

1 Social Entrepreneurship in the Matrix of Economic Action and 2 Social Structure

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7 **Abstract**

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

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17 *Index terms*— social good, social entrepreneurship, economic action and social structure.

18 **1 Introduction**

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

31 **2 II.**

32 **3 Conceptual Issues a) Social Entrepreneurship**

33 The concept, social entrepreneurship, is a relatively new one and its definition is an object of Author
34 ? ?: Department of Sociology, University of Port Harcourt. e-mails: abiodun.oladejo@uniport.edu.ng,
35 chinyere.erondi@uniport.edu.ng intense contestations by scholars, a situation occasioned by their diverse
36 intellectual persuasions. The differing opinions of scholars on the definition and conceptualization of social
37 entrepreneurship apart, there is a general agreement about the fact that it has to do with non-governmental
38 mediation in solving social problems. The kernel of social entrepreneurship is the attempt to alleviate the poor
39 social conditions of individuals and address some of the social problems that government has not adequately
40 tackled.

41 **4 b) Economic Action**

42 Every human society is defined in terms of the institutions that it is made up of. These institutions are, but not
43 limited to, education, religion, family, polity and economy. Pivotal among these institutions is "economy" which
44 is the realm of production, distribution and exchange of goods and services which constitutes a wide spectrum
45 of activities which engender employment, value creation and profit maximization (Oladejo, 2014). The economic
46 institution is a sphere where both government and private entrepreneurs have interests, albeit, with different
47 motives. Often, government's involvement is influenced, at least in principle, by demand of the public for social
48 services. Whereas, the involvement of private entrepreneurs in the economy is largely influenced by profit drive.
49 It is against the background of profit making that economic action is conceptualized. Therefore, economic action
50 here refers to gamut of productive engagements that have deliberate value ends for private entrepreneurs. c)
51 Social Structure Social structure has varied definitions and conceptualizations. Ekpenyong (2008) defined social
52 structure as an institutionalized network of relationship among social actors. For Giddens (2006), social structure
53 refers to the fact that the social contexts of our lives do not consist just of random assortments of events or actions;
54 they are structured or patterned in distinct ways. ??ary and Jary (2000) see it as "any relatively enduring pattern
55 or interrelationship of social elements." The above definitions have a common theme -recurrent and patterned
56 relationship existing within a social setting. There is another perspective which originated from Karl Marx. He
57 opined that social foundation upon which other institutions of society religion, education, family, polity, legal
58 system etc -are built. The social relations of production, based on ownership and non-ownership of the means
59 of production, that emanates from the economy results in some hierarchy in social relationships. Therefore, for
60 this paper, social structure will mean the social distinction based on ownership and non-ownership of means
61 of production, and the interrelationship between the haves and have-nots in a given society. Invariably, it is
62 synonymous to Marx's conceptualization of modern industrial class structure. d) Capitalism, Social Welfare and
63 Economic Justice Capitalism as an economic system was an outcome of the phenomenon of industrial revolution.
64 The industrial revolution (of modern history) culminated into the process of change from an agrarian, handicraft
65 economy to one dominated by industry and machine manufacture (Encyclopaedia Britannica, 2012). Ritzer and
66 Stepnisky (2014) point to the fact that industrial revolution coincided with the emergence of class relations based
67 on ownership and non-ownership of the means of production. In a capitalist economy, there is intense emphasis
68 on maximum profit-making, and the preoccupation of classical entrepreneurs that emerged in post-revolution
69 Europe was surplus expropriation without recourse to social good and the welfare of workers. In the emerging
70 economic system, a few powerful rich, profited greatly while the vast majority worked long hours for low wages
71 (Oladejo & Agwanwo, 2015). This situation caused rapid social change and threatened the fabric of the society
72 ??Ekpenyong, 2003). The nascent economic system also unavoidably forced women and children into industrial
73 workforce -who lived in utter squalor compared to the flourishing capital owners (O'Donnell, 1981).

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

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

98 **5 e) Social Entrepreneurship and Social Security**

99 Ability to meet daily requirements for survival is a matrix from which security of life and property derives.
100 More often than not, governments focus on protection of the state against external aggression and internal
101 insurrection and place little attention to security of welfare needs of the citizens (Nwabueze, 1989). Fundamental
102 to these needs is the security of social conditions within which people live. Any society ridden with mass

103 poverty and unemployment already has increased chance of being constantly faced with security threats. It is
104 doubtless that government cannot solve all the problems, so non-governmental efforts are needed to complement
105 government's efforts towards addressing such problems as inadequacy of housing, poverty, dearth of social
106 amenities, unemployment, crime, food scarcity, etc.

107 **6 f) Entrepreneurship, Environment and Society: The Link**

108 There is no gainsaying the fact that human socio-economic activities are conducted within the confines of the
109 natural environment and they have very serious implication for social life. Market economy is not conducted
110 in vacuum, but within a social milieu. It is instructive therefore, to note that profit-making should not result
111 in social exclusion. Principally, among the things that businesses should do is to ensure that livelihood sources
112 of individuals within their areas of operations are not impinged, but rather enhanced. Also, one other reason
113 why it is incumbent on enterprises to engage in helping to address some social problems is that an alteration or
114 altercation in any part of the social organization could alter or affect another part or the entire social organization.
115 It presupposes that the wellbeing of the community is the wellbeing of the business organization.

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

122 **7 III.**

123 **8 Conclusion**

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

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