SOCIAL ENTREPRENEURSHIP IN THE GLOBAL MARKET
CONSIDERING THE 21ST BUSINESS CHALLENGES, STRATEGIES, AND
SOCIAL RESPONSIBILITY

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Abstract
The globalization age have brought business organizations all over the world to find innovative strategies to gain advantage in the global markets. Social entrepreneurship is regarded as a new concept that is still yet to gain interests among enterprises in Turkey. However, the context of social entrepreneurship may not be fully embraced by the business sector in the country because of the perceived deficiencies both in the social and legislative structure. Consequently, the way for local enterprises to gain grounds towards globalization will require more than just a sense of responsibility, but rather an initiative, which the social entrepreneurship model tends to provide. The discussion explores the context of social entrepreneurship from a business perspective and examines the various challenges that organizations in Turkey would be facing if they decided to employ social entrepreneurship as a strategic position when venturing towards the global markets.

Keywords: Social Entrepreneurship, Global Market Strategies, Social Responsibility, Social Challenges

1. INTRODUCTION
The transformation of the global economy in the 21st century has opened up endless possibilities for entrepreneurs to venture into unknown markets, and to successfully create profound impact in terms of changing the global economic, political, educational, and social landscape. The human history has never before witnessed a rapid and pervasive pace in structural change until the context of globalization has been fully realized in today's markets. Globalization in the 21st century has also brought entrepreneurs to expand beyond the borders of their local markets to enhance economic integration by introducing new technologies, new initiatives, and revolutionary ideas (Passaris, 2005). Consequently, the road to globalization for some entrepreneurs has not always been a straightforward journey, but rather paved with challenges that require
new strategies in order to overcome the underlying risks. In a country where the two continents converge such as Turkey, the challenges of going global for entrepreneurs are rather more challenging because the business and market environment is different on both sides. Social entrepreneurship is a framework in which factors such as social, economic, and environment challenges all plays a pivotal role in the globalization process. Private organizations recognize the importance of social entrepreneurship as key phenomena as an active response to critical problems. In a study by Swedberg (2006), he described the phenomena as a relevant perspective towards the continuity of social change where the people and entrepreneurs are demonstrating the dynamics of “doing what is new”, and social entrepreneurship encompasses the framework of dynamic behaviour in society's non-economic environment. Hence, globalization in the 21st century encompasses a demand for greater focus on social entrepreneurship as a key strategy in overcoming the risks and challenges brought by economic turbulences (OECD, 2013). Since

The study encompasses the exploration of social entrepreneurship in the 21st century global market highlighting business challenges, strategies and the importance of social responsibility within the scope of Turkish business environment. In this regard, the study will look into a number of corporations in Turkey through a web search. After which, the selected organizations will be analysed to identify how the organizations develop their strategies to overcome the challenges of practicing social entrepreneurship within the context of globalization. In addition, the study seeks to determine (1) how the selected organizations understand their social responsibility, (2) what is the organizations’ approach towards social entrepreneurship, (3) how the selected organizations address the challenges of globalization through social entrepreneurship, and (4) how social responsibility initiatives creates the path for the organizations in going global. The study will first discuss the underlying tenets of social entrepreneurship from Thompson et al. (2000) perspective. Furthermore, the answer to the three stated questions will be drawn from relevant literatures. After which, the articulated perspective will be adopted to examine social entrepreneurship practices of corporations in Turkey. Selecting the organizations for analysis was based on specified search keywords since the selection process involves web search. The later part of the study will discuss the outcome of the study and its future implication towards social entrepreneurship practices of corporations in Turkey.

2. PRINCIPLES OF SOCIAL ENTREPRENEURSHIP

According to Thompson et al. (2000), social entrepreneurship is a collaborative effort of the people and organization to undertake a self-initiated position to realize the opportunity to satisfy the needs that the society cannot meet, pool resources, and use them to make a difference. In the recent years, the concept of social entrepreneurship is attracting the attention of entrepreneurs, policy-makers, and scholars given the manifestation of the linkage between economic development and social change as a framework in building competitiveness in the global market. Organizational initiatives whether entrepreneurial or not that catalyse social change can be considered as a paragon of social entrepreneurship. On the other hand, while the activities involving social entrepreneurship may contribute in improving the state of the society’s welfare, it is not always the case for organizations that are seeking to enter the global markets. This is because the adoption of social entrepreneurship as a strategic position for globalization encompasses challenges that require greater emphasis on social responsibility. In this regard, the study proposes to highlight social entrepreneurship as a mode of action rather an initiative, social justification, or motive. From Thompson et al. (2000) theoretical perspective, entrepreneurship is a centre of activities in which the discrete actors creates a new combination of resources encompassing services. In this regard, any form of undertaking referred to as an act of social entrepreneurship should meet specific requirements.

The provision of core services or tasks geared towards a targeted population encompasses the first requirement followed by the mobilization of resources including financial for sustainability. In addition, mustering community support is also essential in undertaking social entrepreneurship (Santos, 2012). However, the conceptual understanding of social entrepreneurship is rather different from organizational perspective particularly multi-national corporations because the scope of the responsibility is much wider and rather more complex. One of the reasons is that privately held companies are operating within the business context and primarily fashions their strategies for profit interest. Consequently, undertaking social entrepreneurship encompasses the mobilization of resources and like any other businesses; the organization will expected a form of substantial gains from the activities. Apparently, social entrepreneurship constitutes a principle in which reinvesting and earning profits from enterprising is the heart of the system. The output from reinvestment determines the increase in growth potential for capacity building towards the implementation of both qualitative and quantitative solution-oriented strategies. There are several ideas that corporations engaged in social entrepreneurship can undertake, one of which is creating outreach or charity programs.
Comparatively, charitable activities can only provide temporary solutions to environmental and social problems; however, social entrepreneurship takes the short-term objective into a long-term initiative by creating new opportunities through innovation, resource mobilization, and exploration in order to compliment the pre-existing efforts of the government (Dees, 2007). Therefore, social entrepreneurship can be interpreted as a commitment of an organization, groups, or individuals in building the future of the society. From a business enterprise point of view, social entrepreneurship encourages growth and innovation and leverage on the similar conception to ensure the sustainability of the business and the social environment in which the enterprise exists.

The context of social entrepreneurship was also studied by Volkman et al. (2012) from an ecosystem perspective where the concept of social entrepreneur its organizational form was viewed holistically. In the ecosystem perspective, social entrepreneurship was perceived as a combination of both market and social orientation in which opportunity and innovation was built. Some of best examples of organizations built on the context social entrepreneurship are the Grameen Bank in Bangladesh, which demonstrates the obvious features of social entrepreneurship in a way that it challenges the status quo and encompass social mission as part of the organizational objective. In addition, the Grameen Bank challenges the conventional thinking creating solutions, opportunities, inventing new approach in improving the social environment where the business is operating (Seelos and Mair, 2005). Based on the example and the described ecosystem perspective, it is apparent that social entrepreneurship is about finding the solutions by creating opportunities, having a sense of social responsibility, acting on the need of the social environment, and building long-term relationship with the community and the stakeholders (Smallbone et al., 2001).

3. SOCIAL ENTERPRISE IN TURKEY

Social entrepreneurship is relatively new to the business environment partly because non-enterprise organization and the government often undertake the practice and responsibility of social engagement towards sustainability. It is the same with the Turkish literature where social entrepreneurship is just beginning to interest scholars as new grounds in research focuses on the impact of integrating social entrepreneurship into the core of the business objectives. For example, Kirilmaz (2013) stated that the effective practice of social entrepreneurship should have an organizational form in order to create long-term solutions to long-term social dilemmas. In addition, the Turkish view of social entrepreneurship is closely aligned with the context of globalization, but the challenge of effectively integrating the concept into the business model of the companies in Turkey is the fully putting it in practice. In this regard, there are private organizations not only in Turkey, but also in other parts of the world that are confused about relationship between corporate social responsibility and social entrepreneurship. The problem with conceptualization of social entrepreneurship is that the common understanding of when something was done that is socially beneficial, it can be regarded as a demonstration of corporate social responsibility or the other way around. On the other hand, closely examining the concept of social responsibility as a strategic position to demonstrate social entrepreneurship encompasses several factors to consider in order getting a good grasp of the correlation between corporate social responsibility and social entrepreneurship (Volkmann et al., 2012).

Political, Legal, and Economic Factors: Social entrepreneurship in Turkey tends to face challenges when putting into practice because of the lack of political, legal, and economic structural support. The perceived lack of structural support constitutes a problem not only for social entrepreneurs, but also in the Turkish business environment in general. Structural support is an important aspect of establishing a strong presence of social entrepreneurship in a developing country such as Turkey because it provides the opportunities from the economic sector, institutional support, legal provisions, and financial system in order for social entrepreneurship to thrive (Turker and Selcuk, 2009). Hence, the lack of such demonstrates the characteristic of social entrepreneurship that requires access to capital markets and the financial system (Koenig, 2014). Another significant challenge facing social organizations in Turkey in undertaking social entrepreneurship is the scarcity of experts who are willing to work in the social enterprises. Despite the fact that the country has a strong financial system and the financial mechanism is existent and available, accessibility is an issue due to the weak financial position of social enterprises.

Ecological: The ecological challenges that companies in Turkey are facing in undertaking social entrepreneurship is rooted from the adverse impact of unplanned industrialization and urbanization. Having a ministry on environment within the national and local government sector in Turkey is still not sufficient in addressing the problems of irreversible environmental degradation. The impact of ecological degradation ranges from the companies having trouble implementing programs into the community to causing more social concerns on health. For example, a company introducing an environment and livelihood sustainability
program such as urban vegetable gardening in a community cannot expect to have a positive outcome if the environment in which the program was implemented is not conducive to propagating and growing organic produce. Another example is when there is not enough land where urban vegetable garden can be constructed within the urban setting. Therefore, the productivity targets of growing food that will contribute to the food supply within the community may not be achieved because of the limitation of available space. Ecological problems tend to branch out into other issues and social entrepreneurship may not be effective in addressing the problems unless there is a collaborative effort between the community, policy-makers, and the concerned government institutions.

**Technological:** The dawn of the 21st century has opened up all sorts of technological advancements and among the most widely popular is the utilization of information technology in almost all aspects of social living conditions. The continuous advancement in technology has changed the landscape of business development and broke the barriers for enterprises in terms going global. Today, social entrepreneurs are also taking advantage of the available technology in reaching to wider communities in Turkey particularly with the use of social media. According to the study by Kim et al. (2006), creating a strong relationship with the community is relatively important for social enterprises and keeping such connection open requires relevant technological tools. Therefore, technological tools and resources are also considered as an important part of social entrepreneurship and the context of technological innovation should be embraced and effectively integrated into the employed social entrepreneurship model.

**Socio-Cultural:** In an article by Koenig (2014), he describes social entrepreneurship in Turkey as a relatively new concept that is still undergoing its evolution. Furthermore, the author also stated that the slow phase of the evolutions process of social entrepreneurship in the country is a result of the lack of entrepreneurial interest of both private and public enterprises in associating with the environmental and social issues (Koenig, 2014). Currently, the initiatives of social entrepreneurship can be easily accessed through the Third Sector Foundation of Turkey in terms of scientific interests by organizing conferences. Comparatively, interests in the opportunities offered by social enterprising in Turkey is still weak than the other developing nations. One of the reasons of the perceived weakness is the lack of social and cultural awareness about social entrepreneurship and the media, which is an effective tool for public awareness is not also showing a strong interest. Another reason to consider as the cause of the lack of social entrepreneurial activities in Turkey is the educational system, which is still yet to integrate the topic of social entrepreneurship in the business school curriculum.

### 4. SOCIAL ENTERPRISING PRACTICE AMONG COMPANIES IN TURKEY

To be able to assess the existence of social entrepreneurship practice among the companies in Turkey, a web search was conducted to find companies that are either directly supporting social enterprises or practicing social entrepreneurship as another component of their business model. The web search was aided by keywords in which the results of the search were narrowed down according to relevance to the given keywords. One of the renowned premium car brands in the world BMW, which is also a primary player in the Turkish car industry, is leading the handful of private corporations operating in the country in terms of supporting social entrepreneurship. The BMW Foundation encourages the practice of social entrepreneurship in Turkey by holding social innovation entrepreneurship summits in Istanbul in partnership with Ashoka (Quandt, 2013). The company’s objective is to leverage on the growth of interest on innovative social entrepreneurial ventures and aims to introduce the concept to the Turkish private business sector. BMW understands the potential of social entrepreneurship in Turkey, and its efforts to demonstrate the company’s social responsibility for community engagement is to educate about the underlying opportunities in undertaking social enterprising. The conferences organized through the company’s foundation arm bring together educators, representatives from various business sectors, academia, policy-makers, entrepreneurs, and the media. It is apparent that the underlying objective of the activities created by BMW is to share beliefs and highlight the dynamics of collaboration towards social sustainability.

Another example of social entrepreneurship integrated within the business model is B-Fit, which is a company operating a chain of gyms around Turkey. What’s striking about the company’s business approach is its business objective, which aims to promote women empowerment through entrepreneurship, education, and exercise (Ozkan, 2013). Furthermore, the business also aims to address one of the social dilemmas in Turkey, which is the huge gap between genders. Although, other sectors view the company’s business strategy as rather discriminatory because the gym is exclusive only for women, the company is reassuring the public that the core initiative is to create an opportunity for women development. Currently, the company is has more than 160,000 gym members, 500 employee, 250 franchisees, 220 gyms, and all of which are women. What makes B-Fit as a perfect model of a private company that integrates social entrepreneurship is
because the approach have enabled the business to go global where new franchises order coming on from Cyprus, Middle East, and North Africa (Ozkan, 2013). The two companies described herewith demonstrate the key principles of social entrepreneurship, which is to motivate, encourage social change, and business success amidst the challenging market conditions in the global economy.

5. SOCIAL ENTREPRENEURSHIP CHALLENGES IN TURKEY

The context of social entrepreneurship is not confined within the scope of social and environmental problems, but rather encompasses a wider spectrum of concern with the society. Social entrepreneurship can potentially become the starting point in creating the needed support mechanism for the disadvantaged in Turkey. In the conventional business environment, economic growth is a major decision-making factor in pursuing global expansion. Although economic growth or failure can impact local economies and creates a domino effect down to the microeconomic sector, that alone may not constitute a direct effect towards an immediate positive social change. In this regard, organizations within the business sector should incorporate their understanding of the dynamics of economics in catalysing social change. However, in developing countries such as Turkey where social entrepreneurship is relatively new idea, certain challenges lie ahead and the only way to overcoming the challenges is to create sustainable strategies. Looking into Turkey’s current social climate problems such as gender equality, environment, social cohesion, and regional disparities, it is apparent that these problems are structural and can be directly influenced by a sudden financial or economic crisis. For example, participation in labour force in Turkey is low, thus creating a structural problem that is unemployment. At the same time, unemployment problem creates a bigger impact towards the disadvantaged in the country, which could result to the disadvantaged to become more fragile during times of crisis. In addition, the number of social entrepreneurs that could generate opportunities for the disadvantaged in the country is very low; hence the need for the private sector to participate in the initiative is very critical.

For example, the current Turkish population is composed of 56% young individuals age from 15-24 years old, and the majority of which are considered as potential contributor to the labour force in the country according to the Turkish Institute of Statistics (TUIK, 2013). The other part of the population is composed of individuals under 40 years old; however, despite the large portion of the population being in the labour force, the unemployment rate is still within the average of 19.4% (TUIK, 2013). The stated percentage of unemployed young individuals may be excluded from the fragile sectors of the population, but being in unemployed portion of the population constitutes a problem where the instances of economic or financial crisis will even put the unemployed to a much difficult position in terms of finding opportunities. Therefore, one of the challenges that the private sector should take into consideration is how to find suitable opportunities to integrate the unemployed population into a product position. Unemployment may not be primary concern for a private sector considering that it is a social issue that the government should be worrying about. However, adding more value to the company’s reputation as a competitive player in a globalized economy encompasses a need to take social responsibility and become more concerned about the welfare of its local market.

To put that into perspective, for instance, a local community with a collective number of business owners are complaining that the business is slow, and one of the reasons pointed out is because the consumer’s buying power within the community is too low to afford making regular purchases. In addition, a significant number of the people in the community are unemployed. Being in the position where the market in which the business is operating is not conducive for a sustainable growth, the odds of success is relatively none. Therefore, part of the solution to keep the local economy moving is for the local enterprises to create a consensus where the stakeholders, local government and other sectors are collaborating to create opportunities. As such, creating opportunities, jobs, and other means of earning would mean that there is enough flow of cash within the community that can sustain its local economy. The same principles apply on the macroeconomic level where the private sectors are collaborating with the national government and the sectors in order to create alternatives that can alleviate the effects of unemployment. One of the effective frameworks in undertaking such initiative for the private sector to be more involved is integrating the concept of social entrepreneurship into the business model.

Another significant challenge that hampers the establishment of social entrepreneurship in Turkey is the lack of legal and legislative undertaking that highlights the concept of social entrepreneurship. In addition, Turkey’s legislative environment does not have a legal definition of social business, which resulted to all related initiatives to consider as ad hoc, and left to be implemented by non-profit organizations, charities, and select few private organizations. Furthermore, the implementation and process of fostering social entrepreneurship was undertaken with no particular guidelines, which could have been put in place if there
was a consolidative political and legal structure (TUSEV, 2012). The perceived legal deficiencies have caused the term social business to be classified outside of social entrepreneurship to be established an industry supported by legislative conjunctures. As a result, cooperatives, charities, foundations, and commercial enterprises are assuming the role of innovators. In some parts of the world, non-profit companies have taken the role of primary actors of social entrepreneurship initiatives. On the contrary, Turkey has not yet taken the steps recognizing non-profit companies as actors of the social entrepreneurship initiatives because of the lack of legal basis for its institution. In contrast with other European and Asian countries, Turkey has primitive structure and support mechanism in terms of legal and financial structure that will enable social entrepreneurship to be an instrument for social change and as a strategy for the private sector in venturing to the global markets.

6. SOCIAL RESPONSIBILITY AS A GLOBAL MARKET STRATEGY

Differentiating social entrepreneurship from social responsibility comes down to which of the two creates the most impact. In a sense, the two encompasses a common goal and that is to instigate social change or provide solutions to prevailing social and environmental problems. In corporate social responsibility, social giving is being aggregated through activities that benefits the society, but at the expense of the entrepreneur, and the cost of the activities screams losses on the part of the firm. On the other hand, social entrepreneurship encompasses a series of activities that has a mutually beneficial outcome (Baron, 2005). At one end of the spectrum the entrepreneur is able to create potential solutions to a given social problem by aggregating opportunities, but on the other end, the activities are also generating revenue in favour of the entrepreneur. Despite the difference, the two concepts can be viewed as a single initiative that demonstrates social engagement that encourages change while maximizing market value and profit for the firm. The age of globalization where competitiveness is a must paved the way for innovative strategies to capture new markets and one of them is undertaking corporate social responsibility. Its context was derived from the notion that the firm should act as good citizens in order to gain interest of the community. In recent years, companies are including social and environmental performance in their annual reports to demonstrate how much of the effort the company has exerted towards social involvement and how it influenced business growth in general.

Turkey showed impressive economic growth during the past years, and with 7.5% margin in 2006, the country became the fastest growing economy in the OECD region (Rieper and Gurgoz, 2007). Such development had encouraged local industries to take the business globally, but the competition was proven to be more difficult in the global business arena. Immediately large corporations are banking on new ways to increase the value of the business and competitiveness by embarking on the newly emerging approach, and of which is highlighting corporate social responsibility. Given the nature of social entrepreneurship in terms of mutual advantage towards profitability while providing solution to already depressing social problems, it apparently becomes a win-win strategy for the business. Utilizing the concept of social entrepreneurship as a major component of the business strategy encompasses a need for sustainable programs that can be undertaken locally and beyond. One of the simplest strategies to employ in integrating social entrepreneurship is supporting local and small and medium size businesses. For example, if the corporation is engaged in food manufacturing, the simplest way of demonstrating social entrepreneurship is by putting up company-held cooperatives that will work closely with farmers. This way, the company would be able to secure sustainability in terms supply of raw materials and at the same time supports the growth of the local agricultural industry and the local growers.

7. CONCLUSION

Social entrepreneurship demonstrates an enterprise model that focuses on creating opportunities that are structured to contribute to social welfare and development. The principles of the social entrepreneurship coincides with the context of social responsibility that corporations are expected to include their core business objectives. The discussion has demonstrated that organizations particularly the private sector in Turkey would be able leverage on social entrepreneurship as a key strategy in order to venture into the global markets. However, it is apparent that there are challenges that need to be addressed in order for the private sector to fully integrate the context of social entrepreneurship into their business model. One of the challenges highlighted in the discussion is the lack of implemented policies and legislation that could enable organizations in the country to participate in social entrepreneurship activities. On the other hand, scholars and other organizations are showing interest in the concept, which could significantly influence the way businesses in Turkey in terms of going global.
REFERENCES


