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Introductory Chapter: Entrepreneurship as a Trend and as a Challenge

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1. Introduction

Entrepreneurship is a powerful attitude that, in such a way, in the last years, has become a discipline increasingly transversal to different areas of knowledge, science, and organizations. We can see some examples like teaching students to acquire principles and tools to start a successful business, filling a gap in the business school curriculum by addressing start-ups and small business contexts, motivating and training to obtain an entrepreneurial behavior, developing communities, and contributing a role to the spread of entrepreneurship across societies [1]. Promotion of entrepreneurship has a vital role to play in improving the competitiveness of small business and enhancing employment opportunities [2].

In front of such reality, the entrepreneurship must have a necessity to be operationalized more and more. The necessity opportunity conjugation represents a reflection source for future research on the determinants and outcomes of entrepreneurship, helping the researchers to find a model who works in two cycles, pro-cycle and counter-cycle, to aim more success on entrepreneurial work, namely, during crisis periods [3].

As a transversal discipline, the entrepreneurship grows in many advances even more interactive than ever, making a research approach to prosocial challenges search to empower people and increase the economy through new emerging trends such as economic learning, uncertainty, judgment, opportunities, social motivations, and incentives, to continue to offer starting points and insights for contemporary work [4] and provide the necessary impetus and intellectual basis for human initiatives [2].

The knowledge represents the most important role for entrepreneurship research. This is, indisputably, a collaborative approach between different sectors of economic activity that links innovation, learning, and entrepreneurship, helping people and organizations to be better on this attitude practice [5].

Therefore, entrepreneurship can be a model for interdisciplinary studies and researches, increasing dynamism on schools, innovating pedagogical and experiential learning procedures, and approaching generations and communities for change [1].

As a fact, to turn the operative entrepreneurship in academic entrepreneurship brings new opportunities to universities, and the entrepreneurship models turn more strategic with more entrepreneurial activities and bring more types of stakeholders, to redesign the entrepreneurial ecosystems, joining research and transfer activities [6].

Researches in entrepreneurship enhance opportunities and qualities of studies for a global action [7]; it expands in an explosive global growth [20] that entrepreneurs involved in innovative entrepreneurship are more adaptable for growth expectations, with subjective values playing a direct and indirect role in entrepreneurs' expectations in an organization growth [8].

Still, according with this author, the entrepreneurial experience duration moderates the relationship between strategic orientation and confidence in innovation, and it is so stronger for inexperienced entrepreneurs and experienced entrepreneurs that tend to be more cautious about their growing expectations.

By the way, small nations grew at a faster rate than developed nations between 2002 and 2013; this is because the economic globalization and entrepreneurship contribute, day by day, to growth and development, and this impact shifts from efficiency-driven to innovation-driven development and mobility that, on the other hand, promotes the investment and the technological growth, increasing trade and multilateral alliances enhancing global competition [9].

Entrepreneurship has also been a motive for men and women bringing together in equal opportunities, positioning, and organizational justice, throughout the globe. Education through entrepreneurship also adds value to people, as well as people being encouraged to help each other, to seek how to develop the society, and acquire positive values, discouraging the corruption [10].

Especially women, through the example of friends, family, mentors, and by their own self-experience, try to give an example of good entrepreneurship through the acquisition of entrepreneurial competencies. So, the policies that support the gender proximity to increase the entrepreneurship are an even more reality [11].

Also, the entrepreneurship is more and more technological. Many industries use big data bases, strongly supported on knowledge capital, for growth through innovation and where products and processes are often evaluated within knowledge-based frameworks [12].

For example, in medicine, the digital health has been improving the doctor-patient relation that makes a reduction both in operating costs and in extraordinary costs, and this is harnessed by digital entrepreneurship that has taken the opportunities to create new good medicine practices in the development of the relation such as the "Digital Health Innovation Roadmap," a digital encompassing model for all medical areas [13].

About this, technology is useful for entrepreneurship; the free open data is a good weapon to obtain information, increase the entrepreneurship experiences, and cause elevated impact on

economic growth, innovation, empowerment, and new or improved products and services, in such a way that open data competitions can benefit and motivate entrepreneurs to participate in hackathons and start-ups [14].

To get strategies for fostering the entrepreneurial mind-set in students, the use of serious games is a success case, inside and outside the schools. Virtual reality games help students acquire entrepreneurial skills as well as enable them to learn how to negotiate by acquiring decision-making skills. However, for this reality to materialize, it is necessary to obtain the didactic resources necessary to support different learning strategies [15].

Beyond the future, the entrepreneurship will be sustainable if a mentality change occurs that concerns dominant approaches to entrepreneurial action [16], central to all business venturing [17] and very important for academic knowledge development [18] to overcome the following challenges [19]: *learning vs. resources*, *induction vs. autonomy*, and *co-alignment vs. co-creation*.

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Arts and Entrepreneurship: Disentangling the Literature¹

Francesca Rivetti and Mirella Migliaccio

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Abstract

Arts entrepreneurship is not a new area of investigation, but it is far from constituting a consolidated topic. Scholars coming from several fields rediscovered it only in recent years, after a period in which it has been slow to emerge. Since the early 2000s, they developed a heterogeneous literature, which is difficult to disentangle. The purpose of this study is to shed light on arts entrepreneurship literature, outlining the most significant issues emerged and their trajectories for future development. We attempted to achieve the purpose of this chapter through a qualitative analysis of the relevant literature on the topic. Results revealed the most relevant issues to which scholars are devoting their efforts. With respect to these, we tried to identify subthemes and we attempted to trace the trajectories for future research. The first main theme concerns the entrepreneur in the arts, focusing on aspects such as identity and characteristics, and examining training and entrepreneurial education. Another theme regards entrepreneurship and training, which is attracting increasing attention, thanks also to the emergence of specific curricula and arts incubators. Besides these themes, other collateral issues emerged. Ultimately, literature is complex and multifaceted, but it is possible to read it with greater clarity.

Keywords: entrepreneurship, arts, culture, literature review

1. Introduction

Art for art's sake [1] has long been an imperative difficult to demolish. The goal of the artist, in the purest sense of the term, has always been considered the expression of his own artistic talent. Indeed, often artists seemed worried that addressing business-related issues could

¹An earlier version of this paper was presented at the 5th CIM Community Meeting, Enschede, NL, September 1–2, 2015.

undermine the artistic value of what they created. Even scholars mostly neglected entrepreneurial aspects related to arts, with few exceptions (e.g., [2]). Over the last 20 years, something has changed: there has been an increasing interest in entrepreneurship in the arts. The main reason behind this seems to be the progressive reduction of public contributions to cultural enterprises in many countries such as Italy. This highlighted the need to operate according to entrepreneurial logic and to look for alternative sources of funding. Scholars with different backgrounds became interested in these themes, contributing to the formation of a quite heterogeneous emerging literature on entrepreneurship in the arts. This growing attention is also witnessed by some new academic journals dedicated to entrepreneurship in the arts, and specifically: “Artivate: A Journal of Entrepreneurship in the Arts” and “Journal of Arts Entrepreneurship Research.” In addition, Scherdin and Zander published a pioneering book in 2011: “Art Entrepreneurship.” The aim of this chapter is to clarify the phenomenon of entrepreneurship in the arts through a review of the literature of the last decades. In this way, we will identify the dominant issues addressed by scholars and we will trace the future evolution of the studies.

2. Arts and entrepreneurship

The starting point in approaching the study of entrepreneurship in the arts consists inevitably in defining the concepts of art and entrepreneurship, artist and entrepreneur. With regard to entrepreneurship, it translates into actions aimed at the creation/discovery of entrepreneurial opportunities [3]. Instead, art is the result of artistic actions through which artistic talent is expressed by using a certain artistic language. These are the key points to approach the study of entrepreneurship in the artistic context.

Many scholars tried to provide a definition of “arts entrepreneurship.” Scherdin and Zander ([4], p. 3), argued that in the arts “entrepreneurship is about the discovery and pursuit of new art ideas, using a multitude of artistic expressions and organizational forms as vehicles by which to express and convey these ideas to the public.” Rentschler ([5], p. 3), suggested that, through arts entrepreneurship, are fully expressed creativity, which is “the specific mission of arts,” and innovation, namely “the specific tool of entrepreneurs [6].” Thus, combining creativity and innovation, it leads to the creation of “something new (and appreciated) in the area of culture” ([7], p. 260). Considering this, in entrepreneurial terms, it is possible to identify the activities that can be placed within arts entrepreneurship, drawing a continuum whose extremes are the artist that work by adopting “entrepreneurial habits of mind” and the “new venture creation in the creative industries” ([8], p. 6; [9]).

To date, according to Beckman ([10], p. 8), “arts entrepreneurship ... is not a discipline” and it is not based on a single theory; rather, various theories and practices, “developed in business and the social sciences” contribute to its development ([8], p. 5). Moreover, the identification of the industrial contexts embraced by arts entrepreneurship is problematic. In fact, creative industries, cultural industries, and the arts are not completely overlapped (e.g., [11]). Often scholars make reference to the creative (e.g., [12, 13]) and cultural

industries (e.g., [14–20]), examining artistic issues. Many papers examine the phenomenon within the “core creative arts” [11] (e.g., [10, 21–24]), while others focus on narrower competitive areas within the arts (e.g., [25, 26]) or are limited to specific arts (e.g., [27–30]).

Based on these observations, the chapter reviews arts entrepreneurship literature, trying to trace its future evolution.

3. Methodology

In order to review the literature on arts entrepreneurship, we followed a rigorous methodological approach, starting with the definition of precise selection criteria to identify the resources to examine and culminating in a qualitative analysis of them.

The first decision concerned the type of scientific contributions to consider. In this regard, we decided to focus only on articles, thus excluding books, book chapters, review of books, and papers presented at conferences. This is for two reasons: (1) to try to make the set of contributions to examine the most homogeneous as possible and (2) to avoid problems in defining the selection field (e.g., with reference to conference papers, which selection criteria should be adopted to select the conferences?).

The second decision concerned the journals to which make reference. We preliminarily considered top entrepreneurship and management journals, searching for the following expressions in the title, in the abstract, and in the keywords of the articles: “arts entrepreneurship,” “art entrepreneurship,” “art entrepreneur,” “arts entrepreneur,” “artist entrepreneur,” “cultural entrepreneur,” and “cultural entrepreneurship.” Given the limited number of articles identified, we realized that the argument has not yet found enough room to justify such a focused analysis of the literature. Therefore, we decided to cover a broad spectrum of journals as outlined below. First, we considered the journals included in the Scopus database and, given the transversality of the theme, we selected the following thematic areas: “social sciences,” “arts and humanities,” “business, management and accounting,” “decision sciences,” and “economics, econometrics and finance.” We searched for the same expressions mentioned above, but in the whole text of the articles and with reference to the period 1992–2016. This research has provided us with a significant number of articles, constituting our starting point. We made a first selection by considering articles published in journals included in the AIDEA and/or GEV lists² (for the latter, only administration and management³), updated to 2016. In this way, we have been able to identify and exclude articles not

²The AIDEA (Italian Academy of Business Administration and Management) list includes journals of management, business administration, business organization and corporate finance, ranking them into four quality bands. GEV lists are arranged by groups of experts appointed by the National Agency for Evaluation of the Italian System of University and Research (ANVUR).

³We also considered some journals included in the “economics” section of the list, and namely: “Review of Austrian Economics,” “Journal of Cultural Economics,” and “International Journal of Cultural Policy.” We also considered two journals that are not included in AIDEA and GEV lists, due to the relevance of the articles identified with respect to the theme under investigation: “Journal of Business Venturing Insights,” and “Arts and Humanities in Higher Education.”

focused on arts entrepreneurship. It was a particularly long and laborious operation, which led to the definitive set of articles to consider. In total, we selected 59 articles. In addition, we identified other 5 articles, particularly relevant with regard to the topic, cited in the articles previously selected and published in the journals we considered. Finally, we selected another article including expressions similar to those we were looking for.

We categorized the articles by considering the following: authors, year, journal, the expressions we found, the central theme under investigation, and the level of analysis. This allowed us to appreciate the evolution of the scientific production on the topic and to identify its main issues. The publications, so grouped, have been the object of study, with the objective to get a picture of the specific issues investigated by scholars.

4. Findings

We grouped the selected articles on the basis of the theme examined. The following subsections illustrate the main themes, revolving around entrepreneurship in the arts, discussed by scholars.

4.1. The entrepreneur in the arts: identity and characteristics

One of the most relevant themes in the literature on arts entrepreneurship concerns the artist-entrepreneur, its identity, and all issues related to this figure.

Most difficulties concerning the approach to the study of the entrepreneur in artistic contexts can be traced to the motivations that lead him to operate in the arts. Caves [1] introduced the concept of “art for art’s sake,” highlighting that in the arts motivations often go beyond economic aspects. The dichotomy between “artistic logic” and “economic logic,” emphasized by scholars (see e.g., [31, 32]), is at the basis of most studies centered on the figure of the entrepreneur in the arts, since in this type of industry the artist-entrepreneur’s motivation is the “primary resource for economic production” ([31], p. 234). In particular, scholars are wondering how to conjugate these logics (e.g., [33]), resulting in a dual identity that the entrepreneur is called to integrate: the artist, for whom “work motivation and creative impetus” are extremely important, and the “small firm” identity, which would lead the entrepreneur to “living out of being an artist” ([31], p. 234). The relationship between culture, entrepreneurship, and territory is also expressed in the concept of “culturepreneur” [34, 35].

Eikof and Haunschild [31] argued that making reference to the lifestyle of the artist is possible to fill the gap between art and business. More precisely, according to the authors, entrepreneurs conceived as “bohemians,” who tend to stand out from the society, can “integrate intensive self-management and self-marketing as well as subordination of private life to work into their artistic work life” ([31], p. 234).

The problematic relationship between culture and business has also led other scholars to draw specific figures of entrepreneur in the arts. For example, Mulcahy ([36], p. 165), without

questioning the importance of profitability (although companies in this context are mostly non-profit), with the objective to “go beyond a reductionist obsession with the bottom line,” introduces the notion of “entrepreneur as an arts administrator,” who act as a “contractual intermediary (...) bringing together government, the private sector, and the public to best realize a general cultural good.”

Klamer [37] approached the problem from a different view, going beyond the idea of an integration of the two perspectives. The author suggested that the culture-business relationship cannot be addressed by claiming that the cultural entrepreneur should be necessarily able to combine “artistic qualities with business sense,” in order to “attract customers for the arts without compromising the artistic mission and artistic identity” ([37], p. 147), [38] in [37]. On the basis of his argument, there is the conviction that art and culture cannot be simply conceived through the logic of business.⁴ According to Klamer ([37], p. 147), this view on the conflict between art and business and the consequent attempts to combine them do not give the idea of the “complexity of the artistic process.” The main purpose of the entrepreneurs in the arts is not profit, but rather the realization of cultural values, and business is only a tool used in this end ([37], p. 154); this means that the cultural entrepreneur, in creating these values, should not in any way follow the logic of business ([37], p. 141). Ellmaier [40], adopted a similar economic approach, focuses on the labor market and intercepts, downstream of the phenomena of “marketization of culture” and “culturalization of the market,” the transition from “cultural workers” to “cultural entrepreneurs,” considered “sole service supplier[s] in the professional cultural field” with the objective to “try out their own combinations and assert themselves on the market and in society” ([40], p. 3).

Another group of contributions focused on a different issue, which is the identification of similarities between the artist and the entrepreneur, and the explanation of how these similarities can be beneficial for their activities. For example, Daum ([41], p. 55), identified a number of connections between the two figures, noting that often entrepreneurs characterized by an artistic background tend to seek solutions to the “business problems by applying lessons learned from their artistic endeavors.” He concluded that the two figures are much more similar than one might imagine, while usually with respect to the artists there is the prejudice to be “flaky” ([41] p. 57). Instead, Fontela et al. ([42], p. 11), deepened the role of forecasting, which characterizes the artist’s work, but it is essential also for “entrepreneurial decision making”; therefore, the entrepreneur should think in a “less ‘rational’ and more ‘emotional’” way ([42], p. 11).

There is no doubt that around the figure of the artist there are prejudices, but it is also true that it is sometimes idealized. Cova and Svanfeldt ([43], p. 12), defined the artist-entrepreneur as “an esthetically visionary entrepreneur,” “who innovates by vocation rather than by utility” ([43], pp. 12, 14). They argue that “as opposed to the self-made person, the artist-entrepreneur plays upon one’s culture; and to the contrary of the team hero, the artist-entrepreneur is sur-

⁴It should be mentioned, in this regard, the position of Lampel et al. [39], which instead point out that in the cultural industry entrepreneurs are facing challenges similar to those typical of businesses based on knowledge and creativity Preece ([25], p. 104).

rounded by a team" ([43], p. 14). Instead, Berglund et al. ([44], p. 268), pointed out that the artist-entrepreneur may not respond to the type of "hero entrepreneur," but can be a creative imitator, who uses "multiple identities in legitimizing their work," and often does not work alone.

Ultimately, exploring literature on the entrepreneur in the arts, we found three subthemes, which concern, respectively, the culture-business relationship, the similarities between the artist and the entrepreneur, and the idealized arts entrepreneur.

4.2. Entrepreneurship education and training in the arts

Another debated theme concerns entrepreneurship education in the arts. The main reference in this area is the contribution of Beckman [45]. The author noted that the arts entrepreneurship programs are mostly idiosyncratic, and this led to different "philosophical and curricular trajectories" that "reflect the unique microcultures of theater, art, and music units" ([45], p. 87). Thus, given this situation, Beckman ([45], p. 87), identified some "best practices" and deepened the structure of curricula in arts entrepreneurship education. In particular, three practices help to shape adequate curricula ([45], p. 102): a reassessment of "the nineteenth century romantic esthetic"; the acquisition of a "supportive and visionary leadership"; and the definition of "entrepreneurship in a manner that informs and guides the effort." Also Bridgstock [46] examined the implications of the peculiarities of arts entrepreneurship on education programs. The author focused on the characteristics of curricula instrumental to the development of the "arts entrepreneurship capabilities" ([46], p. 133). Arguing that entrepreneurship should be included from the beginning of the education programs in the arts, and considering it as "a complex set of qualities, beliefs, attitudes, and skills that underpin all areas of working life" ([46], p. 133), the author suggested specific strategies to develop entrepreneurial skills within educational programs ([46], p. 122).

Besides the studies centered on the main issues related to arts entrepreneurship education and on the definition of appropriate curricula, a new area of research concerns arts incubators. Incubators constitute a particularly promising instrument in the arts. Phillips [47] noted that arts incubators, and cultural institutions eventually related to these, can play a key role in promoting the development of arts entrepreneurship. The point is then deepened by Essig [48], who intercepted the different functions performed by incubators, the goals to which they tend, and identifies different types of incubators in the arts. To date, due to the novelty of the phenomenon, few contributions examine arts incubators, but they will probably lead to a growing attention from scholars.

4.3. Other areas of research

Marketing scholars approached arts entrepreneurship, although in most cases, they consider it collaterally when examining other themes.

Colbert ([49], p. 30), pointed out that entrepreneurship, marketing, and leadership are interconnected; moreover, he emphasized that entrepreneurship and leadership allow improving the level of service offered to customers ([49], p. 38). Fillis [50, 51] explored the marketing/

entrepreneurship interface in the arts, claiming that in certain contexts is useful to adopt an “entrepreneurial” approach to marketing, based on the creative behavior [50]. Rentschler and Geursen ([52], p. 44), explored the relationship between entrepreneurship, marketing, and leadership in nonprofit performing arts organizations (PAOs), and identify a “tension” between them in this type of organizations ([52], p. 50). The entrepreneurship-marketing link in the arts is also investigated by Wilson and Stokes [53], who emphasized the ability of the entrepreneur to “creating exchanges” between “content” and “service” in order to acquire financial resources, which is necessary for an “effective cultural entrepreneurship” ([53], p. 37). The authors ([54], p. 218) pointed out that, in order to access networks in which financial resources can be found, the entrepreneurs’ legitimacy plays a fundamental role, but it is difficult to build; because of this, entrepreneurs can define specific marketing strategies: the “selection strategy,” to identify the most favorable environment, and the “manipulation strategy,” through which to face the environment by taking an innovative approach ([54], p. 225).

Another area of research within arts entrepreneurship is related to entrepreneurial bricolage. Entrepreneurial bricolage, which concerns how to create something by using limited resources [55], seems to be particularly interesting in the arts. Obviously, we must consider what kind of resources we are talking about. De Klerk [56] noted that in creative industries, artists adopt a particular type of bricolage, the “collaborative bricolage,” which consists in a “relationship where people work with each other to make the most of what is available, but it transcends the short-term goal of getting the job done for one specific project” ([56], p. 831). People involved in this relationship share a “long-term vision” and work on specific projects, interacting and making best use of scarce resources ([56], p. 837).

5. Conclusion

Arts entrepreneurship is a promising field of research that involves different disciplines. In the last 20 years, publications grew considerably, and most of them are placed in specialized journals. The purpose of this chapter is to shed light on arts entrepreneurship literature, trying to make order in a complex scenario constituted by studies on different subthemes, often following different perspectives.

The main themes explored in literature concern, respectively, the entrepreneur in the arts, with a special focus on his identity and characteristics, and entrepreneurship and training in the arts. With respect to the first theme, many studies are based on the culture-business relationship, which seems problematic. Another subtheme concerns the similarities between the artist and the entrepreneur, on which many scholars focus. Finally, we also intercepted another subtheme, concerning the entrepreneur “idealized” in the arts. The second main theme, that is entrepreneurship education and training in the arts, attracted the attention of many scholars interested in identifying best practices to design curricula, in order to favor the development of an entrepreneurial mindset. Moreover, some scholars are focusing on arts incubators, instruments designed to favor entrepreneurship in the arts. Besides these two main themes, other arguments are the object of investigation. Some marketing scholars are interested in entrepreneurship, but in most cases they consider it

“collaterally.” Other scholars approach arts entrepreneurship in order to investigate its role in the development of new products. Finally, entrepreneurial bricolage is of interest of scholars because it seems suitable to artistic contexts. In sum, literature is not yet consolidated but is already complex. In this chapter, we tried to make order among a heterogeneous set of publications.

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Entrepreneurial Orientation and Firm Performance

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Abstract

This chapter assesses the important contribution of entrepreneurial orientation's strategic determinant that influences export performance. Based on survey data from 247 Portuguese small- and medium-sized enterprises (SMEs), findings suggest that entrepreneurial orientation has a positive and significant influence on export performance. This study deepens our understanding and provides novel insights into entrepreneurship and strategic management literature, since it combines multiple factors and has obtained the importance of each construct in SMEs business growth. Moreover, this chapter presents further evidences of the strategies that small firm managers should pursue and policy makers should promote.

Keywords: entrepreneurial orientation, export performance, Portuguese textile industry, SMEs, PLS-SEM

1. Introduction

Small- and medium-sized enterprises (SMEs) are increasingly confronted by challenges and opportunities in international markets. Together with large corporations, smaller firms are among the key players in international trade. Smaller firms that belong to traditional (low-tech and labour-intensive) industries can find here opportunity for growth or challenge their survival. In fact, they are particularly vulnerable to global competition, particularly from players located in low-labour-cost economies. In order to achieve competitiveness in this context, smaller firms need to develop unique, firm-specific assets [1].

In fact, developments in this global economy have changed the traditional balance between customer and supplier. New communications and computing technology, and the reasonably open global trading systems, mean that customers have more choices and supply alternatives

that are more transparent. Therefore, firms need to be more customer-centric, especially since technology provides low-cost information and customer solutions and constantly re-evaluates their value propositions [2].

Firm survival is the lowest when firms are small; thus, the development of effective strategies is critical for the continuity of business [3]. According to the extant literature, increasing business competitive position, particularly SMEs, is of pivotal importance for the development and renewal of national economies [4]. At present, although SMEs are recognised as important contributors to modern economies, our understanding of how they thrive in an increasingly competitive environment and achieve growth is limited [5]. Thus, it is important to understand the drivers of SME performance.

Our study is responsive to the call of Sousa et al. [6], which suggests that in the context of international markets, firms' survival and expansion, and consequent economic growth of many countries, are strongly dependent on a better understanding of the determinants that influence export performance. In fact, the factors that set off SME growth (including exporting) are still in need of research [7]. Therefore, the purpose of this chapter is to broaden the boundaries of entrepreneurship and strategic management literature and test the following hypotheses—*does entrepreneurial orientation positively influences small business export performance?*

Our research specifically focuses on SMEs excluding larger organisations. This focus allows us to draw detailed conclusions for this specific context. Therefore, building on the entrepreneurship literature, this empirical study assesses the influence of entrepreneurial orientation on export performance of Portuguese textile SMEs.

The chapter is structured as follows. First, it reviews the relevant literature for entrepreneurial orientation and export performance before developing hypothesis. Second, it describes the research design of the empirical study. Thereafter, the study findings are presented, followed by the discussion of the research, which concludes with the limitations of the study and suggestions for future research.

2. Theoretical framework

2.1. Entrepreneurial orientation

First conceived by Miller [8], and later refined by Covin and Slevin [9, 10], entrepreneurial orientation (EO) is a firm's behavioural tendency, managerial philosophy, or decision-making practice that is characterised by innovativeness, proactiveness and a willingness to take risks. The focus is not on the person but on the process of undertake [11].

Contemporary studies in small business and entrepreneurship have often placed firm growth at the centre of their inquiry [12]. The EO-performance literature is extensive. While Wiklund and Shepherd [13] findings indicate a positive relationship between EO and failure, there is some scholarly tendency to assume that firms with more EO have superior performance [14].

Several empirical studies indicate a positive correlation between entrepreneurial orientation and organisational growth (e.g. [8, 10, 15–17]). Similarly, other studies also confirm that entrepreneurial orientation has a positive correlation with export's performance, enhancing business growth (e.g. [18, 19]). Clearly, this link seems to be one of the few “universal” ones in the management research. However, the strength of this positive association varies considerably across national contexts [20].

Entrepreneurial orientation has been characterised by certain constructs that represent organisation's behaviour. Starting from Miller's [8] definition, three dimensions were identified: innovativeness, proactiveness and risk-taking. Innovativeness is the predisposition to engage in creativity and experimentation through the introduction of new products/services as well as technological leadership in new processes. Risk-taking involves taking bold actions by venturing into the unknown and/or committing significant resources to ventures in uncertain environments. Proactiveness is an opportunity-seeking, forward-looking perspective characterised by the introduction of new products and services ahead of the competition and acting in anticipation of future demand [21]. Collectively, these dimensions can enhance firm's ability to recognise and exploit international market opportunities well ahead of its competitors [22].

EO influences firm performance when firms strategically acquire, develop and leverage resources for opportunity exploitation in order to gain competitive advantage. Therefore, EO should be associated with the concept of competitive strategy [23].

2.2. Export performance

The use of efficient worldwide communications technology and transportation, the decrease in governments' protectionist policies and the decrease of geographically protected markets have made it possible, and necessary, for many firms to view their operating domains as global [22]. Moreover, small countries with constricted domestic markets depend on the success of small firms who can export successfully and grow to a scale beyond that which their home market could support [24].

Literature on export performance is extensive, but arguably, it has not yet achieved the consensus required to prescribe exporting strategies to small firm [24]. Exporting is an early phase in the internationalisation model established by Johanson and Vahlne [25, 26], grounded on the assumption that new exporters can gradually engage with foreign markets, depending their exploitation strategy on knowledge and other resources. This export research, however, was not pertinent for small exporters [24], since its unit of analysis was large firms.

In a recent literature review, Sousa et al. [6] concluded that, along with internal capabilities and competencies, the main determinants of export performance are firm size and international experience. Actually, internationalisation processes have been mainly studied with reference to multinational corporations and less for SMEs because smallness is usually considered as a problem, as these firms often have a disadvantage in resource access [27]. This, however, does not support small firm managers in search of a growth strategy through exporting.

Conversely, the number of small firms operating in international markets has increased and represents the majority of firms in most countries, and therefore, they play an important role in the economic growth of their countries. Therefore, the internationalisation process of SMEs has become a topic of academic and governmental attention [27].

The increase in research is due to various macro- and micro-level benefits associated with the export development. On the one hand, at the macro-level, superior export performance is an efficient vehicle for economic growth, employment creation and an overall improvement in the standards of living. On the other hand, there are numerous benefits at the firm level such as growth opportunities, higher market shares, superior margins and diversification of risk. Hence, export performance is one of the most researched construct in management [28].

Export activity is one of the most important instruments in the internationalisation of many SMEs. Export is a mean for penetrating international markets, entails the least risk and effort when comparing with other solutions like joint ventures or subsidiaries, and, together with the fact that SMEs that have limited resources and capabilities (economic or human resources, or international experience, managerial experiences in these areas, etc.), means that export is an important mechanism to initiate business internationalisation processes [29].

Motivational factors are among the most important dimensions to export readiness and can be divided into proactive/reactive motivators. Proactive motivators signify a firm's willingness to exploit a unique organisational competence or market opportunity, and reactive motivators can be a response to internal or external pressures [7].

In terms of geographic concentration versus diversification as internationalisation strategies for SMEs, Brouthers et al. [30] studied small firms exporting from Greece and the Caribbean region that are contextualised in mature, traditional and low-technology industries. The authors concluded that these firms should concentrate their internationalisation efforts and pursue a single export market strategy. On the other hand, this does not apply to the small New Zealand firms, where the most successful are R&D based and are operating across several overseas markets [24]. Of course, such dissimilarities in findings are perhaps due to different contexts and types of small firms.

3. Hypothesis derivation

Zahra and Garvis [19] argued that operating successfully in the global market requires creativity, ingenuity and risk-taking. In the process of international expansion, firms need to learn and use different skills from those used in their domestic markets, and this requires experimentation and risk-taking. Thus, when firm intends to internationalise, EO can be a competitive advantage, either in existing markets or in new markets (e.g. [8, 31]).

With regard to the individual dimensions of EO, previous research suggests that each can have a universal positive influence on performance [14], and it increases the commitment to innovation, which contributes, for example, to the creation of new products and services, the search for new opportunities and new markets (e.g. [8, 17]). Hence, innovative companies,

creating and introducing new products and technologies, can generate higher economic performance and are seen as engines of economic growth [32]. Proactive companies can create first-movers advantage, target premium market segments, charge high prices and reach the market ahead of competitors [31]. The link between risk-taking and performance is less obvious. However, while good or effective strategies may lead to high performance, risky strategies leading to performance variation—because some projects fail while others succeed—may be more profitable in the long term [14].

H1: Entrepreneurial orientation is positively associated with export performance.

4. Method

4.1. Sample and data collection

The population of this empirical study has been drawn from Portuguese textile industry firms. Questionnaires were used as primary data sources and were carried out over the period of February 16 to April 30, 2016. The identification of companies was done through the Portugal's Textile Association (Associação Têxtil de Portugal) [33] database. Therefore, in this study, we use a non-probabilistic and convenient sampling.

A total of 247 complete and validated questionnaires accounting for 25% of the population were obtained. This response rate is considered quite satisfactory, given that the average of top management survey response rates is in the range of 15–20% [34].

4.2. Statistical analysis

We used the PLS-SEM path modelling to test our hypothesis, specifically the software SmartPLS 3.0 [35, 36]. We believe that the PLS-SEM path modelling is best suited to estimate our research model since (1) this study focuses on prediction and explanation of constructs variance (in our case 2); (2) our research model has a complex structure; (3) the relationship between entrepreneurial orientation and export performance can be measured directly and indirectly via competitive advantage; (4) this study uses first- and second-order reflective constructs and (5) the sample ($n = 247$) is somewhat small.

4.3. Measures

This study uses well-validated scales from previous studies to operationalise the key constructs and adapted them to the particular context of our empirical setting.

Independent variables—To assess EO, we adopted Covin and Slevin's [9] measurements for the three dimensions of innovativeness, proactiveness and risk-taking.

Dependent variable—Performance is a construct that is difficult to operationalise holistically since it may refer to different aspects of the organisational effectiveness [22]. Researchers face particular challenges when trying to fully understand SMEs. The majority of SMEs are

privately held and, thus, are not required to provide detailed financial information. Many SME managers are unwilling to provide correct information about their financial performance such as revenue, annual sales and return on investment. To address these problems in SME research, it is recommended using subjective measures, such as managers' perceptions, rather than objective measures in SME research [37]. Hence, perceived export performance was measured with five items, using Okpara's [18] measurement instrument, which includes profitability indicators such as growth in sales, profit, activities and operations and performance in general.

All constructs were assessed on a five-point Likert scale.

5. Results

5.1. Non-response bias and common method bias

The structural equation model is a multiple regression analysis, with reflective indicators that are presented as an image of the unobserved theoretical construct, representing observed variables or measures, with the objective of strengthening the relationship of influence between the constructs [38].

In this study, we performed a univariate test of significance (t test), to examine existing differences between respondents who answered our questionnaire quickly and those who did not. The results ($p < 0.05$) showed the absence of significant differences between the two groups of respondents. Hence, we can assure that our sample is free from non-response bias. The methods used to reduce the risk of common method bias were several. In the survey design itself, already validated in previous investigations, short and concise items were used to reduce misunderstandings. A pretest was conducted to a group of several university experts and business specialists. Similarly, following the recommendation of Podsakoff et al. [39], a distribution of items of dependent and non-consecutive independent variables was used. Finally, before assessing the relationships between dependent and independent variables, Harman's single-factor test was performed. Unrotated factor analysis using the eigenvalue-greater-than-one criterion revealed six factors, the first explaining 17.0% of the variance. This suggests that common method bias is not a serious threat to the validity of our study.

Next, in order to analyse and interpret the PLS-SEM results, we will assess the measurement model and evaluate and test the structural model.

5.2. Evaluation of measurement model

Results from **Table 1** show that the measurement model meets all general requirements. First, all reflective items have a load higher than 0.707, which means that the reliability of individual indicators (loading²) is higher than 0.5. Second, all composite reliability values and Cronbach's α values are higher than 0.70, suggesting acceptable model reliability. Third, the average variance extracted (AVE) values of all constructs are higher than 0.50, indicating

First-order constructs	Items	Factor loading	Item loading	Cronbach's α	Composite reliability	AVE
Entrepreneurial orientation						
Innovativeness	INNOV1	0.813	0.661	0.827	0.896	0.742
	INNOV2	0.892	0.796			
	INNOV3	0.876	0.767			
	PROA1	0.844	0.712			
Proactiveness	PROA2	0.959	0.920	0.853	0.908	0.767
	PROA3	0.818	0.669			
Risk-taking	*	—				
Export performance						
	EP1	0.873	0.762	0.927	0.945	0.775
	EP2	0.889	0.790			
	EP3	0.837	0.701			
	EP4	0.915	0.837			
	EP5	0.887	0.787			

Key: INNOV—Innovativeness; PROA—Proactiveness; EP—Export performance.

*The variables "Risk-taking" corresponding to factor "Risk" were excluded from the measurement model due to low values. Accordingly, values lower than 0.7 generate a low correlation and threaten the reliability of the scale.

Table 1. Measurement model.

an adequate convergent validity and implying that our set of indicators represent the same underlying construct [35].

Finally, regarding discriminant validity, this chapter presents two necessary approaches: (1) the first approach suggests that the AVE should share more variance with its assigned indicators than with any other construct (Fornell-Larcker criterion) and (2) the second approach suggests that no item should have a higher factor load with another construct than with the one, which is assigned to measure. The results shown in **Table 2** confirm the existence of discriminant validity in our study.

5.3. Evaluation of structural model

Once the measurement model is defined and validated in all its components, we will proceed and create the second-order model, following previous research (e.g. [19]), where the latent variables of the measurement model behave as constructs' measurement variables, specifically, entrepreneurial orientation (innovativeness and proactiveness) and export performance.

	1.	2.	3.
1. Export performance	0.880		
2. Innovativeness	0.513	0.861	
3. Proactiveness	0.352	0.303	0.876

Table 2. Latent constructs correlation (Fornell-Larcker Criterion).

In **Tables 3** and **4**, we present the results of reliability, convergent validity and discriminant validity corresponding to the second-order model. All data confirm the strength of our model.

Next, we will follow the five steps of Hair et al. [35] in order to measure the structural model, namely, (1) collinearity assessment between constructs, (2) structural model path coefficients, (3) coefficient of determination (R^2 value), (4) predictive relevance (Q^2) and (5) the bootstrapping method. In order to obtain coefficients magnitudes, we used the path model analysis. **Figure 1** and **Table 5** summarise these results.

Since the fundamental objective of our PLS-SEM technique is the prediction of export performance, the quality of our theoretical model will be determined by measuring the strength of each path (β), that is the relationship between entrepreneurial orientation (EO) in the predictability of the endogenous construct export performance (EP). Thus, to study our dependent variable, the value that we have to maximise is R^2 . According to Hair et al. [35] and Sarstedt et al. [36], this coefficient measures the amount of construct variance that is explained by the model, where values of 0.5 are considered to be moderate and values of 0.25 are considered to be weak.

Finally, and applying the non-parametric bootstrapping test, we evaluated the significance of mediation effects. The results show significance of coefficients shown in **Figure 1**.

Results from **Table 5** indicate that EO significantly and positively influences export performance (EP), which supports H1 ($\beta = 0.273$). Hence, innovative and proactive firms achieve superior export performance.

	1.	2.
1. Entrepreneurial orientation	0.880	
2. Export performance	0.513	0.861

Table 3. Convergence validity and reliability indexes of the second-order model.

	1.	2.	3.
1. Export performance	0.880		
2. Innovativeness	0.513	0.861	
3. Proactiveness	0.352	0.303	0.876

Table 4. Discriminant validity index of the second-order model.

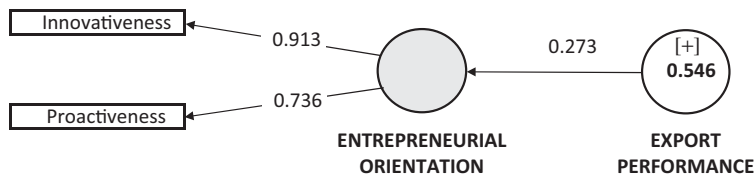


Figure 1. Results of structural model.

	Original sample	STERR	<i>t</i> Statistics	<i>p</i> values	2.5%	97.5%	Conclusion
EO= > EP	0.273	0.048	5.658	0.000	0.180	0.373	H1. Supported

Table 5. Significant testing results of the structural model path coefficients.

6. Discussion and conclusions

This chapter seeks to contribute to the development of the literature on EO as a factor that influences export performance of small firms through a robust empirical study. The central context of this research is on SMEs, as in most world economies, which constitutes the vast majority of firms in Portugal. Understanding the effects of decisions made by management in selecting strategic orientations is crucial and highly relevant to both theory and practice.

Hence, this study allowed us to conclude that entrepreneurial orientation, particularly innovation and proactiveness, has a positive and significant impact on EP (H1 supported), validating previous research (e.g., [8, 31]). Portuguese textile SMEs seek to support and stimulate new ideas, experimentation and creativity that surely result in new products, services and processes. Indeed, technological innovation encompasses research and engineering efforts focused on developing new products and processes. Product innovation includes market research, design and investment on advertising and promotion. Administrative innovation is related to the development of management systems, control techniques and organisational structure. Thus, embracing innovation can generate competitive advantage and promote superior source of growth [40]. In the long run, proactive SMEs, complemented by innovative activities [17], can be market leaders in the development of new products and technologies rather than simply follow trends [8, 9], identify future customer needs, anticipate changes in demand and search new business opportunities [40]. Certainly, export firms need to continually search for new strategies and processes to obtain a better understanding of their new countries. These results can be explained by the particular characteristics of the textile sector. In this sense, each season, firms have to launch new collections (product innovations) and try to differentiate themselves from the competition (market innovations).

Thus, entrepreneurial orientation has a positive and significant impact on export performance, confirming Wiklund and Shepherd [14] beliefs. Moreover, this confirms the commitment to innovation, supported by Lumpkin and Dess [17] and Miller [8], regarding the creation of new products and services, search for new opportunities and opening of new markets; and with proactiveness, firms will be able to achieve superior performance compared to competition [31].

Small traditional firms represent a very important part of the economic system in many European countries. Their significant contribution to the gross domestic product (GDP), national exports, and job creation makes them an important policy target [1]. In fact, and according to Portugal's Textile Association (ATP), this industry in 2016 accounted for 20% of industrial employment, 9% of GDP and 10% of Portuguese industrial exports.

We can only speculate that the Portuguese textile industry faces considerable challenges not only regarding the economic crisis in international markets, which restricts access to resources, but also concerning consumption patterns. Furthermore, international competitiveness does not allow SMEs to develop a competitive strategy based on differentiation, thus changing their business model paradigm. Indeed, mature industries are characterised by increased competition and price deflation due to overcapacity [41]. As reported by the ATP [33], globalisation pressures, such as textile trade liberalisation, have considerably affected the industry. The textile sector is being subjected to strong pressures in a fast-changing business environment due to market volatility and strong competition worldwide.

6.1. Theoretical and practical implications

Our study is responsive to the call of Sousa et al. [6], which suggests that in international market context, firms' survival and expansion, and consequent economic growth of many countries, are strongly dependent on a better understanding of the strategic determinants that influence export performance.

We also highlight the contribution of this study to the theory of strategic management. It is known that strategy includes deliberate and emergent initiatives adopted by management, comprising resource and capabilities used to improve business performance [42]. In order to remain competitive, firms must assess which strategic determinants give them an advantage over their competitors. The findings are a contribution to clarify the influence of entrepreneurial orientation in export performance of small firms.

Additionally, our findings provide guidance to business practitioners, since they indicate that entrepreneurial orientation is a predictor of performance. The research has also shown the positive influences of generic strategies on firm performance. Therefore, for small firm managers, competitive strategy does matters, and the development of one type of competitive advantage, alongside with firm's resources, is a major performance driver.

By building on the literature entrepreneurship and strategic management, this study aims to support the strategic development of business management policies designed to increase firms' performance in foreign markets and to add value to the current context of change.

6.2. Research limitations

While this research provides valuable insights into SMEs in the textile industry, the study is not without its limitations. First, the state of the economy might have affected our results. The low scores of willingness to take risks might be influenced by the current context of economic crisis. In fact, in a turbulent market, risk-taking is negatively associated with the SME performance [43] and is in fact related to firm's failure [23]. Second, it would have been interesting to

control our analysis. The fact that the research does not consider the effect of control variables such as age, location and target market of the respondents can be seen as a limitation. Third, we used an online study to collect our data. While electronic data collection methods are becoming more common, strategies to encourage a greater response rate are lacking compared to other survey implementation methods. Finally, the fact that the sampling is non-probabilistic and convenient is a limitation. Therefore, we advise prudence in the generalisation of results.

6.3. Future lines of research

First, this study has been based on a mature sector, that is, the textile sector in Portugal. The results obtained should be understood in this context. Therefore, new research could be done in more modern industries to test again the proposed relations. Second, given the irregular nature of business growth, a snapshot survey may not be able to capture strategy and performance variations over long periods of time. As such, further studies with a longitudinal perspective would be of added value to investigate why these differences persist. In other words, to find how and why some small exporters become highly successful while others, in the same industry, struggle to raise their export strengths to survive.

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The Digitalisation of Rural Entrepreneurship

Lawrence Mpele Lekhanya

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Abstract

The main primary purpose of this chapter is to present new established understanding and knowledge of the digitalization of rural entrepreneurship, how it can help entrepreneurial survival and growth in rural industries, and what are the theoretical and practical implications. The digitalization concept of businesses is the issue of interest in the world today; however, it is still of concern in the rural South African entrepreneurship sector. Collection of primary data was done from 501 owners/managers operating in rural of the KwaZulu-Natal (KZN) province. The mixed questionnaire of quantitative and qualitative was used as the survey instruments. The questionnaire was distributed at the entrepreneur's business premises, and they were given 7 days to respond while researcher and research assistants were always available to assist where necessary. The findings of this survey revealed that the large number of participants are not using their digital technology for the business purpose, but rather they use it for other things such as private communications and social friendship. The survey was confined in one province of South Africa; therefore, the generalization of the results should be done with care. This study has indicated some recommendation and suggested further research which may include other provinces as well as other countries.

Keywords: rural, entrepreneurship, digitalisation, orientation, entrepreneurs, digital technology

1. Introduction

'New digital revolution for rural industrialization is the right path to success'.

Lekhanya [1]

In recent times, it has become vitally important for policymakers to begin thinking in terms of rural industrialisation, to allow all possible communities to participate in the national economy and contribute to South Africa's gross domestic (GDP) per capita. The industrialisation of rural

entrepreneurship is perceived as an idea that will assist entrepreneurs operating in rural locations to survive and grow beyond the next decade. Today, rural entrepreneurship significantly impacts many issues, including economic development, employment, food supply and social security. With increasing numbers of people moving from rural to urban areas due to poor employment opportunities, and the complexity of running their own businesses, the problem of potential social unrest, amongst others, becomes more credible. It is therefore crucial that researchers, particularly in those countries with large rural populations, investigate this problem and provide ways of solving it. Such challenges facing entrepreneurship in remote or rural places require modern, innovative business leaders, skilful political thinkers, greater numbers of trained professionals, and academics who can think dynamically, and bring their ideas into broader societal use.

New approaches to enhance innovation and invention within rural businesses are required in the contemporary world of business, and a broad knowledge and understanding of digital technology, how it can be used, when it can be used, where it can be used and why it is used, by rural entrepreneurs should be properly defined in order to achieve this. Promotional marketing strategies using digital technology should be a central issue, and their benefit should be better understood by business owners and managers worldwide. Access to global markets, efficient distribution of products and higher brand awareness can also provide competitive advantage and ensure effective business communication.

2. Problem statement

Many studies conducted in the rural places of South Africa indicated that rural enterprises are confronted by many challenges. However, it is also anticipated that this could be a global problem that needs to be addressed by professionals as well as academics. Therefore, this writing aims to provide some workable solution to these challenges.

3. Aims and objectives of this study

This study aimed to establish the understanding and knowledge of digitalisation of rural entrepreneurship, and how it can be used by rural entrepreneurs for the survival and growth, and its implications.

4. Literature review

4.1. Definition of rural entrepreneurship

Enterprises operating in rural environments disconnected from primary metropolitan sites can be defined as part of rural entrepreneurship, and such enterprises function under extremely

complex and turbulent business conditions presented by remote and underdeveloped areas, where local production is primarily committed to subsistence farming. Rural areas are perceived to be entirely different from intensively settled urban and suburban areas, and are also distinct from natural landscapes or wilderness, such as forests or mountains. Rural enterprises can benefit from the use of local resources and can produce products or services to meet local demands, since they are able to access cheap labour from within their communities. Although it is acknowledged that no single, unified and accepted definition for the term 'entrepreneurship' exists, it is one dimension of strategic posture, which encompasses the risk-taking propensity of businesses, their ability to compete aggressively, their proactive initiatives and their product innovations, which are all entrepreneurial activities, and which indicates that all manner of organisations therefore behave entrepreneurially [2, 3].

Rural entrepreneurship implies the emergence or establishment of entrepreneurial activities in rural areas; in other words, the establishment of industries; which also implies that rural entrepreneurship is synonymous with rural industrialisation [4, 5]. Rural entrepreneurship represents the informal sector of the economy, characterised by small-scale businesses, including small traders and artisans. Rural entrepreneurship can be considered an important solution for reducing poverty, minimising rural-urban migration, addressing economic disparities and alleviating unemployment in developing rural and underdeveloped areas. Rural entrepreneurship presents a major opportunity for those who instead migrate from rural to semi-urban or urban areas, and most rural entrepreneurs are faced with the multiple problems presented by the unavailability of primary amenities in these areas of developing countries [6]. Due to this exodus of skills, a lack of educated individuals, financial limitations and insufficient technical and conceptual abilities, together make it difficult for rural entrepreneurs to successfully establish locally based industries.

4.2. Rural entrepreneurs

In most practical cases, individuals who conduct their businesses in rural areas do so by utilising locally available resources [7]. Their business activities improve the standard of living for local communities by creating employment opportunities for people living in proximate villages and provide sources of entrepreneurial activity to establish industrial and business units in this rural sector of the economy. Similarly, rural entrepreneurship can further be described in terms of rural industrialisation [8]. The existence of rural entrepreneurship which leads to viable economies in rural areas is therefore of extreme importance. Regardless of the extent to which rural entrepreneurs engage in a variety of activities, which range far beyond simply agriculture, they are still not fully industrialised in their thinking and approach, due to the number of challenges that confront them in rural regions worldwide [9].

Such challenges lead to the success of ambitious start-ups remaining low, with factors such as market sizes, government policies and geographical profiles continuing to influence their long-term performance [10]. There is ostensibly little difference between rural and urban enterprises in terms of their structure, of how such businesses are organised and managed, and of how the characteristics of individual entrepreneurs are exhibited. Thus, it would appear that there is no specific category for, or definition of, rural entrepreneurs, beyond being individuals who manage

business ventures in rural settings. Rural areas are, however, no longer found to be dominated by employment in agriculture and production farming but cover a kaleidoscope of economic activities which increasingly mirror those found in more urban areas [11].

4.3. Theoretical perspective on the survival and growth of SMEs

The process of growth in enterprises is defined by their development from small to large, and from weak to strong [12]. Enterprise growth encompasses the development process which enterprises follow in encouraging tendencies for balanced and stable growth in total performance levels, including their outputs, sales volumes, profits and gross assets, and whose benefits continue to be realised by significant enhancements to their total performance in stages spanning their levels of quality development. Strong principles exist that govern the survival and growth of enterprises, which are treated as collections of internal and external resources that assist enterprises in growing and realising their competitive advantage [13].

The size of businesses is incidental to their process of growth, and whereas business growth is determined by the effective and innovative management of internal resources, the external availability of top managerial and technical talent is also an important factor in their growth [13]. Ignorance of such factors can result in loss of competitive advantage and business failure, however, and many different non-geographically focused approaches have been used to identify factors which affect the survival and growth of small businesses, with considerable variation in results. Such approaches have identified many factors, both internal, but particularly also environmental and external to small and medium enterprises (SMEs), that exist beyond the ability of these businesses to control [14], and which impact significantly on their performance and growth [15].

The growth experienced by enterprises can be identified using four theoretical perspectives, which include the resource-based, motivation, strategic adaptation and configuration perspectives [10]. The resource-based perspective focuses on the use and management of enterprise resources for the expansion of business activities, and of financial resources, and the availability of specifically educated staff. This indicates that, to identify successive phases of growth and development, business resources need to be restructured during transitions between growth stages. The resource-based perspective also relates to the theories of social capital and innovation, because the analysis of social networks has, in the preceding few decades, evolved into one of the most important tools employed for business estimation of enterprise growth, competitive strength and innovation. The resource-based perspective is a conception of strategic management which attempts to clarify the background for enterprise existence, and its various occurrences in the broader context of enterprise theory. The broad layer of productive resource definitions available includes such factors as the teamwork abilities of senior management, their entrepreneurial capabilities and their ability to perceive the benefits of implementing new products or services, although the full impact of these factors remains untested in rural business environments.

The characteristics of small businesses situated in rural contexts include them being in locations that face various challenges which can impede economic development, and which are not

frequently encountered in urban settings [16]. What is highlighted is that rural areas tend to be characterised by low population densities, economic dependence on natural resources and agriculture, and operating in locations isolated by distance and time (Deavies, 1992). The concept of entrepreneurial individuals with distinguishing characteristics is, however, central to entrepreneurial theory, and the existing division is based on both psychological and non-psychological motivational factors, which determine the distinguishing personal characteristics of rurally based entrepreneurs [17].

An adoption of the correct set of entrepreneurial characteristics is crucial to the survival and growth of rural SMEs, with psychological motivating factors furthermore including the need to achieve risk tolerance, autonomy/independence, self-esteem, self-efficacy and locus control. The need to achieve is the principal determinant of entrepreneurial behavioural orientation. Many theories have been forwarded which demonstrate that the need to achieve survival and growth in business reflects individuals' orientation, their willingness to assume risk and their drive for satisfaction from a sense of accomplishment. This can be achieved by employing foresight in remaining dedicated to the tasks involved in succeeding, which frequently require prioritisation and the sacrificing of personal activities and time. Based on these theories, SME owners/managers operating in rural areas need to demonstrate their tolerance for risk-taking, entrepreneurial orientation (EO) and entrepreneurial attitude towards growth, internal loci of control in their networking, human and financial and other relevant resources, when confronted with uncertain circumstances or conditions.

Human capital is considered to comprise non-psychological motivation factors, which include explicit knowledge, tacit knowledge and experience, age and marital status, and is also considered extremely important for entrepreneurial growth [18]. The theoretical literature is, however, limited in describing how these factors affect the survival and growth of rural SMEs. Configuration perspective focuses on the need for SMEs to collaborate in external networks to be successful, where it is considered that they should focus on their core competencies to achieve more efficient operations and co-operate with external partners to compensate for certain competencies or resources which they lack [19]. This is especially true for the development of new products, in which SMEs encounter specific problems when compared to larger businesses. In recognising the increasing importance of collaboration, however, the question remains how to organise these external networks to accommodate specifically rural SMEs. Entrepreneurial education and training is a major determinant in the growth and survival of enterprises, and according to the theory of human capital, by investing in the acquisition of knowledge, these increased skills and abilities will enhance the productive capabilities of individuals [20]. Rural environments are faced with challenges that tend to differ from those encountered in urban contexts, and because of this business, education and training cannot simply replicate that delivered in urban locations but must instead address the unique needs and perspectives of rural business owners.

Furthermore, in keeping with the theories already discussed, most literature supports the notion that the many constraints experienced by SMEs in developing countries, including South Africa, are the result of internal and external organisational barriers, which require in-depth examination [21]. Those impediments found within organisations, and which hinder the

adoption of new technologies, are considered internal barriers, while those found outside of organisations are considered external barriers, and relate to infrastructure, politics, legalities, society and culture. It has been suggested that enterprises are collections of internal and external resources which assist them in achieving competitive advantage, since in the long term, these factors can limit the growth of enterprises, but not their size, since growth is determined by the rate at which experienced managerial staff design and implement strategic business plans [13].

4.4. Conceptual framework for rural entrepreneurial orientation

It is held that EO is a multidimensional measure for business-level entrepreneurship, comprising innovation, proactivity and autonomy, all of which require to be implemented by SME owners/managers, including those operating in rural environments, to enable survival and growth [22]. Today's dynamic business environment demands that businesses be entrepreneurially oriented to ensure their survival and growth [23]. Enterprises with high levels of EO tend to possess enhanced abilities in identifying new opportunities for growth, which increase their competitive advantage [24]. EO contains two conceptual approaches, namely unidimensional and multidimensional, with operational methods shaped by how individual EO approaches are appraised [25]. In the unidimensional approach, EO is regarded as a unified conceptual entity, where its dimensions, although varying, complement one another. It is considered that high levels of risk in both dimensions need to be reduced immediately by entrepreneurially oriented enterprises, because this is a prime ingredient for the success of businesses, including those operating in rural contexts [26].

EO is therefore seen as a significant predictor of business growth, which indicates that positive EO in SME owners/managers supports business survival and growth [27]. Investigating this influence of EO on the success of those operating in rural environments is therefore crucially important. EO furthermore includes the processes, practices and decision-making activities which lead to fresh entrepreneurial endeavours, such as SME owners/managers launching and operating business in their respective areas. These entrepreneurial activities are informed and guided by experience gained from previously observed business practices and theories [14].

4.5. The concept of rural entrepreneurship digitalisation

Primary concepts in entrepreneurial practice involve independence, innovation, decision-making, forecasting, implementation and achieving success. However, rural entrepreneurship needs to be better developed to improve its broader economic participation. A transformation in how rural entrepreneurship is practised could attract greater business success, but effective economic activities can only be achieved by the digitalisation of rural entrepreneurship. Digitalisation can be described in terms of the infrastructural processes associated with digital technologies, in which analogue information is transcribed to digital form and applied in broader social and institutional contexts.

Understanding and implementation of rural entrepreneurial digitalisation are of critical importance if they are to be of benefit in the economic growth of the country. The digitalisation of EO

in rural environments must be broadened and capacitated by the relevant authorities, because such endeavours are currently either very limited or absent, and little data are available on rural areas of many countries. The involvement in promoting this type of development in rural areas by policymakers, government agencies, relevant business stakeholders, as well as rural entrepreneurs themselves, is therefore regarded as essential.

The importance of digitalisation is not restricted to products, services and manufacturing processes, but includes a broad spectrum of competencies, including marketing, business networking, promotional mix, product distribution, supply chain management, access to international markets and the management of growth to achieve competitive advantage. Digitalisation of all business processes is possible, and the outsourcing of certain services, or a shortage of human capital available to rural businesses, can thereby be easily surmounted, since digitalisation can be used to positively enable new start-ups and potential young entrepreneurs willing to operate in rural environments in this way.

Few investigations have been performed into how digitalisation could improve the survival and development of rural enterprises, which has resulted in a lack of knowledge and understanding of its relationship with improving the success of rural industries. Knowledge concerning the benefits of digitalising rural businesses, and how this can improve business operation capacities, remains mostly assumptive amongst professionals and policymakers. Much evidence from an international perspective exists, however, to indicate that small business, which is generally found in rural areas, plays a crucial role in the creation of a variety of different economies. **Table 1** indicates significant statistics in justification of this claim.

Since small, micro- and medium enterprises (SMMEs) represent most of rural businesses and are also the largest employers of rural dwellers in many countries, digitalisation must be considered a primary strategic growth path for rural businesses, and its incorporation into the efficient formulation of policies and subsequent implementation should be a priority for governments in attaining the various goals that would essentially include balanced rural development in the country. This change in methods can encourage small rural businesses to adopt the use of digital technologies in conducting their business activities and could also

Country	Employment contributed by small industries	Industry contribution to GDP (%)
European Union (EU)	75 million people	99
Latin American		60
China	13 million people	60
Singapore		47
Asian Pacific		90
Ireland		90
South Africa		40

Source: Developed by author based on the reviewed literature.

Table 1. SME employment and GDP contribution per country.

assist in enhancing their use of human resources, and in realising the benefits to their survival and growth. Many challenges, such as insufficient working capital and marketing difficulties, inadequate social infrastructure, a lack of managerial skills and little support for SMME development from government programmes can easily be overcome by the digitalisation of rural businesses.

4.6. The importance of rural entrepreneurship digitalisation

The digitalisation of rural entrepreneurship is of extreme importance for the development and competitiveness of rural businesses [28]. Digitalisation is a highly effective strategic growth strategy for businesses in emerging markets of the world, and there is much evidence that, in many countries, the improvement of entrepreneurial activities is regarded as a strategy to boost national productivity and job creation, which also improves their economic independence. Entrepreneurial endeavours strengthen personal and collective capabilities amongst local communities, and SMEs are currently regarded as mechanisms for economic growth and equitable development in creating labour-intensive, capital-saving initiatives that ensure the creation of many new jobs [29].

Small-scale businesses play a survival role for poorer households in the development of self-confidence, business and other skills, and the socio-economic upliftment of women [30]. Small businesses provide employment opportunities for rural communities, specifically by minimising migration of rural populations to urban areas, improving standards of living for local communities and promoting rural tourism-related art activities [5]. Enterprise and entrepreneurship are the drivers of economic growth in rural Europe [31], which indicate that the ongoing challenges facing traditional rural sectors, and the future success of rural economies, are inextricably linked to the capacity rural entrepreneurs possess to innovate and identify new business opportunities that create jobs and income in these areas. In Vietnam, entrepreneurial development in the form of rural SMMEs has also emerged as a strong agent for socio-economic diversification [32].

Small enterprises are not only important in contributing to local economies, but, from an international perspective, play a vital role in the creation of national marketplace employment [33]. In the enlarged European Union (EU), amongst the 25 countries included, some 23 million SMEs provide approximately 75 million jobs, comprising 99% of all enterprise. The trend for job creation by the small business sector found in many EU countries has resulted in overall economies of growth, and improved standards of living are apparent within rural communities in these countries [34]. In Britain, for instance, small enterprises are regarded as the backbone of the British economy, which is a result of their productivity, despite having access to minimal resources and little formalised support [35]. In Asia-Pacific Economic Cooperation-member countries, approximately 90% of all enterprises fall into the category of SMMEs, which employ most of their working populations [36]. China's economy, which is amongst the largest in the world, is likewise largely supported by SMMEs, and the advanced technology employed in both China and India has assisted in industrialising their vast rural areas and allowed national penetration into widely diverse international markets [37].

4.7. Rural entrepreneurial activities in other parts of the world

In Vietnam, rural opportunity entrepreneurs are not often employment growth oriented, and therefore have limited capacity to generate non-arable employment for all households [38]. Contrarily, in Peru, many rural entrepreneurs create opportunities for employment, and rural entrepreneurship in the country is growing [39]. Further indicated is that where government and international funding organisations have provided training and financial support, this has enhanced the survival and growth of rural entrepreneurship. SMEs account for almost 99.8% of active enterprises in Ireland, where most of companies (90.8%) active in the economy are micro-enterprises employing less than 10 people [40].

Micro-enterprises are particularly prevalent in rural areas, where SMEs tend to be small and include a high number of sole proprietor businesses. It is possible to promote better economic and social conditions through entrepreneurial activities which benefit both the individuals involved and their communities [41]. Most of Latin American nations exhibit high levels of entrepreneurial activity, and more than 60% of working-age populations in most Latin American countries view entrepreneurship as a desirable career choice. This entrepreneurial spirit is due to their use of well-developed technologies for connectivity in the past 5 years, which has seen the percentage of Latin American households connected to the Internet to jump from 16% to more than 50% of total populations. In 2015, Latin America's cellular telephone traffic grew by 87% which, as a region, spent more time on social media than any other in the world [42]. Both past and recent experiences demonstrating the failure or non-performance of micro-businesses and enterprises underscore the importance of entrepreneurial competencies in both rural and urban environments, indicating that approximately half of the global population cannot simply be ignored, which includes rural women, who make important contributions to business creation, particularly in these areas [43].

Although the percentage of female entrepreneurs in the South Asian region [44], for example, is less than 13%, it contains 37% of all businesses globally, and generates USD 29–36 billion annually from business concerns operating in this region alone [45]. However, this percentage does not reflect the situation for the African region, including South Africa, where inadequate and unreliable infrastructure services, including a lack of online connectivity, transport, communication services and energy, are common in most of rural communities, and which influences the survival and development of SMEs in the rural areas of African countries immensely [46].

4.8. The business environment and rural entrepreneurship sector

Since environmental factors are directly related to SME performance [47], and therefore affect how SMEs operate and how strategic entrepreneurial decisions are made by their owners/managers, the use of digital technologies would assist in bringing new strategic business approaches to bear in rural areas, because such technologies would assist in obtaining a broader understanding of the environmental challenges confronting rural businesses in their survival and development in such environments.

A propensity for entrepreneurial activity is conditioned by the evolution of institutional frameworks and good industry environments [48, 49], for which it is maintained that the growth of SMEs within broader economic frameworks requires public administrations from all political ideologies and administrative levels to develop policies favouring and stimulating the creation of new enterprises. SMEs, as opposed to larger businesses, utilise different approaches to implement strategies that guide them through industry life cycles [50]. Conducive business environments are therefore required for them to articulate their strategies and attain good performances (The ILO, 1998, in [51]). In assessing strategy policies, legal and regulatory environments are therefore important, because small enterprises do not possess the managerial and monetary resources to deal with implementing complex procedures, or frequently variable fiscal policies.

The approach required is to improve regulatory environments and instigate policy initiatives that promote entrepreneurship and foster SMEs, encourage governments to take a co-ordinated and inclusive approach in promoting entrepreneurship, emphasise partnerships with the private sector and partner with other states in the region to strengthen entrepreneurship-promotion initiatives [52]. These initiatives will further encourage countries with significant rural populations to consider the establishment or strengthening of national centres for excellence in entrepreneurship, even calling upon the United Nations system to recognise entrepreneurship as a legitimate concern, and integrate its various forms into their policies, programmes and reports in support of national efforts in this regard.

Rural businesses do not operate in a vacuum [31], however, and there is a strong link between rural development policies and the growth of entrepreneurial activities in such areas. It is recognised that rural development policies contribute to achieving the objectives of social and territorial cohesion within the EU, for example, which implies that creating the conditions under which innovative rural businesses can thrive requires new approaches to the governance of these areas, the reorganisation of local markets and changes in consumer behaviour. In France, for example, communities and their support structures actively seek ways of removing potential barriers to job creation in rural areas, such as the high cost of land, although it is unclear if this reflects the problems found in corresponding South African areas.

Romania has demonstrated important rural growth potential and has experienced substantial improvement in both its rural business and socio-economic environments [53]. This indicates that industry life cycles for small businesses in rural Romania have changed from those ensuring survival to those associated with medium-sized enterprises. The impact of the rural business environment on SMEs shows that the survival and growth of micro-businesses are acutely dependent on responding appropriately to external conditions over which they have little or no control [54]. Environments in which families, societies and support systems operate are therefore not always favourable for encouraging rurally based individuals to take up entrepreneurship as a career, which may be due to a lack of awareness or knowledge of the entrepreneurial opportunities available to them [4].

4.9. Internal/external environments and small rural business growth

It is important to consider the impact of environmental dynamism, which comprises both internal and external environmental factors, on rural SME survival and growth in South

Africa. Environmental dynamism represents the rate of change within environments [55] and can be used when describing the pace at which customer preferences, and the products and services offered by enterprises, change over time [56]. Environmental dynamism is therefore also a measure of the levels of factor instability within business environments, and rural SME owners/managers therefore need to be cognizant of the rates of change and levels of factor instability in their operational areas to ensure the survival and development of their businesses addition [57]. Emergent levels of environmental dynamism lead to uncertainty in service development, and reduce the predictability of the effects of change, which make it important to obtain a broad understanding of how both internal and external environmental dynamic factors affect the EO, survival and growth of rural SMEs [58].

Internal factors, such as business entity size, business life cycle stage, technological and product innovation, organisational autonomy, centralisation and formalisation, market role and the importance of goal types, as well as all attendant external factors, exercise a significant impact on SME performance and effectiveness, including sales growth and the achievement of business goals. External factors include, for instance, the state of economic sectors and customer types [59]. Depending on the stage of business life cycle periods, and the general state of the economy, the activities of enterprises are frequently governed by opportunities for productivity, which represent dynamic interactions between internal and external environments, although external environmental factors are primarily considered to affect the survival and growth of small business entities [60]. EO is influenced by both internal and external factors, which indicates that a correlational relationship that should be tested exists between these areas that can directly influence the survival and growth of rural SMEs.

Part of the internal and external resources of any enterprise should be treated as strategically important, although, realistically, all resources can be considered strategic, depending on enterprise and industry type [61]. The complexity of the dynamics in external environments causes businesses not to rely solely on internal resources for their competitive advantages. SMEs, which are largely rural and agriculturally based, are faced with unique problems that affect their growth and reduce their ability to contribute effectively to national economic development. These unique problems range from a lack of access to credit, inadequate managerial and technical skills, and low levels of education, to poor access to market information and inhibitive regulatory environments. Electricity, government policies and fraudulent practices are found to be critical factors which negatively impact the survival and growth of such businesses [62]. Considering the relationship between EO and business performance in small companies, and the moderating effects of their external environments, rural SMEs owners/managers should utilise their resources more carefully in promoting innovation, proactivity, competitiveness and autonomy [63]. Proactive strategies should therefore be employed during product development stages, or when approaching new markets, or responding to competitor strategies, including being responsible when making business decisions.

Environmental dynamism and heterogeneity are found to be significant predictors of EO and exert a positive influence on it [64]. Access to resources enables entrepreneurs to aggressively exploit opportunities well in advance of their competitors because of environmental pressures [65]. A better understanding of environmental characteristics, in terms of resource availability and competition, as well as those conditions imposed by institutions governing economic

activities, will assist entrepreneurs not only in identifying new business opportunities but also to exploit them in establishing businesses that achieve profitability and generate wealth. Business performance is further found to be influenced by external environmental dynamic factors, which include industry, competitive and consumer changes [66]. Furthermore, eight factors have been identified which influence the success of SMEs as businesses, which include SME characteristics; management and skills; products and services; customers and markets; business methods; research and finance; and business strategies and external environments [67].

In parts of the world, such as South Africa, which are characterised by high levels of poverty, especially in rural areas, where approximately 70% of the country's impoverished population reside, incomes are constrained because rural economies are insufficiently vibrant to provide them with well-paying jobs or self-employment opportunities. External factors are more dominant than internal factors in contributing to entrepreneurial success in the case of rural SMEs. **Table 2** contains a more thorough breakdown of these internal and external environmental factors.

4.10. Elements of rural entrepreneurship

Classical determinants of business dynamics include company size, location, innovative capacity, prior owner experience and state institutions, which provide for both survival and growth, since the receipt of government support during start-ups has an independently positive influence on long-term business growth, especially for rural and non-household enterprises. Government policies are highlighted as a potential focus for absorbing some of the transaction costs, through the improvement of education, physical infrastructures and technology transfer. Other such important interventions include the provision of both formal and informal mentoring and training services for new managers, along with legal and financial management instruction. Public-private sector institutions can identify policies and strategies to increase the survival and growth rates of SMMEs if they are provided with more information concerning factors that constrain business performance, and the link between entrepreneurial quality and enterprise.

The significance of the location factor in the development of entrepreneurship and small business performance is critical and should therefore be given urgent consideration because it can positively affect SME performance. South African rural economic development has been impeded by poor infrastructure provision and unemployment, with little or no access to vibrant markets characterising many South African rural communities.

4.11. Rural entrepreneurial attitudes and small rural business growth

The effectiveness of rural SME owners/managers can be measured by investigating their entrepreneurial actions and attitudes, and it is necessary for these rural entrepreneurial actions to be positive in order for SMEs to survive and grow [97]. Small business owners conceptualise the different barriers to their growth differently to those of larger businesses, whose perceptions and mindsets are influenced by their practical experience of growth [98]. An industry-level EO measurement instrument can be used to assist in entrepreneurial education, which implies that such an instrument can also be used by rural SMEs to improve their innovation orientation, risk-taking and proactivity, as these correlate statistically with measures of entrepreneurial intention.

External factors

Political and legal: The importance of SMEs to the economy of a country indicates how crucial it is for government policies to support SMEs, including regulations that enable them to operate efficiently and reduce their administrative costs (Harvie and Lee [68], in Govori [69]). Hence, the South African government needs to implement friendly policies for rural SMEs that enable them to survive and grow. South Africa does not currently have a focused SME policy to protect those operating in rural and underdeveloped areas. Initiatives by the South African government to promote and support SMEs to enhance their development and to reduce poverty lack a legal framework and are faced with bureaucracy, and a lack of proper administrative procedures, such as access to government agencies [70]. Politics is intrinsically linked to a government's attitude towards business, and the freedom with which it allows businesses to operate [71]. The types of action which governments may take that constitute potential political risks to businesses fall into three main categories. The first of these are operational restrictions, which can comprise exchange controls, employment policies, insistence on locally shared ownership and particular product requirements. South Africa should adopt a business policy that allows rural entrepreneurs to operate with fewer bureaucratic restrictions.

Socio-demographics: A significant socio-demographic influence exists from factors which shape the decisions of entrepreneurs to start their own business [72]. A high level of education does not necessarily guarantee entrepreneurial success, and older individuals do not necessarily achieve higher levels of entrepreneurial success. It is also noted that those who became unemployed in previous occupations frequently become successful entrepreneurs [73]. Many entrepreneurs also choose types of business to start based on socio-cultural values and personal traits, and in KwaZulu-Natal, rural SME owners/managers appear to consider socio-cultural values when adopting technology to promote their businesses, although, due to a lack of data, and the limited empirical research performed, it remains difficult to make a sound judgement in this regard. It is established, however, that demographic factors, in particular, business size, ownership type, owner age and business sector are factors which influence access to finance for start-ups, with smaller businesses having more credit constraints than larger companies. This is attributed to the fact that small businesses are often owned and operated by private individuals, with no legal obligation to report on the financial performance of their enterprises, or regularly audit their financial accounts. Another reason is that small businesses have fewer assets to forward as collateral and are associated with higher rates of failure when compared to larger enterprises.

Socio-economics: Socio-economic factors are key considerations influencing entrepreneurial behaviour and the operation of businesses. Economic growth is a function of growth in resources and the rate of technical change,

Internal factors

Management skills: Management know-how, business practice and co-operation all influence the success of SMEs [84]. Consequently, it is highly advisable for SME owners/managers to possess management skills and capacities that allow them to run successful businesses, including those in rural areas, such as KwaZulu-Natal [85]. It is also important for them to adopt proper business practices and co-operation in these areas.

Many common factors exist within the category of business management which are, however, considered to play a role in determining the growth of small businesses, and which include financial management and marketing management skills. Management skills for small business growth should concentrate on identification of owner/manager policies and strategies for the operation and development of businesses, and the subsequent translation of such policies into managerial action. The growth of enterprises is limited by the available scope of managerial skills resources, specifically their ability to co-ordinate capabilities and to introduce new people into enterprises.

Considerable doubt exists regarding the quality of strategic planning and management in this crucial economic development sector, with policymakers indicating that particular weaknesses exist in innovation, financial acumen, marketing ability, entrepreneurial flair, practical planning, management knowledge and human resource management, and many businesses do not therefore reach their full potential and fail to grow [86, 87].

Rural markets offer great scope for concentrated marketing efforts due to recent increases in rural incomes, and the likelihood that such incomes will increase faster based on better production and higher prices for agricultural commodities [88]. Rural marketing is a developing concept of which marketers have recently realised the advantages, and, as a part of any economy, displays untapped potential. Improvements in infrastructure will also provide opportunities in ensuring a successful future for those operating rurally ([89]: 55; [90]).

Technical skills: Entrepreneurial skills assist SMEs to generate growth and initiate new ventures in developing economies, such as those observed in Kenya, Malaysia, South Africa and Nigeria ([91]: 1–21; [92]). In the UK, it was revealed that more than a third (36%) of the country's smaller companies admit to a shortage of skilled staff hindering their growth prospects, with the largest gap in the small business skillset being in sales (16%). A lack of IT skills (12%) and financial management (10%) expertise also rank highly as being problematic [93].

Education and training development: A key term in the economic development of many countries is that of entrepreneurial education, because such education and training is a major determinant in the growth and survival of enterprises [94]. According to the theory of human capital, investment in knowledge, skills and abilities enhances the productive capacities of individuals [20]. Rural small business owners face challenges that are not

External factors	Internal factors
<p>with land, labour, capital and entrepreneurial skill all considered as being resources in factors of production. The development of entrepreneurship is a primary resource for the institution of economic growth and is a main contributor to the growth of all nations. Entrepreneurs invent methods for achieving their objectives, amongst which are the innovations responsible for technological progress, and it can therefore be considered that it is not a growth in the quantity of other inputs which fosters economic development, but rather the efforts of entrepreneurs who take risks in innovation and organise and co-ordinate all business inputs.</p> <p>Technology: New technologies are a major driver of innovation, with successful innovation leading to sustainable business growth. A need therefore exists for rural SMEs to acquire new knowledge, or adopt new technologies, to achieve competitive advantage through such innovation [74]. Technological capability is widely accepted as being a strategic source of growth and wealth at both national and company levels, and the role of imported technologies acquired by developing countries is a crucial factor in their ability to compete internationally [75]. However, although technological resources provide no direct survival benefits, an accumulation of such resources may become more important when businesses seek international expansion [76]. Limitations on resources, expertise, time and capabilities for the creation of in-house technologies force companies, especially SMEs, to focus on selecting or acquiring new technologies from external sources (Briggs et al., 2003). Technology can deliver timely, accurate and complete information to decision-makers at the lowest educational cost for the SME sector. The use of effective and efficient accounting information systems (AIS) within any small business can improve the flow of information and reduce costs, which can lead to higher profit margins. AIS in small businesses can be utilised tactically to outmanoeuvre competitors and improve market share.</p> <p>The lack of AIS in SMEs can result in high lead times for business processes, high cycle times for business transactions, poor consumption of business resources [77], and a lack of overall productivity, amongst other problems. Poor telecommunication infrastructures and a lack of broadband connectivity in the rural areas of KwaZulu-Natal have, however, limited the use of technology by SME owners/managers [78].</p> <p>Competitive environment: Competition is prevalent everywhere in the today's business environment, and the survival of SMEs depends on their ability to take full advantage of available resources [79]. By entering competition, companies attempt to achieve competitive advantage which greatly affects the success of enterprises [80]. SMEs are not usually very competitive in terms of their market knowledge, innovations, prudent investments, business operations and good management, which are important factors in improving quality delivery.</p>	<p>generally present in urban locations, however, and as a result, require training programmes specific to their context [16].</p> <p>Entrepreneurial education and training entails developing a philosophy of self-reliance and includes the creation of new cultural and productive environments, and the promotion of fresh sets of attitudes and business cultures for dealing with future challenges [95]. A major obstacle to economic growth for poor nations is a lack of educated entrepreneurs able to mobilise and co-ordinate production inputs [73]. By inference, financial institutions who lend funds to uneducated entrepreneurs who also lack managerial expertise are making unwise investments, since it is not financial capital that is lacking, but rather knowledge, ability and entrepreneurial skill. In South African schools, various problems exist which hinder the effective implementation of entrepreneurial education, some of which are poorly trained educators and a lack of adequate resources [96]. Better entrepreneurial education could make a significant contribution to job creation and, ultimately, to poverty alleviation.</p>

External factors	Internal factors
<p>Developing countries compete with other countries, owing to globalisation and increased trade, although barriers and other restrictions generally do not favour these countries [81], because competition is increasing from international companies, because of the existence of Free Trade Agreements [82].</p> <p>Competition therefore presents a risk to the survival of independent enterprises, although it is what motivates companies towards higher productivity, which results in their growth and development. A primary barrier to SME survival is seen as ‘unfair competition’, which includes tax systems, informal economies and public services, and this has persisted with the same intensity throughout the post-war period [83].</p>	
<p>Source: Lekhanya [1].</p>	

Table 2. External and internal environmental factors.

Entrepreneurial education, training and skills can assist in the growth of rural entrepreneurship intentions in underdeveloped and isolated areas. There are various impacts of the dimensions of individual EO, cost leadership and performance differentiation, on competitive strategy, which can also be interpreted as the leadership style contributed by rural SMEs owners/managers to the overall business performance percentage, including SME survival and growth.

Economic development is not the only factor that determines rates of entrepreneurial success, since entrepreneurial attitudes and perceptions also play an important role in creating entrepreneurial cultures, and are strong indicators of such attitudes and perceptions in efficiency-driven economies. Most policymakers recognise that entrepreneurs usually commence business with limited finances, due to SMEs operating in a range of industries and environments, which results in their policies generally supporting a broader scope of entrepreneurs. Policymakers often fail to recognise that benefits for entrepreneurs can vary dramatically, however, depending on entrepreneurial desires to build high-growth businesses in rural areas, which often lack such high-growth entrepreneurial endeavours.

A positive relationship exists between the attitudes of managers and actual growth outcomes of SMEs, since SME managers/owners are required to accommodate greater changes than managers of larger companies, and growth requires change and its effective management to ensure business success. Managing change effectively, the recognition that change requires altered attitudes and the positive behaviour of involved individuals are therefore all of prime importance, although it is generally accepted that many managers are unable to easily change their attitudes and behaviour to fit the changing needs of organisations.

4.12. Advantages and disadvantages of rural entrepreneurship digitalisation

4.12.1. Advantages

- Acceleration of manufacturing initiatives;

- Empowerment of indigenous entrepreneurs;
- Access to global markets;
- Marketing connections;
- Wider distribution of customer service improvements;
- Improved business transactions;
- Time-saving; and
- Minimisation of business costs.

4.12.2. Disadvantages

- Advanced skills are required;
- High installation costs;
- Absence of privacy and data protection laws; and
- Lack of safe cybersecurity intelligence.

4.13. Drivers of rural entrepreneurship digitalisation

4.13.1. Technological development

In order to achieve community development opportunities, academic improvements, social change and political and entrepreneurial growth, governments should prioritise the installation of fibre optic technologies, thereby making broadband connectivity accessible to rural communities. The provision of fibre optic connectivity to all residences in rural areas would not only cater for household communication but allow for the digitisation of rural business initiatives. It is believed that through strategic private sector partnership alliances, the public sector and governments of both developed and developing countries are enabling to create digital infrastructures that will ensure the digitalisation of all rural areas [1].

4.13.2. Socio-economic factors

Socio-economic factors are core aspects influencing entrepreneurial behaviour and the operation of businesses. Economic growth is a function of both growth in resources and the rate of technological change, with land, labour, capital and entrepreneurship being resources in the factors of production. Economists, who have studied the effects of these resources or inputs in identifying the causes of economic growth, recognise the growth of entrepreneurship as their primary source. A primary contribution to the economic growth of all nations is that made by the entrepreneurial factor, because it is entrepreneurs who contribute methods for achieving specific objectives, which include those innovations responsible for technological progress. It is therefore not an increase in the quantity of the other inputs that fosters economic development,

but rather the efforts of entrepreneurs, who assume the risks for innovation, and organise and co-ordinate all business inputs.

4.13.3. Societal levels of education

Entrepreneurial education and training entails developing a philosophy of self-reliance, such as the creation of new cultural and productive environments, and the promotion of fresh sets of business attitudes and paradigms for the achievement of future challenges. Economists maintain that a major obstacle to the economic growth of poor nations is a lack of educated entrepreneurs able to mobilise and co-ordinate all relevant production inputs.

4.13.4. Political willingness

The importance of SMEs to a country's economy also indicates the significance of government policies that support SME initiatives, including regulations that enable them to operate efficiently, and reduce their administrative costs (Harvie and Lee [68], in Govori [69])). Governments hence need to adopt friendly policies for rural SMEs to enable their survival and growth. Currently, many underdeveloped and developing countries in Africa have not focused SME policies to address the needs of businesses operating in rural and underdeveloped areas. Government initiatives which promote and support SMEs in enhancing their development and reducing poverty lack a proper legal framework and are hindered by bureaucratic processes and other barriers, such as genuinely affective administrative procedures, including access to relevant government agencies. Politics intrinsically involves government attitudes towards business, and the operational freedom allowed to companies, and it is indicated that the types of governmental policy which may constitute potential political risks to businesses fall into three main categories. These include operational restrictions, exchange controls and employment policies, where requirements may exist dictating locally shared ownership, and also particular product requirements. Governments therefore need to implement business policies that allow rural entrepreneurs to remain operational, without having to contend with overburdening bureaucratic restrictions [71].

4.13.5. Barriers to rural entrepreneurship digitalisation

Rural entrepreneurship is faced with the challenges of financial shortages, deficiencies in networking, electricity, equipment, marketing, small and distant markets, poor transport systems and also corruption. In many countries, meagre infrastructural facilities, poor access to technology and a lack of broadband connectivity and serviceable roads are major developmental challenges for rurally based SMMEs. The productivity and effectiveness of SMEs in developing countries is primarily affected by the diffusion rate of technology in many rural communities. Even where the belief exists that the availability of state-of-the-art technology is an important driver for business expansion in rural areas, more resources are nevertheless required to ensure that fragmented rural villages are effectively digitalised and well positioned to access international markets. The essence of technology should therefore not be ignored, since it enables small companies to access mass markets, connect with global supply chains, cost-effectively track customers and enhance their internal operations.

4.13.6. Infrastructure developments as determinants of success for rural SMEs

The productivity and effectiveness of SMEs in developing countries are affected by the diffusion rate of technology, which is considered an important driver for business expansion in rural environments [99]. Technology should be regarded as an essential tool for business owners/managers, which cannot be ignored, since it enables small businesses to access mass markets, connect with global supply chains, cost-effectively track customers and enhance their internal operations [100]. In many countries, Information Communication Technology (ICT) can be used as an instrument for driving socio-economic development, such as poverty reduction, and more particularly in the SME environment to enable growth. Poor infrastructural facilities, such as roads and technology, have been mentioned as major obstacles for SME development and growth, and a need remains for both infrastructural (social, economic, ICT and other enabling infrastructures) and SMME development (agricultural processing, village markets and finance/credit facilities) [101].

Infrastructural developments include the ongoing expansions required for ICT in terms of bringing about improvements in the quality of life, empowerment and economic development of rural communities [102]. It is, however, not regarded as economically viable for SMEs to incur significant infrastructural costs, due to the fact that they are often located far from commercial centres, which can have a direct negative impact from any infrastructural shortfalls that exist [103]. Consequently, the inadequacy of infrastructural components, such as power supply, transportation, industrial estates and telecommunications, is a major barrier to effective SME start-ups in rural areas.

4.13.7. Rural entrepreneurial resources

Various resources, such as those of finance, human and social capital and also networking, have direct or indirect impacts on the survival and growth of SMEs, whose owners/managers must also possess the necessary capabilities to acquire and effectively utilise their business resources [104]. Rural SMEs must therefore demonstrate such capabilities if they intend to survive and develop, and the inability of small business owners/managers to match their products or services with the demands of external environments is therefore a major challenge to their strategic growth. SME owner/manager levels of formal education, access to and use of new technologies, along with poor management skills also contribute to limiting SME survival and growth ([13], and more recently [105, 106].

SME owners/managers themselves lack the necessary skills and capabilities required for business start-ups and operations, and with rural enterprises characterised by many difficult factors, such as limited resources, their small sizes and scattered and remote locations, the transaction costs for rural activities are high, which is largely the result of the time required to ensure that business standards are met [107]. Rural enterprises face risks that range from managing the power imbalances they experience compared to larger businesses, to buyers that can influence terms, conditions and standard requirements for making sales. In addition, rural enterprises have limited access to current market information, mainly due to weak transport and communication infrastructures, specifically in rural environments, which makes it extremely difficult for such enterprises to participate in high-value markets [108].

The growth of SMEs has been hampered by a variety of barriers, created directly or indirectly by the state of their operational environments [109]. Due to fiscal policy constraints, specifically high taxation, financial constraints in institutional environments remain major barriers to the success of SMEs, since their influence encourages many SMEs to conduct their activities in informal economic sectors, because the managers/owners of many SMEs are survivalists who require continuation of existence and growth beyond their business start-up phases. The informal sector is, however, often faced with challenges, such as market deficiencies and institutional faint-heartedness, which impede their growth. Governments should therefore encourage the growth of 'knowledge networks', which offer SMEs the opportunities to more easily exchange information with both domestic, and also in particular, large international companies.

4.13.8. Rural enterprise networks

Network relations can be a source for achieving a higher degree of EO and business performance, and rural SMEs therefore need to belong to properly formulated and reliable networks if they are to survive and develop [110]. Networking plays an important role in the managerial skills of SME owners/managers operating in informal settings, as is the case with many rural entrepreneurs, and strong relationships are thus built with other business individuals or organisations in order to survive and enhance their competitiveness [111]. SME owners/managers often identify new opportunities and gain valuable ideas, information and resources from the networks to which they belong [112].

How rural SMEs engage in networking in many countries is, however, largely unknown, and the improvement of networking between business leaders is suggested as an appropriate arrangement to improve business success in rural areas [113]. Operating within networks, through which formal arrangements between independent businesses are established to enhance member success, is generally accepted as an important strategy to assist small businesses to survive and prosper, because networking enables entrepreneurs to make significant contributions to social capital and increases the long-term likelihood of their success [114, 115].

In the past, the location of businesses was considered an important factor by business owners when launching their enterprises [116]. This is true only in highly populated urban areas, and not in rural areas, where networking is entirely dependent on word-of-mouth for referrals and increases in patronage, due largely to a lack of Internet connectivity, which suggests that rural entrepreneurs need to alter their business practices with regard to promotional marketing strategies in order to increase their business networking, and should begin by making use of modern technologies, such as social media, as their business networking tools [117].

4.13.9. Human capital within the rural SME sector

The human capital of enterprises is an important internal determinant of their survival and growth [118]. Human capital in entrepreneurship is defined as the attitudes, commitments, values, knowledge, experience, education, capabilities, skills and abilities that aid entrepreneurs in starting, running and growing their businesses [119]. Human capital is therefore a critical factor for the development and survival of enterprises, including the competitiveness of

ventures, since its use directly affects SME performance, and is therefore a crucial determinant of their performance ([120–122]). It is a fact that the vast majority of SMEs still hold negative training philosophies, and as such, merely pay lip service to human resource development.

Furthermore, human capital is generally regarded as a critical agent in SME performance to empower owners/managers with training that enables them to make the correct managerial decisions when dealing with factors from both external and internal business environments [123]. There is therefore a definite need to investigate the effects of training and human capital development management with regard to the growth and survival of rural SMEs [124]. The promotion of modernisation, capacity building and the sizing-up of SMEs are required, and human capital therefore remains the most important factor for productivity in today's economy, including the small business sector [125, 126].

4.13.10. Institutional challenges to rural entrepreneurship

South Africa's institutional restrictions take a variety of forms, including high borrowing costs, complex tax regimes and a cumbersome bureaucracy, which can lead to low entrepreneurial growth in transitional economies. SMEs are therefore confronted by many challenges, such as environmental legislation, inefficiency in supply chain networking, increased local and global market competition, uncertain domestic market conditions and shortages of funding and sustainability in expansion [127]. The growth and survival of rurally based SMEs particularly are largely affected by problems associated with government-imposed regulatory frameworks, relative to their urban counterparts. Rurally based entrepreneurs have demonstrated a rare ability to start, grow, compete and survive in business longer than many urban SMEs, even when voluntarily complying with government regulations and procedures. The basic policies, laws and regulations of the country influence the survival and growth of its SMMEs, and a lack of collateral and institutional support are factors that heavily impede the survival and growth of SMME agribusinesses in developing countries, such as South Africa, where many rural SMMEs fail to meet collateral requirements that qualify them for bank loans.

The unleashing of entrepreneurship requires an environment that enables entrepreneurs to create, operate, manage and, if necessary, close businesses, within a context where compliance with the rule of law governing disclosure, licencing and registration procedures and the protection of physical and intellectual property are guaranteed. The existing regulatory environment should encourage people to launch their own businesses, attempt new business ideas and to take calculated risks, while keeping administrative burdens to the minimum required to support sustainable public policy and development objectives.

5. Methodology used

A comprehensive literature was conducted, and it was used as sources of questionnaire formulation for the empirical data collection. A total of 501 people who own or manage small and medium enterprise (SMEs) were asked to complete 10-page questionnaires to get empirical data. Mixed technique of quantitative and qualitative was employed composing closed and

Research area	Questions
Knowledge and understanding of digitalization	Rural entrepreneurial digitalization described as: Alternative response: Modern technologies; forms of electronic media; viral marketing; Internet marketing; using all business activities electronically
Attitude towards new social media networks	Attitude towards rural entrepreneurial digitalization and use of new technologies by rural entrepreneurs: Alternative response: Costs of Internet are very high; Internet is time-consuming; rural entrepreneurship can do without digitalization; rural entrepreneurship requires special skills
Benefits of digitalization	Rural entrepreneurs benefit from following for using digitalization and new technologies: Alternative response: Access to international markets; increase brand popularity; reduce marketing costs; easy business networking; increase sales
Factors contributing to the adaption of digitalization	The following factors affect the use of rural entrepreneurship digitalization: Alternative response: Political factors; economic factors; social factors; technological factors; legal factors
Methods of digitalization	Most used rural entrepreneurship digitalisation methods are: Alternative response: Emails; social media; text message; viral marketing; affiliate marketing
Implications of digitalization	Rural entrepreneurship has been increased using digitalisation: Alternative response: Minimise costs; promote brand; reduce advertising costs

Table 3. Summary of key questions.

open-ended questionnaire together. Questionnaires were distributed to the owners'/managers' business premises with the help of research assistants. The participants were giving 7 days to complete questionnaire. Data were analysed using Statistical Package for the Social Sciences (SPSS) version 23.0 to test significance of the results and later presented (**Table 3**).

6. Research findings

The findings are outlined in this section based on the empirical research conducted in the various rural places in KwaZulu-Natal province of South Africa. All tested variables were constructed from the international literature review presented in the previous section, on the numerous problems confronting rural entrepreneurs in diffusing and adopting the use of modern technologies to achieve growth. The pick variables were scientifically tested and results are presented in **Tables 4** and **5**.

The results presented in **Table 4** show the various aspects associated with the attitude towards rural entrepreneurial digitalisation. The high costs of Internet 291 (58%) and special skills needed 80 (16%), followed by time-consuming in the Internet seem to be most concern amongst the respondents; however, there was also considerable number of 75 (15%) who still believe that rural entrepreneurship can do without been digitalised. This perception can be due to the resistance to change from old business practice or lack of knowledge and understanding of the

Attitude towards rural entrepreneurial digitalization			Method of digitalization			Benefits of rural entrepreneurial digitalization		
Variables	Frequency	Percentage	Variables	Frequency	Percentage	Variables	Frequency	Percentage
Costs of Internet are very high	291	58	Emails	85	17	Access to international markets	210	42
Internet is time-consuming	55	11	Social media	246	49	Increase brand popularity	30	6
Rural entrepreneurship can do without digitalization	75	15	Text message	110	22	Reduce marketing costs	100	20
Rural entrepreneurship requires special skills	80	16	Viral marketing	40	8	Easy business networking	55	11
Total number of participant	501	100	Affiliate marketing	25	5	Increase sales	105	21

Table 4. Variables tested on digitalisation of rural entrepreneurship.

Knowledge and understanding of rural entrepreneurial digitalization			Factors affecting rural entrepreneurial digitalization			Implications of rural entrepreneurial digitalization		
Variables	Frequency	Percentage	Variables	Frequency	Percentage	Variables	Frequency	Percentage
Modern technologies	110	22	Political factors	37	7	Minimise costs	40	8
Forms of electronic media	65	13	Economic factors	251	50	Promote brand	170	34
Viral marketing	25	5	Social factors	37	7	Reduce advertising costs	291	58
Internet marketing	261	52	Technological factors	150	30			
Using all business activities electronically	40	8	Legal factors	25	5			

Table 5. Variables tested on other critical issues on digitalisation of rural entrepreneurship.

benefits of digitalisation. About digital methods used by respondents, social media with 246 (49%) is dominating with high number, followed by text messages with 110 (22%). These findings indicate clear picture that digitalisation of the rural business is at the fancy stage, and therefore, need to be encouraged and managed more effectively. A large number of respondents

believe that rural entrepreneurs can benefit in the access to international markets. They also think that it can reduce marketing costs while increasing sales.

The results shown in **Table 5** revealed that 110 (22%) as well as 261 (52%) of the respondents have knowledge and understanding of modern technologies and Internet marketing. Therefore, these are making significant impact in promoting brand and reducing advertising costs. However, they are critical external factors influencing the diffusion and adoption of digital concept in the sector, these include economic factors with 251 (50%) and technological factors with 150 (30%) of the respondents affected by them. There are also concerns raised by respondents about political factors, social factors and legal factors that they are influencing their business strategies of doing day-to-day running of the business.

7. Limitations

The results used in this work are completely based on the survey conducted in rural places of KwaZulu-Natal province in South Africa. Therefore, the generalisation of these findings should be done with care. The survey was only done on the formal registered SMEs without considering informal businesses. The complexity of the South African geographical profiles also played significant rule.

7.1. The research implications

All over the world, many entrepreneurs operating in rural places including those in urban as well as peripheral areas will benefit from this work. This work will provide most needed knowledge and understanding of rural entrepreneurship digitalization and how it can benefit their business popularity. The marketers and all business interest parties need to obtain broad understanding of the relevant theories such as rural entrepreneurial digitalization which can be applied when addressing complex problems faced by rural communities everywhere in the world. This brings new thinking about implementing concept of digitalization of rural businesses as a promotional strategy to connect fragment rural places with the international markets and business society. On the practical side, the utilisation of recommendation from this survey will help in providing what is lacking and what needs to be done about the digitalization of rural entrepreneurship and what are the pro and cons of these concepts.

8. Recommendations

This study recommends that due to the various challenges such as lack of broadband availability and electricity in many rural places, there is a lot of improvements need to be done to improve rural business and livelihood of rural communities as well. It has been found that rural entrepreneurs are also faced with barriers including poor telecommunications infrastructure, management incompetence, lack of marketing skills and insufficient entrepreneurial knowledge, therefore, this study recommends that governments and private sector should be

encouraged to work together to improve ICT co-ordination and its policy development for the rural places. National governments should establish steering agencies responsible for championing and ordinating rural entrepreneurial digitalisation and modern technologies networking systems for rural communities. Since the use and awareness of social media and social network gained significant growth in many countries thus, can be good promotional tool for rural enterprises, as these will help in minimising marketing while speeding up the sales of the products. The study recommends the use of digitalisation to an able rural business to reach out international market and enhance competitive advantage. Digitalisation will improve entrepreneurial knowledge skills, will help them to know their customers better, to know their customers need, who they are, where they buy, when they buy and how they buy.

9. Conclusion

Since the inception of Internet throughout the world, the use of new technologies such as social media and social network has shown rapid growth from the business and social sectors. However, it has been noticed that many rural enterprises are still not using modern technologies in promoting their businesses. Hence, the cost benefits and importance of digitalisation of rural entrepreneurship must be clearly understood and be encouraged as this will be an important promotional tool for strengthening company brand. The concept of digitalisation will improve and bring new changing trends in emerging markets including rural industries and scale up product development and product diversification, as well as promoting idea generation through use of Facebook, company emails, Company Tweets and Instagram.

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Micro-Finance: A Driver for Entrepreneurship

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Additional information is available at the end of the chapter

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Abstract

Micro-finance lending has long been the answer to many rural developments around the world. It has successfully led to women empowerment and helped in enhancing the socio-economic status of women globally. Development policies and programs have often ignored women as the integral source in alleviating the growth process. The study thus examines the impact of handicrafts on the socio-economic status of women in Pakistan. It also focuses on the role played by micro-finance institutions in enabling women's micro-entrepreneurship. Women are successfully achieving a high social and economic status in countries like Pakistan through earnings from handicrafts' industry. The data is analyzed quantitatively, using inferential statistics to support the descriptive analysis. Results of the findings showed that handicrafts prove to be improving the socio-economic status of women in Pakistan and micro-finance has been at its backbone.

Keywords: micro-finance, women beneficiaries, chi-square, entrepreneurship

1. Introduction

Pakistan has started embracing women in all walks of life—business women, entrepreneurs, working women, and owners. Micro-finance institutions, women beneficiaries, and natural environment have been identified as few of the indicators of this study. The key informants were samples from a leading micro-finance institution—kashf Foundation customers, who were compared with non-Kashf Foundation customers in Pakistan. Two variables have been analyzed where handicrafts are taken as the independent variable while the socio-economic status of women is taken as the dependent variable. As women have become a source of income in a country like Pakistan, they have been given the power of decision making and their status in society has also increased. Schuler and Hashmi [1], in their study of the impact of micro-credit programs initiated by Grameen Bank and Bangladesh Rural Advancement

Committee (BRAC) to empower women through various economic opportunities, measure the effectiveness of these programs by the increase in contraceptive use among poor rural women in Bangladesh. They define women empowerment in a specific socio-economic way as the increasing capacity of women to be physically mobile, have increased economic security, and reduce their vulnerability to household violence among others.

2. Literature review

Younus [2] re-invented the concept of social business models and entrepreneurialism. The Grameen Bank model went on to become a benchmark for many studies conducted for poverty alleviation, social cause, and micro-finance service providers.

Dubreuil and Mirada [3] advocated the relationship between micro-finance and women's micro-entrepreneurship in developed countries. Micro-finance institutions have played an obvious role in empowering women by providing them the social credit to start up their own business. With a greater rate of loan repayment, women are found to be more involved in starting up their businesses with less capital resources. Lack of financial resources deprives females of a chance to earn their income and contribute to a country's economy but in recent years, micro-loans have enabled women to become active members of the society socio-economically. Sirika [4] debates on the socio-economic status of artisan women in West Wallaga. She compares, in her research, the socio-economic status of artisans in the past and the current situation. Women in this region are producers of utensils and other products which people use in their day-to-day chores. Their role in sustainable development is of special concern. The economic status of handicrafts women is ranked high as compared to non-artisan women. There are many challenges for these women and once again their work needs promotion and guidance. Their skills need to be enhanced and they need proper training in marketing techniques, negotiating prices, etc. They should be provided a place in the market to display their work. Hence, non-government organizations (NGOs) and other organizations should focus on the empowerment of these women along with other matters of interest.

Sinha [5] conducted her research to study the impact of motivation and social support on enterprise creation and women entrepreneurship. For the purpose, a sample of 400 men and women entrepreneurs of the northeast India was taken. The sample was selected using stratified random sampling. In her study, the author reports that industrialization is an important factor for developing human resources in any region. Women constituted half of the population of the country according to the 1991 census. Northeast India women were more involved in income-generating activities. They were running different trades in the area and they were dominant in many trading bazaars of Northeast India. According to her, one of the motivating factors for women to start an enterprise was independent economic status. More educated women took enterprise as a challenge, while women who were not highly qualified and educated started micro-enterprises to earn an income. For most of the women, home was the first preference, so it was also needed to make the family members understanding and accommodating. These women lacked proper financing for these micro-businesses and

they bore high interest rates on loans they took for their work. They preferred to enter the handloom and handicrafts industry. Briefly, Sinha states that these women needed guidance and appreciation because they lacked many skills such as training, technology up-gradation, designing and new product development, packaging, and marketing. Different organizations working for entrepreneurship development should lead women in a defined direction using their spirits to excel in the industry. Despite all the aforementioned problems, women of this region have a very high potential to develop socio-economically.

Park and Changqing [6] established the Grameen Bank model in China to measure the effectiveness of reaching far-off clients in poverty-stricken areas. The model was created to gauge the performance of NGOs compared to formal financial institutions, but concluded that further innovations in methodology was required. Ahmed et al. [7] observed that reforms in foreign trade begin at the micro-level. By enhancing economic growth, the former can be achieved. Omoregie [8] describes each entrepreneurial activity as a challenge with abundant opportunities. He uses the buyer experience cycle and utility matrix, and the entrepreneurial process renewal, regeneration, and entrepreneuring model to close the gaps, enhance the opportunities, and build for a sustainable entrepreneurial environment. Rahman and Luo [9] critically evaluated the overall performance of three NGO-type micro-finance services in the Shaanxi province of China and compared them with the existing Grameen bank model. They concluded that more focus on outreach, credit performance, financial sustainability, and regulatory situation is required and awareness is to be generated for the selected micro-finance service providers to successfully govern the micro-finance lending. Samia [10] conducted an exploratory study to understand the entrepreneurial behavior among the women in the Pakistan and concluded that micro-finance lending helped more than half of the women with rural backgrounds to start a new business activity.

Barr [11] argued that micro-finance can help foster market innovations, noting that a sound credit history can play a vital role in channelizing these innovations. Jegatheesan et al. [12] embraced the idea of entrepreneurialism with micro-finance in Africa. They concluded that government strategies and acceptance of such activities is required for successful outcomes of such initiatives.

3. Handicrafts and women empowerment

Krishnaraj [13] analyses rural women handicraft as a type of subsistence production. She argues that women's work in bamboo craft production at household levels is affected by three factors: socio-economic contexts (caste and class), larger development and growth policies at state level and the way the household of these subsistence workers respond to these two larger contexts. Handicrafts are a source of women empowerment. In Pakistan, the handicrafts work is not as much appreciated due to which the women from underdeveloped areas remain in poverty and misery. It is one of the reasons why the arts and crafts in Pakistan are not well marketed. Lack of creative market strategies and negligence of government toward this sector also led to the negligence of this craft. When we look at the trend of handicrafts

in far flung and under developed areas of Pakistan, we see that there are very hard-working women who make beautiful handicrafts but when the time comes to sale these products, there are no potential customers. They ultimately must sell those beautiful products to ignorant people who do not have any idea about the products' actual cost, so they demand a very low price; handicrafts women must sell these products at the price offered to earn their living. However, the trend is different in the large cities of Pakistan where there are various foundations and organizations that not only support the females to start up their businesses, but also provide financial support to the minorities. Hence, a woman who has a little money to start up her business will take a certain loan amount from such micro-finance institutions or organizations and operate their work. In this way, they earn a considerable amount of income and are able to repay the amount of loan. They easily support their families. They send their children to schools and get the necessities of lives. This is how their presence is acknowledged in society and this is how their decision making power is also increased.

Maskiell [14] analyzes the impact of colonial policies and the intermixing of economic and cultural aspects of "Phulkari" among Punjabi women during the British Raj and how this has continued to make work feminine or masculine in the cultural imagination. She uses the term "gendered work" to explain her point.

4. Micro-loans and challenges

The introduction of products of modern technologies such as ceramics, plastic, and metallic utensils that are steadily replacing the utility of indigenous craft products in both urban and rural areas, is affecting the economic status of the artisans. Under these circumstances, artisans have lost and are still losing their traditional rural markets and their position within the community. This is chiefly true about artisan women. In the area, it is not the manufacturing industries that have been introduced but their products. If there manufacturing industries, they would have at least absorbed some of artisans. The consequences are many; first, the product is affecting progress of indigenous technology. Second, it is leading to widespread unemployment by destroying the labor-intensive crafts and reducing livelihood options; it is directly or indirectly intensifying environmental degradation. Besides, by affecting the progress of indigenous technology, this affects the positive interdependence between agriculture and craft sectors. Furthermore, enhanced machinery is hardly ever introduced in rural areas. Even when introduced, women are usually excluded from access to jobs in the new institutions by the associated criteria set for recruiting for employment. Another major challenge to the handicrafts women is that they cannot access the loans while living in far flung areas and they do not have any helping member who can help them to access the micro-finance institutions in large cities. They also cannot come to the big cities. Large NGOs and other micro-finance institutions should focus on such small groups of women from backward areas; they should guide and direct women in the proper right direction so that their work is brought to the commercial level and also displayed in large artisan exhibitions. In an article, attention was drawn toward the tendency among governmental agencies and most non-governmental organizations (NGOs) over the past two decades to apply a welfare model to women poverty alleviation projects [15]. Since the 1970s, various developing countries and donor agencies as

well as NGOs have looked upon women as indirect participants of development of a nation and region. Thus, most projects for women have concentrated on their reproductive role rather than their productive role. Women work need assistance and guidance. The government should take some steps to improve the handicrafts sector in Punjab and in other far and backwards areas too. The potential of the female workers should be creatively utilized and used in the development of handicrafts.

Women are disproportionately represented among the poor, and the number of women in poverty in the rural areas of developing countries is growing faster than the number of men. In 1988, an estimated 564 million rural women lived below the poverty line, representing an increase of 47% since 1965–1970. In comparison, the number of men living below the poverty line increased 30% over the same period. Factors contributing to the increase in rural poverty are economic recession, civil strife, and natural disasters. In addition, the rise in the number of households supported solely by women is an important variable explaining the increase in poverty among women. These households tend to be overrepresented among the poor. In both the urban and rural areas of developing countries, women are important contributors to the economic support of their households. In Africa, for example, it is estimated that 96 percent of rural women engage in farm work and 40% of small farms are managed by women. Because of this work, women contribute both cash and subsistence income to household support. Data from many countries show that the poorer the household, the more women work for income, and the larger the proportion of household income derived from women's earnings. In some landless households in India, for instance, women are often the main or even the sole income earners in their households.

5. Research methodology

The whole study revolves around the impact of handicrafts on the socio-economic status of women. A proposition has been developed since female entrepreneurs have a high status in society. Different elements have been considered keeping in view Punjab as the area of study.

5.1. Research design

The research is intended to study the impact of one independent variable, which is handicrafts, over the other dependent variable, which is status of women. Both variables have their own dimensions.

5.2. Sampling

- To conduct the research, 20 respondents were selected.
- 59 of the respondents were customers of the Kashf Foundation; the other 50 were handicraft working women from a backward area of Punjab near Mianwali.
- An adopted questionnaire consisting of 11 questions formulated by the Kashf foundation was used to study the impact of handicrafts on the status of women. Therefore, purposeful sampling technique was used.

5.3. Hypothesis development

The null hypothesis was the following:

H0: handicrafts have significant impact on the socio-economic status of women in Punjab.

H₁: handicrafts do not have significant impact on the socio-economic status of women in Punjab.

5.4. Data analysis

A total of 109 questionnaires were circulated among the respondents. The data received from the respondents was analyzed. To test the hypothesis, Chi-square test was used to know whether the chi-square was accepted or rejected.

5.5. Methodology

The data obtained was analyzed using chi-square. The observed and expected values were calculated. Each question had two options, which were Yes and No. Hence, these options were assigned the values 2 and 1 (Yes = 2, No = 1). In this way, it was observed how many respondents opted Yes and how many opted No. Degree of freedom was calculated using the appropriate formula and .05 level of significance.

The calculations for chi-square are as follows.

Observed values

Response	Kashf Foundation customers	Non-Kashf Foundation customers	Total
Yes	152	196	348
No	34	12	46
Total	186	208	394

Expected values

Response	Kashf Foundation customers	Non-Kashf Foundation customers	Total
Yes	164.284264	183.715736	348
No	21.71573604	24.28426396	46
Total	186	208	394

Chi-square

Response	Kashf Foundation customers	Non-Kashf Foundation customers	Total
Yes	0.918548967	0.82139475	1.73994372
No	6.949022623	6.214029846	13.1630525
Total	7.867571591	7.0354246	14.903

The following formula has been used

$$\chi^2 = \sum (O-E)^2/E$$

where

O = observed value.

E = expected value.

Degree of freedom was calculated by

$$Df = (r-1) \times (c-1)$$

where r = no. of rows, c = no. of columns.

6. Results

Decision rule states that we need to reject H₀ if:

$$\chi^2 \text{ calculated value} > \chi^2 \text{ critical value}$$

At 5% level of significance, we have 90 degrees of freedom and chi-square is 114.27.

The calculated value of chi-square is less than the critical value of chi-square, that is,

$$14.903 < 114.27$$

Hence, we accept H₀.

7. Conclusion

The analysis at hand endorses the impact of handicrafts on the socio-economic status of women in Punjab. The results were calculated by applying chi-square on the data. The reason for opting for chi-square was because we have

- quantitative data
- two variables
- adequate sample size
- data in frequency form

From the supported material and findings of the results, it is therefore concluded that handicrafts women are producers of indoor and outdoor implements that rural communities are depending on. In addition, their works in the sector are sources of livelihood diversification

that reduce pressure on land and hence, alleviate environmental degradation. These women need assistance to set up saving and credit cooperatives, making capital available for further investment. Groups' saving, and credit cooperatives are helpful to link the local cooperative unit to mainstream financial institutions in the country. There is a need to teach people the fact that existence of their technology is wholly based on the available surrounding natural resources and devastation of the resource cycle lead to interruption of the craft works. Micro-finance institutions that give loans with minimum interest rate should be set up in rural areas. Even if there are many lacking facilities, the handicrafts women can still empower their socio-economic status via earnings from their work. It was also concluded that Kashf Foundation customers have a better socio-economic status than those of non-Kashf Foundation customers.

Annexure

Questionnaire

Age: Income Level:

1. Do you think handicrafts are a leading factor in poverty alleviation?
 - Yes
 - No
2. What according to your perception are the sources of your empowerment in your society?
 - Yes
 - No
3. Do you think micro-loans/credit can be a driver in expanding your business?
 - Yes
 - No
4. Who is the principal decision maker in your house hold?
 - Yes
 - No
5. Since you have been involved in handicrafts, are you involved in decision making?
 - Yes
 - No
6. Has the attitude of your household members changed since you started contributing to the income-generating activities?
 - Yes
 - No

7. Have you been benefitting out of your micro-enterprise activity?
 - Yes
 - No
8. Are you facing any kind of financial independence after you have been a part of micro-enterprise activity?
 - Yes
 - No
9. Has your ability in doing purchases without seeking approval increased?
 - Yes
 - No
10. Has your role in your reference community increased greatly?
 - Yes
 - No
11. Since you have been working, do you think your quality of your life has improved?
 - Yes
 - No

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A Practical and Theoretical Approach to Social Venturing Entrepreneurship

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Abstract

Research in social venturing entrepreneurship promoted by Professor Gert Van Dijk is gaining ground. The concept of social venturing entrepreneurship is not new. It is rooted in entrepreneurship as described by classical authors like Von Mises, Kirzner, Schumpeter Knight and social reformer like Raiffeisen. It is anchored in new institutional and behavioral economics and exit strategy theory. A social venturing entrepreneur is a creator of effective social change in the context of economic, social and political conditions. Social venturing entrepreneur masters the skills of networking and lobbying. A social venturing entrepreneur is recognized by the social venturing and co-operative entrepreneurship business model they employ to execute their teleology. Social venturing entrepreneurship has advantages above conventional entrepreneurship as it has reintroduced the concept as entrepreneurship as a calling. They aim to empower the stakeholders for whom they setup the social venture and exit when the stakeholders are able to self-manage the enterprise. This chapter explains the commonly used concepts, ontologies, the social venturing entrepreneur's social venturing and co-operative business model, the economic theories and conceptual framework and practical application from appreciative inquiry point of view.

Keywords: social venturing entrepreneurship, social venturing entrepreneur, social venturing and co-operative entrepreneurship business model, social investor, social entrepreneurship, exit strategy, business model, business model symbiosis

1. Introduction

The research in the field of entrepreneurship has expanded to include a wide variety of entrepreneurial phenomena over the past 4 decades, ranging from the conventional or business entrepreneurship ([1, 2]; Kizner, 1973) to social entrepreneurship [3–7]. There are different facets of entrepreneurship today and entrepreneurship scholars and practitioners have not

yet agreed on a common definition, typology and entrepreneurship theories. Similarly, in spite of the growing amount of attraction and popularity in social entrepreneurship, scholars and practitioners, there still remains great amount of ambiguity as to what a social entrepreneur is and does. Within social entrepreneurship, common concepts and ontology that provides understanding of social venturing entrepreneurship have emerged. These ontologies and concepts in turn help to define the role of social venturing entrepreneur and investor or philanthropist in a social venturing and co-operative entrepreneurship (SVCE) business model enterprise, and appropriate supporting SVE economic theories.

Consequently, this chapter has been written in order to explain the practical and theoretical approach in relation to the concepts, common ontologies, the social venturing entrepreneur, social venturing and co-operative entrepreneurship business model, social venturing economics that help to explain, predict, analyze the behavior of economic actors as they perform their activities and practical applicability of social venturing entrepreneurship using appreciative inquiry.

2. Key concepts in social venturing entrepreneurship

In an essay, as a member of the Advisory Board of Stichting Het Groene Woudt (SHGW), Van Dijk approves of Meindert Witvliet, practicing social venturing entrepreneurs, for the entrepreneurial drive, quest for doing better things and deep insight in various sections of society (Netherlands and developing countries in Asia and Africa) and the manner in which Meindert Witvliet and Emmy Jansen structured, governed and managed SHGW's ventures. Through his work, social venturing concepts and strategies kept on unfolding [8].

The literature on SVE can be traced back to entrepreneurship as described by the classical authors like Von Mises, Kirzner, Schumpeter and Knight (van Dijk, op.cit). In particular, four concepts (purposeful action, sympathy, alertness, and judgment) turn out to be essential for entrepreneurship that applies also to social venturing entrepreneurs. The concept of *purposeful acting* is essential to understanding entrepreneurship. For classical economists, entrepreneurs act purposefully [9]. They have an end in view or, in other words, they have teleology. The term "teleology" was coined by the philosopher Christian Wolff in his Latin treatise of 1728 and he defined it as indicating the part of natural philosophy that explains the ends, or purposes, of things [10]. There are many ways of achieving those ends. Schumpeter coined the terms *new combinations* and *creative destruction*. The entrepreneurial act is to combine resources that the entrepreneur does not, or not yet own. Although authors like Kirzner pay much attention to the rewards of entrepreneurs, classical economists take the view that entrepreneurs do not in the first place act in order to just make money. Being an entrepreneur is to create value for society and in this way share meaning with society. Their entrepreneurial activities are geared to adding value in sectors and business activities for which they have developed a passion and they develop enterprise for customers for whom they *feel sympathy* (Smith). The key competency of entrepreneurs, for Kirzner [11], is the mastering of *alertness* for business opportunities and for Knight, the ability to *make judgment* under risk and uncertainty conditions [1].

3. Social venturing entrepreneurship ontology

Social entrepreneurship has become ambiguous, because all sorts of activities are now being called social entrepreneurship. The proponents of SVE have generally agreed on the following terms and their definitions.

3.1. Social venturing entrepreneurship (SVE)

Social venturing entrepreneurship is defined as the contribution to solving wicked societal problems by entrepreneurial methods [8]. It was Adam Smith, who once stated that moral sentiments and virtues are the forces that result in entrepreneurship with the aim to contribute to solving the problems of society. The market mechanism—invisible hand, as Smith coined the concept, was just to avoid partiality, which favors one person above the other. The market ought to be impartial in Smith's view as it is just an efficient coordination mechanism [12–14].

3.2. The social venturing entrepreneur

A social venturing entrepreneur is a Schumpeterian [2], Von Mises [9, 15–17], Kirznerian (1973), Knight [1] entrepreneur, a Smithian [12] economist and a Raiffeisenian (1818–1888) social reformer ([18]: pp. 170–172, [8]: p. 42). A social venturing entrepreneur is a creator of effective social change in a context of economic, social and political conditions and masters the skills of *networking* and *lobbying* [19]. Just as entrepreneurship is a creative action to explore and find opportunities within the boundaries of actual conditions, social, political, commercial, business, practical and technological, for Dijk et al. [8, 20], social venturing entrepreneur applies entrepreneurship and investments in a business-minded and entrepreneurial approach to societal problems in areas where the market is functioning poorly or lacking. The social investors and entrepreneurs do invest in society via products and services to stimulate people toward independence and self-sustaining—economically and socially—in an entrepreneurial way. As such, social venturing entrepreneurship has an advantage above conventional entrepreneurship as it reintroduces the concept of entrepreneurship as a calling and nothing less than a (silent) revolution in mainstream entrepreneurship ([7]: p. 70, [21]).

3.3. SVE: social investor

This type of entrepreneurial behavior is current and commonly exhibited by entrepreneurs who benefited from the first successful development phase of their entrepreneurial life cycle. They got attention for society's problems and want to establish, individually or cooperatively a social venture, as a matter of significance, by solving these issues in an entrepreneurial way, drawing on their entrepreneurial talent, persistence, networks and finance. These social ventures are very much driven by a clear vision of solving societal issues anywhere in the world. The social investor applies social innovation by setting up social venture investments, thereby bringing ideas into sustainable practice in solving societal problems, especially where the market and public sector have failed to tackle social challenges [8, 20–22].

Mainstream entrepreneurs in the corporate world seek opportunities in small but innovative or specialized startup firms and provide venture capital, by which it might also provide other core competencies such as management, operational and marketing skills. Similarly, in social venturing entrepreneurship, social investors seek for social and economic return on their capital by investing in the innovative social enterprise. By leveraging on networks (in public, private and social sectors) and entrepreneurial prowess such as entrepreneurial judgment, social innovation, leadership and business/managerial competencies, acquired over time, seek to deliver significant lasting impact in solving identified social problems. These social investors are inspired by renown successful mainstream entrepreneurs, but turned social entrepreneurs (Van Leer, Kröller, Carnegie, Rockefeller, Bill gates, Alumerio of Nigeria) and accomplished natural social entrepreneurs [23]. These individuals or through their foundations have been providing social investments to innovative social venturing enterprise with long-term societal impact.

3.4. SVE: venture philanthropy

The innovative social venturing business model's enterprises tackle societal ill problems, but lack stable funding, capacity and partnerships to address impact sustainably on their own. This is where venture philanthropy comes in. It is one of the most effective methods for sourcing social investment funds in social venturing business model enterprises [8, 18]. In venture philanthropy, the venture philanthropist, either as an individual or as a civil society organization undertake activities that are of greater benefit to society and execute or support projects such as exploration, expansion of culture, education, investment that target employment of target groups missing the connection to economic prosperity. The venture philanthropic sector started in the United States of America and has spread to other western countries. The venture philanthropy provides philanthropic toolkit that consists tailored financing (grant, debt, quasi-equity or mezzanine financing), capacity support or pro-bono contribution (skills development or governance structures and processes) and impact measurement and management. In order to address the social impact sustainably, social ventures demand an active involvement of people in philanthropic projects. They carefully define an expectation of the expected risks and try to get a firm grip on prescribed social return. Social venturing, as well as venture philanthropy, primarily focuses on the development of social entrepreneurship. This kind of social entrepreneurship focuses on achieving self-independent position in society upon philanthropist exit. Subsequently, the philanthropists the long-run philanthropist motive is for the people stay independent of gift-giving and the kindness of donors [8, 24].

3.5. SVE: investment on return

The primary teleology in social venturing entrepreneurship is to determine the impact investment—the investment that generates the desired social impact as well as financial return. An optimal balance of these is essential; otherwise the enterprise may not qualify to be a social venturing enterprise, but just a traditional profit making business or charitable/not-for-profit organization. The investment on return is the optimal social investment that is required for creating a sustainable financial return and social impact or public benefit. This type of

investment on return is ideal for social venturing business model's enterprises, unlike in the investor owned business model, state owned enterprise business model enterprise or non-governmental business model enterprises that are susceptible to market, state and voluntary failures ([18]: pp. 173–174). The return of social venture investments is hidden and difficult to express in monetary values. It definitely targets identified social return and financial return and ensures that the social enterprise remains health and sustainable. The Social investment strives to satisfy multiple stakeholders—the key partners, the internal and external customers. The key partners are interested more on addressing the social impact than on accrued economic benefits. The internal customers are interested in both economic and social benefits. The external customers are interested in the value of their money in exchange for the product or service offered by the social enterprise.

3.6. SVE: the exit

For SVEs, the exit strategy in the business model is defined at the inception of the social enterprise and implemented, managed, and modified during the course of the business in order to ensure that the stakeholders for whom the social enterprise was created are able to self-manage the enterprise in a sustainable way when key partner exit. The social venture entrepreneur must define the financial exit and impact exit modes ([25]: pp. 100–102, [8, 26]). Exit is defined as transfer of economic/legal (equity with residual claims) and psychological ownerships ([25]: pp. 67–68, [8, 27, 28]).

Similarly, the forms of exit must be agreed at the inception of the business. Nuer [25]: p. 110 presents various transfer of ownership models such as co-operative (e.g. farmer owned), employee owned company, divestment to local entrepreneur(s), communal ownership via a trust or other body and social enterprise development fund.

4. The social venturing entrepreneur(ship) business model

The term business model emerged during the end of the twentieth century. To date, there is not only a perforation of business models in literature and different business model definitions, but also, there is an array of conceptualizations and typologies that have been conceived from differing views of the problem domain—economic, strategic, entrepreneurship and operational and no general taxonomy of business model currently exist ([29]: p. 13, [30]: p. 2, [31]: p. 2, [32–34]). The business model concept is gaining traction in different disciplines, but it is criticized for being fuzzy and vague and lacking a consensus on its definition and compositional elements ([35]: p. 85, [36]).

Zott et al. [37]: p. 1020 conducted an extensive review of the business model literature and found that scholars do not agree on what a business model is and that the literature is developing largely in silos and according to the researchers' phenomena of interest. However, the study observed four emerging themes that could serve as catalysts for the unified study of business model. The common emerging themes were: a business model is a unit of analysis

centered on a firm explicitly and implicitly; a business model can be used in explaining how the whole business operates; the business activities and partners are important in business model conceptualization; and that the business model seeks to explain value creation and capture [38].

Among the common theme that scholars of business models have highlighted above is that the business model seeks to explain how value is created, delivered and captured. Likewise, the success of social venturing entrepreneur lies in the design of business model, a tool that he/she uses to create, deliver and capture the envisaged teleology—economic and social impact. Likewise, a conventional entrepreneur and social entrepreneur can be identified by the enterprise business model they use, the teleology their business model pursues, the type of key partners the incorporate in the business model, the ownership criteria and the presence or absence of exit model.

In his study, Siame [18]: p. 173 developed a business model typology based on business model teleology. The typology permit, business model comparison based on teleology. It holds the prognosis that a typology based on teleological value provides a rational basis for comparing, contrasting, evaluating, and predicting the behavior of the economic and social actors. In **Table 1**, any business model can be traced to a sector—private, public or voluntary. The general typology column provides the general business model typology and the main teleology being pursued. The class column indicates a specific class of business model within the general typology by recognizing their specific teleology and the remaining columns brings out the meaning and examples based in Zambia—a developing country where the study was undertaken.

The proponents of SVE argue that the social venturing entrepreneur applies entrepreneurship and investments in a business-minded and entrepreneurial approach to societal problems in areas where the market is functioning poorly or lacking, the example of which are shown in **Figures 1 and 2**. In his study, Siame [18]: p. 170 presents a wicked environment that constitutes barriers #1 and #2. In such environment, the social venturing entrepreneur needs to establish a social venture enterprise with a business model that incorporates micro, small and medium enterprises (MSMEs) owners, smallholder farmers or co-operatives (those affected by wicked problems) with the help of selected key stakeholders represented in barrier 1 & 2 enablers. The established social venture enterprise is able to trade in a free market environment dominated by large companies that was not possible to penetrate. Consequently, the social venture enterprise, using both economic and social coordination [41] is able to make sufficient profits some of which is used to finance impact in addition to other sources for impact finances.

Similarly, Dorward and Kydd [40], presents an environment depicted in **Figure 2** where markets are not functioning (due to economic coordination and other problems inherent to very poor rural economies) and where market-based development processes cannot be relied on to drive development.

In these environments characterized by wicked problems—depicted in **Figures 1 and 2**, the traditional investor owned firm (IOF) business model, state owned enterprise (SOE) business model, non-governmental organization (NGO) business model, and social venturing enterprise (SVE) business model are inadequate to solve these ills. The argument to justify the inadequacy for this business model enterprise in solving the wicked problems in these environments is as follows:

Sector	General typology	Classes	Meaning	Examples
Private	Economic teleology IOF-bm - Investor owned firm business model	TIOF-bm	Traditional investor owned firm business model	Wholly privately owned
		IIOF-bm	Inclusive investor owned firm business model	Privately owned firms, but contracts some operations
		LCF-bm	Large commercial farming business model	Large vertically integrated farms
		SCF-bm	Smallholder contract farming business model	Vertically integrated farms using contract farming (e.g. KASCOL, Dunavant COMACO, Zambeef, Pamarat etc. Bangwe & Van Kopen 2012; [39])
Public	Economic & social teleology SOE-bm - State owned business model	TSOE-bm	Traditional state owned enterprise business model	Wholly owned, state enterprise e.g. ZESCO
		GTG-bm	Government to government business model	Two states owned firm e.g. TAZAMA pipeline, IZB
		GGG-bm	Government to government to government business model	Three states owned firm e.g. TAZARA
		PPP-bm	Public private partnership business model	State and private owned firm e.g. ZANACO Bank
		SNGO-bm	State non-governmental organization business model	Joint social venture by state and NGO
Voluntary or third sector—split into two	Social impact teleology NGO-bm - Non-governmental organization business model	TNGO-bm	Traditional non-governmental organization business model	Completely not-for-profit NGOs
		INGO-bm	International non-governmental organization business model	International NGO e.g. OXFAM, CARE, Greenpeace
		PNGO-bm	Private non-governmental organization business model	Joint social venture by Private and NGO
	Economic & social impact teleology SVE-bm - Social venturing enterprise business model	TSVE-bm	Traditional social venturing enterprise business model—no exit strategy	Social venture using the same platform to make profit & deliver impact
		SIOF-bm	Social investor owned firm business model—no exit strategy	Social venture for profit making but use the whole profit to deliver impact elsewhere
		NGC-bm	New generation co-operative business model	Social venture to deliver profit to members
		TC-bm	Traditional co-operative business model	Social venture to deliver profit & impact to members;
		SVCE-bm	Social venturing & co-operative entrepreneurship business model with exit strategy [25]	Social venture to make a profit for some partners & deliver impact to others

Source: Siame [18]; p. 173.

Table 1. Business model typology

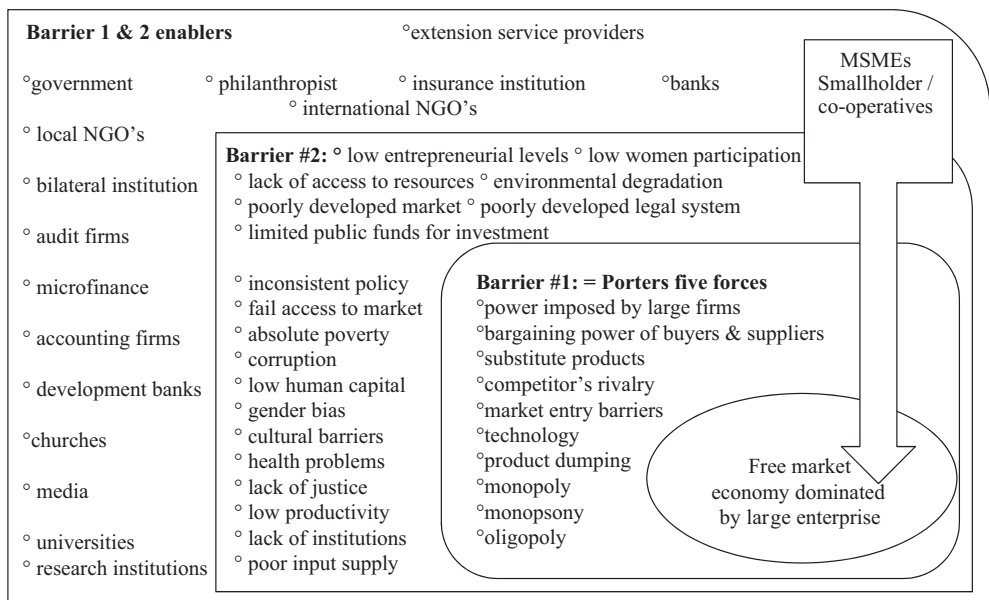


Figure 1. Wicked problems due to market, state and voluntary failures. Source: Siame [18]: p. 170.

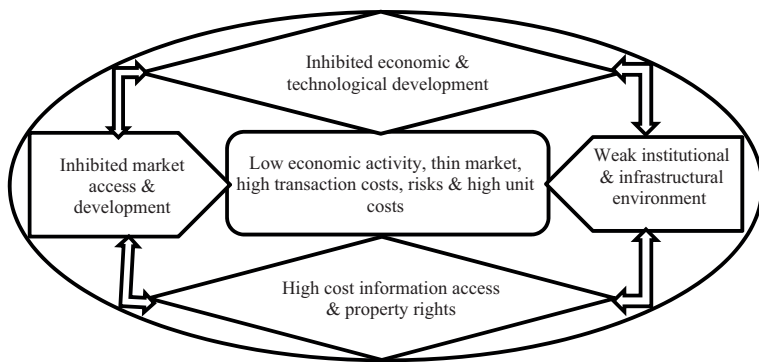


Figure 2. Coordination failure and the low level equilibrium trap. Source: Dorward and Kydd [40].

- The IOF business model, in a free market sector, is inadequate to solve social problems ([42]: p. 49). The primary focus for IOF business model enterprise is to achieve economic objective; the social or ecological objective are incidental or secondary ([18]: p. 173, [43]). For instance, the IOF business model entrepreneur is associated with profit maximization and self-interest with guile behaviors ([44]: p. 3, [45, 46]: pp. 215–233, [47]: p. 123, [48]: p. 30). Christians have criticized the use of IOF business model for neglecting wellbeing of all people [49]. Pope Francis described unfettered capitalism as “a new tyranny” and called on the world leaders to fight rising poverty and inequality. Porter and Kramer [50] and

Bakshi [51], in Van Der Velden [7], argue that the IOF business model is associated with social, environmental and economic problems while Raid and Afronet [52] and Saluseke [53] accuse IOF business model firms for engaging in tax avoidance through transfer pricing in developing countries.

The IOF business model has been marvelous in a free market economy in terms of its innovativeness. However, relying squarely on IOF business model enterprise pursuing predominantly economic teleology may not be the only best option to mitigate wicked problems in developing countries like Zambia. There is a need for more innovative business models to complement the traditional ones.

- However, the delivery of impact by government or SOE business models is severely questioned by the grabbing hand theory, Shleifer and Vishny [54], p. 4. The theory portrays government or indeed SOE business models as not maximizing social welfare and instead pursue their own selfish objectives, or the inability of weak states to implement policies effectively and provide a supportive institutional environment, Brown et al. [55]: p. 264. According to grabbing hand view, the policy makers are motivated by the aim to please the interest of specific, well-defined voters, ([56]: p. 9, [54]: p. 2). In this case, government personnel are assumed to be just as self-interested as any other economic actor, and will therefore exploit their monopoly over certain decisions to generate rents. Public choice scholars argue that public officials, besides pursuing public interest, might act to benefit themselves, possibly at the cost of efficiency [57–59].

The SOE business model has been quite phenomenal in countries with strong cultural values, but has not done well in many developing countries. Likewise, relying squarely on SOE business model for economic and social development may not be the only best option due to state failures.

- The NGOs, organizations have been criticized for various reasons in the past ([60]: p. a15, [61, 62]). Due to the dependency on donor funding, in times of declining aid, the NGOs find themselves unable to deliver impact. When this happens, the economic and social status of aid beneficiaries for whom the NGO was set up to start plummeting and in some cases becomes worse off than before they started receiving aid. This criticism leveled upon NGO's necessitated the introduction of SVE business model—self-financing business model—to maximize aid resource and ensure sustained impact. The Dutch ambassador to Ethiopia and Eritrea, Pieter Marres, publicly questioning the use of development aid. He says it is keeping people dependent and less self-reliant. The form of assistance that would be preferred is one that allows the recipient to help themselves, applying the famous age-old quote: “Give a man a fish; you have fed him for today. Teach a man to fish; and you have fed him for a lifetime” [63, 64]

The NGO business model enterprise plays a great role in mitigating market and state failures. However, donor fatigue and special interest and keeping recipient dependent on donor aid render them ineffective and therefore, there is a need for more innovations in third sector business models.

- The TSVE business model is an innovation from the NGO business model. However, the TSVE business model does not have an exit strategy building block that is important in preparing the stakeholders for independence. As a result, when the social enterprise winds-up for some reason, the economic sustainability is not guaranteed ([18]: p. 308, [65]: p. 176).

Arising from the negative effects of forenamed business models, especially the TSVE business model, Siame [18], in his study designed a generic social venturing and co-operative entrepreneurship (SVCE) business model with exit strategy building block. The social venturing entrepreneur, using SVCE business model is expected to empower the community for whom the social venture is established to self-manage the social enterprise when key stakeholders exit.

4.1. The social venturing entrepreneur's business model

Social venturing entrepreneurship, using Van Dijk terminology, is "entrepreneurship with calling," and is "a silent revolution to mainstream/traditional entrepreneurship." Among the social innovations that the social venturing entrepreneur pursues is the design of exit element in SVCE business model enterprise. The exit element or building block encompasses all that is required to empower the local stakeholders so that they are able to address the unsolved social problems themselves when the key stakeholders are gone or exited. The key stakeholders are those who partner with the social venture in order to solve the ill social problems sustainably and exit. These could be, for example, the philanthropist, government, companies practicing sustainable corporate social responsibility, International and local non-governmental organizations, multilateral and bilateral institutions etc. In the traditional business models (IOF, SOE, NGO, and TSVE business models), the exit strategy is an action plan to either change ownership, in case of IOF and SOE enterprises or when an investee ends the relationship in such a way that the social impact is either maintained or amplified, or the potential loss of social impact is minimized in the case of NGO and TSVE. However, the exit strategy in SVCE business model enterprise means handing over ownership to local stakeholders when they have acquired sufficient knowledge, expertise to manage the social enterprise sustainably [8, 18, 24].

4.2. The SVCE business model building blocks

The SVCE business model can simply be defined as an innovative framework for creating and delivering sustainable impact investment. The SVCE business model is most appropriate for firms wishing to create, deliver and capture both economic and social impact in developing economies characterized by a Schulze-Raiffesien environment or environments exposed to low level equilibrium trap ([66]: pp. 5–7, [67]: p. 4, [18]: p. 167, [65]: p. 303).

The SVCE business model creates economic value through key activities and key resources in order to deliver to three layered customers—key partner, commercial customers and input supply customers (the local people for whom the social enterprise has been formed). The social value is created through exit strategy building block activities. The value created (economic and social) is delivered to three layered customers through channels, customer relationships, and value proposition building blocks. The economic and impact revenue is captured through finance building blocks (see Figures 7 and 8 in Siame [18]: p. 177 & 179).

The business model elements are briefly explained as follows:

4.2.1. Customers

In the SVCE business model, customers comprise three elements that must be established before setting up an SVCE business model enterprise.

4.2.1.1. Key partners (KP)

The smallholders do not have finance, technical know-how, skill and knowledge to set up and run a value adding enterprise. The model needs key partners to provide these resources. Some or all partners shall exit when the stakeholders for whom the social enterprise was established acquire the know-how to self-manage the enterprise. The social venturing entrepreneur uses his/her skills in networking and lobbying to bring in partners as shown in **Figures 3 and 4**.

4.2.1.2. Commercial customers (CC)

The success of SVCE business model enterprise relies on the availability of commercial customers that are willing to buy the processed products or service. A feasibility study must establish this niche market. Tentative customers are in **Figures 3 and 4**.















Vision – Mission – Values – Teleology (economic& social impact)			Value proposition	Customer relationship	Channels
 					
Customers	Key partners 	Class A, B, C, D, E ...n, Equity-resource-based alliances – handbook & visible hand coordination	Key partners value proposition (PVP) – intrinsic & extrinsic	Audited financial reports, field day	Meetings, magazines
	Commercial customers 	Classical contract – striving for profit maximization (invisible hand – price coordination)	Commercial customer value proposition (CVP) - intrinsic	Point of sale, adverts, promotions	Own outlets Agents Online
	Input customers 	Relational contracts with mutually accepted handbook & handshake coordination	Member value proposition (MVP)- intrinsic & extrinsic	Field days, trainings, magazines	Workshops Meetings Manual book, trainings, Etc.
Key activities 	Input supply/manufacturing, Processing farm commodities, wholesaling, retailing, and distribution/export – vertically integrated enterprise along agricultural value chain. Training				
Key resources 	Key resources for social enterprise e.g. plant & equipment, HR, network, transport facilities, Input supplies, etc. Key resource the MSME, smallholders, community brings & key resource partners bring to SVCE-bmE				
Finances	Costs 	Fixed costs, variable costs, & social impact costs			
	Revenues 	Revenue from products & services, Other sources (grants/donations etc.)			
Exit	Strategies/Activities 	Who assumes ownership on exit? What type of ownership? What ought to be done to prepare those to take ownership? What are the conditions for one to assume ownership? How & when is exit to take place?			
	Impact (extrinsic & intrinsic) 	What are the commercial & social impact? What are the performance indices? How do we measure? How to we communicate? What are the costs & how do we pay?			

Figure 3. SVCE business model for fruit juice processing enterprise. Source: Siame [18]: p. 179, [65]: p. 302.

Infrastructure	Key partners	<ul style="list-style-type: none">• Funding – The Royal Norwegian Embassy, EU• Technical – Lead agricultural technical partner - The Conservation Farming Unit; Lead technical partner – Philanthropist General Mills; & Lead academic collaborating partner – Cornell University of USA• Business – Lead business consulting partner – Haas Business School, Berkeley University of USA• Aggregators – CARE International, Program Against Malnutrition & Wildlife Conservation Society, World Food Program, EU, MoA extension units		<p>Vision - The Luangwa Valley ecosystem is made secure from human disturbances by sustaining liveable incomes and household food needs through trade incentives that drive land use practices supportive of well-managed landscapes and natural resources. Through this success, serve as an example and learning platform for extending COMACO to other regions in Zambia and the sub-continent</p> <p>Mission - Provide marketing services, trade benefits, and extension support for farm-based and natural resource-based commodities as a basis for small-scale farmer adoption of improved land use practices that promote natural resource conservation</p> <p>Objectives - Poverty reduction, Job creation, & sustainability wild life & ecosystem in Luangwa valley</p>	
		Core business & resources	<table><tr><td>Key Resources</td><td>• Plant & equipment • Procurement & distribution network • Technology • Qualified staff • Partnerships & alliances • Intellectual property rights • Brand name 'IT'S WILD!' • Producer groups • Trading depots & CTC's</td></tr><tr><td>Key Activities</td><td>• Processing & packaging finished 'IT'S WILD' products • Marketing & distribution • Product & market development • Financial & management accounting • Human resource development • Relationship management • Validation of conservation compliance</td></tr></table>	Key Resources	• Plant & equipment • Procurement & distribution network • Technology • Qualified staff • Partnerships & alliances • Intellectual property rights • Brand name 'IT'S WILD!' • Producer groups • Trading depots & CTC's
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Key Activities	• Processing & packaging finished 'IT'S WILD' products • Marketing & distribution • Product & market development • Financial & management accounting • Human resource development • Relationship management • Validation of conservation compliance				
Value Proposition					
Customer value preposition (CVP) - • All natural foods • Reliable food production & supply • High quality, tasty 'green' products Member value preposition (MVP) - • Fair commodity prices • Access to market • Annual conservation farming dividends • Free maize incentive • Healthy lives for members families • Improved communication • On-going training • Local leadership • 65% ownership share in own community-managed tourism camps called IT'S WILD! Bush camps • New farming methods Partner value preposition (PVP) - Jobs creation • Poverty & hunger reduction • Sustainability; • Saving wildlife & ecosystem (Increased animal numbers, increased farmer enrolment, food security, conservation compliance, wider crop, enterprise diversity & income-safe)					
Customers	Customer segments	Niche market for external customers - • Urban retail outlets throughout Zambia & Regional export markets Internal customers (members & partners) - • Farmers and co-ops located along-side Luangwa's wildlife			
	Customer relationships (CRs)	External customers - • Quality assurance • Timely response to queries • product/service availability • Ethical communications & point of sale adverts Internal customers - • Timely financial & operational and M&E reports • Adherence to common ethics, values & contractual obligations • Efficient communication through official channels, • Workshops/seminars/meetings and trainings • local/public print/audio media, • Point of sale adverts Impact report to attract continued partner support - Better life to poor people; • Health & well-being; • Educating and caring children; • Sustainable ecosystem • Reduction in poaching • Reduced poverty and hunger			
	Channels	For external customers - • Retail outlets and other foreign distributors For internal customers - • Own six regional conservation trading centres (CTCs) • Own 75 trading depots Local dealers • Other foreign distributors			
Finances		Costs	• Operational costs • Fixed costs • social impact costs		
		Revenue streams	Sales (maize, beans, soya beans, rice, honey etc.) • grants & donations		

Figure 4. COMACO business model. Source: Siame [65]: p. 308.

4.2.1.3. Input supply customers (ISC)

The SVCE business model enterprise is setup for local stakeholders who are already engaged in survival, activities (such as farming, street vending, stone crushing, etc.). The value adding social venture enterprise is established where they own delivery rights to supply the social venture with the raw materials. And they are promised to purchase equity rights on exit—a kind of psychological ownership is created.

Only the willing are selected and given delivery rights for the supply of inputs to the value adding social enterprise. They are selected on the basis of what they have to bring to the SVCE business model enterprise—based on appreciative inquiry. Thus, they do not only own the ventures they are already engaged in but also earmarked to own a value adding social venture on exit.

4.2.2. Value proposition

The value proposition must address specific intrinsic and extrinsic needs of KP, CC and ISC; otherwise, these customers may see no need to support or being part of the social venture

enterprise. The feasibility study ought to establish the needs of all the customers so that they are part of the business model operations. The tentative value propositions are indicated in **Figures 3 and 4**.

4.2.3. Customer relationship

This building block dictates the nature of the relationships that a SVCE business model enterprise will develop with its customers—KP, CC and ISC. The examples of customer relationships that a social venturing entrepreneur needs to establish are stated in **Figures 3 and 4**.

4.2.4. Channels

Similarly, separate channels for different customer segments—KP, CC, and ISC—must be developed. These channels are the touch points through which a SVCE business model enterprise liaises with its customers and as such, play a huge role in defining the customer experience. See example in **Figures 3 and 4**.

4.2.5. Key resources

These are the most important assets needed to make SVCE business model work. It is through them that the enterprise generates value proposition, service customers and generate revenue. These can be physical, intellectual, financial, and human and can be owned or acquired from key partners as is the case with the SVCE business model. Key resources are directly relevant to the number and type of key activities being performed in the social venture enterprise. Ultimately, the quality of SVCE key resources will impact the sustainability and profitability of the enterprise. The example of key resources is shown in **Figures 3 and 4**.

4.2.6. Finances

This element constitutes costs and revenue streams as explained in **Figures 3 and 4**.

4.2.7. The exit building block

Thus, exit means that some or all partners who initiated the SVCE business model enterprise must *transfer ownership* at some point by selling equity rights to stakeholders who have been successful with delivery rights contractual obligations. The exit building block is unique for this business model typology and is meant to establish exit strategies and activities and impact through a feasibility study [25]. The example of exit strategies and impact are shown in **Figure 3**.

4.3. Exit strategies and activities

What is the preferred transfer ownership model—legal or psychological ownership or both? What are the planned activities to be undertaken in order to equip the smallholders so that they assume the kind of preferred ownership? How are the associated costs going to be financed?

A needs assessment at the inception of the SVCE enterprise is done in order to establish the training needs for the delivery rights holders to be able to take part in social venture management. And establish also the interventions that are required to increase production and productivity of economic ventures that the stakeholders are already engaged in so that they are able to supply the value adding social venture with delivery rights of the right quality, the right quantity, at the right time.

4.4. Impact

Before exit, what economic, social, environmental, etc., impact ought to be achieved so that the SVCE business model enterprise remains sustainable even after partner exit? How will the impact be measured and communicated to stakeholders?

4.5. The difference between SVCE business model and the TSVE business model enterprises

The proponents of SVE argue that SVCE business model enterprise is superior to traditional social venture enterprise (TSVE) business model on account of exit strategy building block that is integrated with SVCE business model. For example, Community, Market for Conservation (COMACO) business model (a TSVE business model shown in **Figure 4**), has been very successful in delivering economic and impact teleology to communities, but the lack of exit strategy for COMACO lenders the smallholders perpetually dependent on it. In case of COMACO winding-up for some reason the converted smallholders would revert to pouching since they social enterprise where they sell farm produce is no longer in existence ([65]: pp. 307–308).

5. The social venturing entrepreneurship: economics

Social venturing economics provides explanations and understanding of SVCE business model enterprise. The social venturing economics term was coined by professor Gert [8]. It borrows ideas from different economic schools of thought to explain, defend, analyze and predict the behavior of economic agent in SVCE business model enterprise.

Social venturing entrepreneurship is a society minded entrepreneurship. It is rooted in the study of welfare and political economics and supported in the literature of the Austrian School/economics (provides coherent suggestive theoretical constructs in entrepreneurship) and the New Institutional Economics (role of institutions in shaping economic behavior—focusing on social and legal norms and rules that underlie economic activity) and Behavioral Economics. The starting point is not the neo-classical approach of maximization of utilization for each individual goal. By definition the approach is that people are not acting in a rational way to achieve the highest possible (financial) benefit and utilization. It studies the economy on the basis of society issues existing, in which choices have to be made how to approach them in a business manner and entrepreneurial approach. Most of the times in an environment in which market mechanisms are lacking or functioning poorly and also the

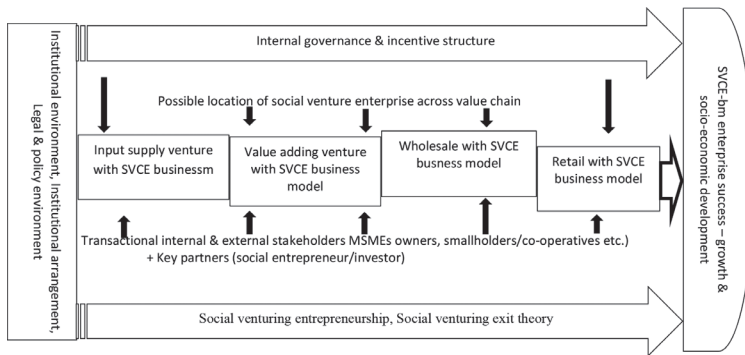


Figure 5. SVCE business model conceptual framework. Source: Siame [18]: p. 173.

government, private business sector and philanthropy have difficulties to bring lasting and sustainable results to these issues with the available instruments [8, 18, 68].

5.1. The conceptual framework for SVE

The success of the SVCE business model enterprise across the supply chains is possible when the social venturing entrepreneur applies social venturing entrepreneurship rooted in new institutional economics, behavioral economics and exit strategy theory as shown in **Figure 5**. The conceptual framework is premised on the notion that SVCE business model enterprise performance and growth is influenced by: Social venturing entrepreneurship + social venturing exit theory + Institutional, legal and policy environment + Internal governance + incentive structure ([69]: p. 235).

6. Practical applicability SVE using SVCE business model enterprise

According to Bushe, appreciative inquiry (AI) advocates collective inquiry into the best of what is, in order to imagine what could be, followed by collective design of the desired future state that is compelling and thus does not require the use of incentives, coercion or persuasion for planned change to occur [70]. Using AI, there are many government projects and enterprise and individual business activities that could make use of SVE in order to achieve greater, effective, and efficient performance.

Government starts projects and business ventures for social and economic development which, eventually become a burden to the treasury. For example, many countries in Sub-Saharan Africa have a Farmer Inputs Support Program (FISP). This program supports small-holder farmers with finances to purchase seed and fertilizer among others. In Zambia, this program has become a burden to the treasury and a hindrance to agricultural development in general because it is consuming a large percentage of the finances allocated to Agriculture ([71]: p. 5, [72]). It is a political program whereby the government of the day

is obliged to keep on increasing the budget allocation with a hope of being elected when their term comes to an end. The FISP electronic voucher program can be sustainably managed with a better exit strategy. A SVCE business model if planned at the inception of FISP would be a viable exit strategy and lead to agricultural industrialization, job creation and food security.

The National Savings and Credit Bank (NATSAVE) in Zambia may end up growing and becoming a burden like what became of the Zambia National Commercial Bank (ZANACO) that had to be privatized as a result of pressure from the World Bank and International Monetary Fund. It is time the government exited in some of the Natsave branches using social venturing entrepreneurship principles, for example, a number of Bureau de change owners would become owners in those branches that have a sound business case.

From the private sector, many individuals micro small and medium enterprise owners and smallholders have the potential to grow if the use SVE principles that have been dealt with in this chapter.

In Zambia, the government is better positioned to appoint a lead institution with support to promote SVE so that economic development can be accelerated. Promoting different business models in the economy like Zambia would be helpful in order to mitigate each other's negative externalities. The business model symbiosis illustrates the different modes of business models that can be created from the traditional models to bring vibrancy to the economy ([18]: p. 174). The business model typology in **Table 1** is configured in the business model symbiosis in **Figure 6**.

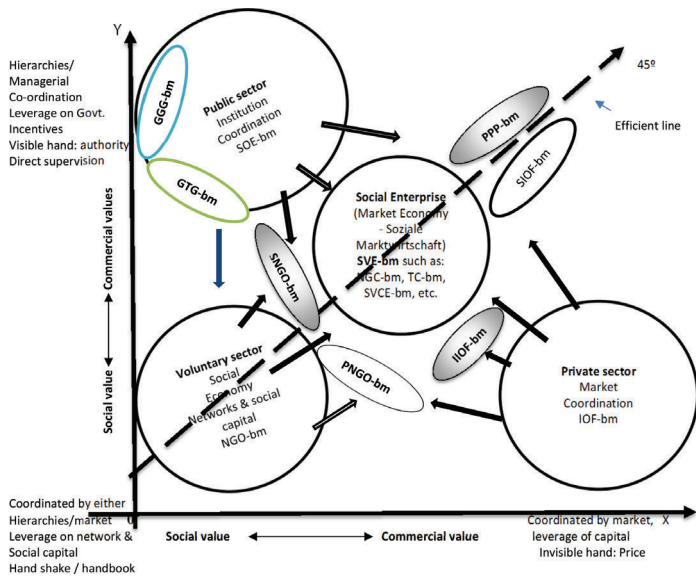


Figure 6. Business model symbiosis and efficiency line.

The business model symbiosis shows the frontiers of innovation for traditional business models. The SVCE business model for social venturing entrepreneurs occupies the center because it uses both market and non-market coordination's.

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From Entrepreneurial Intentions to Behaviors: Wandering In-Between and Wondering about Challenges and Avenues

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Abstract

In order to wander and understand the chasm between intentions and actions/behaviors, this chapter presents and discusses the leading theories (such as theory of reasoned action and theory of planned behavior), alternative ones (such as implementation intention theory and theory of goal-directed behavior), potential concepts bridging the intention-behavior gap (entrepreneurial motivation and commitment) and empirical intention-based models and their applicability and predictive validity in entrepreneurship field. For that purpose, it is argued that a socio- and cognitive psychological approach is the most suitable to understand entrepreneurship and in particular the intention-behavior link. This chapter invites entrepreneurship scholars to wonder about challenges in entrepreneurship research and education field and about potential research avenues. At the end, the chapter re-launches the debate by pointing out certain questionings for future research on entrepreneurial intentions and behaviors to produce novel knowledge.

Keywords: intentions, actions, behaviors, entrepreneurship, goal intentions, implementation intentions, motivation, volition, commitment

1. Introduction

Entrepreneurship is a young academic field [1] and the research on it remains without any substantial progress [1–3]. Being an emergent field of scholarly inquiry in the social sciences, entrepreneurship is considered as a complex and dynamic phenomenon [2, 4, 5]. And due to its dynamic and complex nature, this challenging research field has to be understood by solid foundations from the social sciences as suggested by Bygrave and Hofer [2]. And what made social sciences distinct from other sciences was related to its basic unit of explanation. In fact,

its basic building block was (and is) that individual action is guided by intentions. As mental states, human intentions matter (Ghoshal, 2005, cited in [6]).

Researches like [7, 8] stated that understanding the link between ideas/intentions and actions was critical for understanding the entrepreneurial behavior, process and phenomenon. Notwithstanding, understanding this behavior is difficult enough and predicting it presents so many challenges. Considerable progress has even been made toward understanding critical antecedents of entrepreneurial intentions, and, toward considering entrepreneurial behavior as intentional and planned behavior predicted by intentions [9] and goal-directed leading to an outcome [10, 11]. In the line with several researchers [12–15], we adopt a theoretical approach based on social and cognitive psychology to understand the complexity of entrepreneurial behavior, to study the link between intentions and behaviors, and to bridge the gap between the two. In this chapter, we present several concepts that are seemingly proposed from such literature in order to bridge this gap: goal intentions, implementation intention, desire and emotions, motivation, volition, and commitment [16–20] and with some empirical studies from entrepreneurship literature [14, 15, 21–27].

The chapter shows that several researchers asked if the antecedents of entrepreneurial intentions were known according to the different conceived and tested intentions-based models, the factors that facilitate the translation of intention into actions and behaviors are still unknown [28, 29]. Intentions may be still the best predictor of human behavior, including entrepreneurial behavior, but scholars have understudied how intention is translated into action and become reality, and this can become a promising issue challenging the entrepreneurship research and education field [28]. Thus, the chapter proceeds on a critical review of the literature (leading and alternative theories, conceptual and empirical models) to define the different challenging concepts between intentions and behaviors. The central question is why do some people act on their entrepreneurial intentions, whereas others do not in spite of favorable perceptions of desirability and feasibility of the entrepreneurial actions? After emphasizing the importance of advancing main concepts and reviewing literature from social and cognitive psychology perspective, the chapter challenges future research about adding new conceptual and empirical work in order to enhance our understanding of the whole process. The chapter discusses, at the end, some avenues for future research related to entrepreneurship research and education.

2. Entrepreneurship, entrepreneur, intention and behavior

Since more than two decades, there is a growing body of literature related to the field of entrepreneurship arguing that this field acquires some solid foundation and certain paradigms are emerging as the dominant theoretical constructions in this research field [5, 14, 30–34]. Fortunately, research in entrepreneurship has notably evolved and several approaches were adopted in the attempt to understand and explain entrepreneurial human behavior. Particularly, the cognitive approach gained much importance in adding insights into the complexity of process of entrepreneurship [8, 35, 36]. Thus, after defining entrepreneurship and

entrepreneur, we introduce the concepts of intentions and behaviors as main concepts in the entrepreneurship literature.

2.1. Defining entrepreneurship and entrepreneur

Several scholars attempted to define entrepreneurship and the entrepreneur. In fact, [34] emphasized the importance of innovation and novelty and considered the entrepreneur as performing the function of innovation throughout the power of creation-destruction. Indeed, [31] defined entrepreneurship as the emergence of a new organization by the action of entrepreneur. Entrepreneurship is about individuals who perceive/create opportunities where other do not, and who attempt to exploit those opportunities through various modes of organizing, without regard to resources currently controlled [32]. It's also about the study of opportunities to create future goods and services that are discovered, evaluated, and exploited by these individuals [33]. In addition, it was argued that the scientific object studied in entrepreneurship field is the dialogic between individual and new value creation, within an ongoing process and within an environment that has specific characteristics [2].

Dealing with its essential features, entrepreneurship is seen as essentially variable, heterogeneous, discontinuous, complex and dynamic phenomenon that is likely to be unpredictable and sensitive to initial conditions [2, 4, 5]. It is also characterized by uncertainty, risk and novelty, resource constraints, and financial as well as psychological ownership [35]. Consequently, being as a potential alternative to the trait approach, the processual approach of entrepreneurship makes possible to understand better intentions, actions, activities and behaviors of entrepreneurs. It considers entrepreneurship as a process of change, emergence and creation [2]. Accordingly, [15] consider this approach shifting when some researchers turned to entrepreneurial intentions recognizing that understanding the link between ideas and actions of entrepreneurs was critical for understanding the entrepreneurial process [7, 8]. Others turned to the study of entrepreneurial decision making and behavior and viewed entrepreneurship as process of causation [33], effectuation [37], and bricolage [38]. Moreover, the decision to become an entrepreneur may be considered as conscious and his behavior as an intentional, planned and goal-directed behavior [36]. In this chapter, we will refer to entrepreneurship in the sense of starting a new business and the entrepreneur as the main actor in the entrepreneurial process.

2.2. Entrepreneurial intentions and behaviors and the mysterious link

According to [7], intention(ality) is a state of mind directing person's attention (and therefore experience and action) toward specific object (goal) or a path in order to achieve something (means). Entrepreneurial intentions are defined as entrepreneurs' states of mind that direct attention, experience, and action to toward starting a business. They guide their goal setting, communications, commitment, organization, and other kinds of work [7]. In the same way, [39, 40] defined classically entrepreneurial intentions as the cognitive state temporally and causally prior to the decision and action of starting a business. Thus, in an intentional action the intention functions as a mediator. For several scholars, intentionality seems to be central

to behaviors and for an emerging new venture [30]. In general, behavior is shaped and motivated by cognitions and affects and it's an outcome of traits, knowledge, skills, abilities and perceived attitudes and intentions. Nevertheless, it's important to consider that the cognitive theory has demonstrated that intentions have an impact on behavioral outcomes [41].

The one of the first authors in the field of entrepreneurship studying intentions was Barbara Bird [7] who considered the concept of intention as playing an important role in the entrepreneurial process. For her, the formulation of entrepreneurial intention is dependent on the interaction of personal and social contexts with rational and intuitive thinking [7]. Entrepreneurial intentions determine the form and direction of an organization at its inception. From that date, the study of entrepreneurial intentions and behaviors began to appear with other pioneering studies based on intentions and provided a practical insight to entrepreneurial behavior [8, 36, 42]. Empirically, intentions are consistently the single best predictor of subsequent behavior. In these dominant intentions-based studies or models, intentions require the belief that the behavior is feasible and desirable [36]. Understanding and studying important categories of entrepreneurship research as behavioral intentions, decisive actions (behaviors), perceptions, and implementation of opportunities require, in fact, a grounded theory developed in social/cognitive psychology literature (e.g., [13, 21]).

3. Wandering in between intentions and behaviors: leading, alternative and potential theories and concepts

Wandering in between intentions and behaviors is considered a challenging topic in entrepreneurship; several scholars started focusing on it. In 2009, [43] attempted to understand entrepreneurial mindset, then, to revisit it in 2017 [44]. In their recent book, they introduced a first cluster dedicated to *"From entrepreneurial intentions to actions"*. In this cluster, they offered challenges to the current view of how entrepreneurs perceive their world. In these aforementioned two books, [39, 40, 45] introduced the concept of entrepreneurial intentions as a growing field promising to it a *"long live"* for the fascinating questions attending the entrepreneurship scholars and for who are interested in identifying even newer ground for intention and action research.

In calling scholars to rethink the future of research in entrepreneurial intentions, [28, 29] identified certain number of research gaps and induced new ways and perspectives to fill in them in this research field. In fact, after performing a systematic search of the literature, they considered the *"entrepreneurial process and intention – behavior link"* stream as a new research approach and potential perspective in entrepreneurship research. They urged a need to theoretically and empirically investigate the intention – behavior link. Knowledge for this approach and category of research is still poor except certain empirical works tracking nascent entrepreneurs (e.g., [46]). Accordingly, for [15], a critique toward entrepreneurial intentions studies argues that whereas intentions are the best predictors of future action, there is still insufficiently understanding of the intention-action link. In this chapter, the intention-action link deserves special consideration.

While acknowledging the importance of intentions in predicting behaviors, the literature in many academic fields (e.g., psychology) showed that there is no direct link established between intention and action, the main meta-analytic reviews concluded that the intention-behavior is not systematic. It is revealed that there is a gap in sense that not every intention is eventually transformed into actual behavior. Thus, a range of 27–30% of behaviors was found to be explained by intentions [10, 11, 19, 47, 48]. Same conclusion was reached in the entrepreneurial context with the meta-analytical work of [49]. This link intention-behavior began relatively to be explored in entrepreneurship literature [21, 46, 50–57].

In this section, extant literature review based on several meta-analyses, conceptual and experimental studies was proposed to study the link between intentions and actions/behaviors. Which link (s) can bridge between intention and behaviors? In order to attempt to answer this question, we suggest, first, to examine the main leading theories supposed to understand and predict intentions and behaviors, then, the empirical studies conducted to test these theories in the entrepreneurship field, and, the alternative theories and models which are likely suggested as cutting edges for the future of entrepreneurial intentions-behavior link research.

3.1. Leading theories for the prediction of intentions and behaviors

3.1.1. Theory of reasoned action

The theory of reasoned action (TRA) [41, 58] aimed to explain the relationship between beliefs, attitudes and human behaviors. According to this theory, behavioral intentions have been conceptualized as being a function of beliefs that provides a link between beliefs and subsequent behavior. They are determined by attitudes toward behaviors (ATB) and subjective norms (SN). Behavioral intention results from attitudes and becomes the immediate determinant of behavior. In sum, the TRA is applicable when the behavior in question is under volitional control. In other words, individual always has the control of whether or not to perform the target behavior.

3.1.2. Theory of planned behavior (TPB)

The TPB of [9] extended the TRA by adding Perceived Behavioral Control (PBC) as a third antecedent to behavioral intentions. The TPB considers human behavior as planned and therefore being preceded by intention toward that behavior. The TPB postulates three conceptually independent determinants of intention: ATB, SN and PBC. These antecedents should be sufficient to predict intentions. ATB refers to the degree to which a person has a (un)favorable evaluation or appraisal of the desired behavior in question. SN refers to what the social group that is important to that person (as social pressure) thinks about performing the intended behavior. PBC refers to people's perception of the ease of difficulty of performing the behavior of interest. Thus, the TPB predicts that the more favorable the ATB and SN are with respect to the behavior, and the greater the PBC is, the stronger an individual's intention to perform the behavior in question will be [9]. Intention and PBC must be assessed in relation to the behavior of interest. Both, they can make significant contribution to its prediction. Their relative importance in that is expected to vary across situations and across different behaviors. Behaviors can be predicted from intentions with considerable accuracy when there is no problem of serious problems of control.

3.1.3. *Applicability of TRA and TPB in entrepreneurship field*

The TPB has become one of the most influential theories of human behavior [9, 47] that is applied to understand entrepreneurial behaviors [8, 36, 46, 59]. In their meta-analysis of a database of 185 independent studies published up to the end of 1997, [47] found empirical support for the robustness of the theory as a widely accepted tool for predicting intentions and behavior across a wide variety of human behaviors [11, 47]. In fact, the TPB offers a coherent, parsimonious, highly generalizable theoretical framework for predicting intentions [36, 46, 60]. That's why the TPB has involved several entrepreneurship researchers with different areas of specialization and theoretical backgrounds [28, 29, 49]. The theory is also used to predict behavior as the final criterion [9]. From TPB literature, it has been noted that intentions, in turn, along with PBC determines behavior [10, 19, 59, 61]. The link between intentions and behavior depends on the extent to which behavior is under volitional control [9]. It is also revealed that intentions serve as a mediator between attitudinal antecedents and the actual behavior, which is assumed to be central to this theoretical framework [8, 61]. As suggested by [62], the antecedents of intentions may influence actual behaviors. For example, PBC influences indirectly actual behavior via intention, it may have a direct effect on behavior which has been found to be significant in several studies [50, 63, 64], but non-significant in others [65]. Thus, the direct effect of ATB and SN on actual behavior has not been found in previous research [9, 19, 50, 52, 59, 61, 64].

3.1.4. *Main empirical intention-based models in entrepreneurship literature*

Different models were developed for predicting and understanding entrepreneurial behaviors. The common idea shared by the models is that intentions are the single best predictor of entrepreneurial behavior [36, 64, 66, 67]. Two entrepreneurial intentions models have received more attention: the Shapero's Entrepreneurial Event [68] and the TPB [9]. They have received strong support [36, 49]. A variety of models ranging from [7, 69]; then [8] based on TPB; [36, 70, 71]:

- Shapero's Entrepreneurial Event Model [68] considers the business creation as an event that can be explained with the interaction between initiatives, abilities, management, relative autonomy and risk. According to this study, the personal choice to start a new venture depends on three elements: the perception of the desirability (both personal and social), the propensity to act and the perception of feasibility.
- Bird's Model of Entrepreneurial Intentionality (MEI) [7] was grounded in theory in cognitive psychology that attempted to explain or predict human behavior. According to his framework, individuals were considered as being predisposed to entrepreneurial intentions based upon both personal and contextual factors. Intentions are structured by two different types of thinking (rational vs. intuitive) and directed through three intention processes: (1) temporal tension, (2) strategic focus, and (3) intentional posture.
- A conceptual variation of Bird's MEI: in this variation [25, 69], the need was to integrate the self-efficacy concept taken from the social learning theory of Bandura (1977) into Bird's model, knowing that self-efficacy is defines as a belief in one's ability to do a specific task

(see, [69]). Then, the need was also to integrate the goal commitment concept of the goal setting theory to the Bird' and Boyd & Vozikis' models. Goal commitment can operate both, as a direct casual factor and as a moderator of performance behavior (see, [25]).

- Intention Basic Model [8] which examines, through the use of a theory-driven model (TPB) the relationship between attitudes and intentions using a scale to permit greater flexibility in the analysis of exogenous influences, attitudes and intentions.
- Entrepreneurial Potential Model [70]: based on the previous models of Shapero and Ajzen, this model uses a socio-psychological perspective and considers that environmental factors affect the decision to create a new firm. The potential to start a business is defined on three critical constructs: perceived desirability, perceived feasibility and propensity to act.
- Davidsson Intention Model [71]: According to this model, intention can be influenced by two elements: the conviction defined by general attitudes (change, compete, money, achievement and autonomy) and domain attitudes (payoff, societal contribution and know-how), and the current situation.
- The Shapero-Krueger Model: [36] performed a competing hypotheses test that compared Shapero's model and TPB, and they found the models were supported. In their model, insights from Ajzen's theory were added to the Shapero's conception. For example, when adding social norms to the Shapero model, there was an increased explanatory power.
- Bird Intention Model Updated: [72] updated his initial model [7] by positing relationship between the two styles of thinking and more recent logics (strategic decision and effectuation models). His original model was found to be linked with the TPB and Shapero's Entrepreneurial Event (SEE) models. [72] proposed also to conceive an Expanded Model for the purpose of the meta-analysis conducted by [49], which integrates the TPB variables and the SEE, includes precursors of intentions, and behavior as important outcome of intention. Between them, two major predictors of intention in SEE (perceived desirability and perceived feasibility) are themselves the outcome of other cognitions in the TPB model (ATB, SN, entrepreneurial self-efficacy, and PBC), and since self-efficacy is different from PBC [73].

The proposed models have more similarities than differences. The important and influential intention-based models were those developed by [9] and tested empirically by different researchers, and the one developed and tested by [36]. The two major theories of intention formation are still related to Ajzen's TPB and to Shapero's Entrepreneurial Event model. For the former, the assumption is that behavior is fully volitional, but for the latter, the assumption is that Shapero recognized that there were precipitating/displacing factors (facilitator or barrier) that moderated the intention-behavior link.

3.2. Alternative theories for linking intentions to behaviors

While the TRA and TPB gave assumption that action is preceded by a conscious decision and behavior is under the individual's volitional control, the alternative theories suggested that where control is problematic and the behaviors subject to impediments (e.g., ability limitation, lack of money) may be considered goals [74]. Not surprisingly, [75] argued that models

predicting volitional behavior have to be adjusted to apply to goal-directed behavior. Different scholars argued that entrepreneurial behavior can be a goal-directed behavior. Though the idea of being or becoming an entrepreneur is a goal, the absence of an implementation intention will not result in entrepreneurial behavior [7, 16, 26, 36, 53, 69].

3.2.1. Theory of trying and hierarchy of goals

In their theory of trying (TT), [74] reconceptualized attitude theory to focus upon the pursuit of goals. They considered their TT as extension of the theory of goal pursuit and planned behavior. They stated that TRA should be revised and behavior should be views as a process of trying to achieve a goal. TT conceives of action as a process or a striving. It construes it as one attempt or more, or as a sequence of attempts, to achieve a final performance, in which attempts involve physical as well as mental efforts following the formation of an intention to try [76]. Besides, TT offers an immediate advantage related to the flexibility of the goal. In the TT, past behavior is included as an additional determinant including the frequency and recency of past trying. But, in TPB, intentions and behaviors are influenced by past behavior through background factors [75]. In this theory, the translation of intentions into behaviors is mediated by trying and moderated by control [77]. Accordingly, models predicting volitional action must be adjusted to apply to goal-directed behavior [6]. Despite the predominance of TPB for examining the factors determining entrepreneurial intentions, the related TT [76, 78, 79] has been the basis of some entrepreneurial intentions research [27, 80]. Since that the TT has been used to predict low level goals such as losing weight or mastering a new piece of software for example, the challenge is to apply it to predict higher level goals such as starting a business. However, though [8] have invited scholars to test alternatives versions of the theory of goal pursuit and TT, little work has been carried out to predict entrepreneurial behaviors [15, 39, 81].

3.2.2. Implementation intention theory

The intention-to-behavior is analyzed with respect to implementation intentions (ImIn). These intentions link an intended goal-directed behavior to an anticipated situation context ("I intend to initiate goal-directed behavior when situation y is encountered") [82]. And, intentions are seen at the service of goal intention. ImIn are related because they are though to provide commitment which ultimately serves the same purpose – promotion of the goal achievement. They need to be based on strong goal intention, and people need to be committed to them [17]. As [16] stated that ImIn may be effective because of creating that commitment to the targeted behavior. They are interpreted to be powerful self-regulatory tools in form of "if-then-plan" for overcoming the typical obstacles associated with the initiation of goal-directed actions [18]. The course of goal striving is construed as consisting of four action phases: a predecisional phase as an awakening of desires and wishes; a preactional phase in which goal-directed behavior is initiated; an actional phase in which goal-directed actions are brought to a successful ending; and the postactional phase in which the outcome is evaluated by comparing what has been achieved with what was originally desired [18].

However, holding a strong goal intention does not guarantee goal achievement, because individuals may fail to deal effectively with self-regulatory problems during goal striving [83]. Indeed, being similar to planning [84], formulating ImIn by indicating when, where and how it will carry out the intended action can increase the probability to perform the behavior. Moreover, individuals who form an ImIn are more inclined to act on their intentions and in good position to recognize opportunities to act and respond to these opportunities swiftly [17, 83]. In others words, ImIn helps to reduce the gap between intention and behavior, which has being a main criticism of the intention studies. Accordingly, behaviors intentions are more likely to be enacted if they are supplemented by ImIn [85]. The findings provide strong support for the view that ImIn improves the predictive validity of the behavioral intention construct within the framework of the TPB. Furthermore, the usefulness and effectiveness of ImIn theory have been well established in many empirical studies [16] and may provide a valuable strategy for designing interventions to improve the speed of initiation of range of social behaviors [20].

In entrepreneurship literature, [13] conceived, in this monography, an action theory of entrepreneurship based on the ImIn theory. In fact, his action theory approach has shown that people need a certain understanding of what they are doing which is related to planning in order to be able to learn and to succeed actively. Moreover, in their experimentation, [22] attempted to operationalize ImIn on a complex behavior such as entrepreneurial behavior. They observed that forming implementation could impact the entrepreneurial intention–behavior link. ImIn could be a factor that helps to enact entrepreneurial intention. Individuals who completed the whole process until the creation of their companies (perform better in the entrepreneurial process than others) did it faster when they planned their actions and anticipated difficulties.

3.2.3. Goal-directed behavior models

While maintaining the basic constructs of the TPB, the model of goal-directed behavior (MGB) focuses additionally on three key areas, affect, motivation, and habit, which have been relatively overlooked by the TPB. The model tries to expand the understanding of behavioral volitions and behaviors by linking them directly with the goals for which they are directed [86]. The concept of ‘goals’ were purposefully excluded from the TRA and TPB. In this model, intentions were captured as part of a boarder concept of volition and operationalized to encompass three aspects of the concept that represent the directive (a direct assertion of one’s intention), planning (a statement of engagement in plans to perform instrumental acts in the service of goal pursuit), and motivational aspects of volitions (an expression of commitment and of effort needed to enact the behavior). The model takes explicitly in consideration the interplay between goal and behavioral levels [87]. The MGB specifies antecedents of positive and negative anticipated emotions to explain the construct of desire. Thus, in the model too, past behavior is utilized to aid the explanation of behavioral desire and of volition.

One year before, [87] have conceived an extended model of goal-directed behavior (EMGB) to include two further variables: goal desirability (desires) and goal feasibility (beliefs), which

have been identified as central to explain goal-directed behaviors. Desires were hypothesized to provide the motivational drive to directing the effects of the predictors on intentions and to play a mediating role between TPB' antecedents (ATB, SN, and PBC) and behavioral intentions. All elements of the model are linking toward not just the behavior, but the behavior in pursuit of the goal. In entrepreneurship literature, [49] considered, from their meta-analytic evidence, that a combination of the TPB with perceived desirability was most powerful in explaining and understanding EI. Perceived desirability would be represented by the desire to perform behavior to achieve a goal of becoming an entrepreneur within the extended MGB. Desires are also comparable with the perceived desirability construct in the SEE. Therefore, [49] considered also, that the EMGB provides a suitable conceptual framework to integrate the TPB and the SEE.

3.3. Other potential concepts bridging entrepreneurial intention: behavior link

3.3.1. Entrepreneurial motivation

Considering that there is still insufficiently understanding of the intention–action link, [15, 27, 81, 88] invited scholars to rediscover the concept of motivation and its complexity in order to fill in the gap between intentions and behavior. They showed that entrepreneurial motivations can be important explanatory mechanisms for a variety of entrepreneurial behaviors, and, can determine why some individuals create their own firms while others not. In their work, [15] suggested that a linkage between intentions, motivation and action is possible by presenting the concepts of ImIn and goal pursuit.

Main existing theories of entrepreneurial motivation can be divided roughly into drive theories (internal need having the power of motivating the individual to start a new business) and incentive theories (existence of external rewards) [15]. In the same line, [89] pointed to the possibility that motivations may play a role in activating the intention–action link. They added that drive motivational elements could lead to a higher entrepreneurial intention by affecting its antecedents (ATB, SN and PBC). And on the other hand, they pursued in saying that incentive motivational elements could be important in influencing the transformation of intentions into and the engagement to entrepreneurial behaviors. In contrast, [27] remarked that research on entrepreneurial motivation should adapt a process approach and a more dynamic, evolutionary perspective on motivations.

3.3.2. Entrepreneurial commitment

The concept of commitment could also be the missing link between intention and behavior in the field of entrepreneurship [28, 29, 90, 91]. Likewise, it is different concept from entrepreneurial intention [92] or entrepreneurial motivation [21].

Little knowledge has been coming about the concept. But, there is a heterogeneity in perceiving it. Three fields of research were concerned: theories on commitment elaborated in the field of social and cognitive psychology (see [90, 91]); approaches of commitment in the workplace and organization literature (see [21, 93] for a review of literature); and metaphorical approach

relied on the theory of catastrophes applied in the field of entrepreneurship (See [14, 23]). In social psychology, commitment can be a decision that directly influences future behavior. In the organizational literature, the concept of commitment corresponds to a multidimensional concept based on both attitudinal and behavioral approaches (affective, normative, and continuance commitment) that may influence positively/negatively the behavior. Their consequence on the entrepreneurial behavior was questioned in [21] to identify which is the best association of commitment dimensions that would increase the probability to become an entrepreneur.

Likewise, in entrepreneurship literature, [14] proposed a dynamic model of new venture creation relied on the theory of catastrophes and structured around the concept of individual commitment. He suggested to look at the individual/creation of new value couple, in time and space, and to study the dynamics of this entrepreneurial couple in its environment. He identified three critical phases in the entrepreneurial process: trigger phase in which the process can be triggered by intentions or displacement; commitment phase in which entrepreneur is taking action; and survival-growth phase of the new firm. In his doctoral research, [14] defined entrepreneurial commitment as a set of joined decisions/actions sequences that are spread over time during the entrepreneurial process. The individual commitment to this process goes increasingly until a total commitment. Most of his or her time, energy, and financial, intellectual, relational and emotional resources are devoted to his or her project and his commitment becomes more complex and multidimensional. Then, two required conditions for entrepreneurial commitment were proposed: (1) the entrepreneurial behavior is perceived as preferable over all other alternatives of potential change and over the current situation (in term of career); and (2) the need to overcome resistance to change (due to uncertainty avoidance, habits and inertia in reasoning, perceived irreversibility, opportunity costs, etc.) [14]. These conditions are the two necessary conditions for the formation of entrepreneurial commitment. Thus, the progression of commitment may be evolutionary or revolutionary, and, the process leads to the irreversibility or the point of no return. This conceptualization of entrepreneurial commitment as suggested by several authors [7, 23, 90] needs a more dynamic vision of the reality and a valid operationalization of the concept in future empirical studies.

In sum, the theory of catastrophes used as metaphor in the work of [7] can be taken successfully in combination with psycho- sociological approaches in analyzing the complex process that leads an individual to create a new business [90].

4. Wondering about challenges and avenues

At this stage, it is important to point out certain questions/suggestions helping entrepreneurship scholars and educators to wonder about the challenges of how to bridge intentions to behaviors. However, if we are ever to truly understand the intention-behavior link, it is imperative that we understand how intentions evolve and which concept(s) responsible for the transformation of intentions into actions and behaviors. In order to contribute and add new knowledge, scholars should explore the following challenges and avenues for entrepreneurship research and education.

The main critique toward entrepreneurial intentions studies argues that whereas intentions are the best predictors of future individual behavior particularly when behavior is rare, hard to observe or involves unpredictable time lags [7, 71], there is still insufficient understanding of the intention–action/behavior link. Entrepreneurship scholars have to define clearly their concepts and antecedents, and choose the adequate models and measurements. In addition, they have to precise carefully the relationships between antecedents, the types of intentions, the desired behaviors, and the direction of causality of the relationships between variables in intention-based models. In providing helpful critiques to most of these models, [94] questioned the direction of causality in intentions models (notably significant correlation between perceived desirability, intention and perceived feasibility). An evidence was seen a causation in the TPB model, confirming previous findings. The exploration of the aforementioned theoretical and empirical models based on leading theories (TRA and TPB) and alternative ones, has led to the identification of keys roles played by certain variables such as distal or proximal predictors, mediators or moderators, or as facilitator or accelerator of the action initiation [21, 49, 77].

There is an urgent need for integrating, improving and modifying entrepreneurial intention models to better represent the complexity of the entrepreneurial process and reduce the number of alternative entrepreneurial intentions models [21, 49, 89]. For example, the application of MGB and EMGB or of ImIn improves the predictive validity of the behavioral intention within the framework of the TPB [28, 49].

There is also a call for scholars to take the temporal dimensions into account for the intention formation/enactment process when choosing or conceiving their models. These models have to be considered as models of changing intentions. Scholars must move from static models toward theories and formal models that address the implications of that change [6, 7, 72]. Furthermore, researchers need to embrace theories reflecting the inherent dynamics of human decision making in order to understand how entrepreneurial intentions evolve: *“Capturing the dynamics is necessary to advance our understanding of how intent becomes action”* [6]. They have to monitor intentions and their antecedents longitudinally through experimentations by mobilizing the alternative theories [22]. For example, when studying the link between intention and behavior with longitudinal data, researchers can consider the TT, ImIn and commitment to fill the knowledge gap. A dynamic model such as TT and its variants should prove rich, fertile territory for entrepreneurship scholars [6, 40].

In a recent work, [40] questioned about the few studies, which were conducted to make the leap from intent to action except the study of [59]. He urged scholars to deploy dynamic and specified models more often [45]. Very recent studies have found to respond to this call including the studies of [95] and of [54]. For example, [95] used the temporal construal theory to propose longitudinal study that tracks individuals' intentions over time and the occurrence of the entrepreneurial action. In fact, researchers suggested that the inclusion of temporal construal theory in intent models *“would suggest path dependent influence on intent, and more specifically, that intent may be subdivided into temporally based categories, broadly codified as short-term and long-term intent”*. This research intended to specify two kinds of intentions (short- and long-term) in the intentional process. Indeed, [54] proposed that intentions predict start-up

behaviors by applying social role theory and proposing that the intention-behavior link is moderated by sex from a sample of US students and different points in time.

Growing efforts have been made to analyze the temporal progression of intention (i.e. whether intention is stable over time) or the intention-behavior link, using longitudinal analysis. Studies were followed and concerned to study the intention-behavior link with different populations: Business distance learners [64]; business students [62, 96]; student entrepreneurship [59, 97]; higher education graduates [57]; adult respondents [98]; scientists transiting to academic entrepreneurship [51]; nascent entrepreneurs [99, 100]. Other growing research stream developed in relationship with the intention-behavior link, and concerned the effectiveness and impacts of entrepreneurship educations programs. Several studies addressed the interrelationship between entrepreneurship education and the entrepreneurial intentions of its participants and supported their link [28, 29]. Participations in entrepreneurship education programs can positively influence students' cognitive factors (perceived desirability and feasibility, and entrepreneurial self-efficacy). Other studies go further to address their impacts on intentions and behaviors ([53, 100–103]; see [96], for a review of literature). For example, [102] found that entrepreneurship programs significantly raised students' subjective norms and intentions toward entrepreneurship by inspiring them to choose entrepreneurial careers. Entrepreneurship education and training matter for enhancement and enactment of individuals' entrepreneurial intentions and behaviors. Follow-ups of students, learners, or trainees, within longitudinal and (quasi-) experimental research would be required for future analysis of the intention-behavior relationship. Scholars intending to study the impact of entrepreneurship education programs of the intention-behavior link will be encouraged by applying combining leading theories showing their predictive ability such as TPB and Shapero's entrepreneurial event [36], the integrating model validated by [49] or by experimenting and applying the ImIn theory [28].

5. Concluding remarks

This chapter discussed the theories, concepts and empirical models mobilized to wander and understand the gap between intentions and actions and behaviors. A social and cognitive psychological approach was adopted to understand entrepreneurship and in particular the intention-behavior link. This chapter provided certain challenges and avenues for entrepreneurship research field. This overview of study of intention-behavior link and the critiques directed to most of intentions-based models together lead to a series of critical issues that are not yet adequately taken into account within entrepreneurship research. These issues concern the following questionings:

- What types or kind of intentions do we focus on? The literature review shows that there is a diversity of intentions: competing/conflicting intentions; initial intention vs. formed/enacted intention; strong vs. weak intentions, well-informed vs. ill-informed intentions [39, 40, 66]. There is a need for entrepreneurship scholars to specify them when conducting a research on intention-behavior link.

- How to study the lack of transition from intentions to actions? And by which variables this transition is likely to be affected? Is it a lack of motivation, ImIn, commitment or volition? [7, 15, 27, 81].
- Is the context indifferent when studying the intention-behavior link? [26, 80, 104].
- How does entrepreneurial intention emerge, be formed and enacted to cause and understand entrepreneurial behavior? [26, 80, 104].

We know little about how intentions evolve and even less about the timing of acting and behaving. Entrepreneurship scholars may find a suitable theoretical framework to explore and solve these questionings, and fill in the knowledge gap on the intention-behavior link.

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From Entrepreneurship to Social Activist: The Role of Indonesian Migrant Entrepreneurs in Taiwan and Socio-Economic Functions of Return-Migrant Entrepreneurship in Malang, East Java

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Additional information is available at the end of the chapter

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Abstract

In the case of Taiwan, Indonesian migrant entrepreneurs' active in social activities; they are linked strongly to the petty conditions of co-migrants. In various cases, entrepreneurs play the role of friends in need, acting as third-party resources, to co-migrants, who turn to the former for help and self-actualization. Their activities contribute to bridging the relations between the larger community and Indonesian migrants living as a minority and as marginal foreign newcomers in Taiwan. Meanwhile, the case study of Indonesian return-migrant entrepreneurship at the home village of Malang found that migration and returning home experiences increase socio-economic mobility and develop socio-economic activities at home villages. The migrants' experiences and enterprise activities have emerged as a critical source of sustainable livelihoods, migration knowledge of production application, self-transformation, and the economic reintegration process for return migrants in their home villages, all of which can create a new life for returnees after migration. Practically and theoretically speaking, the manner in which migrant and return-migrant entrepreneurs perform economic adaptation or social adjustment, indicates that the socio-economic function, comprising valuable ties that cut across classes, can prevent the social and economic isolation of disadvantaged entrepreneurs, co-migrants, and return migrants in the community.

Keywords: entrepreneurship, social activism, reintegration

1. Introduction

In the development of entrepreneurial activities—particularly in the migrant and return-migrant business operations that occur in places (countries) characterized by problematic co-market or living conditions—the business pattern tends to operate in two dimensions: social and economic. Anthropologist Barth [1], p. 3, regards entrepreneurship, both socially and practically, as being closely associated with general leadership and the social structures of communities. He portrays entrepreneurship practices as frequently involving the relationships of persons and institutions in one society with those in another, more economically advanced, society, in which the entrepreneur essentially becomes a broker in the context of culture contacts. In the activities of the entrepreneur and entrepreneurship, we may recognize processes that are fundamental to questions of social stability and change—or that create change in normative orders, such as those noted by Stewart [2], p. 73—that are one of concern to anyone wishing to pursue a dynamic study of society. From this perspective, the profit-seeking aspect has been generalized in a model of social organization based on transactional relations, while the entrepreneurial aspect has been promoted to the status of explaining social behavior (or change). Behavior and change can be perceived as a social function of entrepreneurship/entrepreneurs [3].

On the economic side, Drucker [4], p. 28, suggests in a study on innovation and entrepreneurship that entrepreneurs are not necessarily agents of change themselves, but rather that they are canny and committed exploiters of change (and opportunity). According to Drucker, ‘the entrepreneur always searches for change, responds to it, and exploits it as an opportunity’, a premise observed up by academicians who study migrant entrepreneurship (e.g., [5]) and identify structure and cultural opportunities—and focus on individual (entrepreneur) intentionality, agency, and willful goal-seeking and strategic behavior—as study concerns [6–8].

In this study, I discussed on some ideas from these practical concepts of entrepreneurship, to apply in the Indonesian migrant entrepreneur in Taiwan and return-migrant entrepreneurship activities in home country village (Malang, East Java). First, I consider the societal functions of entrepreneurship, such as creating stability and change, and the societal role of the entrepreneur, such as being a leader or a broker/middleman. The second idea concerns the entrepreneurial mechanism, that is, entrepreneurship as a strategy for making an economic profit and a living. However, the scope of this study is not to examine entrepreneurship as a process of developing social stability and acting as a change agent in a society’s formation. Instead, I wish to explore the roles of entrepreneurs and entrepreneurship in migrant and return-migrant group, as individuals who set up a business or businesses, and who manage entrepreneurship while performing their social roles/functions. Doing so involves seeing a migrant and a return-migrant entrepreneur as someone who carries out a task with a certain degree of autonomy in a specific market; someone who organizes, manages, and assumes the risks of a business; someone who is transformed from worker to business person, someone who builds an economic institution through his/her social activities; and whose enterprise activities are connected to the local society and social situation in a number of ways.

Therefore, based on the description above, this study specifically addresses two fundamental questions regarding Indonesian migrant entrepreneurship in Taiwan:

1. How does the interaction between Indonesian co-migrants and entrepreneurs and migrant worker conditions shape the roles and social functions that Indonesian entrepreneurs play in Taiwan? How does their social-cultural entrepreneurial activity affect migrant (worker) society conditions?

In the other part, as observed cases of return-migrant entrepreneurship in Indonesia. In my research location, two villages in Malang Regency, an East Java province, recently, migrant economic empowerment (entrepreneurship) has been encouraged. I found that return-migrant entrepreneurship influences the villages' economic and social activities. It can lead to job opportunities and empower the migrant household economy, as well as establish former migrant cooperatives that financially support return migrants while they develop their businesses. To some extent, return-migrant entrepreneurs become role models for co-migrant candidates, as former successful migrant business persons.

By focusing on Indonesian return-migrant entrepreneurship activities in their home villages, this study will answer the second question:

2. How do return migrants adjust to village conditions and apply the knowledge and experience they acquired as migrants to entrepreneurial activities in their home villages? What structural and individual conditions affect entrepreneurship? How does the entrepreneur and entrepreneurial activity affect a community and their economic reintegration at home?

2. Framework and research method

This study on Indonesian migrant entrepreneurship in Taiwan and return-migrant entrepreneurship in Indonesia deals with the relationships between entrepreneurs' social environment, their socio-economic adjustments, the circumstances of individual entrepreneurship, and the role/social functions of entrepreneur(ship). On the one hand, they are products of socio-economic opportunity; on the other hand, they have the potential to make a significant impact on individual economic improvements, social status elevation, and social embeddedness through their economic behaviors. The simple graph below depicts the framework underpinning the reasoning process for this thesis, which combines entrepreneurship activities in Taiwan (host) with those in Indonesia (home). In this framework, the elements of migrant and return-migrant entrepreneurship are interconnected. I define their interconnection as being the social organizations that comprise Indonesian migrant and return-migrant entrepreneurships. This approach examines how the socio-economic conditions of entrepreneurship (e.g., structural opportunities, livelihood strategies, and migrant conditions), the role of entrepreneurs (e.g., patrons, brokers, and social activists), and the entrepreneurs' conditions (e.g., social networks, knowledge, and experiences) interact within entrepreneurs' living conditions in Taiwan or in the Indonesian

villages. By examining the relational activities of entrepreneurship and the extension of migrant entrepreneurs’ roles, one can hope to gain a better understanding of the social aspects and functions of migrant entrepreneurs/entrepreneurship in societies (Figure 1).

The matrix above describes the general interrelation of the elements of entrepreneurship. In the study in Taiwan, the social role of the entrepreneur is created by the elements of entrepreneurship, such as structural conditions and personal experience. Entrepreneurs’ conditions (both individual and social beings), for example, their experiences as poor foreign immigrants and close relationship with their counterparts, for example, Taiwanese/Indonesian friends, family, spouses, and community, shape their entrepreneurial behavior. In a simple way, the nature and function of entrepreneurship, the profile of entrepreneurs, and basic market social conditions can create socio-economic adjustment Indonesian migrant entrepreneurs in Taiwan. This framework will be used to elaborate on various social elements, such as motivation, social networking, and a model of Indonesian migrant in the context social interactions in Taiwan.

Meanwhile, in the case of return-migrant entrepreneurship in Indonesia, the most important problems in developing entrepreneurial activities are village economic adjustment and constraints in developing a business, which become constraints for sustaining a livelihood (structural condition) upon the migrant’s return to the village. Otherwise, acquiring knowledge and forming a strategy are the ways for return-migrant entrepreneurs to cope with home difficulties and entrepreneurship (individual condition). If a return migrant is to establish an entrepreneurship in the home village, the relationship between the structural and individual conditions can develops socio-economic adjustment and economic reintegration.

The present study was conducted in Taiwan and Indonesia. Generally, I used a qualitative approach, having gathered the primary data mostly through in-depth interviews concerning the entrepreneurship stories of migrants and return-migrant entrepreneurs combined with

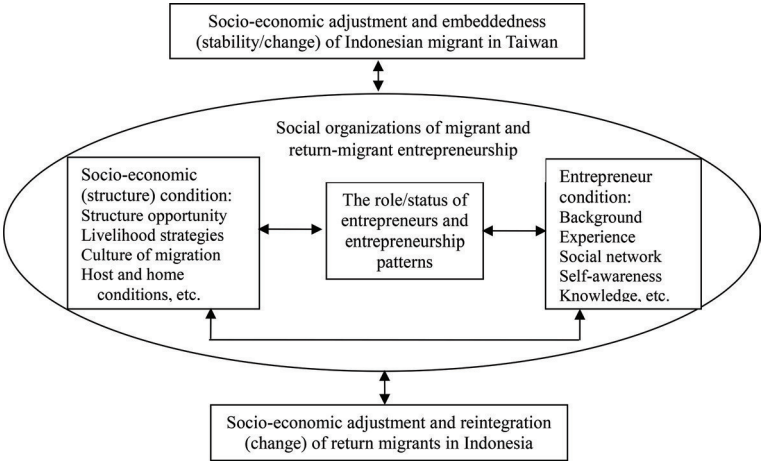


Figure 1. Framework of the reasoning process.

participant observation of their daily activities. During my fieldwork, most participant observation data were recorded through field notes, while interviewed records were recorded in a transcript verbatim. Most of the interviews and observations were conducted at their places of work or their homes. Since most informant entrepreneurs use social media—for example, LINE or Facebook—observation of their social media was also used as a research method to identify selected potential entrepreneurs and their entrepreneurial activities. Moreover, personal or social networking between the entrepreneurs can be observed. The history of migration and the entrepreneurship process was also employed in order to discover historical and chronological information about the entrepreneurs while they developed their entrepreneurship.

In Taiwan, fieldwork was conducted from June through December of 2014 and divided into two stages, the first from June until August, and the second from October until December. In total, I interviewed 48 business owners, 20 migrant workers, 8 migrant associations and their members, 7 researchers/lecturers, and 2 Indonesian government officials. I also search secondary data that were collected from the Internet and an academic library. Using local Indonesian migrant tabloid, magazine, and newspaper advertisements, listings in business directories, and personal contacts with and knowledge of migrant entrepreneurs, I was able to identify more than 300 active Indonesian-owned businesses that had been licensed and operated within Taiwan since 2000. There are probably more Indonesian entrepreneurs operating in the local informal economy.

The AJ and DW villages (or *Kampung*) in Southern Malang, situated in East Java, Indonesia, was chosen as the study site following three reasons; first, I followed some returnee migrants that I came to know while they worked in Taiwan; second, since they could guide me as I observed return-migrant entrepreneurship in their home villages; and third reason was the accessibility to reach the location. The interviews completed at this field site consisted of the following: (1) 7 official staff in charge of the migrant empowerment program in Surabaya and Malang City; (2) 10 return-migrant entrepreneurs who had at least one current business in AJ village; and (3) 11 return-migrant entrepreneurs who had at least one current business in DW. I also interviewed some formal and informal community leaders included the village heads, educators, religious leaders, and other influential personalities in the community (known as *tokoh masyarakat*) whose advice is sought and respected by village members.

3. Findings and discussions

3.1. Indonesian entrepreneurs and entrepreneurship in Taiwan

3.1.1. Practice and pattern

The trend of entrepreneurship as a popular career choice among Indonesian migrants has been spreading through the cities of Taiwan, especially since 2010. Most of the Indonesian migrant businesses in Taiwan are small and medium-sized enterprises. They are based on

co-ethnic networks and dominating sectors, such as the beginning of immigrant business activities in the food sector and the facilitation of the basic needs of immigrants. As observed in Indonesian entrepreneurial practices, business patterns based on the growth of consumer acceptance of a local product and effective demand for foreign products (home romanticism) and their economic activities apply migrant cultural norms; this is the initial step to migrant self-employment (entrepreneurship). The following factors, among others, must be emphasized in the migrant environment and opportunity conditions: (1) the increasing number of Indonesian migrant workers in Taiwan, (2) entrepreneurs' assets (networking, business skills, education, language, and marriage status), (3) the living and working conditions of Indonesian migrant workers in Taiwan, (4) the growth of Indonesian migrant associations and promotion of religious events and activities, (5) the ease of finding jobs in trading/service companies, and (6) the ease of establishing foreign businesses in Taiwan. Indonesians entering entrepreneurship and targeting individual motivation consider entrepreneurship activity as a means of escaping from the challenges posed by the labor market. Indonesian migrant entrepreneurs utilize the opportunity to make profits, and it seems possible that entrepreneurship can fulfill their expectations. Rather than being employees under local supervision, they prefer to enter the entrepreneurship world to obtain better opportunities and earn higher incomes.

Indonesian migrants turn to entrepreneurship because of their individual motivation and the opportunity structure; furthermore, entrepreneurship is followed by sociocultural adjustments to the business strategy. This practice can be categorized into four types of activities: social, religious, group, and national activities. Social activity is related to migrant workplace conditions, such as the absence of work-related holidays, migrant captivity, and an unconditional living space. Religious activities are related to the support shown by entrepreneurs to ritual activities, including Muslim organizations or associations, both inside and outside the business location. Usually, a group activity is associated with the relationship between firms and the migrant community in terms of sociocultural activities. In a group activity, support is shown in the form of money, donations, facilities, food, goods or supplies, and connections to migrants in need. Finally, national activities involve a migrant workers' event or an Indonesian national holiday, held by Taiwanese or Indonesian governments in cooperation with skilled and established entrepreneurs who work as event organizers to disseminate information and promote wide support.

In order to increase their business products and partners, entrepreneurs develop social networks. Indonesian migrant entrepreneurs are no exception. They have their own methods of obtaining information, capital, and employees. This study indicated that such networks can be relatively personal, comprising one's family, relatives (people from the same hometown/ethnic group), and colleagues or classmates, or extensive, including other networks of people with whom the entrepreneur interacts directly or indirectly, such as Taiwanese spouses, friends, partners, company distributors, and migrant group associations. In some cases, we should consider the relationship between Indonesian entrepreneurs and the host community in Taiwan, as well, since the socio-economic success of the former is the result of their interactions with the Taiwanese people. In practice, the levels of such networks often overlap. For instance, social and business networking, based on vertical business partners or

company-to-company relationships, involves horizontal connections with Taiwanese partners, friends, or spouses, as well, which provide financial resources, networks, and information that are valuable to the development of entrepreneurial businesses. The above aspects are representative of an Indonesian migrant entrepreneur's strategy network. An Indonesian entrepreneur is an actor who maintains a particular type of relationship with the intent of benefitting from it (**Figure 2**).

3.1.2. The social role of entrepreneurs

From many restrictions on foreign worker access to urban space in Taiwan, the initial assessment might be that foreign workers have little chance of realizing their quest for associational life in the city. In attempting to engage in social life, the plight of foreign workers begins at the point of employment. Cheap and disposable, foreign workers are subject to the overarching



Specialist halal food/restaurant



Grocery and restaurant



'Dangdutan' karaoke room



One-stop shopping and relaxation

Figure 2. Typical Indonesian migrant entrepreneurships in Taiwan. Photo source: Fieldwork in Taiwan, June–December 2014, Rudolf.

power of their employers in ways that extend working hours and severely diminish time available outside of the workplace. Further, foreign workers face systematic discrimination in access to housing, services, and social resources needed to enjoy the fruits of their labor in the host country. In sum, building a life in the city is exceptionally restricted in both time and access to urban space [9], pp. 51–52.

There is no support, no regulations, funds, or organizations, from Indonesian or Taiwan that helps or improves the migrants' situation. Considering this migrant situation and condition, I took action to help. Jointly with the Filipino NGO, Stella Marris International Seafarers Center, I handled Indonesian migrant cases, such as fixing salary deductions by agencies, visiting employers that underpaid seafarer, asking agencies to give their employees their personal identity documents, donating food and money to seafarer in need, and sending letter to the Indonesian government in Taipei. As an Indonesian entrepreneur, I shared his experiences and information with other entrepreneurs in Taiwan, building national solidarity among Indonesian migrants who visit his stores so they can find strength in togetherness and help each other. As a result, some migrant group forums were formed as institutions to meet and help each other, for example, Indonesian Muslim Community in Taiwan (IWAMIT), the Indonesian Seafarer Family in Kaohsiung (FKPIT), the association of Migrant Worker according to their home-based in Indonesia (Interview with Mr. Z in Kaoshiung, January 2015).

The Indonesian entrepreneurs have social mobility irrespective of the conditions of migrants and can connect directly with Indonesian migrant workers living in Taiwan, they have the opportunity to understand better the dynamics of the social lives of the Indonesian migrants. These entrepreneurs engage socially in business relationships with their fellow immigrants; however, this is not the full extent of their interactions. They play the role of friends, acting as third-party resources to co-migrants and as patrons and brokers to those in need, as well. On the other hand, some Indonesian entrepreneurs introduce religion and altruism into their entrepreneurship practices, thereby connecting with the migrant life conditions that determine entrepreneurial behavior. Typically, social activism, patronage, brokerage, and religious and altruistic entrepreneurs are the activities performed by entrepreneurs to improve the social conditions of Indonesian workers who continue to face difficult situations as part of working and living in Taiwan. Indonesian entrepreneurs combine these activities, which then become the foundation of an emergent bond of solidarity that promotes humanistic values throughout the Indonesian migrant community. This in-group feeling ('we'-ness) has the potential for exploring how migrant networks and, in this case, Indonesian migrant communities and entrepreneurs' social relationships come into existence.

As described above, the roles and social activities of entrepreneurs demonstrate their function (pattern) of connecting people; the entrepreneurs perform the crucial task of being a 'cultural broker' or an 'invisible agent' who bridges the gap between the discrimination and marginalization of 'inferior' Indonesian migrants and the outside world in order to accommodate and promote the migrant public. This study finding reveals that Indonesian entrepreneurs in Taiwan function as an economic presence that connects people, someone who bridges the gap between immigrants and the larger society, and the middlemen in the minority group.

By performing these roles, Indonesian entrepreneurs and social entrepreneurial activities become one of the important actors aiming the improvement of migrant conditions and promoting social adjustment processes in the Taiwanese migration situation. Therefore, the practice and pattern of entrepreneurship followed by the Indonesians has developed a conceptual practice of migrant entrepreneurship in Taiwan; they have become the faces of social entrepreneurs, who function as patrons and brokers, disseminators of information, primary donors, and contributors and finally become leaders and middlemen within their migrant societies. In addition, entrepreneurs provide social services and perform social transactions for co-ethnic migrants, such as spaces for religious worship, education, entertainment, administrative help, and dedicated spaces for counseling and other facilities.

For discussion, the Indonesian entrepreneur's activity and migrant society in Taiwan serve as the bases for the analyses performed to support this study's framework that entrepreneurs have both social and functional roles. On the one hand, they are economic agents having the knowledge and experience required to identify opportunities (structural elements) and risk-taking situations (individual elements) in the pursuit of profit; on the other, they are social agents who significantly affect the community in which they are active.

3.1.3. Bridging the immigrant community

One Indonesian migrant gathering place (niche), I observed when conducting fieldwork in the mid of 2014 in Taiwan was 'Warung Pondok', an Indonesian neighborhood shop behind the Zhongli railway station. The owner served ethnic products such instant food, national beer, snacks, and dried foods to migrant customers. The second floor of this building was open for karaoke, the third floor was used as the owner's residence, and the fourth floor was a general room for migrant activities. As observed, migrant workers were the main customers; they gathered on the first and second floors of the shop, where they formed groups and sat on the floor chatting, napping, eating, taking photos, or using the free Internet access with their smartphones. On the fourth floor, some of the Indonesian migrant workers who are members of the Indonesian Muslim Organization Forum in Taiwan (FOSMIT) prepared wedding rituals for Indonesian migrant couples and weekly worship. While managing the shop, the owner also served as a consultant for migrant workers needing information or advice about employment, or even private relationships.

This shop, which was established in 1996, is a well-known meeting place for Indonesian migrants to gather and conduct activities. The owner's name is Ms. ML. She called her shop 'Rumah Indonesia' (meaning Indonesian House). The name was meant to evoke a place where Indonesians in Taiwan would be able to gather, talk, live, and conduct activities freely. As she said, 'this shop is like a "terminal" (such as a bus station) where many people come from various places, and we all go together to one destination: to be happy, to [engage in] activit[ies], and to be together. Whatever you want.' Besides migrant workers, Indonesian government workers or students gather at the shop to socialize while talking about their memories of home. It is a gathering place for fellow nationals, creating an Indonesian community in a faraway country, and promoting nationalism among sojourners. Migrant empowerment

activities are also developed here, such as migrant counseling programs, training in entrepreneurship, and religious activities. She described her experience as follows:

[...] I made my business place not only for commercial reasons but to make this place for keeping memories about Indonesia, social activity, and helping Indonesian workers in trouble. We have mutual benefits. On the one hand, my shop is crowded by customers, and I get economic profit from their visit; but on the other hand, I feel blessed that I can help or facilitate Indonesians while they are living and working in Taiwan (Interview with Ms. ML in Zhongli, June 2014).

Indonesian migrant entrepreneurship is a by-product of the interplay of opportunity structures (structural entrepreneurship), social solidarity (cultural entrepreneurship), and socio-cultural inclination (strategies for adapting to the business and social environment). As a result, the interplay of each entrepreneurship element discussed above shows us how immigrant businesses, their social activities, and their relations (optionally) lead the Indonesian marginal migrant worker to adapt to and assimilate into the host society—making migrant stability situation in simple manner—characterized by a group's social cohesion or solidarity (*kesetiakawanan sosial*) practices. The Indonesian migrant entrepreneurship in Taiwan has been shown to be an efficient means of socio-economic integration of the migrants themselves and an effective response to their marginalization as foreign workers. Following Barth's [1] conception of the entrepreneur/entrepreneurship social function and social stability, here Indonesian migrant entrepreneurs act as a bridge to stabilize the living conditions of co-migrants in the migration industry of Taiwan.

The group adaptation and integration of Indonesian migrant workers in Taiwan can be realized through the facilitation efforts of entrepreneurs who provide social activities that are related to both the contexts of migrants' needs (need for local products, socialization, and life expression, i.e., the bridge function) and migrants' problems (workplace difficulties, marginalization, societal non-acceptance, and discrimination, i.e., the condition in a migration capitalist model). As shown by the practice of Indonesian migrant entrepreneurship in Taiwan, Indonesian workers often face difficulties and even discrimination in their everyday lives. In this sense, social activities and networks facilitated by entrepreneurs promote the adaptation and integration of migrant workers and entrepreneurs. For those migrants (workers and entrepreneurs) arriving at a country for the specific purposes of working and leading sustainable lives, these social entrepreneurial activities play a role in the migrant adaptation process. This condition is a stepping stone for the social adaptation, and to some extent, for integration of Indonesian migrants into the Taiwanese society, at the group/individual level.

Furthermore, the functions of entrepreneurship and relations of entrepreneurs shape the social embeddedness of entrepreneurs within the Indonesian migrant communities in Taiwan. Social embeddedness involvement enables Indonesian entrepreneurs to determine the needs of the migrant community in the migrant niche and serve those needs. Indonesian migrant entrepreneurship and social embeddedness have a strong relationship with the four social conditions that are common to co-migrant minorities, that is, nostalgic feelings about home, identity, marginality, and solidarity. The practice of migrant entrepreneurship and social embeddedness increases the pattern level of entrepreneurial practices, such as individual or social activities. Entrepreneurial social activities and social embeddedness mediate

variables in the relationship between both the structural and relational conditions of migrants within the broader Taiwanese society and the Indonesian community itself. Entrepreneurs can achieve this through social activities and by acting as patrons or brokers, as well as religious and altruistic leaders, in their entrepreneurial efforts.

3.2. Indonesian return-migrant entrepreneurship

The second part of this paper discusses the return migrant (from Taiwan) entrepreneurship in home villages. In order to alleviate the economic problems that arise following their return, return-migrant workers maximize revenues, save money, and use their money and social remittances for entrepreneurship associated with self-transformation and changes in their home villages. This part explains Indonesian return migrants undergo 'rebirth' by acquiring new knowledge and following new occupations, utilizing their economic experiences and mobility, and reintegrating themselves into the society both socially and economically.

3.2.1. From entrepreneurship to self-transformation

In DW village, I met KA (female, age 39), a former migrant worker from Taiwan who returned in 2011. On the day of my visit, she prepared food and decorated the living room for her monthly routine Muslim prayer group (*kelompok pengajian*), which was initiated in 2014. After returning from four periods of contract work in Taiwan (1998–2011, 3 years for each contract), she starts developed social activities at home while trying to establish her self-employment. Historically, she became a migrant worker when the 1998 economic crisis hit Indonesia, wherein the prices of foods and other living expenses underwent inflation that was insurmountable because she only worked as a part-time playgroup teacher with a monthly salary of RP 100,000 (US\$5.50 at the time). She graduated from junior high school but did not continue her schooling at a higher education institution. She had to help her mother sell fried food around the school and agricultural products at DW's traditional market. To help her family economically, she saved money from each contract period to send home. Her savings from the first contract renovated the family house; from the second contract, she bought land and built a house for herself and her family (husband and daughter); from the third contract, she built a neighborhood shop (*warung/toko*) and bought a used car; and she used the savings from her last contract for the Hajj (Muslim pilgrimage).

While working in Taiwan, she did part-time jobs for additional income. In 2005, when Indonesian neighborhood shops in Taiwan were not as prevalent as they are today, she was already working as a retail trader for a Taipei-based Indonesian company who sold phone vouchers, Indonesian food, and clothing and who owned a money-changing business. To learn from the business activities in Taiwan, she willingly became an undocumented worker. The bulk of the salaries that she earned were spent buying home property, sending her children to school, developing her business, and saving to participate in the Hajj. For most villagers, owning property (house, car, and land), having a successful business, and becoming a Haji (Indonesian term attached to Hajj to indicate someone who has completed the pilgrimage to Mecca) categorize them as successful individuals, especially for people with backgrounds as TKIs—most Indonesian people still look down on these workers. Many people respected

her achievements. As noted by the village chief of DW, only three village members who were former migrant workers (TKI) had ever become Haji before; few residents can travel to Mecca because of the very expensive fees, which may amount to as high as RP 40,000,000 (>US\$2718) per individual in Indonesia.

From her achievement, in the past 2 years she has often been invited to seminars for migrant candidates and returnees as a resource to provide information on how to become a successful TKI and entrepreneur. She was also asked to be an organizational leader in the *kampung*, the chief of an *arisan* group, and the head of a women's Muslim prayer group. As she described her social activities today, she said that it began with the BNP2TKI (National Agency for the Protection and Placement of International Migrant Workers) office's 2012 publication of the third edition of a book, *100 TKI Sukses (100 successful migrants)*, and she became more famous after returning from Haji. Now she is *kelurahan* activist as well as the coordinator for Friday morning gymnastics, the coordinator of local events in *kelurahan*, and a donor for the *kelurahan* women's welfare program. What she has achieved makes her an ideal figure what most Indonesian migrant workers desire, that is, economic well-being, a successful return, and received respect social status.

As can be deduced from KA's story, successful migration and entrepreneurship can enhance self-status and transform one from migrant worker to entrepreneur and local activist. The benefits gained from migration and success in business can be used to access resources, enhance social standing, and facilitate symbolic resistance to unfair practices, thus improving the conditions of migrant workers and their families. Some successful returnees to AJ and DW also assume the role of social activist in their communities. For another example, the case of MD (the Head of the AJ ex-migrant Happy Heart Cooperatives) is another similar case with KA and illustrates this point. His experience as a TKI earned him an invitation to speak at the BNP2TKI offices in Surabaya and Jakarta about how people can participate in positive activism as TKIs while they work abroad and when they return home. As he stated in the interview, migrants return with an awareness of their rights as migrants; they realize as well that overseas employment is difficult, often fraught with risks, and therefore requires numerous preparations. If individuals who intend to work abroad understand the risks and problems associated with overseas employment, these challenges can be reduced. Improving understanding and awareness of these issues can be achieved through information dissemination and discussions regarding the experiences of successful or unsuccessful return migrants. Mr. KS (head of AJ village) observed that returnees feel ashamed when they fail to bring back huge amounts of money to their home villages; a feeling of anxiety and sadness pervades among those who see themselves as failures (*TKI gagal*). Over time, they may accept this failed condition by attributing it to 'bad destiny' (*nasib buruk*). Thus, MD stated the following:

The ultimate goal of working at abroad is to be one's own master (independent) at home. I think the key point from my invited speech is that migrant workers can successfully return, bring much money, and create a business at home (sukses di rantau, mandiri di kampung). Migrants could become anything they want to be, but should think about and manage especially their remittance. Before deciding to work abroad, know your work and plan your future. In other words, migrants who set goals can be expected to attain them.

Mr. MD is a former migrant worker who went to South Korea and was active in migrant organizations while working there. Most migrant activities in South Korea demonstrate how migrant domestic worker activists are advocating for rights on behalf of, and in dialog with, civil society organizations. This was significant experience for him in the South Korean context given that the spaces for public (migrant) dialog and the opportunities for workers to express (voice) their concerns directly and without fear are limited. This experience made him confident about speaking from his own perspective about migrant work abroad can be beneficial when he returns. This labor experience illustrates the rise of MD activism at home and shows how such participation is personally meaningful to him, how it influences his individual transformations and the emergence of a former migrant grassroots leader from among those in the village.

The successful development of entrepreneurial activities by return migrants has three implications. They are as follows: self-transformation, economic change, and the shift in profession from migrant worker to entrepreneur through self-empowered business activities that both bring economic benefits to their lives and facilitate their economic reintegration into their home villages.

There is evidence of positive interlinking between successful migration and entrepreneurship, such as the positive outcome of return migrants becoming village entrepreneurs. Return-migrant entrepreneurship has an economic stimulation effect on the community, evidencing positive benefits such as the transfer of business expertise, social activism, the exchange of information through the development of local cooperatives, and the exchange of knowledge and experience at migrant community events. Migration, entrepreneurship, and return-migrant activities are the sources or parts of self-transformation, facilitating the exchange of information, and learning tools; hence, individual- or family-level economic improvement, which occurs as a part of the above-mentioned transfer experiences, can increase in return-migrant societies. Finally, similar with Bachtiar and Prasetyo [10] research conclusion on return-migrant reintegration process, the successful economic (entrepreneurial) and migration experiences abroad become incentives for fast and efficient socio-economic reintegration in home villages.

3.2.2. Return-migrant entrepreneurship and social activism

Most return-migrant entrepreneurs acknowledge that they are happy to be back, even though their confidence is low with regard to starting a business because they always compare the living and working conditions in their villages to those abroad. The appeal of a fixed monthly salary and the ability to send money to family left behind sometimes drives remigration. As noted by all of the informants, however, after they set up and established economic activity, they preferred to live in their home villages. As early as they could, they launched businesses rather than work until they earned a substantial amount of money because the latter results in unsuccessful business ventures. Starting a business from the bottom and following through with this process are common approaches to entrepreneurship, excepting those who have access to considerable financial support.

With respect to the improvement of economic status through remittances, the frequency with which money is sent to home village shows irregularity in delivery periods. Sometimes, remittances are sent twice a year, and other times, money is sent three or four times annually. At the moment, village members need huge amounts of money for various items. These include celebrations for *Eid al Fitr*, a Muslim holiday; weddings and circumcision parties; and back-to-school activities. These are common events for which migrants send money. During my fieldwork, I was frequently told that the first overseas employment contract that villagers obtain is for building houses, and the second contract is for equipping the constructed houses with furniture. Only after the third contract, migrants can begin to consider investing the money that they earn in investment activities or a small business.

When asked about the economic effects of remittances and entrepreneurship activities at home, most of the community members immediately pointed to the proliferation of *rumah batu* (literally, stone houses), which are modern homes with a concrete foundation. These are slowly replacing *rumah panggung* (literally, stage houses), which are traditional homes built on wood platforms. A *rumah batu* serves as a cosmetic identifier of those who have successfully worked abroad and established economic living at return. According to both migrants and non-migrants, upgrading one's home is generally the priority of return migrants. Earnings from overseas employment make home ownership possible. Most newly built or renovated houses, which differ from traditional Javanese houses, are perceived as symbols of the owners' improved economic conditions. In Javanese society, a house stands for many things. It is, for example, a *payung hidup* (umbrella of life) that provides protection and comfort to its inhabitants and bestows self-identity and prestige upon the family [11], p. 8. In this regard, a house explains why migrants accord high priority to housing.

Besides creating individual success, international migration and economic successful returns also increase the economic participation of women's organizations. Women's cooperatives (*Koperasi Wanita* [Kopwan]) have been established with financial resources originating from the money left over from remittances. The year 2011 in DW village saw the establishment of the '*Koperasi Wanita Sri Makmur*' (Prosperous Women Cooperatives) by a group of ex-migrant women. Its main purpose is to serve as the local village institutional bank, intended to empower village women. As observed, this is the only institution that is regarded as effectively offering economic protection. In situations where remittances need to be sent to families, vulnerabilities exist. Given the history of unfavorable experiences with sending money to family members, migrant women workers have resorted to transferring remittances through *Koperasi* institutions. In one study in Malang Regency, failures were found to have occurred because of the dominant husband underlying financial institutions, the disempowerment confronting assertive husbands, and the mismanagement of funds by husbands. The formation of migrants' cooperatives could be another viable alternative for obtaining funds to defray placement expenses, apart from other services such as savings and money transfers [12, 13]. In my research observation, cooperatives were found to be promising institutions that could offer viable financial options to migrants and their families as well as a social net for former migrants (and village women in general) that facilitates discussion of shared experiences, life problems, and future prospects. Ms. WG, from DW village, the head of *Koperasi Wanita Sri Makmur* said the following:

As a former migrant worker, I know how it feels returning home without knowing what to do next, how to use your savings wisely, or even how to invest them, especially for women who are mostly dependent on their husbands or families. Some of them get divorced after migration. If they do not have any economic activity, most likely they will continue to be a migrant worker. Through this cooperative, we would like to offer the most important thing in our lives; we still have hope. Besides running cooperative activities (e.g., savings and loan), we also provide information and assistance needed to former (women) migrant workers about how to save, invest, and start their own businesses, at least to the members of the cooperative (25 members).

Cooperatives, especially the successful ones, are powerful agents of change through collective projects, which offer distinct economic advantages rather than individual pursuits. In my observation at another village, a women's cooperative called *Koperasi Citra Kartini* (KCK) in a sub-district of Malang (Sumberpucung village, 20 km from AJ village), has set up a One-Stop Shop offering its member's pre-departure loans, savings, and money transfers. Members who desire to work overseas are allowed to retain their membership but have to maintain their savings accounts and loan payments religiously. Loan repayments are at rates lower than those charged by informal lenders or recruitment agencies, and they are made through bank transfers to the cooperative's account at a commercial bank. To minimize remittance costs, the cooperative allows migrant workers to send loan payments and remittances to beneficiaries in a single transaction. As reported by local migrant NGOs, KCK had 1457 members, about 250 of which were either returned or active migrant workers [14].

Therefore, return-migrant entrepreneurship is a strategy followed by migrants to return to their homelands and resettle both economically and socially. According to Barth [1] and Stewart [2], entrepreneurship gives rise to positive effects (changes) through entrepreneurial activities. In the context of return-migrant entrepreneurship, such as developing migrant cooperation, social relationships between return migrants and their families, and local people or migrant associations. These effects (changes) demonstrate the role of return migrants in developing self-employment opportunities, empowering entrepreneurship in ex-migrant communities, broadening the social basis for access to loans, and establishing new links for the transfer of information. The combined social and economic activities developed by return migrants have enabled them to be considered as heroes by their families and neighbors. The formation of social solidarity in migrant communities is a very positive result, as well. Moreover, a long-term consequence of successful return-migrant entrepreneurship at home is the reduction of remigration, since migrants who are unemployed after returning home are more likely to consider migrating again.

The return migration, entrepreneurship, and socio-economic activities of Indonesian former migrants in their home villages by using three patterns—the three Rs, return, remittance, and rebirth—as crucial elements in the process of understanding how Indonesian migrant mobility creates economic sustainability in home villages. In this case, return migrants are the actors because they provide the remittances of working abroad. Besides sending money, they remit new patterns of values, behaviors, and practices from their overseas experiences. They have the competency and capacity to perceive how international labor migration may affect other people, viewing it from a wider context other than merely its contribution to the national economy. Within this international migration sequential process, small enterprises have emerged as critical sources of livelihood for return migrants in home villages, compared

to other job opportunities. Hence, a returnee can literally experience rebirth. By taking into account the situation before departure, overseas experiences, return, and post-return conditions, the three Rs of migration are shown as a dynamic social process comprising the individual development of migrants, their significant role in bringing about social and economic changes, and their successful reintegration into society.

4. Conclusion

Indonesian migrant entrepreneurship in Taiwan has developed via structural opportunities in migrant communities [15]. These opportunities include the sale of typical migrant products such as food (i.e., national foods) and other products (i.e., second-hand or specialized commodities). Aside from structural opportunities, social embeddedness has also contributed to the development of Indonesian migrant entrepreneurship [1, 2, 16] this is evident from the shared social and economic activities (linkages) of entrepreneurs and their fellow migrants. In Taiwan, Indonesian migrant niches and entrepreneurial activities are microcosms of migrant life and conditions abroad, where Indonesian people from different backgrounds share their interests, and co-ethnic migrant workers can engage in social activities and collaboration, to mutual advantage. I saw two interesting phenomena among Indonesian migrants and entrepreneurship in Taiwan. First, regarding the sociocultural aspect, migrant entrepreneurship and the entrepreneur are seemingly adaptive, making cultural and social adjustments to immigrant social life (or the co-ethnic migrant market)—that is, communication, socialization, and organization. Second, regarding the socio-economic aspect, the economic aspect of Indonesian migrant entrepreneurship is no longer considered to be on the ‘sidelines’, transitional, or traditional in the context of economic opportunities; rather, in practice, it is centered on cultural engagement, solidarity formation, and social relationships in the Indonesian migrant community.

In the return-migrant entrepreneurship in Indonesia cases. In my research location, two villages in Malang Regency, an East Java province, recently, migrant economic empowerment (entrepreneurship) has been encouraged. I found that return-migrant entrepreneurship influences the villages’ economic and social activities. It can lead to job opportunities and empower the migrant household economy, as well as establish former migrant cooperatives that financially support return migrants while they develop their businesses. To some extent, return-migrant entrepreneurs as theoretically can become role models for co-migrant candidates, as former successful migrant businesspersons [10].

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Social Entrepreneurship: Case Study in Unilever Food Solutions' Trusted Hands Food Safety Online Training Program

Pınar Başar

Additional information is available at the end of the chapter

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Abstract

The social entrepreneurship is important in meso (organizational) and macro (policy-making) levels. This paper focuses on a case study in Turkey. "Trusted Hands Food Safety Online Training Program" by Unilever Food Solutions is examined as an example of social entrepreneurship. It is aimed to support food safety awareness in the industry to create and certificate the chefs. Unilever Food Solutions has received the Food Security Special Award, a project developed and implemented by the Food Safety Association. In the first year, 5000 chefs in Turkey intended to complete the education of this field and to have a certificate. It started with the support of professional associations. The sustainability and private sector involvement plays an essential role in this case, which is such an important issue such as health and hygiene.

Keywords: social entrepreneurship, social value, business models, innovation, sustainability, social impact, bottom or base of the pyramid (BOP), growing inclusive markets (GIM), business opportunities

1. Introduction

Social entrepreneurship offers opportunities to improve society using practical, innovative, and sustainable ways. A social entrepreneur is an individual or organization who seeks out to find solutions surrounding social issues environment fair trade, education, health, and human rights. Social concerns are conducting more than financial or market opportunities. It has to be financially sustainable. Entrepreneurship and social entrepreneurship also maintain employment opportunities. A social enterprise also facilitates employment for disadvantaged

groups. There are niche opportunities for social entrepreneurs which are not suitable for entrepreneurs. Social initiatives represent a concept for the access to services for disadvantaged groups and protection for the environment.

Current fiscal regulations dissuade social enterprises. The tax regulations make it harder to operate social actions. On account of this, the maintenance of nonprofit economical enterprises is risky, while they are treated the same as commercial enterprises.

2. Differences between business and social entrepreneurs

The entrepreneurs emphasize innovation and creativity. They seek new ways to define existing needs. Social entrepreneurs are those who take responsibility and risk for civil society needs.

The authors Say, Schumpeter, Drucker, and Stevenson have important contributions to the issue of the entrepreneurship. Other researches also indicate the connection of the subjects' entrepreneurship and social entrepreneurship [8]. The social entrepreneurs challenge some unique problems [11].

Business entrepreneurs tend to focus on new needs, while social entrepreneurs tend to focus on existing environmental and social problems more effectively on long-term goals through new approaches. Social entrepreneurs are those who take responsibility for civil society needs. While traditional entrepreneurs take risks on behalf of shareholders, social entrepreneurs take risks on behalf of stakeholders. The objectives of social entrepreneurs differ from those of business entrepreneurs. The social entrepreneurs are motivated in different ways than commercial entrepreneurs. The entrepreneurs and social entrepreneurs face similar problems such as establishing and institutionalizing their enterprises. Social entrepreneurs can also experience problems such as defining opportunities and needs, planning, support, obtaining information and resources, creating marketing and demand, and creating organizational structure. Since social entrepreneurs have different motivation and aim from commercial entrepreneurs, they differentiate from commercial entrepreneurs in the way of leadership style also. The leader focuses on change and processes, is a part of the group, and controls group structure and processes. Social entrepreneurs are not a part of the group that is affected by the group or working in the group (**Table 1**) [28].

Another proposal is that the two entrepreneurial types will have different requirements, especially in terms of access to financial markets and risk capital. Finally, in terms of performance management, it has been emphasized that commercial entrepreneurs can develop and use concrete and quantitative metrics more easily and that social entrepreneurship is a front line for nonmaterial elements (and therefore more difficult to measure). The social value opportunity in social entrepreneurship arises at the intersection of human resources and financial resources. Social entrepreneurs must have the ability to bring these internal resources together in an external context. The components of social entrepreneurship are to produce social value, being innovative, and creating resources and sustainability. The social organization mentioned at this point can be a new constitution, or it emerges in the form of joint projects of the existing social institutions in order to increase the scope of influence [7].

Entrepreneurship	Social entrepreneurship
Tend to focus on new needs	Tend to focus on serving more effective long-term goals. Through new approaches
They take risks on shareholders or their names	They take risks on behalf of stakeholders
They try to create a business/business	They try to create a change
The main motivating factor for entrepreneurs is the idea of starting a new business, starting to work on it, and getting a financial gain	The main objectives are the social change from the pursuit of profit and the development of the customer group
The risk of entrepreneurs goes to gain preference and respect	Social entrepreneurs are those who take responsibility and risk for civil society needs
The main purpose is profit	They can also participate in profit-oriented activities, but they see it as a means to reach their goals

Source: Özdevecioğlu and Cingöz [31].

Table 1. The differences between entrepreneurship and social entrepreneurship.

Social enterprises are separated from ethical or socially responsible companies precisely at this point. In contrast to companies, the measure of success in social enterprises is not the profits that are achieved, but the positive impact created on society. Another point that distinguishes social enterprises from these companies is that they should be accountable not to their shareholders but to the communities they serve [28].

It is suggested by Schwab Foundation for Social Entrepreneurship to establish a board for managing the social enterprises effectively. The corporate governance assures the credibility, complies with social values, and presents the enterprise responsibilities against stakeholders [2].

Another study presents scale of four dimensions about the measurement of social entrepreneurship orientation with a two-stage design with Delphi study. It indicates the combination of entrepreneurship and social entrepreneurship aspects together [24].

As a result of the case studies, it is understood that the predetermined dimensions of social entrepreneurship are examined extensively. The researches have focused on conceptualizing and not developing a mass-interaction measurement tool that SCALERS gave to name their social entrepreneurship. In traditional entrepreneurial countries, meaningful interventional activities tend to have more social entrepreneurial activities [3]. Social entrepreneurship is built and works for a social purpose. The profits are used for social purposes [10].

The difficulty of the performance measurement conducts the social investor to quest for the control and monitor. The research Rosenzweig [30] shows "impact value chain" first. The main antecedents of the measurement are figured as inputs, which are resources put directly into the venture (e.g., assets, volunteering, or money), outputs, which are consequences of the project managers' measurement, and outcomes, which are the intended global changes. After the comparison of the desired outcomes with internal output, measures can show an accomplishment [30].

Garrigós, Lapiedra, and Narangajavana researched social entrepreneurship and social value measurement in the Colombian construction industry. The social value rise with the leakage reduction is assumed. The policy aims the effectiveness and economic multiplier [11].

3. Social entrepreneurship and social value

Most of the movements can be seen as small and extent worldwide, but they are interconnected and mutually strengthening each other. When all these things are taken together, it means more than the sum of their components. There is a synergy of these movements. Through social missions and entrepreneurial approaches, all social enterprises create and disseminate social, economic, and environmental values. Whatever the type or sector of the pioneering organization is, “creating value for all” is a precondition for the growth of more inclusive markets [7]. The concept of “sociality” includes adapting the principles of entrepreneurship to social problems instead of profit maximization. Thus, social enterprises are emerging as entrepreneurial or free market-based organizations in solving social problems.

There are many definitions of social entrepreneurship. Social enterprises aim social impact. Social entrepreneurship involves corporate initiatives that invest in individual, or in the form of the profit generated by a new entity, which is planned to be opened by the individual, within the framework of social objectives [7].

According to the definition of GEM, the economic expectations of social entrepreneurship projects are determined according to the costs of the strategies to be implemented. Corporate social project practices, which have become an important part of corporate strategies, have made it possible to achieve common achievements within this understanding. The difference of social entrepreneurship and commercial entrepreneurship mentions entrepreneurship as a context, actor (people/resources), deal, and opportunity together: as the PCO equilibrium. The first proposition here is that market failure creates different opportunities for social and business entrepreneurs. The second factor is that the understanding of economic success and social value creation differs between the two concepts.

Social entrepreneurs are individuals who realize social transformation in an innovative way. These individuals are making social enterprise “with the enthusiasm of entrepreneurship, the methods of business, the creation of innovation, and the courage to abandon general practices” [7].

The entrepreneurs create innovations in different ways like “product or process innovation, or a new product or a changed product, or a combination of any” according to the definition of OSLO MANUAL. Product innovations are made through “the use of new materials; use of new intermediate products; new functional parts; use of radically new technology; fundamental new functions (fundamental new products) and process” and the process innovations through “the new production techniques; new organizational features (introduction of new technologies); new professional software” [25]. The social and/or ecological value creation motivates the social entrepreneurs. The social entrepreneurs also aim innovation in a new product, a new service, or a new method like entrepreneurs. Social entrepreneurs transform the society in economic and social ways.

They may be in the form of cooperative or hybrid models, legally organized as nonprofit-making institutions. Although social initiatives are not yet defined as separate entities in most countries, there are some steps taken in this direction [7]. In the United States, there is differentiation between the Community Interest Company and the Low-Profit Limited Liability Company because of the focus of profitability [1, 24]. Benefit corporation (BC) is another

definition according to United States law, which describes a new legal for-profit business entity. It contains the responsibility to return profits to shareholders [33].

The aims of projects that are realized by companies and social organizations are based on three themes. First, identifying the social, cultural, and environmental objectives that are deployed as the basis of the project, second prioritizing the social objectives identified during the project, and third going for profit for the purpose of ensuring the continuation of project implementation.

Social entrepreneur targets to find solutions for the environment, the youth, and various socioeconomic indexed social problem areas. It accentuates that providing employment and income-generating activities for religious, ethnic, economically marginalized groups emphasize the self-sufficiency of individuals. They aim to increase their visibility within the community they live in and to reduce their commitment to social safety nets in a rational way.

The access in long-term capital and the lack of strategic planning, especially in developing countries, constitute the biggest obstacle in front of entrepreneurs. The talent, money, and interest in social enterprises around the world are increasing recently. There are debates about what social initiatives are and what they do in various national and international platforms.

Systematic change is the most important objective. Social entrepreneurs aim to create systematic change, disseminate their solutions, and gain support from the community in the long run, eliminating the problem, while improving similar cases in the areas they deal with. To describe the difference between the social intervention approach and others is that social initiatives are not for to teach only fish or fishing, but instead aim to radically change the fish industry [9].

It is considered that there is a big difference between entrepreneurship and social entrepreneurship also in the implementation process. They are so connected like the parts of a whole system. The partnerships like universities and other stakeholders contribute to the efficiency and the innovation. Social entrepreneurs aim to reach two different goals under the roof of a single establishment: to provide social benefit and profit [8].

Social enterprises that function as a commercial enterprise by producing goods and services in free market conditions also direct the income they derive from these activities to social purposes. In this method, the business activity may be directly related to the social problem, but it is also possible that there is no direct connection between them. CSOs adopting such an approach perceive social enterprise activities as an alternative to reduce their dependence on donations and grants and to increase their fiscal sustainability.

Another way social enterprises pursue is the empowerment and capacity building of individuals and communities by creating employment and income-generating activities for disadvantaged groups (women, youth, people with disabilities, minorities, and so on).

Contrary to the first approach, commercial activity itself is seen as an effective tool for social change in this method.

Another approach that is observed in social enterprises is to act in a creative, bold, and entrepreneurial spirit in their commercial activities. Solution-focused, experiential transformations of barriers can be much more profitable than traditional methods of business ventures.

Another common point is that most social enterprises are initiated and maintained by social entrepreneurs. Like entrepreneurs who change the face of the business world, social entrepreneurs are also important tools of social change [10].

The Schwab Foundation for Social Entrepreneurship offers “models of sustainable social innovation.” The global, regional, and industry transformation and the association with the other stakeholders of the World Economic Forum is in the focal point of The Schwab Foundation for Social Entrepreneurship [18].

Social entrepreneurship is a concept, which needs awareness and development in Turkey. Social support of universities, associations, and foundations through awards, courses, and studies and governmental support through tax regulations are expected to raise the awareness and interest in social entrepreneurship. The attainment of consumer markets is easier through the internet access and popularity of social media. Additionally, entrepreneurship is the period for innovation development and application. Economic development and also social development are not only evolved through innovation [32].

Entrepreneurship is a combination of production resources and aims the profit. Social entrepreneurs do not focus on profits, mostly the social benefits. The development of social entrepreneurship must be accentuated in the society.

Increasing knowledge-based economies promote entrepreneurship. Social inclusion and economic development constitute synergy for social entrepreneurship. Social enterprise can be defined as “businesses that trade for social purposes.” They are nonprofit entities, which are implementing commercial methods to accomplish their social objectives. The concept is summarized as “mission-driven business approach” [23].

The researches execute the antecedents and the consequences of social entrepreneurship in social constructionist approach [23].

Social capital can be defined as the assets that have as a consequence of the relations of one with others and (in a correlated way) of the participation in organizations: these relations facilitate the access to other resources [5].

Social enterprise must be constructed as a social organizational identity [23]. The social capital is an important determinant for business support. The concept of social entrepreneurship technology is affected through rapid technological change. The changes are adapted for creating social value. New methods are internalized [14].

Social capital is the feature of commercial conglomerates, which have shared values, trust, and culture. So trust is an important dimension of social capital [6]. Entrepreneurs use their connections for funding or receiving credit from suppliers without any formal contract, which is very crucial for the sustainability. Social capital is crucial for equalization and continuance for human development. German and Japanese cooperative and long-term oriented cultures induce them for innovation and industrial development. So the social capital is remarkable in these countries (**Table 2**) [32].

The Different Organizational Models of Social Enterprises are examined in **Table 2**. The entrepreneurial approach and social focus are their common point.

Social enterprise					
Philanthropic/ charitable, and nonprofit organizations	Leveraged nonprofit	Enterprising nonprofit	Hybrid model (an organization with two legal entities: for-profit and nonprofit OR an organization registered under a hybrid legal entity, such as in the United States and Britain)	Social business	Commercial business/ corporations
(Nonprofit legal entity)	(Nonprofit legal entity)	(Nonprofit legal entity)	An organization with a social mission	(For-profit legal entity)	(For-profit legal entity)
Relies entirely on donations, grants, and subsidies	A financially sustainable nonprofit	A financially sustainable nonprofit	Financially sustainable through its own income generation activities	A company with a social mission	Generates revenues and maximizes profits to shareholders
	Relying entirely on strategic partnerships for sustainability	Generates some income, making it more sustainable and strategic		Reinvests 50% or more of its revenues back into its core activities	

Source: Abdou and Fahmy [1].

Table 2. The Spectrum of social enterprises (arranged by legal form and revenue source).

There is a “traditional NGO” managed by volunteerism, income-based donations, and social services, while at the other end there is a commercial enterprise which is the main goal of profit. Social enterprises are in the midst of these two extremes as commercialized institutions at various levels in their functioning. For example, many social enterprises employ professional staff, receive consultancy services, and make income-generating investments. However, social enterprises also provide employment and social services to disadvantaged groups, advocate, and thus interfere with various social problems. No social initiative is the same as another (in terms of purpose, target mass, methods, and institutional structures). However, no matter how diverse the commercialization, the approaches, and the environments in which they function, it is possible to find some common interests between social enterprises in terms of purposes and methods [10].

“A leveraged nonprofit enterprise” is not working through an income-earning strategy. The sustainability is maintained through partnerships and funding of traditional donor-dependent model. Its sustainability strategy constitutes dependent independent resources [1]. Leveraged nonprofit ventures’ sustainability is influenced by the partners’ attention.

“Hybrid enterprise” conglomerates features of the for-profit and nonprofit legal models. The various legal structures are used in different countries. In the United States, the low-profit entities are structured as Limited Liability Company. In the United Kingdom, the sustainability of the social activities is afforded by a profit subsidiary in the form of “Community Interest Company.” The entrepreneur establishes numerous legal entities to sustain it financially. It is financed with grants, loans and/or own resources [24].

“Social entrepreneurs” aim to create social change in education, health, environment, and enterprise improvement. A social entrepreneur accomplishes major and sustainable social change through innovations [18]. The entrepreneur establishes a for-profit entity or business which is social or ecological driven. The social entrepreneurs’ main objectives are social and then profit [22].

Entrepreneurs and social entrepreneurs are using the same tools and endeavor in market principles and forces for driving change. Social entrepreneurs provide opportunities for marginalized and poor. They find solutions for social issues like education, health, welfare reform, human rights, workers’ rights, environment, economic development, agriculture, and so on [18].

Social entrepreneurship is tried to be encouraged with educational programs and competitions. The financial returns are low, and it complicates the presence of these organizations [10].

A strong financial system is a requirement of entrepreneurship. The entrepreneurs create jobs, and so they help to reduce the unemployment rate. Turkey’s economy is growing. The collaborations with international organizations promote economic progress through entrepreneurship. **Table 1** summarizes the differences between entrepreneurship and social entrepreneurship.

There are many suggestions for the improvement of social entrepreneurship [23]. One of the problems they face is institutionalization which is difficult because the social initiatives are dependent on the social entrepreneurs and it is not easy to survive [3, 4].

The institutionalization of social entrepreneurship education is impeded through limited presidential support, a clear and well-defined vision, and financial problem [27].

The strategies to simplify the increase of social enterprises are legal recognition and regulation; combination of the most innovative organizational solutions; replication process; protection of consumer’s rights; and avoidance of isomorphism. Quasi-market strategies require unusual mix of resources and conformance to local dimension. The network plays important role to accomplish this. It is recommended to change the implementation of employment subventions for long-term unemployed to reduce labor costs. It can be used to lower productivity [4].

3.1. The concepts of new business models

The competitiveness forces the companies for a search of new business opportunities. Growing Inclusive Markets (GIM) and Base of the Pyramid (BOP) can be taken into account as important concepts when considering the size of the population.

3.1.1. Growing Inclusive Markets (GIM)

The macro-level approach is based on the creation of opportunities and innovation through defining the markets in another way. There are important aspects of social entrepreneurship. The concepts aim at taking “business for poor” and raise prosperity of the society. Social entrepreneurship operates in a global structure with many stakeholders. The growing inclusive markets (GIM) Initiative is a stakeholder of UNDP. The aim is to find solutions for the global development with inclusive business models. They try to create new chances for better

lives of poor people. GIM endeavors for the millennium development goals (MDGs). This initiative creates a big network [19].

UNDP Private Sector Division is working toward the inclusive market policies and projects with sections The GIM Initiative and the Business call to action (Cat). The Inclusive Markets Development (IMD) program is for the advancement of new opportunities. The Growing Inclusive Markets Initiative has two purposes. The enhancement of the recognition includes business models and finds solutions for sustainable human development. The other purpose is structuring market environment improvements with taking actions with stakeholders and changing the policies [16].

As the empirical research conducted by the GIM Initiative reveals, these constraints include limited market information, problems about the infrastructure, reaching the knowledge and skills, difficulties by compensating the financial needs, and ineffective regulatory environments. In addition to the potentially unnecessary bureaucratic processes that can be undertaken in general by interventional efforts, many laws do not recognize social enterprises as separate legal structures. Conditions, laws and regulations may limit their capacity to seek financial and social returns, and force such organizations to merge into profit-oriented or non-profitable legal entities. Social entrepreneurs need to ensure financial stability [1].

Social entrepreneurship encompasses three main types of inclusive business models, as documented in the final report of the Social Entrepreneurship Information Network and shaped in many GIM case studies. First, they can get members to come together and get more value; for example, strong bargaining power, efficiency and volume develop, value chain, and product development increase [29]. The business model is based on the production of handcrafts that are low cost, require intensive labor, consume little energy, and perform with low technology. **Table 3** summarizes the Socially Inclusive Business Model according to the social value and the economic value [5]. The initiatives analyzed found business opportunities in low-income sectors. Socially Inclusive Businesses produce economic and social values [26].

3.1.2. Base of the Pyramid (BOP)

The base of the pyramid (BOP) approach can be explained as creating and distributing goods and services for poor people. There are not many companies using the opportunity to supply goods to this group. The international finance corporation reveals that purchasing power is annually \$5000 billion of this 4 billion people. The transformation is aimed of this people to customers. The multinational companies have to look from a different window to find out the opportunities in the market of four billion people and assure the capital efficiency.

Prahalad and Hart [13] explained the BOP approach in their study "The Fortune at the Bottom of the Pyramid" as "The aspiring poor present a prodigious opportunity for the world's wealthiest companies. But it requires a radical new approach to business strategy" [13]. Prahalad (2004), Hart (2005) and London (2007) are the authors, which have mentioned the base (bottom) of the pyramid (BOP) theory first. The poor society, which is living on less than US\$ 1.25 per day, is defined as "resilient and creative entrepreneurs" and "value-conscious consumers" (Prahalad 2004: 1). The concept suggests to create economic openings with collaboration of multinational corporations. It recommends the strategic association

Social Value	Acceptable as socially inclusive business	Ideal, socio-economic sweet spot
		Unacceptable as socially inclusive business (traditional commercial venture)
Economic Value		

Source: Marquez [23, 26].

Table 3. Profits and Social Impact in Socially Inclusive Business.

with persons at the base of the world’s income pyramid. It assumes the radical change in the business model. The poor is presented as solution itself and as a resource. In that way can be a win-win position created. The demand of the over three billion poor people is attracting the entrepreneurs and social entrepreneurs. The financing and social value has to be balanced with low-cost consumer goods. It is contrasting to the mission-driven corporate social responsibility approach [26]. The BOP concept brings “mutually beneficial economic and social incentives” together. It is purposed to produce the own revenues. It is revealing that the partner’s involvement depends on the potential of venturing the needs of the poor people [26].

Based on the study of the famous Indian economist Amartya Sen (1999), which sees the rise of freedom as including the economic possibilities as “a fundamental solution to a basic solution and development” to provide sustainable human development, UNDP considers the markets to be more inclusive. This means that the poor people can buy his needs at affordable prices, meaning that venture capitalization is an opportunity rather than a necessity, access to decent business opportunities, and the ability to contribute to companies’ value chains as suppliers and distributors. Social enterprises contribute to the development of “containment markets” either by supporting development and can change the role of the disadvantaged groups. They are able to demand the products and services as customer and buyers or supply as employees,

producers, and entrepreneurs. Such initiatives can be developed by all types of institutions (social enterprises, multinational corporations, large public entities, or SMEs), and these business models carry a number of common characteristics as outlined below [7].

Some firms like Nirma have implemented solutions with product innovation and new manufacturing process. Of course, in this business model, it is not possible to aim the traditional high margins. A different perspective is needed for the competitiveness [29]. It is expensive to research for the development of products and services sustainability and enter and continue in distribution channels and communication networks. MNCs have know-how to bring together a global knowledge rather to local entrepreneurs. Leaders can use the interpersonal and intercultural skills to customize the products and services to local BOP markets [29].

The economically sustainability and generation of social and environmental benefits are important to define the inclusive businesses [26, 31]. Despite the significant benefits of the social enterprise model, such as increasing financial capacity and independence from donors, increasing scale of operations resulting from income strategies is achieved, and thus greater social impact, and social enterprises also faced some potential difficulties. First, while social enterprises are developing market models of pyramid-based coverage, they face market constraints that are similar to traditional markets. Social enterprises use solutions like organizations operating in low-income markets adopt according to formulate products and processes for BOP markets, which has different conditions, increasing the buying power and bringing the potential resources with other partners. The researchers indicate that the success of the business models is dependent on the organization's main mission, capacities, and the segment it addresses and when it reaches a suitable scale.

4. Methodology

Methodology of the research is case study. Case study approach is an effective way to build solid ground to make positive argument on subject where it is rather easy to compare theoretical information and arguments with applied cases. It is also aimed to encourage other social entrepreneurship initiatives by mentioning good examples like Trusted Hands Food Safety Program Online. This case provides opportunity for awakening the social interest. This case is appropriate for the use of the subject matter covered which includes concepts that are globally discussed. However, various examples determine the value.

5. Unilever food solutions and trusted hands food safety online training program

The study researches "Food Safety" training of Unilever Food Solutions. An independent company conducted the Turkey Chief Survey, and 80% of the chiefs identified as the most important need Food Safety training. The "Trustworthy Hands" Food Safety Training Program is prepared online in order to reach all kitchen teams throughout Turkey. The project aims to complete 5000 chief trainings in the first year. It is planned to have a food safety certificate by participating in trainings of 30,000 chiefs in 3 years.

Trustworthy Hands Food Safety Training consists of five separate sections, cross contamination, physical and chemical hazards, cleaning, production safety, and HACCP applications. In order to meet the lack of knowledge and development needs of the chefs in the field of food safety, the Food Security Association organized an introductory meeting with the participation of sector representatives for the “Trustworthy Hands” Food Safety Training Program. Food Security Association, Food Industry Association, Tourism Restaurant Investors and Businesses Association (TURYİD), and the Union of the Cooks supported the project. Turkey emphasized that they have launched the first and only comprehensive food safety training program. It is to launch the online training modules in other countries too.

It is declared that 350,000 people are working in the catering sector. In 77,000 restaurants in Turkey, millions of meals are eaten every day. More than 30,000 of the restaurants are located in Istanbul. TURYİD serves 165 brands in 480 points. It creates an industry of two billion endorsements annually. It is 10% of the general food and beverage sector. The associations increase their strength in the direction of goals through cooperation with the sectorial knowledge, communication, and training issues [20, 21].

It is stated that 325,000 are hospitalized and 5000 people died because of food poisoning every year in the world. In 2013, the number of people who lost their lives due to “external injuries and poisonings” in Turkey is 20,000,409, but this number has decreased to 16,000,018 in 2014. According to the World Health Organization, in 2010, a total of 582 million people were poisoned from 22 different food items in the world. Interestingly, 40% of the 582 million people are under 5 years old. The bacterial cause of food is found in raw poultry, unpasteurized milk, red meat, and untreated water which are the most common factors of poisoning with *Campylobacter*. Unpasteurized milk, eggs and raw egg products, raw meat, and poultry have to be controlled carefully because of the *Salmonella*. *Listeria*, *nigella* (traveler’s diarrhea), and *clostridia* are other dangerous factors for food poisoning [15].

It is stated that Unilever Food Solutions reached to one of the two businesses in the non-house food sector. Food Safety Association has indicated that 50% of the chefs have completed five videography trainings in the “Trustworthy Eller” food safety training. Unilever Food Solution has launched a training course for the kitchen teams [17].

The chefs are able to see the article “Get Your Food Safety Training and Certificate Now” on Knorr products and access training videos prepared with the passwords on the product packages by entering the Food Security section where it also can be reached via ufs.com. Training program consist of five short videos produced by the Food Safety Association as an education, and at the end of each training video, questions about that section must be answered in order chefs to be entitled to receive special certificates for the names of Food Safety Association certified ones. It is emphasized that there are plans to reach the chefs through not only digital channels but also product packages because of the presence of Unilever Food Solutions products at every one of them. They also note that they are taking care to be part of Unilever Food Solutions products.

The main objective is to ensure that food is healthy and maintains its nutritive properties and continues. Food safety involves the processing, preparation, transport, storage, and disposal of foodstuffs to prevent biological, physical, and chemical agents that cause food-borne illnesses. It is an approach that addresses the process of submitting to consumers. Safe food is defined as food that has been made suitable for consumption by eliminating all kinds of deterioration

and contagious factors, and everything that is done to achieve this is the technical direction of the business. "He added that Food Safety Inspections in Turkey are done by the Ministry of Agriculture and Livestock. Many countries, including Turkey, are developing and implementing standards and management systems related to food safety." The latest method to ensure food safety is published as national standards in countries with the HACCP system. Many countries have accepted that "ISO 22000: Food Safety Management Systems Standard," which was prepared by ISO in 2005, is included in Turkey in order to ensure the use of a common system of accreditation in international trade and a common system of food safety standards all over the world. In Turkey, TS EN ISO 22000, which was put into practice in 2006 by TS 13001-HACCP Standard, has been applied in food and food-related enterprises. "HACCP plan for the establishments identifies and monitors biological, chemical, and physical properties that are food-borne hazards. It is preventive, rather than reactive, and is an effective risk management tool [23].

Taking the risk factors into consideration, necessary precautions must be taken before delivering to the customer. "Trusted Hands" Trainings is a project that aims to raise awareness about food safety in the chiefs and close the information gap. The Turkish Food Safety Association prepares and sends the certificates to the chefs who have completed the training.

6. Conclusion

The social considerations in Turkey are rising in recent years. The society's consciousness is increasing and also became aware of social, environmental, and health issues. The number of successful social entrepreneurs increases trends and behaviors through social actions.

Social entrepreneurs produce services and products. The disadvantaged groups can use the employment opportunities. Social entrepreneurship implements similar tools like entrepreneurs. They face the same problems and take the same risks also. The existence is dependent on the support mechanisms. In this case, the public and private support for social entrepreneurship plays an important role. The legal arrangements are needed for the financial continuance. Consultancy, knowledge sharing through awards, courses, and studies builds a net. The youth and children can be elaborated in education system. People in lower segments of society can also be informed about the social issues.

In this study is examined the project of Unilever Food Solution in the framework of the awakening consciousness in society and in the sector about food safety which is an important issue of health. It is also a good example of the collaboration of public and private sectors.

The suggestions made in the literature can be summarized in three points: first highlighting success stories and case studies; second accumulating the best practices; and third forming a High-Impact Entrepreneurship Index and planning exercise. These efforts will guide the new actions also [12].

There are many difficulties of continuance and establishment of social enterprises but also many advantages like the technological, financial, and human resources. Internet facilitates communication and cooperation. The definition of legal form and other problems are waiting solutions from governments [12].

The other problem is that the short-term approach will complicate the existence of the social enterprises. Tax exemptions are needed for the maintenance. The long-term focus can facilitate the partnerships. These resources can be used more effectively, and the social impact can be enhanced [10].

Private sector is an important project partner and also creates financial sources. The material contribution or sponsorship builds a synergy and a win-win position to public and private sector also. The public benefit can be taken in terms of its scope and coverage, because the society's awareness and purchasing power will be enhanced. The wealth arises [10].

The improvements are promising for the future of social entrepreneurship. The society, the companies, and the government are more aware of the social, environmental, and health issues. It is expected to raise the interest about the research topic. This case intends to show key points in its successful implementations can be followed. The results of this research enlighten social entrepreneurial form that is likely to become much more extensive in new economy. Tables and definitions aim to present the understanding of business model and its importance. The most important contribution is intended to observe a good practice. The research enables to open the horizons in the business start-ups and explore a new way of thinking for win-win. The outlined phenomenon in an exploratory approach involves an in-depth analysis of a case for the guidance of new cases.

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