specifically for social enterprises and no immediate effort is ongoing in this area. On societal sector, which is the “immediate environment in which the social enterprise operates or is perceived to operate” (Kerlin, 2010a) is the civil society, called the third sector and lastly, strategic development base which “focuses on the source of funding and development initiatives” (Kerlin, 2010a) is mainly international aid and grants from foreign organizations and the business sector.

Following Kerlin’s depiction of a national social enterprise model viz-a-viz understanding the characteristics of Nigeria’s social sector against the four fundamental determinants, which influence the social sector, we have a social entrepreneurship model that focuses on the civil society and international aid. Where are the six variables more oriented towards to the four fundamental determinants? The socio-economic conditions of the country is such that the civil society depends greatly on donations and grants from international bodies and organizations to be able to drive social programs to bring benefit to the target communities. Given a model of social entrepreneurship that focuses on the civil society and international aid for sustenance is begging for disaster. Reliance on donor agencies for funding is highly unreliable and poses a serious challenge in designing and implementing social programs to address social issues. This is supported by findings of a research conducted by Omofonmwan & Odia (2009) who found that there is an “urgent need for NGO’s to look inward in sourcing funds for its activities internally, rather than waiting for the support of international donors alone, which do rarely come”. The need for the civil society to evolve creative means to address the challenge of funding is perhaps the fundamental determinant of the success and growth of the third sector in Nigeria in evolving scalable solutions to tackle the myriad of problems facing it. This fact is succinctly explained by Salamon (1993) where he argues on the importance of nonprofits in adopting the market as an alternative source for funding their activities given the drastic declines in government and institutional support.

It is on the basis of this that the author argues strongly for the adoption of social entrepreneurship in the third sector in Nigeria. This fact became obvious during the 2007-2009 global financial crisis where organizations were impacted negatively resulting to drastic declines in revenue (Iyortsuun & Akpusuugh, 2014) due to them and subsequently, their support to the third sector. The argument by the author is on the need to adopt the market as an alternative method of sourcing for resources to grow and develop the social

sector in Nigeria. This is in line with the argument by Dees (2008) that the social sector can work best when a social entrepreneur “incorporates features from the commercial side of the social venture spectrum” as shown in figure two in the appendix. The author strongly believes that adopting creative measures in sourcing for funds internally through the market would help the third sector in Nigeria bring scale to the numerous innovative solutions designed to tackle the nations social problems. The market as an alternative method to international aid is the preferred model of successful social entrepreneurship if Nigeria’s civil society is to act as a catalyst and a driver in the sector in addressing social problems in the country.

Challenges

Focusing on aid and charity alone will not solve social problems neither is relying on government efforts. The saying by a Nobel laureate, Muhammad Yunus suffices that

when we want to help the poor, we usually offer them charity. Most often we use charity to avoid recognizing the problem and finding a solution for it. Charity becomes a way to shrug off our responsibility. Charity is no solution to poverty. Charity only perpetuates poverty by taking the initiative away from the poor. Charity allows us to go ahead with our own lives without worrying about those of the poor. It appeases our conscience.

One of the greatest challenges faced by social entrepreneurs is designing a template or mechanism to harness “private ingenuity, initiative and investment to solve social problems”, (Dees, 2008). As the market for aid is vaporizing which presumably puts a cap on the amount of money social institutions can access, it means that social entrepreneurs have to creatively design solutions to tackle the challenge of funding their activities (Lasprogata & Cotton, 2003). This becomes a major problem especially when a social entrepreneur’s project is not “100% profit-driven”, (Foryt, 2002). This is multiplied in low-income developing nations like Nigeria where funding is practically non-existing locally.

A for-profit business working to achieve a social problem is itself a significant challenge because of the conflicting nature of their fundamental ideologies, concept and orientation in that a for-profit organization to achieve social entrepreneurship status “is not likely to reach the esteemed height of an organization that exists solely to help people”, (Whitman, 2010; Rajendhiran & Silambarasan, 2012). Most scholars have agreed that the marriage between the opposing values of private entrepreneurship and the ideals of the social sector (Eikenberry & Kluver, 2004; Zahra et al., 2009) is a significant challenge. Applying business methods to tackle social problems means adopting a rent seeking approach, which is incongruous with maintaining a social order. As succinctly expounded by Zahra et al. “the application of organizational models that stress competitive practices is incongruent with, and even dangerous to the value of the traditional social models”. Maintaining a near

perfect equilibrium of these opposing forces is perhaps the greatest challenge faced by social entrepreneurs and is itself entrepreneurship.

Another challenge is the lack of social entrepreneurial infrastructure or what is called the social entrepreneurship ecosystem. As defined by Osberg (2009), ecosystems are the “the strategic partnerships – the coalitions that take the solutions social entrepreneurs envision and bring them to scale”. This involves collaboration with the private sector, government, research institutions and the communities. In Nigeria, fostering an ecosystem to support and encourage social entrepreneurs in the third sector is not adopted comprehensively and systematically. Support to the third sector is much like on-the-spot assistance rather than a conscious and deliberate policy of government designed as a comprehensive document to foster social entrepreneurship in the country. This poses a serious challenge to the sector in the country.

Other challenges faced by social entrepreneurs include a lack of seasoned or rather an access to professional counsel and experience. This is particularly true in Nigeria where a deep gap exist between actors promoting social change and those promoting financial benefit. This is supported by the findings of the research by Oghojafor, Aduloju and Olowokudejo (2011), which agrees that the greatest challenge faced by social entrepreneurs in Nigeria is lack of training and experience.

Dees (2007) on his part identify three primary challenges that social entrepreneurs face as including “social impact assessment, the selection-investment processes and scalability”. How do you measure social impact in a reliable, efficient and effective way and furthermore, is the measurement of performance evaluation highly favored in an environment of philanthropy? As argued by Zahra et al. (2009), “many of the products or services that social entrepreneurs provide are non-quantifiable”. Do collaborations, partnerships and resources tailored to those innovations that have the most impact on addressing societal problems? The prospects of the selection-investment processes in the field of social entrepreneurship is limited given the blurry nature of social opportunity mapping as a result of its vagueness and the merger of economic and noneconomic outcomes, (Baker, Gedajlovic & Lubatkin, 2005). How do social entrepreneurs grow and expand their ideas to qualify as change makers in the society or in essence how do they bring scale to their innovative solutions to identified societal problems? These are some of the challenges faced by social entrepreneurs.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Social Entrepreneurship as an approach in solving global social problems should be embraced and policies designed to institute it especially in developing economies like Nigeria. It challenges “old sector boundaries and encourages innovative approaches using the tools”, (Dees, 2008) from the business sector. Social entrepreneurship would continue to be an indispensable means of tackling society’s problem given “market failure, decline

in government welfare state and the rise in nonprofits, trained and professional MBA's", (Whiteman, 2010). Jeff Skoll of the Skoll Foundation summarizes it perfectly that social entrepreneurs have "two kinds of power" (Skoll, 2009), to bring specific change and to inspire collective collaboration in finding new ways of solving social problems and as argued by Dees (2007), "many innovative approaches to social problems are not only best started outside government, they are best kept outside government".

The field of social entrepreneurship holds great promise "that may lead into a new era in which we more effectively harness private initiative, ingenuity and resources to improve social and environmental conditions. We need to provide the right support and we need to address fundamental questions", Dees (2007). This approach would best serve the less developed nations, Nigeria inclusive where observed deficiencies exist in the system providing tremendous opportunity for social entrepreneurs to evolve strategies, policies, programs and establish institutions targeted at solving our social problems.

With declining resources by donors to support social activities, there is a need to adopt creative and sustainable ways of addressing social problems. There is a marked recognition that government and big business would be unable to address the problems of society coupled with a leaner chest of social sector funding, more attention is now required for issues of social impact, scalability and sustainability with the hopes of increasing the social return on investment. Society will continue to invent itself and as new approaches seeking to achieve the ideal society would be supported and implemented, much would still be needed as new challenges and problems will present themselves. Social entrepreneurial practice would still be insufficient in addressing society's new challenges as new approaches would need to be developed.

Following from the above, the author wishes to recommend that the legal and regulatory environment should be strengthened to encourage and speed up the creation and development of hybrid models of social enterprises that would be self-sustaining with less reliance on donations. Also, the social entrepreneurship infrastructure should be developed to support social entrepreneurs. These include social incubators, angel investor networks, replication funds, knowledge and talent development, social capital which are required if social entrepreneurship is to be successful. A deliberate policy to support and promote programs and projects of social entrepreneurs that would address social problems should be instituted and implemented. The policies should be such as to give social entrepreneurs a free reign to experiment and innovate on what works best and should also encourage them to manage the risk of this experimentation and to also benefit appropriately if successful.

Furthermore, there is an urgent need for the public, private and community sectors to work together to address the myriad of social problems bedeviling our society. Without synergy, a shared vision and purpose, it will be impossible to address the country's innumerable social problems and challenges. The business sector should help support social

entrepreneurship through provision or access to professional experience and counsel in order to develop the entrepreneurial spirits of social entrepreneurs. Private investors should be encouraged to support the social sector. Arguing further, an agency dedicated solely to promoting and supporting social innovators and entrepreneurs should be established with a defined support mechanism especially to start-ups to ensure they are successful. This agency should as a matter of urgency maintain a comprehensive database of social enterprises in the country to guide policy decisions and pronouncements.

Social venture capital funding should be established for the promotion of start-ups solely for implementing innovative solutions to address social problems in the country. Government grants and loans should also be extended to boost their capital base. Donations from the private sector to the social sector should also be encouraged as another source of funding to them. There should also be a deliberate public policy targeted at ensuring a change in the negative perception against the social sector as social entrepreneurs are said to be swimming against the current of cultural assumptions and biases. Government development policies should recognize social entrepreneurship as instruments that would foster social change in the society. Every effort and attempt should be made by the political institutions to ensure its success. Also, government should support social entrepreneurship by encouraging social innovation and to also create an enabling environment for social innovation and entrepreneurship to thrive. Rewarding exceptional social entrepreneurs should be a deliberate policy of government.

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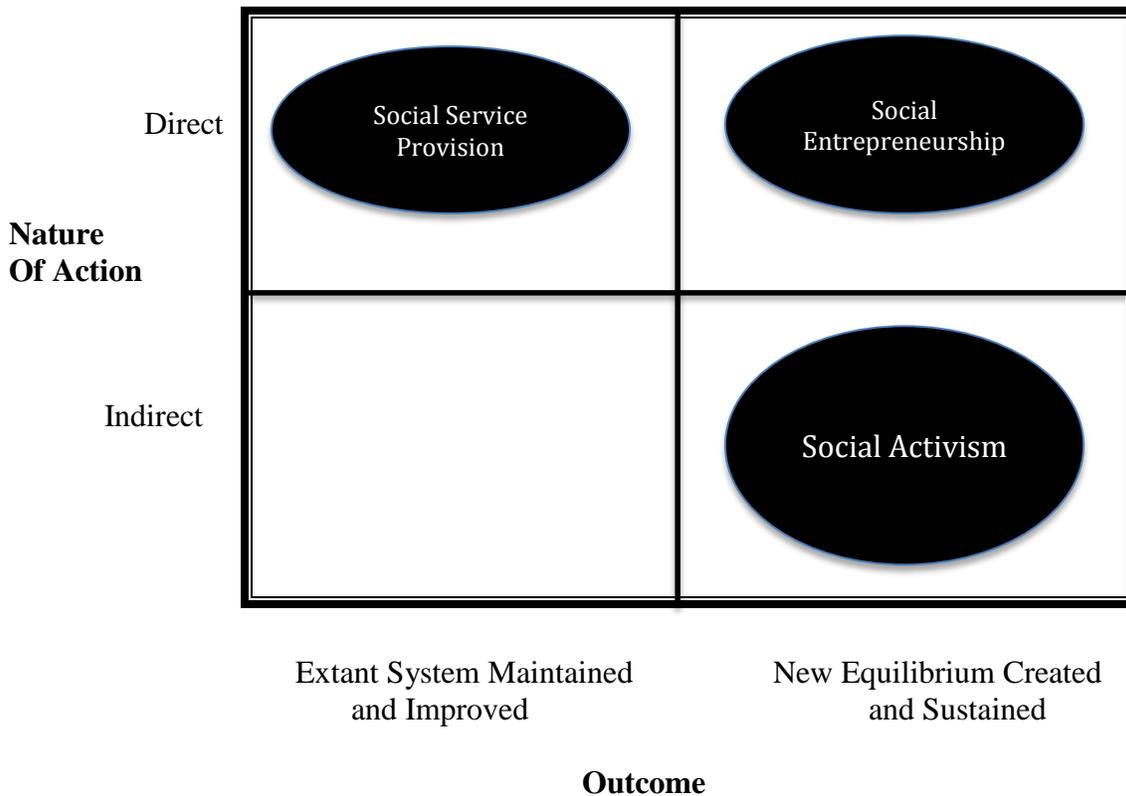
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Appendix

Figure 1: Pure Forms of Social Engagement



Source: Martin and Osberg (2007). *Social Entrepreneurship: The case for Definition*

Figure 2: Social Venture Spectrum

Purely Commercial	Purely Philanthropic 	
Motives, methods 1) Appeal to self-interest and Goals mission and Market economic value	1) Appeal to goodwill 2) Mission driven 2) Market driven 3) Social value creation 3) Economic value creation	1) Mixed motives 2) Balance of 3) Social and
<u>Key Stakeholders</u>		
Beneficiaries and/or mix of full who pay nothing	1) Pay nothing 1) Pay full market rates	1) subsidized rates, payers and those
Capital providers capital and/or mix of market rates capital	1) Donations and Grants 1) Market-rate capital	1) Below-market donations and
Work force wages and/or mix of volunteers and fully paid staff	1) Volunteers 1) Market-rate Compensation	1) Below-market
Supplies and/or mix of price	1) Make in-kind donation 1) Charge full market prices	1) Special discounts in-kind and full

Source: Dees, G. J. (2008). Origin and Future of Social Entrepreneur

