

# The Role of Service-Learning in the Development of Social Entrepreneurs

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- Changes in socio-political conditions
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# Nobel Peace Prize winner Muhammad Yunus

- Nobel Peace Prize winner Muhammad Yunus,
- Grameen Foundation, Grameen Bank
- Grameen Phone — Pioneer of Telecommunication; The Grameen Phone (Village Phone); Grameen Star Education; Grameen Check
- International Forum Social Entrepreneurship Award:  
<http://ethikana.com/video/yunus.htm>
- Grameen Foundation Values --- Producing measurable results that demonstrate financial and social performance; commitment to prudent and ***businesslike practices*** as a means to achieving the ultimate goal – the elimination of poverty in the shortest possible time frame.

[http://www.grameenfoundation.org/who\\_we\\_are/values/](http://www.grameenfoundation.org/who_we_are/values/)

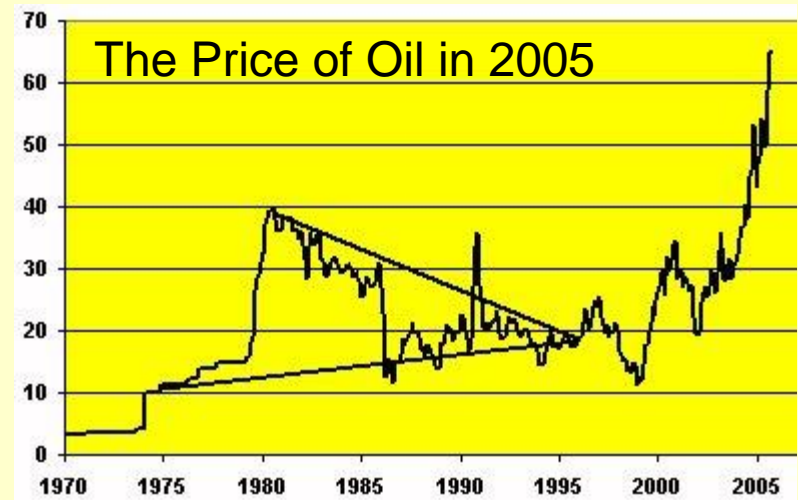


## Changes in socio-political conditions (1)

- Who should take responsibility for the needs of civil society ?
- Who can take responsibility for the continuance needs of a civil society ?

## Changes in socio-political conditions (2)

- Immediately after the WWII until the early 1970s, the world enjoyed favorable economic and socio-political conditions, such as full employment, stable exchange rates, low inflation and comprehensive welfare system.
- Favorable economic and socio-political conditions ensured hegemonic acceptance of the Keynesian model of social democracy,
- Stability serious challenged by the oil crisis in the mid 1970's.



<http://www.cjseymour.plus.com/finan/oilpeak.htm>

## Changes in socio-political conditions (3)

- From the early 1980's, attention were shifted to laissez-faire or free market neo-liberalism, characterized by deregulations and privatizations in almost every economic aspects, included the capital and securities markets.
- Deregulations and privatizations of economies throughout the world was encouraged by those who fascinated the concept of a global economy and the emergence of large MNCs that could made social justice difficult (Gray, 1998; Grossman, 1998; Karliner, 1997).

## Changes in socio-political conditions (4)

- Deregulations and privatizations caused revenue from income tax and disposed state-owned assets was greatly reduced.
- Governments were unable to afford social services to the extent that it was provided under the Keynesian model, individuals were encouraged to be responsibility for their own welfare.

## Changes in socio-political conditions (5)

- Raising taxes again might be able to generate new sources of revenue but it is just another sensitive politically dilemma.
- Increased human life expectancy rates created another demand that is even more expensive to cater for.
- All these negative consequences have led to the emergence of a new kind breed of organizational structure in the term of “social enterprise”, and individual initiatives in the term of “social entrepreneurship”. (Ames, Miller, Ahluwalia and Palakurthi, 2003).



## Changes in socio-political conditions (6)

- By the late 1990s it had become apparent that the laissez-faire or free market neo-liberalism was not ensuring the welfare of the society and had led to the rise of a compromise, known as “The Third Way” (Giddens, 1998)
- “The Third Way” reinstates government obligation to certain major social services and regained a strong social architecture through community effort in partnership with government. (Mendes, 2000).

## Changes in socio-political conditions (7)

*Changes in socio-political conditions have led to the rise of “The Third Way” movement; urging the emergence of a new breed of organizational structure known as “Social Enterprise”, and individual initiatives involved in the venturing of “Social Enterprise”, in the name of “Social Entrepreneurship”.*

# The nature of “Social Enterprise”

- Social Business Entrepreneurs Are the Solution

<http://muhammadyunus.org/content/view/56/83/lang,en/>



- “Making profit will not disqualify an enterprise to be a social business enterprise.”

# The nature of “Social Enterprise” (1)

The OECD provides a good but generalized description of social enterprise:

*“Social enterprises straddle the border between the public and the private and breaks new ground in the allocation and management of economic resources.....they integrate disadvantaged groups into the labor market while providing goods and services. Social enterprises are an entrepreneurial approach and draw upon the local environment to enhance their economic and social performance.”*

*OECD (1999)*

## The nature of “Social Enterprise” (2)

- *“.....a business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community (rather than being driven by the need to deliver profit to shareholders and owners).....There is no single model, but social enterprises may include co-operatives, mutual funds, employee owned businesses and private companies limited by guarantee.”*

*Dept of Trade & Industry, UK*

## The nature of “Social Enterprise” (3)

*“A social enterprise is any nonprofit-owned revenue-generating venture created for the purpose of contributing to a social cause while operating with the discipline, innovation and determination of a for-profit business.”*

*(Virtue Ventures: <http://virtueventures.com>)*

# The nature of “Social Enterprise” (4)

*“The job of a social entrepreneur is to recognize when a part of society is stuck and to provide new ways to get it unstuck. He or she finds what is not working and solves the problem by changing the system, spreading the solution and persuading entire societies to take new leaps. Social entrepreneurs are not content to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry.”*

*(Ashoka Foundation : [www.ashoka.org](http://www.ashoka.org))*

# Sustainability Equilibrium

Social Sustainability

Economic Sustainability



Traditional Nonprofit	Nonprofit with Income-Generating Activities	<b>Social Enterprise</b>
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<b>Socially Responsible Business</b>	Corporation Practicing Social Responsibility	Traditional For-Profit
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← Purpose: Social Value Creation

Purpose: Economic Value Creation →

Sustainability Strategy: →  
Commercial methods support social programs

← Sustainability Strategy:  
"Doing well by doing good."



Financial focus

Social impact focus



	Traditional for-profit corporation	Org that practices CSR	Social Business	Social Enterprise		Traditional Non-profit
				With earned income	W/out earned income	
<b>Goal hierarchy</b>	1) Shareholder value, defined as profit	1) Profit 2) Positive social impact*	1) Profit 2) Positive social impact*	1) Positive social impact 2) Profit	1) Positive social impact 2) Innovation	1) Positive social impact
<b>Synonyms</b>	• Socially responsible business		• Social venture	• Non-profit enterprise		
<b>Sub-segments</b>	• Corporate philanthropy			• Social-purpose enterprise		
<b>Earned income?</b>	• Yes	• Yes	• Yes	• Yes	• No	• Sometimes
<b>Corporate Structure</b>	• For-profit	• For-profit	• For-profit	• Non-profit	• Non-profit	• Non-profit
<b>Size and ownership</b>	• Small or large, public or private	• Usually larger and/or publicly traded	• Usually smaller and/or privately held	• Small or large	• Small or large	• Small or large

For-profit and Nonprofit Organization Spectrum  
 Source: Alter (2004) *Social Enterprise Typology* (p.8)

## The nature of “Social Enterprise” (5)

*A “Social Enterprise” can be counted as any nonprofit, revenue-generating venture created for the purpose of contributing to a social cause while operating with the discipline, innovation and determination of a for-profit business.”*

# Characteristics of “Social Entrepreneurs” (1)

- “Social Entrepreneurs” are driven by higher desire for achievement and demonstrate reasonably higher propensity to take calculated amount of risk. (McClelland, 1963)
- They are proactive, assertive and committed into their mission (McClelland, 1967)
- Aldrich (1986) advocates for a strong social network for successful entrepreneurial ventures and their expansion.

## Characteristics of “Social Entrepreneurs” (2)

- Timmon (1994) proposed six characteristics:
  1. exceptional leadership,
  2. obsession for opportunity exploitation,
  3. propensity to take/tolerate risks,
  4. tolerant towards ambiguity and uncertainty,
  5. motivation, thirst for success achievement,
  6. strong commitment and determination.

## Characteristics of “Social Entrepreneurs” (3)

- Freeman (1996) contends that social entrepreneurship is inherently social process demanding greater mutual dependencies and sound networking for initiating new ventures.
- He proposes the concept of *insiders* and *outsiders* in successful social entrepreneurship.
- *Insiders* including friends, family and co-founders are crucial for persuading social enterprises but not sufficient conditions for successful venture endeavors (Byers, Kist and Sutton, 1997).
- *Outsiders* including venture capitalists, lawyers, strategic partners, and customers who are required at the later stage of the venture.

## Characteristics of “Social Entrepreneurs” (4)

- Henton, D., Melville, J. and Walesh, K. (1997) assert that social entrepreneurs are those who demonstrate higher enthusiasm for and committed towards social ventures with strong collaborating abilities capable of acting like bridges to unify diverse interest groups having stake in social missions.
- Dees (1998) suggests that social entrepreneurs are not limited by initial resources at their disposition.

## Characteristics of “Social Entrepreneurs” (5)

- Borstein (1998) put forward social entrepreneurs as idea masters, path breakers, visionary and creative to understand real world problems and seek logical outlet to solving them.
- Prabhu (1999) proposes that social entrepreneurs derive guidance and inspirations from ideology while choosing missions, and applying appropriate strategies for accomplishing chosen mission.

## Characteristics of “Social Entrepreneurs” (6)

- De Leeuw (1999) proposes that social entrepreneurs are brilliant communicators with strong analytical abilities; they are empathizers and make genuinely strong cases for clients they serve.
- Johnson (2000) 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*”.



## Characteristics of “Social Entrepreneurs” (7)

- Burt (2000) suggests that social network lead the social entrepreneurs to the accessibility of certain resources and a better chance of referrals.
- Dees (2001) argues that, social entrepreneurs make rational judgments, negotiating and establishing strong network both with insiders and outsiders.
- They are dreamers of dreams (Johnson, 2000 & 2002)

# Characteristics of “Social Entrepreneurs” (8)

- Mort, Weerawardena and Carnegie (2002) argue that social entrepreneurs demonstrate attitude which are guided by unique values and needs.
- They possess inborn instinct to make positive contributions towards the community and are bestowed with intuitive abilities (Mort, Weerawardena and Carnegie, 2002).
- They are achievement oriented, calculated risk takers, visionary, innovative, tolerance toward ambiguity, self confidence, emotionally stable, and source of inspiration among others. (Deakins and Freel, 2003)

## Characteristics of “Social Entrepreneurs” (9)

*“Social Entrepreneurs” are individuals with higher enthusiasm for and committed towards social ventures, capable of blending together the entrepreneurial faith in the private sector and the accountability necessary to develop sustainable resolution in the public sector are dearly in need, but seriously lacking of.*

# The role of service-learning (1)

- Service-learning is designed to blend academic learning and experiential learning by encouraging the careful integration of an academic perspective and real-life experiences (Howard 1998; Hatcher and Bringle, 1997).
- By providing the right set of training and real-world experiences can help ensure that potential social entrepreneurs are initiative, creativity, and sense of civic responsibility prosper. (Ames, et al, 2003).

# The role of service-learning (2)

- The theoretical foundation of Service-learning is constructivist learning theory which argues that
  1. teaching should guide rather than direct learning activity by modeling behavior,
  2. and providing opportunities to work with complex situations.

(Resnick and Klopfer, 1989; Bransford and Vye, 1989; Mezirow 1991, 1994; Kretzman and McKnight 1993; Lynch 1996).

# The role of service-learning (3)

- It has been proven that students with high reflective:
  1. made more significant progress in complexity of analysis,
  2. showed a greater tendency to frame the problem and solution in systemic ways rather than focusing on individual deficiencies, and
  3. demonstrated increased coherence of a practical action strategy

(Eyler & Giles 1999).

# The role of service-learning (4)

- Service-learning is much more than volunteering in the sense that it makes the academic study relevant and the academic study directly informs the work in the community.
- Besides, reflection and critical thinking distinguish service-learning from volunteering that provide time for structured reflection but without reference to academic content.

# The role of service-learning (5)

*Service-learning is a pedagogical strategy that integrates service objectives with learning objectives and is believed to be able to greatly enhancing the leadership skill and orientation of the service providers and recipients.*



# Conclusion (1)

- Changes in socio-political conditions have led to the rise of “The Third Way” movement; urging the emergence of a new breed of organizational structure known as “Social Enterprise”, and individual initiatives involved in the venturing of “Social Enterprise”, in the term of “Social Entrepreneurship”.
- A “Social Enterprise” can be counted as any nonprofit, revenue-generating venture created for the purpose of contributing to a social cause while operating with the discipline, innovation and determination of a for-profit business.”

## Conclusion (2)

- “Social Entrepreneurs” are individuals with higher enthusiasm for and committed towards social ventures, capable of blending together the entrepreneurial faith in the private sector and the accountability necessary to develop sustainable resolution in the public sector are dearly in need, but seriously lacking of.
- Service-learning is a pedagogical strategy that integrates service objectives with learning objectives and is believed to be able to greatly enhancing the leadership skill and orientation of the service providers and recipients.

## Conclusion (3)

*Thus, it is sensible to argue that service-learning programs could be instrumental to develop leadership skill and orientation conducive to growing nascent social entrepreneurs.*

## Contribution & Management Implications

*This paper succeeded in establishing the argument that well administrated Service-Learning Program can contribute to the incubation of “Social Entrepreneurs” to assure the sustainability of “Social enterprises” which is essential and necessary to satisfy the continuance needs of the civic society in “the Third way”; whilst beneficial to the enhancement of the value of Service-Learning itself.*

*Thank you for  
your kind attention !*

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