

Societal entrepreneurship and its impact on the creation of value locally

Yonni Angel Cuero Acosta

Abstract

Authors explain that entrepreneurship is a phenomenon with not only one category; by contrast, there are various types of entrepreneurships (Steyart & Hjorth, 2003). In this research we pay particularly attention to discuss around the concept of societal entrepreneurship. Under this theoretical framework approaches and methodologies have been developed which seek to have a better understanding of how entrepreneurship can contribute to societies. We are studying how societal entrepreneurship can conduct the creation of shared value locally. We pay particularly attention micro, small and medium enterprises (MSMEs) to find out the interactions both theoretical and practical that societal entrepreneurship and shared value could have at the firm level

Introduction

Entrepreneurship has been a growing field of research in the recent decades which expand its scope as well as studies various topics related with development (Gawell, 2014). Likewise, different types of economic problems have been investigated under this approach. In doing so, authors pointed out the relevance of entrepreneurship as economic engine for developed and developing countries. Although it is quite important to see entrepreneurship as starting point for countries' development, it is also interesting to analyze the relationship between entrepreneurship and the ability of countries to solve socio-economic and environmental problems. For this reason within the literature emerged approaches of entrepreneurship such as social/societal entrepreneurship and international entrepreneurship, to name few.

The above mentioned categorizations of entrepreneurship illustrate how authors have tried not only to understand the relationships between entrepreneurship and some specific economic areas, but also how scholars investigating the impact of entrepreneurship on various aspects of the society. If entrepreneurs have to have the initiative of creating new forms of products and business, why not think about entrepreneurship as particularly factor to improve the population's tribulations. It is necessary to have an open mind to see entrepreneurship as instruments which create value in products and processes as well for communities. In this perspective we conduct a research to understand how societal entrepreneurship can create value, specifically, we analyze the impact of societal entrepreneurship on the concept of shared value.

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Context

Although the relevance of societal entrepreneurship from the theoretical and practice perspectives is quite acknowledged; the application of the concept has been very important for both academicians and entrepreneurs who are supporting the enterprises development. For countries such as Colombia which have positive and high rates of economic of growth, societal entrepreneurship is an instrument to solve those needs which the government cannot answer effectively. While Colombia has a positive growth for many years, this country posses region where the population struggle with diary troubles to survive, such as education, health care,

violence and armed conflict. These problems are not exclusive of rural areas, those problems can be found in the big cities of the country, too. In the absence of governmental support or when policies are not effective to benefit the whole population enterprises can play a significant role to confront social and environmental problems. In this order societal entrepreneurship can help to lead the actions of firms which can positively contribute to the community problems. The role of societal entrepreneurship can address which problem could be solve and should be also the opportunity to firms to generate profits from those societal problems. It is not just create firms to solve social needs, but also that firms can have in the social needs and place to growth. In this line of through it is necessary to study how societal entrepreneurship intervenes to create value in some communities. Nowadays, it has been used at the firm level the concept of creation of shared value to establish strategies for the firms to identify niches of market within communities, in which firms can have positive impact in terms of social and environmental problems.

Theoretical framework

In the literature the difference among the concepts of social and/or societal is narrowed; however, it is clear that societal entrepreneurship is focus on the initiatives that search to solve a problem without thinking in the profit perspective of entrepreneurship. At the core of societal entrepreneurship is accomplishing the aim of all entrepreneurial activities which is the creation of value. In this research we investigate the implications of societal entrepreneurship at the firm level. Societal entrepreneurship supports the solution of problems within communities (Johannisson, 1985). It is the fact that entrepreneurs manage their business with social responsibility, thinking in the externalities that their business could generate locally. Specially, entrepreneurs have to prevent the emergence of harms for the communities.

In the last years, at the firm level has been used the concept of shared value to create strategies from the firms. These strategies aim to identify social or environmental trouble. When the firms

identify those troubles, they can design business models which take advantage of that needs generating profits for the firms. This is found in the literature and research is call to analyze if the practice of shared value is really solving the needs that a community could have.

Methodology

In Uniempresarial¹ we are studying how societal entrepreneurship can conduct the creation of shared value locally. In doing so, our objectives are first, to structure a theoretical framework which allows us to contribute to the discussion of the concept of the creation of shared value under the umbrella the societal entrepreneurship. To achieve this objective it is applied content analysis to a number of publications which are related with both concepts. Second, we applied a survey to entrepreneurs within micro, small and medium enterprises (MSMEs) to find out the interactions both theoretical and practical that societal entrepreneurship and shared value could have at the firm level. For this objective, exploratory research is conducted in order to establish key factors which are facilitators of the creation of value in the local communities. We will be used the content analysis and the exploratory research to strengthen the understanding of shared value as well as to contribute to the academic discussion about the impact of societal entrepreneurship locally.

Discussion

Our discussion and our conclusions will shed new light in the academic research about societal entrepreneurship and its impact on the theoretical roots of the creation of shared value. We look for to validate if shared value is achieving as goal of societal entrepreneurship in terms of solutions for communities' harms.

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Reference

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Author's biography

Mr. Cuero Acosta is PhD candidate at University of Leipzig, Germany. He holds a Master's degree in International Economics. Currently, Mr. Cuero Acosta is researchers at Uniempresarial in Bogota Colombia.