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SOCIAL ENTREPRENEURSHIP A DRIVE FOR ERADICATING POVERTY AND SUSTAINING DEVELOPMENT IN GHANA

Social entrepreneurship played a major significant role in several economies across the world. However, Ghana is yet to realize the weight of social entrepreneurship as a tool for fighting and eradicating poverty. There are proven and evidence-based concept models of social entrepreneurship which has helped in propagating the agenda of social change and economic growth.

The relevance of this paper is to examine the significant impact of social entrepreneurship for eradicating poverty and sustaining development in Ghana and how government must come up with concrete policy framework for addressing the needs of the poor, providing a more systematic approach and integrated anti-poverty approach for tackling poverty and sustainable development.

This paper will further explores the achievements of Social Entrepreneurship in fighting against poverty globally and how this can be a source of point for Ghana to replicate the model to help government, internal and external support institutions for the attainment of eradicating poverty and sustainable development. The findings will assist policy makers, development agencies and business organisations to ascertain the appropriate strategy to improve the lives of poor Ghanaians.

Keywords: *social entrepreneurship, poverty eradication, economic growth, sustainable development.*

1. Introduction

Apparently, no problem receives greater global attention today more than poverty.

Poverty is not new but at each mention, it stirs a lot of misgiving. This is because it has a very devastating influence on its victims. It reduces the social and psychological prestige of its victims. Poverty is a condition of being poor. This could be evidenced even amidst plenty because there could be reeking poverty as a result of lack of knowledge to translate potentiality into practical creative benefits to actuate well-being. In other words, if there is a poverty of something, it therefore means that there is a lack of it or the quality of it is extremely low (Barnes, 2010).

Ghana has experienced steadily increasing growth of over 7% per year on average since 2005. Following the attainment of middle income country status in 2010 and discovery of offshore oil reserves, per capita growth in the country has remained relatively high. Despite the growth recorded, inequality has been increasing in the country and poverty remains prevalent in many areas (The Ghana Poverty and Inequality Report, 2016).

In fact, Ghana's poverty level has declined to about 24.2% from the 51% recorded in 1991. This means about 24.2% of Ghanaians measuring some 6.4 million cannot afford to spend GHC 3.60 on

food a day. The people below the poverty line were about 7 million in 2005. Also, about 8.4% of the population live in extreme poverty. This indicates they cannot afford to spend more than GHC2.17 equivalent on food in a day (Ghana Statistical Service).

This clearly indicates the true challenges of Ghana, especially when an insight thought is made on the Ghanaian question and the Ghanaian condition. It is very unfortunate in rationality that a country that is potentially rich in long decades of cocoa and other natural and agricultural resources cannot boast of putting foods on the tables of large population of its citizens.

There is empirical research findings which indicates that most social vices and corrupt practices both in high and low places is as a result of poverty. Hence, as a country we need to adopt new ways to combat this canker and social entrepreneurship has been proven to be one of the modern anti-poverty agent.

Social Entrepreneurship is increasingly being viewed as a way of combating poverty and marginalization, with pursuit of an entrepreneurial strategy being conceptually linked to effectiveness (Diochon, 2013).

There is no doubt that social entrepreneurship has provided a general innovation approach and are effective as anti-poverty agents that can

contribute to the promotion of national development.

Marrioti and Glackin (2013) asserts that social entrepreneurship is a for-profit enterprise that has the dual goals of achieving profitability and attaining beneficial social returns. Rather than the usual entrepreneurship organization, social entrepreneurship is looked into as ray of hope to help those below the poverty line to live a better life in the future.

In Ghana, Social Entrepreneurship is a new concept phenomenon which have not been given a much and broader insight and there is a varied views what constitutes this model of business. There is a vibrant business start-up culture in Ghana, and many businesses, including micro and small-scale enterprises that do not select a social enterprise label but do think about the social impact of their business models.

Social Entrepreneurship is seen as a risky livelihood choice; there is also a certain snobbery, particularly among tertiary-education graduates, that uneducated people go into business and entrepreneurial activity is only accepted when it is a side business and the person has full-time formal sector wage employment (Bay and Ramussen, 2010). Hence, it is important for all stakeholders who involves in fighting poverty in Ghana to place major priority to social entrepreneurship as a key agent for eradicating poverty. However, it is also crucial to maintain the success of eradicating poverty and boosting shared prosperity in sustainable manner in Ghana.

Sustainable development simply put entails development that can be kept going or maintained. This should entail proper attention given to the transformation of productive forces and commensurate transformation in the social relations of production. The ability to maintain this guarantees sustainable development (Barnes 2010).

The general principle of sustainable development is that, those who left poverty do not fall back into it and also necessary steps should be taken into consideration in managing the pace of development.

It is among several other reasons that this paper seeks to examine the importance of using social entrepreneurship as a major tool for eradicating poverty and maintain sustainable development.

2. Terminologies in Perspective

2.1 Poverty

One of the main challenges of global economic development is the high rate of poverty (Sijabat, 2015).

The meaning of poverty may differ from one context to the other depending on the situation.

Barnes (2010) believes that this is because many people see it in different perspectives. This connotes the fact that what may be termed poor may not be seen as poor by the other people Onokerhoraye (2001) in Edoh (2003) states two issues that have been consistent in the attempt to define poverty. These are the questions of:

(a) Who are the poor?

(b) At what level is poverty defined?

Conventional definitions in attempt to come to terms with these issues consistently conceive poverty as an economic issue. This is measured either as a minimum flow of real income per capita, or as a bundle of basic needs which may be qualified.

Social Scientists on the other hand recognize the need for broadening the definition of poverty. To this end, Kankwenda (2003.3) defines poverty as:

A multidimensional phenomena influenced by a wide range of factors, these include poor people lack of access to income earning and productive activities and to essential social services.

The *Copenhagen Declaration of 1995* seems to shed more light on what really constitutes poverty when it asserts:

Poverty has various manifestations, including lack of Income and productive resources sufficient to ensure sustainable livelihood; hunger and malnutrition, ill health; limited or lack of access to education and other basic services, increase morbidity and mortality from illness, homelessness and inadequate housing; unsafe environments, social discriminations and exclusion. It is also characterized by a lack of participation in decision and in civil, social and cultural life (Edoh 2003:68).

To Adejo (2006) poverty can be manifested in poverty of history, poverty of intellect and poverty of ideology. In any case the deprived are usually the poor. These are people of insufficient income, inadequate food intake, lack basic healthcare, lack shelter and safe drinking water, poor environmental cleanliness, lack access to basic education and skills, ignorant of fundamental human rights, and access to information.

2.2 Social Entrepreneurship

Johnson (2003).The concept of 'social entrepreneurship' has been rapidly emerging in the private, public and non-profit sectors over the

last few years, and interest in social entrepreneurship continues to grow. Currently, the non-profit sector is facing intensifying demands for improved effectiveness and sustainability in light of diminishing funding from traditional sources and increased competition for these scarce resources.

Social entrepreneurship combines the passion of a social mission with an image of business-like discipline, innovation, and determination. Owing to this dual-targeted nature, social entrepreneurship often has to exist between three common sectors: non-profit, for-profit and governmental (Pa`renson, 2011). Johnson (2003) further argues that, social entrepreneurship is emerging as an innovative approach for dealing with complex social needs. With its emphasis on problem-solving and social innovation, socially entrepreneurial activities blur the traditional boundaries between the public, private and non-profit sector, and emphasize hybrid models of for-profit and non-profit activities. Promoting collaboration between sectors is implicit within social entrepreneurship, as is developing radical new approaches to solving old problems. Social entrepreneurship has a strong intuitive appeal, and several recently documented examples highlight its potential in a variety of contexts.

As regards to existing research in social organizational management, economics and strategic management, Scott Helm (2007) developed a conceptualization of social entrepreneurship grounded in the realities of the social sector. He states that social entrepreneurship is the catalytic behaviour of non-profit organizations that engenders value and change in the sector, community or industry through the combination of innovation, risk-taking, and proactiveness. In addition to that, he also constructed and tested a scale to measure social entrepreneurship. Hence, the author uses the common themes of social entrepreneurship to formulate his theory. The theory concludes that a social entrepreneurship can be considered effective if it contain these features which are: innovation, risk-taking, and proactiveness.

2.3 Sustainable Development

There is no universally accepted definition for the term sustainable development. Sustainable Development has been defined in numerous ways, but the most widely used definition is from *Our Common Future*, also known as the Brundtland Report:

“Sustainable development is development that meets the needs of the present without

compromising the ability future generations to meet their own needs. It contains within it two key concepts:

a. The concept of *needs*, in particular the essential needs of the world's poor, to which overriding priority should be given; and

b. The idea of *limitations* imposed by the state of technology and social organization on the environment's ability to meet needs.”

Emphasising on the need of the poor ought to be a vital concern when addressing poverty at all sectors and what measures should be instituted in place to make available of most essential resources which are limited in supply to the poor.

The key principle of sustainable development underlying all others is the integration of environmental, social, and economic concerns into all aspects of decision making. All other principles in the SD framework have integrated decision making at their core (Dernbach J. C., 2003; Stoddart, 2011).

Emas (2015) believes that in practice, sustainable development requires the integration of economic, environmental, and social objectives across sectors, territories, and generations. Therefore, sustainable development requires the elimination of fragmentation; that is, environmental, social, and economic concerns must be integrated throughout decision making processes in order to move towards development that is truly sustainable.

3. Eliminating Poverty Through Social Entrepreneurship

Social entrepreneurship increasingly is being viewed as a way of combating poverty and marginalization (Diochon, 2013).

There are numerous researches which has proven social entrepreneurship to be an effective tool for fighting against poverty. These works includes the likes of Santos (2012) and Mulgan and Landry (1995), who argues that social entrepreneurship serves as a second invisible hand in the economy that arises from the concern and moral commitment of individuals and their sense of shared mutual responsibility.

Santos (2012), asserts that, unlike the first invisible hand, under the 2nd invisible hand individual interests can be aligned so that individual goals do not conflict with social interests. Santos considers social entrepreneurship to allow the existence of another form of the invisible hand in the economy, one which does not merely emphasise individual interest (self-interest), but also heeds social interests in the economic system.

Sarif et.al.,(2013) based on their study, believe that there is a dire need for social entrepreneurship to build up the society in the long run.

In Ghana social entrepreneurship should be looking insights and provides new demission in solving both urban and rural development challenges. Both the government and the private sectors fall short in providing some basic goods and services to the poor even though sometimes these people may have the purchasing power. But through the adoption of social entrepreneurship practices these people have been able to get access to these goods and service.

Reviewing the impact analysis of social entrepreneurship as a tool for combating poverty, there is a need to build the relationship between social entrepreneurship and a measurable components of reduction or eliminating poverty.

3.1 The Role of the Social Entrepreneur

Social entrepreneur is the driving engine for the model concept of social entrepreneurship. Social entrepreneurs are generational change makers of this era of bettering the lives of the poor. Thus, social entrepreneurs have the technical ability to recognize the prevailing social problems and applying social innovative ideas and entrepreneurial principles for solving these social issues.

Catford (1998) notes that social and economic entrepreneurs share the same focus on vision and opportunity and the same ability to convince and empower others to help them turn these visions into a reality. In social entrepreneurs, however, these characteristics are coupled with a strong desire for social justice

Prabhu (1999) argues that social entrepreneurs are persons who create or manage innovative entrepreneurial organizations or ventures whose primary mission is the social change and development of their client group rather than the pursuit of profit. Social entrepreneurs involved in for-profit activities see profit as a means to an end.

Dees (1998) identifies five criteria that social entrepreneurs possess: adopting a mission to create and sustain social 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 a heightened sense of accountability to the constituencies served and to the outcomes created. Dees further argues that the closer an individual gets to satisfying these

criteria, the more that individual fits the model of a social entrepreneur. But he also recognizes that in many ways, the literature on social entrepreneurship describes a set of behaviours that are exceptional. These behaviours should be encouraged and rewarded in those that have the capabilities and temperament for this kind of work.

Catford (1998) summarizes these issues nicely in his eloquent discussion of social entrepreneurs. Social entrepreneurs combine street pragmatism with professional skills, visionary insights with pragmatism, an ethical fibre with tactical thrust. They see opportunities where others only see empty buildings, unemployable people and unvalued resources. Radical thinking is what makes social entrepreneurs different from simply 'good' people. They make markets work for people, not the other way around, and gain strength from a wide network of alliances. They can 'boundary-ride' between the various political rhetorics and social paradigms to enthuse all sectors of society.

There is a possibility for Ghana to evaluate this trend of social entrepreneurs and create synergy to harness the potentials of future social entrepreneurs in fighting against poverty.

3.2 Social Enterprise Models For Eliminating poverty

Social entrepreneurship is sphere heading innovations and creating cutting-edge models for tackling social issues confronting the poor. There is different classification of models of social enterprise, this diverge from one researcher to the other.

The essence of social entrepreneurship was therefore purely social, and social enterprises were part of the social economy. Provided the first theoretical basis for a conceptualization of the term social enterprise (Defourny & Nyssens, 2013).

Social enterprise as a concept aims to shed light on particular dynamics of both traditional non-profit organizations and cooperatives: namely, collective entrepreneurial dynamics focused on social aims (Borzaga and Defourny, 2001)

There have been different views on the literature, as some basically classified it based on social-business organizations models, others are mainly concerned about the social component of organizations to create pattern-breaking social change. The social-business organizations conforms with the assertion by (Bornstein & Davis) that, Social entrepreneurship as the process

of building or transforming institutions to advance solutions to social problems. However, (Lynch & Walls) argues about the social component model, they argue that, Social enterprises as businesses whose purpose is to change the world for the common good.

Social enterprises may take on a variety of structures. Some scholars view social enterprise as a continuum between purely non-profit and for-profit. He categorizes social ventures into three categories: the leveraged non-profit, hybrid non-profit, or social business. According to him, most social ventures fall in the hybrid non-profit category, which recovers a portion of its costs through the sale of goods and services. Social entrepreneurs continue to blur the lines of traditional business by developing new models that help achieve social purposes. The following two concept models is a clear case of this research work.

i. *MicroConsignment Model*: This model of social enterprise asserts to the old saying that, give a man a fish, you feed him for a day. Teach a man to fish, you feed him for a lifetime. Moving beyond teaching, the MCM also provides micro-entrepreneurs the pole, the tackle and a fishing partner. The pole and tackle include previously vetted products that add substantial economic or health related benefits to rural villagers as well as centralized marketing and administrative systems and a network of people to help support the entrepreneurial efforts (Savitz, 2011).

He further explained that, this model facilitates the development of new approaches that fit between donations (which are often short-term oriented and not responsive to consumer wants) and large multinational corporations (which are often initially resistant to enter markets where distribution channels are underdeveloped and margins are lower).

The model has been growing and expanding in countries such as; Guatemala, Ecuador, Nicaragua and among others. Further expansion is now being evaluated and/or pursued by other Ashoka Fellows in other parts of Central America, South America, and Africa.

The innovation of the MicroConsignment Model provides such a mechanism that can be scaled to contribute to the alleviation of poverty of millions. However, the MCM is just the beginning. To tackle poverty more globally, the MCM should serve as a starting point that offers potential partnership opportunities for multinational corporations to learn about Button of the Pyramid markets and to test market

products and service in those markets. It also offers an opportunity for those same corporations to learn from and contribute to the development of best practices in these markets and to scale social impact to alleviate poverty in the short-term and have significant economic impact in the long-term.

ii. *Microcredit (Social Business) Model*: social business is a new business model that aims to reconcile capitalism and positive social impact. It is often associated with microcredit activities, but social business affects many sectors in all countries (Mathieu, 2010).

Muhammad Yunus pioneered the Grameen business model which is sphere-heading the concept model of social business. Grameen bank has been a clear example of the effectiveness of this model.

Muhammad Yunus defined social business as a company that does not distribute dividends. It sells its products at prices that enable it to be self-financing. Its owners can recover the amount they invested in the company after a certain period of time, but no profit is paid to them in the form of dividends. Instead, the company's profits remain within it to finance its expansion, create new products or services, and do more good in the world.

Unlike traditional business, a social business operates for the benefit of addressing social needs that enable societies to function more efficiently. Social business provides a necessary framework for tackling social issues by combining business know-how with the desire to improve quality of life. Within our economic system there are currently two main types of organization models. The private sector where companies sell products or services to make money, and non-profit organizations financed by the government like healthcare and education. Where both governments and the markets reach their limits, charities may fill the gap. Nowadays, we have forgotten to involve the poor into economics. And exactly that target group is full of potential but has never had a real opportunity (The Grameen Creative lab).

(Mathieu, 2010) asserted that Social business emulates and participates more broadly in innovation in the field of social entrepreneurship, in its many forms, now taught in business schools all over the world. Here comes the new business class of managers and solidarity entrepreneurs, bearers of what some call the revolution of social business, of which microcredit is one example among others.

Ghana governments and social entrepreneurs can extensively adopts, replicate and improve on this new dimension for capitalism: a business model that does not strive to maximize profits but rather to serve humanity most pressing needs.

4. Sustaining Development Through Social Entrepreneurship

Basically, social entrepreneurship is to left the poor out of poverty and to make sure they will never go back to the poverty zone. The UN has deemed poverty to be the worst epidemic in the world today, and that was the reason they rated eradication of poverty in all its forms everywhere as the first goal of the 2030 agenda for sustainable development.

A life free from poverty and hunger is a fundamental human right. As stated in the Universal Declaration of Human Rights, adopted by the United Nations General Assembly in 1948, everyone has the right to a standard of living adequate for health and well-being, including food, clothing, housing and medical care and necessary social services. However, the eradication of poverty - an essential requirement for sustainable development and the central focus of the 2030 Agenda for Sustainable Development - remains one of the greatest challenges facing the world today (The Woman Agenda Report, 2015).

Social entrepreneurship has been the bedrock for sustainable development in rural communities as cited by (Obinna and Blessing, 2014), The Bangladesh Rural Advancement Committee (BRAC), an equivalent of National Poverty Eradication Programme (NAPEP) was establish to focus on breaking the cycle of poverty in Bangladesh through social entrepreneurship the have achieved essential innovation which focuses on local rural constituents needs and capacities through a systematic approach to poverty alleviation that emphasis systematic learning at many levels. Also, they organize the poor for self-help and build local capacities for economic development, education and women entrepreneurs.

As Ghana is engaging the private sectors, it is critical we channel our resources to emerging

social entrepreneurship models as cited in the case of Bangladesh for alleviation of poverty and empowering the poor for sustainable development.

The overall operations and target of a social enterprise is to address social or/and environmental problems with achieving overall financial sustainability of the organisation/initiative. Such initiatives would function within the guided philosophy of the sustainable development. That is how field of social entrepreneurship is receiving increased attention across the globe in recent past as a prominent approach to achieve sustainable development (Drayton 2002b, Bornstein 2004, Spear 2006, Steyaert and Hjorth 2006, Nicholls, 2006).

Demonstrate anything unless they get sufficient support from the Ecosystem (Hatch 1997). Even Ashoka (u.d) stated, 'more fuel (investment) is needed' for social entrepreneurship in order to drive sustainable development in a more systematic way.

5. Conclusion

This research paper is cantered on the discussion of the role of social entrepreneurship in eliminating poverty and sustaining development. Based on ongoing discussions of the role of social entrepreneurship in literature and poverty, it is found that social entrepreneurship has broadened access to encourage innovation and creativity, provides opportunities for employment, helps individuals to help themselves (microfinance), contributes to long-term wealth creation, and generates awareness of social issues.

The first three factors empower the poor for economic independency, whereas the latter takes them out of poverty and creating condition for sustainable development. The links between social entrepreneurship and sustainable development in this research paper are produced based on a review of current literature. Therefore, the author suggests more empirical work be undertaken to validate the comprehensive contributions of social entrepreneurship in eliminating poverty and sustainable development.

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Анотація

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СОЦІАЛЬНЕ ПІДПРИЄМНИЦТВО ЯК ЗАСІБ ПОДОЛАННЯ БІДНОСТІ ТА СТАЛОГО РОЗВИТКУ В ГАНІ

Соціальне підприємництво зіграло важливу роль у кількох країнах світу. Проте, Гані ще потрібно усвідомити значення соціального підприємництва як інструменту боротьби та викорінення бідності. Існують перевірені та доказові концептуальні моделі соціального підприємництва, які сприяли поширенню порядку денного соціальних змін та економічного зростання.

Актуальність статті полягає у вивченні суттєвого впливу соціального підприємництва на викорінення бідності та підтримання розвитку в Гані та того, як уряди повинні виробити конкретні політичні основи для вирішення потреб бідних, забезпечуючи більш системний та комплексний підхід до подолання бідності та сталого розвитку.

У цьому документі розглянуто досягнення соціального підприємництва у боротьбі з бідністю в усьому світі та як це може бути джерелом сенсу для Гані, щоб відтворити модель для допомоги урядовим, внутрішнім та зовнішнім інститутам підтримки для досягнення подолання бідності та сталого розвитку. Ці висновки допоможуть політикам, агентствам розвитку та організаціям бізнесу розробити відповідну стратегію покращення життя бідних в Гані.

Ключові слова: соціальне підприємництво, подолання бідності, економічне зростання, сталий розвиток.

Аннотация

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СОЦИАЛЬНОЕ ПРЕДПРИНИМАТЕЛЬСТВО КАК СРЕДСТВО ИСКОРЕНЕНИЯ БЕДНОСТИ И УСТОЙЧИВОГО РАЗВИТИЯ В ГАНЕ

Социальное предпринимательство сыграло важную роль в нескольких странах мира. Однако, Гане еще нужно осознать значение социального предпринимательства как инструмента борьбы и искоренения бедности. Существуют проверенные и доказательные концептуальные модели социального предпринимательства, способствовали распространению повестки дня социальных изменений и экономического роста.

Актуальность статьи заключается в изучении существенного влияния социального предпринимательства на искоренение бедности и поддержки развития в Гане и того, как правительства должны выработать конкретные политические основы для решения потребностей бедных, обеспечивая более системный и комплексный подход к преодолению бедности и устойчивого развития.

В этом документе рассмотрены достижения социального предпринимательства в борьбе с бедностью во всем мире и как это может быть источником смысла для Ганы, чтобы воссоздать модель для помощи правительственным, внутренним и внешним институтам поддержки для достижения преодоления бедности и устойчивого развития. Эти выводы помогут политикам, агентствам развития и организациям бизнеса разработать соответствующую стратегию улучшения жизни бедных в Гане.

Ключевые слова: социальное предпринимательство, преодоление бедности, экономический рост, устойчивое развитие.

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