

ENVS PROGRAM

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LEWIS & CLARK ENVIRONMENTAL STUDIES

Social Entrepreneurship in Peripheral Countries

July 16, 2014 3:01 pm By Jhana Taylor Valentine *<<https://ds.lclark.edu/envs/author/jhana/>>*

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Graduation date: May 2016

Type: Concentration (single major)

Date approved: November 2013

Questions

- Descriptive: Who are the main actors initiating ecologically focused social enterprises in peripheral countries? Are there common characteristics, such as education, background, or economic status, between these actors? What are the main social and ecological issues social entrepreneurs in peripheral countries are working to alleviate? Do they differ from the main issues targeted by social entrepreneurs working in core countries?
- Explanatory: How do governmental development goals and policies affect social entrepreneurs, ie. tax exemptions for venture capital investors or incentives for entrepreneurs? What role do core-based organizations have in supporting social entrepreneurs in peripheral regions, ie. financially, through education, or with networking?
- Evaluative: Do social and ecological solutions developed by social entrepreneurs lead to lasting improvements in quality of life and ecosystem health in peripheral regions?

Summary

This concentration examines the role of social entrepreneurship as a model to address social and

ecological development needs, and how it fits within the broader themes of 'development and the environment' and 'political economy and the environment'. The theme of Development and the Environment deals with changes in the use and distribution of land and resources, but it also encompasses a sociopolitical agenda to understand and implement "sustainable" development (Simonis 1992). Development initiatives are often structured by the second theme, Political Economy and the Environment. This theme provides a framework to analyze market-based responses to social and ecological issues, such as social enterprises. The approach of social entrepreneurs stands out from capital-driven entrepreneurs and other social aid organizations because their business model is driven by a goal to positively impact an unsatisfactory but ingrained social system through a business venture (Martin and Osberg 2007). The political and economic state of a country directly influences the challenges social entrepreneurs face as they develop a business (Duraiappah 1998). This prompts the question, how do social entrepreneurs successfully instigate positive change in their community using a market-based approach? Wallerstein, a world systems analyst, would argue that the capitalist world system structures all international partnerships and trade, which leads to unequal development where core countries dominate the less developed peripheral countries (Wallerstein 1979). Yet this perspective is countered by neoliberal economics, who argue that capitalism and trade enhance development. The model of social entrepreneurship can be viewed as supporting both perspectives, making it a field that appeals to governments and social activists alike. Yet the characteristics that define social entrepreneurship and the role of social entrepreneurs within different societies is still only vaguely understood. Situated within the main themes of Development and Political Economy, my concentration will focus specifically on the position and practices of social entrepreneurs located in peripheral countries.

One example of an ecologically focused social enterprise can be found in Guatemala. In response to an "unsatisfactory equilibrium" in the lives of poor rural farmers, a Guatemalan social entrepreneur decided to teach vermicomposting techniques to local farmers so they could inexpensively produce their own fertilizer. Now the organization, called Byo-Earth, is funded by a locally staffed factory that produces and sells the affordable organic fertilizer. This business is not only reducing the use of harmful chemicals, but by providing an alternative fertilizer, they are also eliminating a demand for an imported product and increasing local circulation of financial capital, bringing greater wealth to the community. Another interesting example of a social enterprise is Karibu. This organization sells an innovative solar lighting and charging device that allows buyers to move away from using kerosene, which releases toxic fumes and CO₂. The organization, which operates out of Tanzania, has developed a "rent to buy" model that makes the product affordable and accessible to the poverty-stricken communities Karibu is aiming to help. While this organization is still a social enterprise working in a peripheral country, the founders come from core countries, such as the US and Canada, and therefore the business is based on an international network of actors, rather than a local network. This allows the business to raise funds from diverse sources and compete in international enterprise competitions that bring awareness to their social efforts. But a greater divide between the producer and the consumer also creates difficulties; the product must travel a much farther distance to get to the consumers and the direct impact of the product's benefits, as well as its downfalls, are less readily

known. As these two examples show, there is no one process for creating a successful social enterprise, and social entrepreneurs take on many different characteristics. Through this concentration, I hope to gain a better understanding of what challenges and opportunities make social entrepreneurship's presence in peripheral countries unique.

References

Duraiappah, Anantha K. 1998. "Poverty and Environmental Degradation: A Review and Analysis of the Nexus." *World Development* 26 (12) (December): 2169–2179.

Martin and Osberg 2007. "Social Entrepreneurship: The Case for Definition (SSIR)." 2013. Accessed October 8. http://www.ssireview.org/articles/entry/social_entrepreneurship_the_case_for_definition/
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Simonis, Udo E. 1992. "Poverty, Environment and Development." *Intereconomics* 27 (2) (March 1): 75–85. doi:10.1007/BF02926179.

Wallerstein, Immanuel. 1979. *The Capitalist World-Economy*. Cambridge University Press.

Concentration courses

- IA 238 (Political Economy of Development, 4 credits), spring 2015. In this course the review of how government policies affect development and the theoretical debates about government's role in development will provide perspective on the top-down influences facing social entrepreneurs.
- SOAN 254 (The Social Life of Money and Exchange, 4 credits), fall 2014. This class will give me a social science perspective on the relationship between society and the economy, and the key themes of social capital and networking are especially relevant to my concentration.
- SOAN 228 (Class, Power, and Society, 4 credits), fall 2015. The relations between peripheral and core regions can be better understood by exploring class and power relations both within and among societies.
- PSY 260 (Social Psychology, 4 credits). The process of developing a social enterprise is directly tied to how an individual or group perceives the needs of a community and their relationship to the community and outside groups. This class will help me understand how social factors and networks might influence social entrepreneurs.
- EINV 201 (Introduction to Entrepreneurship & Innovation, 4 credits), fall 2014. This course will provide the fundamental principles of entrepreneurship and allow me to take additional upcoming classes offered in EIVN.
- EINV (Social Entrepreneurship, 4 credits). Though the specific material of this course has not yet been published, it has clear relevance to my concentration.

Arts and humanities courses

- HIST 261 (Global Environmental History, 4 credits). Pre-approved A&H course; no justification required.
 - PHIL 215 (Philosophy and the Environment, 4 credits). Pre-approved A&H course; no justification required.
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