

The Economic and Sociological Analysis of Social Entrepreneurship and Socio-Entrepreneurship

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ABSTRACT

Studying social entrepreneurship and socio-entrepreneurship as a concept helps us better comprehend what they mean. After doing literature research of books and scientific publications, the data is gathered and analyzed using the content analysis technique. Profit is the primary goal of social entrepreneurship, which was born out of the United States' economic system. With this strategy, it splits its company activities into economic and social components. The economic success of social entrepreneurship is assessed by evaluating how exploitative and desire-based it uses resources. Socio-entrepreneurship, on the other hand, has its roots in the European economic system. Process and behaviour are its primary focus, with the goal of improving society in mind. Social progress is difficult to quantify, thus socio-entrepreneurship coordinates the efforts of individuals and organizations to make a positive impact on society as a whole. It considers resource consumption on a case-by-case basis. However, this study also covers the political, cultural and religious components of society. To better understand entrepreneurship in Indonesia, future research should look into these elements as well, so that the perspective can be broadened. Because this study is based on a theoretical framework, an empirical method is also recommended to verify this concept in a real-world environment using inferential statistics.

Keywords: social and socio-entrepreneurship, literature survey, content analysis, goal and orientation of entrepreneurship, resource utilization

INTRODUCTION

Social entrepreneurship or social entrepreneurship is an interesting phenomenon to be discussed. Social entrepreneurship is a term derived from entrepreneurship, which is a combination of two words, namely social and entrepreneurship. Social can be interpreted as community and entrepreneurship which means entrepreneurship (Cukier et al, 2015). Basically, social entrepreneurship has characteristics that are not much different from traditional entrepreneurship; such as innovation, risk and being proactive in new ideas or businesses.

The main difference between an entrepreneur and a social entrepreneur is that entrepreneurs want to make money, but social entrepreneurs want to help people and make the world a better place (Ostrander, 2017). Grassl (2019) says that a sociopreneur is a form of entrepreneurship that combines economic activities with social goals. The goals of a sociopreneur are not only to make money but also to help people. Sociopreneurship is a way of combining the ideas of social entrepreneurship and entrepreneurship. Social entrepreneurship can be thought of as a type of business that tries to make a profit, especially one that tries to make money in a way that is good for society (Squazzoni, 2018). So, we can say that social entrepreneurship is a type of entrepreneurship that uses business ideas

and innovations to help a community or group of people.

Sledzik (2017) explains Cantilon's (1680–1743) in Mort's (2014), Moulaert's (2016), and Kirzner's (1930) in Alter's (2016) ideas about entrepreneurship, which we can see on appendix C. The most recent definition of entrepreneurship is linked to the classical theory. For example, Hisrich, Peter, and Shepherd (2008), Lambing and Kuehl in Hendro (2018), Sledzik (2017), and Casson (2017) all say that entrepreneurship is the process of making new value by coordinating resources for profit. Entrepreneurship is unique in that its performance doesn't depend on how old it is, and it helps other societies grow economically (Sledzik, 2017). Now, college students in Singapore, Malaysia, the United Kingdom, Australia, and the United States can study entrepreneurship (Dees, 2015). Entrepreneurship research has been done to find out what role entrepreneurship plays in society, what its traits and ways of thinking are, what its environment is like, and how it works (Sledzik, 2017).

From the fact that entrepreneurship is unique, this study finds a gap in the theory. Entrepreneurship has something to do with economic growth, but economic growth also has something to do with making people's lives better. This means that we haven't talked about the social side of growth yet. So, this study looks at entrepreneurship from both an economic and a social point of

view. Hendro (2018), Cukier et al (2017), Santosa (2017), Nega et al (2015), Drayton (2016), and Mair (2016) all look at the economy from different points of view (2012). From what has been written, we can say that economics is a science about meeting people's needs. Ritzer (2016) and Mantzavinos and Manzilati (2011) point out that when people try to meet their needs, they often try to improve their lives based on what their rationality tells them. Then, these assumptions lead to the assumption of self-interest and opportunity, which means that economics is the study of how people meet their needs by making choices and doing business with others.

According to Cukier (2017), Alter (2016), Moulaert (2015), Mort (2014), Santosa (2017), and Drayton (2016), sociology also looks at the social perspective. This shows that sociology is the study of how people interact with each other. Ritzer (2016) and Mair (2015) review the Homo sociological assumption and come to the conclusion that people interact with each other and are limited by social norms and values in society. Based on a review of articles (Dees, 2015; Grassl, 2015; Mair, 2015; Squazzoni, 2018), this research looks at what entrepreneurship means from an economic and social point of view. The goal is to understand what social entrepreneurship and socio-entrepreneurship mean. Here's how the conceptual framework is built:

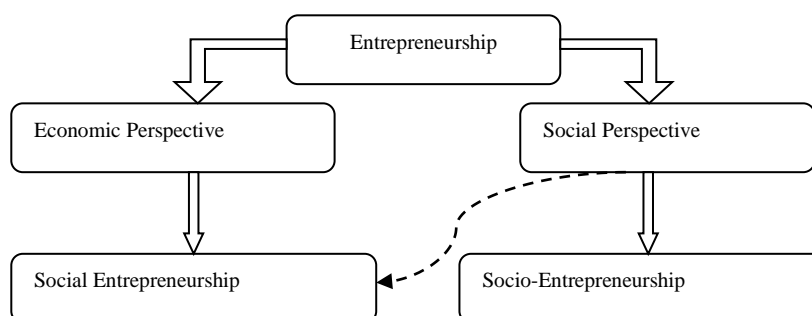


Figure.1 Conceptual Framework

Understanding social entrepreneurship requires looking at the concept of entrepreneurship from both an economic

and a social perspective simultaneously. On the other hand, you can have a better grasp of what socio-entrepreneurship entails if

you consider the situation from a social perspective. "social" and "entrepreneurship" are the two components that come together to form the concept of "social entrepreneurship." The term "social" was employed here in the sense of an adjective. To put it another way, "social entrepreneurship" refers to commercial endeavours with a primary emphasis on improving society. The expansion of the economy in the United States was the impetus behind the birth of the concept of social entrepreneurship. In the year 1994, Schnitzer stated that it has a propensity to become wealthy and had its own personality, particularly for the society. Socio-entrepreneurship is made up of two separate words: "socio" and "entrepreneurship." They come together to make a new word. So, socio-entrepreneurship is a type of business with a social goal and a way to achieve it. Socio-entrepreneurship as an idea started with the growth of the European economic system. Samuelson (2014) says that its main goal is to make people's lives better when Europe's economic system has changed from socialist to capitalist to European capitalist in order to make people's lives better. When it is raised, the economy is different. It gives people a new way to think about how to run the economy of everyday life. Social entrepreneurship is often like the way the U.S. economy works.

Being a social entrepreneur is not an easy way to make a living. Cukier et al (2015) say that a social entrepreneur is always involved in the process of innovation, adaptation, and learning and that he acts no matter what problems or limits he faces. He is also responsible to the community for the results he gets. Then, Grassl (2019) uses the term "unreasonable people" to describe social entrepreneurs. This is because social entrepreneurs have a different way of thinking, which allows them to see opportunities when there is a problem and solve problems by doing things that most people don't know about. This fits with what Utomo (2014) explained something that is

avoided and only seen as a problem with no solution is seen by a social entrepreneur as something that can be moved, improved, and used for great social good. On the other hand, socio-entrepreneurship is often like Common entrepreneurship. When the two economic systems are implemented, they differ. For instance, social entrepreneurship and socio-entrepreneurship are two different concepts when applied in practice.

LITERATURE REVIEW

The term "entrepreneurship" comes from the French word "entreprendre," which literally translates to "to do" or "to undertake." In this context, "to do" refers to the act of carrying out activities to organize and govern (Alter, 2016). Richard Cantillon was the first person to use this term in 1755 when he wrote *Essai Sur la Nature du Commerce en General*. At the time, the term entrepreneur was a designation for traders who bought goods in regions and then sold them at uncertain prices. Cantillon's writing is credited with being the first use of this term (Osterwalder et al, 2019).

The term "entrepreneurship" is defined in a variety of ways by various authors in the academic literature on the subject. According to Suharti (2016), entrepreneurship is the process of applying creative thinking and new ideas to challenges that everyone encounters in their day-to-day lives in order to find solutions to those problems and possibilities to benefit from them (Mort, 2014). According to this definition, the most important aspects of being an entrepreneur are being creative and innovative. According to Drayton (2016), creativity is the ability to create new ideas by combining, changing, or reconstructing old ideas, whereas innovation is the application of the discovery of a new production process or the introduction of a new product. [Creativity] is the ability to create new ideas by combining, changing, or reconstructing old ideas, [Innovation] is the introduction of a new product.

Social entrepreneurs are agents of change who are able to realize the ideas of altering

and enhancing social values and inventing numerous prospects for betterment (Santosa, 2017). A social entrepreneur is always engaged in the processes of invention, adaptation, and learning, regardless of the difficulties or constraints he faces and is accountable to the community for the outcomes it achieves. According to the above complete description, social entrepreneurship consists of four basic components: social values, civil society, innovation, and economic activity (Palesangi, 2013).

- a. Social Values, This is the greatest distinguishing characteristic of social entrepreneurship, namely the creation of genuine social and environmental benefits for the surrounding community.
- b. Civil Society, This social entrepreneurship arises from the initiative and engagement of civil society by maximizing the community's existing social capital.
- c. Novelties, Social entrepreneurship handles social problems in novel ways by merging local knowledge and social innovation, among other methods.
- d. Commercial Activities. In general, social entrepreneurship is effective because it strikes a balance between social and business operations. The organization develops business/economic activities to ensure the independence and sustainability of its social goal.

Increasing interest in social entrepreneurship is a result of the transition of social entrepreneurship from a "non-profit" activity (including charitable activities) to business-oriented activities (entrepreneurial private-sector business operations) (Utomo, 2014).

MATERIALS & METHODS

This study is a qualitative approach that uses data such as scientific literature, journals, articles, papers, or visual material connected to business, economics, and sociology. It was employed in the research. In this study, the method of data collecting

that was utilized was called a literature survey. Sugoyono (2018), a literature survey is a process of locating, accessing, reading, and assessing research material. This definition was applied in the research that was conducted. The method of investigation is called content analysis, and it involves analyzing recordings or written words (Indrawan, 2015).

This research is fundamental in nature and focuses on the development of the concepts of social entrepreneurship and socio-entrepreneurship. According to Sugiyono (2018), basic research is defined as research that investigates theory but does not put any or only a tiny amount of that theory into practice in the real world. It is necessary to conduct additional research on the idea before it can be implemented in the actual world.

RESULT

Social Entrepreneurship

The topic of social entrepreneurship is introduced with a discussion of earlier research conducted by Grassl (2019). These authors noted that there are three perspectives that can be taken when looking at social entrepreneurship. To begin, in terms of the overarching objective, social entrepreneurship has a mission to the development of social value with profit functioning as an indirect impact. Second, the challenge of measuring social worth contributes to the difficulties of performance measurement. Third, resource consumption refers to the fact that social entrepreneurship makes voluntary use of the resources.

According to the findings of the earlier research, social entrepreneurship involves making use of resources in a transactional manner. The resources are turned into instruments and are utilized to the fullest extent possible for a certain objective, which may be economic or social in nature. Using the assumption that humans are homo economicus, social entrepreneurship allocates resources based on what people want (desire-based). Therefore, it would

likely involve the utilization of available resources. Profit is the primary focus of social entrepreneurship, and outcomes are the measure of success. This article reviews profit from Dees (2015) and Mair (2015) all of which state that the author's purpose in discussing profit is to make social entrepreneurship more closely tied to the idea of opportunity cost and profit maximization. The creation of social value is one of the goals of social entrepreneurship, which involves carrying out charitable endeavours while earning a profit.

Socio-Entrepreneurship

The socio-entrepreneurship discussion begins with previous research from Squazzoni (2018) and Mair (2016), which are originated in Europe, and labelled socio-entrepreneurship. The research suggests that, first, the socio-entrepreneurship organization runs activities effectively and efficiently about human needs fulfilment that the market and other institutions failed to provide. Second, socio-entrepreneurship is the ability of entrepreneurship to change society. Third, socio-entrepreneurship proposes a strategy that is stable and socially acceptable. Fourth, socio-entrepreneurship runs its activity based on morals and ethics for self-achievement. Fifth, socio-entrepreneurship can be studied from its process and behaviour.

The findings of the research start with an investigation into the increasing role of socio-entrepreneurship in the solution of social problems. In order to better understand Maslow's theory of the hierarchy of needs, the author does a literature review using Alter's (2016) work. People who engage in socio-entrepreneurship frequently have esteem requirements, either from others or from themselves. In order to realize its full potential, socio-entrepreneurship must first fulfil its own urge for self-actualization.

Socio-entrepreneurship is utilizing resources based on needs. It is based on the assumption of homo sociologicus where

humans tend to act based on values and social norms. Utilization is not done freely, but the utilization of resources is done by the maintenance of the resources and preventing exploitation. Socio-entrepreneurship does not measure performance, but it is measured by its contributions to improving social aspects. It can be determined by understanding the socio-entrepreneurial orientation that focuses on processes and behaviour (Dees (2015; Mair (2015); Grassl (2019) and Squazzoni (2018). The performance of socio-entrepreneurship is not about how much an increase in the social aspects, but how much socio-entrepreneurship gets involved and contributes to the process of improving social aspects.

DISCUSSION

The success of social entrepreneurship can be evaluated from an economic standpoint, while its effects on society can be understood through the lens of the concept of the social cost. Squazzoni (2018) contends that the social cost components incorporate the external costs into their analysis. It is a cost that appears to society and the environment produced by the operation of an enterprise. This cost is known as a social and environmental impact. The practice of social entrepreneurship creates a social benefit through the conduct of commercial activities that have an effect on either society or the natural environment.

Separating the social and economic sides of the activity using the notion of social capital is the methodology of social entrepreneurship as it pertains to the activity. According to Alter (2016), social capital is an aggregate resource with bounds that is used to develop a long-lasting network for the purpose of institutionalizing relationships that are mutually advantageous. In order to increase the value that is added to society, social entrepreneurship needs to integrate with existing social structures. On the other hand,

it is possible for it to continue carrying out its economic activity.

Social entrepreneurship began from the United States economic system formed by a society that is individualist, consumerist, and gives priority to wealth as proposed by Santosa (2017). The form of social entrepreneurship is corporate social responsibility which appeared in Indonesia when big companies grew significantly and did not care about the social environment as proposed by Suharti (2016). It resulted in the companies getting protested in order to contribute to the social aspect than the economic aspects.

The method utilized by socio-entrepreneurship is a method that simultaneously takes into account issues pertaining to social and economic life. (Nega 2017), Squazzoni (2018), and Cukier (2015), in which the method involves socio-entrepreneurship together with individuals who participate in the activity. Therefore, supporting socio-entrepreneurship is not just supporting individual autonomy; it is also encouraging connectivity between the actors who participate in an activity for the purpose of achieving a particular goal (Mort, 2014).

The World economic system has a lengthy history, which is where the concept of socio-entrepreneurship originated. Grassl (2019) presented the argument that it was socialism that came first, then capitalism with socialism as its antithesis, and finally, after that, capitalism evolved into a system that combined socialism and capitalism. A new economic system was implemented with the intention of resolving the social issues that existed in Indonesia at the time.

Implication on Public

The author of this study looked at entrepreneurship from both an economic and a social perspective. However, there are more aspects that have not been investigated, such as the political, cultural, and religious aspects of the situation. It is possible that in the future research will be conducted on this topic in order to broaden

the view of entrepreneurship and become one of the factors that contribute to the formation of the society in Asia, Indonesia, Europe, and other nations.

Because this research focused on concepts rather than actual applications, a verification process will need to be carried out before the findings can be used in the real world. Changing the notion into variables and doing an analysis using either descriptive or inferential statistics is one-way verification can be accomplished.

CONCLUSION

Social entrepreneurship and Socio-entrepreneurship drive from two distinct viewpoints on the world. The author presents a summary of ethical and moral viewpoints for confronting various opinions. According to the research of Grassl (2019), Mair (2015), Dees (2015), and Cukier (2015), ethics is an understanding of right and wrong, whereas morality is the application of that understanding. On the other hand, the study of socio-entrepreneurship via the lens of moral and ethical considerations is presented in appendix B. In order to apply the moral, one must have an awareness of what constitutes good and evil. Socio-entrepreneurship is an understanding of commercial operations that not only begins from an economic motivation but also begins from a social aspect as a wider aspect than the economy. This is in contrast to traditional forms of entrepreneurship, which start from an economic objective. Therefore, the concept of socio-entrepreneurship is relevant enough to be utilized in Indonesia or any other nation that has a purpose for the improvement of the welfare of its society.

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