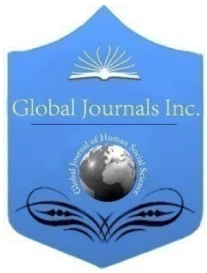
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Social Entrepreneurship in the Matrix of Economic Action and Social Structure

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Abstract- This paper examines the link between economic activities and human social organization with a view to x-raying the roles social entrepreneurship can play towards addressing attendant consequences of economic activities, and other social problems facing human society today. Point is made about the centrality of human collectivities in market economy and the need for a shift from aggressive capitalism – driven by excessive profit-making - to conscious capitalism – driven by social altruism. The emphasis is on how economic action will spell fortune for society and not woe – like the kind that trailed post-revolution industrial adventurism.

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Social Entrepreneurship in the Matrix of Economic Action and Social Structure

Abiodun Omotayo Oladejo [α] & Chinyere Iheoma Erondu [σ]

Abstract- **This paper examines the link between economic activities and human social organization with a view to x-raying the roles social entrepreneurship can play towards addressing attendant consequences of economic activities, and other social problems facing human society today. Point is made about the centrality of human collectivities in market economy and the need for a shift from aggressive capitalism – driven by excessive profit-making - to conscious capitalism – driven by social altruism. The emphasis is on how economic action will spell fortune for society and not woe – like the kind that trailed post-revolution industrial adventurism.**

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I. Introduction

The human world is faced with a plethora of challenges – poverty, unemployment, crime, insecurity, etc, which beg for intervention. The requisite intervention cannot be sought from government alone because of the overwhelming intensity of these problems. Therefore, it is imperative for private individuals and organizations – profit or non-profit – to collaborate with government towards alleviating these challenges. Also, pursuits of economic activities are not monolithic, but they are conducted within and connected to other aspects of human social life. This has large-scale implications for the social world. It becomes imperative therefore, to look for a new 'operating system' for the contemporary economy that would drive home the required benefits for mankind. This is to be found in encouraging the development of social entrepreneurship – the pursuit of goals that create and sustain social value (Mackey, 2014). In recent times, there is a bourgeoning thinking among academics and radical entrepreneurs about the need to place social good above individual interests. The classical thinking of maximizing private profit at all costs is gradually being deemphasized, while increasingly, thoughts are taken about mutually beneficial rewards for entrepreneurs, employees and society at large.

II. Conceptual Issues

a) Social Entrepreneurship

The concept, *social entrepreneurship,* is a relatively new one and its definition is an object of intense contestations by scholars, a situation occasioned by their diverse intellectual persuasions. The differing opinions of scholars on the definition and conceptualization of social entrepreneurship apart, there is a general agreement about the fact that it has to do with non-governmental mediation in solving social problems. The kernel of social entrepreneurship is the attempt to alleviate the poor social conditions of individuals and address some of the social problems that government has not adequately tackled.

b) Economic Action

Every human society is defined in terms of the institutions that it is made up of. These institutions are, but not limited to, education, religion, family, polity and economy. Pivotal among these institutions is "economy" which is the realm of production, distribution and exchange of goods and services which constitutes a wide spectrum of activities which engender employment, value creation and profit maximization (Oladejo, 2014). The economic institution is a sphere where both government and private entrepreneurs have interests, albeit, with different motives. Often, government's involvement is influenced, at least in principle, by demand of the public for social services. Whereas, the involvement of private entrepreneurs in the economy is largely influenced by profit drive. It is against the background of profit making that economic action is conceptualized. Therefore, economic action here refers to gamut of productive engagements that have deliberate value ends for private entrepreneurs.

c) Social Structure

Social structure has varied definitions and conceptualizations. Ekpenyong (2008) defined social structure as an institutionalized network of relationship among social actors. For Giddens (2006), social structure refers to the fact that the social contexts of our lives do not consist just of random assortments of events or actions; they are structured or patterned in distinct ways. Jary and Jary (2000) see it as "any relatively enduring pattern or interrelationship of social elements." The above definitions have a common theme – recurrent and patterned relationship existing within a social setting. There is another perspective which originated from Karl Marx. He opined that social structure comprises mainly *infrastructure* and *superstructure* (Jary and Jary, 2000). Economic system or infrastructure has been described by Marx as the

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foundation upon which other institutions of society – religion, education, family, polity, legal system etc – are built. The social relations of production, based on ownership and non-ownership of the means of production, that emanates from the economy results in some hierarchy in social relationships. Therefore, for this paper, social structure will mean the social distinction based on ownership and non-ownership of means of production, and the interrelationship between the haves and have-nots in a given society. Invariably, it is synonymous to Marx's conceptualization of modern-industrial class structure.

d) Capitalism, Social Welfare and Economic Justice

Capitalism as an economic system was an outcome of the phenomenon of industrial revolution. The industrial revolution (of modern history) culminated into the process of change from an agrarian, handicraft economy to one dominated by industry and machine manufacture (Encyclopædia Britannica, 2012). Ritzer and Stepnisky (2014) point to the fact that industrial revolution coincided with the emergence of class relations based on ownership and non-ownership of the means of production. In a capitalist economy, there is intense emphasis on maximum profit-making, and the preoccupation of classical entrepreneurs that emerged in post-revolution Europe was surplus expropriation without recourse to social good and the welfare of workers. In the emerging economic system, a few powerful rich, profited greatly while the vast majority worked long hours for low wages (Oladejo & Agwanwo, 2015). This situation caused rapid social change and threatened the fabric of the society (Ekpenyong, 2003). The nascent economic system also unavoidably forced women and children into industrial workforce – who lived in utter squalor compared to the flourishing capital owners (O'Donnell, 1981).

Contemporarily, there is a growing concern about the need to maximize not only profit, but also social good (Mackey, 2014). This is antithetical to traditional entrepreneurship that places premium on only profit and shareholders' value, but neglects the social milieu within which economic activities take place. This is ridden with challenges such as poverty, environmental degradation, unemployment and inadequacy of infrastructural facilities that make for social well-being. The challenge for capitalist ventures in this age is to pursue what John Mackey calls "conscious capitalism". The core of this doctrine is that profit, environmental sustainability, and achieving social good are not opposed to one another. Conscious capitalism does not act unconcerned about social problems; it is actually defined by its commitment to helping to solve some of them. It is agreeable to social entrepreneurship even though profit-maximization motive is not jettisoned. It is Mackey's view that businesses that have social-good consciousness naturally make profit. Conscious culture in business organizations engenders satisfaction and happiness of team members - workers, satisfied investors, and loyal communities, giving conscious businesses a competitive edge (Mackey, 2014).

Another dimension to this discourse is the issue of economic justice. This is a course championed by revolutionaries, scholars, and even clergy – as in the case of United States' Catholic Bishops' document of *economic justice for all: Catholic Social Teaching and the U.S. Economy* of 1986. The main thrust of economic justice is humanistic and moral economy that broadens the sharing of economic power and makes economic decisions more accountable to the common good. It is opposed to unbridled, expanded profit-making which excludes the vast majority of the citizens from enjoying basic necessities required for decent living. Economic justice emphasizes altruism towards the plights of the poor and downtrodden. It downplays the feeling of indifference by individuals who are of the opinion that private capitalists should not be concerned with solving social problems which are considered to be within the purview of governmental responsibilities. In class-structured societies where economic inequality is a social fact that cannot be ignored, there is need to make effort at relatively closing the gap so that individuals who may not be privileged enough to command sufficient economic power necessary for sustenance may be able to do so. Closely connected to the foregoing is the need for social security.

e) Social Entrepreneurship and Social Security

Ability to meet daily requirements for survival is a matrix from which security of life and property derives. More often than not, governments focus on protection of the state against external aggression and internal insurrection and place little attention to security of welfare needs of the citizens (Nwabueze, 1989). Fundamental to these needs is the security of social conditions within which people live. Any society ridden with mass poverty and unemployment already has increased chance of being constantly faced with security threats. It is doubtless that government cannot solve all the problems, so non-governmental efforts are needed to complement government's efforts towards addressing such problems as inadequacy of housing, poverty, dearth of social amenities, unemployment, crime, food scarcity, etc.

f) Entrepreneurship, Environment and Society: The Link

There is no gainsaying the fact that human socio-economic activities are conducted within the confines of the natural environment and they have very serious implication for social life. Market economy is not conducted in vacuum, but within a social milieu. It is instructive therefore, to note that profit-making should not result in social exclusion. Principally, among the things that businesses should do is to ensure that

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livelihood sources of individuals within their areas of operations are not impinged, but rather enhanced. Also, one other reason why it is incumbent on enterprises to engage in helping to address some social problems is that an alteration or altercation in any part of the social organization could alter or affect another part or the entire social organization. It presupposes that the wellbeing of the community is the wellbeing of the business organization.

Away from the above, it is arguable that human existence largely subsists on natural environment and that productive activities use objects of nature. The position of radical social entrepreneurs therefore, is that whilst it is impossible for industries not to interface with the environment; care must be taken to use environmental resources circumspectly and sustainably (Mackey, 2014). Also, the exploitation of natural resources should swell the fortune of everyone and not few privileged ones. This is a dimension of social entrepreneurship which links sustainability to social good.

III. Conclusion

It is deducible from the foregoing that the resolution of social problems is not a task exclusive to state organization alone; profit and non-profit organizations have roles to play also. Business enterprises should therefore embrace the new paradigm that combines social good with profit motive. The import of this is that all parties in the economic system – businesses, employees, community etc – will benefit, and by implication, society also. This embraces the principle of human centred development that gives preference to achieving optimal benefits for the well being of humanity. It is inclusive and environmental friendly.

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