CONCEPTUALIZING THE IMPACT OF COVID-19 ON SOCIAL ENTREPRENEURSHIP AND SUSTAINABILITY

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ABSTRACT

Prior to COVID-19, social entrepreneurs in Malaysia experienced a number of challenges, including difficulty in obtaining high-quality human capital, a lack of available substantial funds, and a lack of support to expand and become sustainable. The current Covid-19 pandemic has created a consequential threat to the lives of humans, families, and society. Although there are various potential effects of the pandemic, very little has been determined about its effect on social entrepreneurship and the aspects of sustainability. This conceptual paper focuses on potential effects anticipated in the on-going pandemic on reimagining social entrepreneurship initiatives and sustainability concerns with foreseen opportunities to address the impacts.

KEYWORDS: Covid-19, Reimagining Social Entrepreneurship, Social Value, Sustainable Development, Value-co-Creation

I. INTRODUCTION

Social entrepreneurship incorporates innovative, social value creation and research activities that can happen within or across the non-profit, business, and public sectors. This process of social entrepreneurship involves identifying social issues with definite resolution, evaluating their social impact, and sustainability of social enterprises with society (Santos 2012; Mair et al. 2006). As social entrepreneurship intends social continuity, reducing unemployment, job creation and overall improvement of the economy, social entrepreneurship has the potential to ignite light during global crises by supporting the sustainability aspect (Zikou 2011). In the situation of a global crisis such as Covid-19, social entrepreneurs driven by social motives can address the issues raised by Covid-19. The effect of a pandemic on sustainability is also under consideration and is perceived to be wide-ranging. The general aim of the paper is to conceptualizing the effect of Covid-19 on social entrepreneurship and sustainability. Where else, the specific objectives of this paper are: to understand the concept and implications of social entrepreneurship and sustainability; to actualize the effect of Covid-19 on social entrepreneurial activities, and to realize the effect of Covid-19 on aspects of sustainability.

II. A NOTE ON METHODOLOGY

With an objective to attain a detailed understanding of the expected influence of Covid-19 on social entrepreneurship and sustainability, the selection of relevant studies included searching for those articles and papers that were discussing the topics significant for this study and were cited in relevance to the current subject. A detailed search of the literature was performed through articles, books, journals, case-studies, and conference papers to assess relevant information and data. Based on the literature search performed by including the following terms related and used in various combinations: Social Entrepreneurship, Sustainability, Covid-19, Pandemic, social value, value-co-creation, sustainable development, around 22 previous research studies were identified and selected. The analysis of all the studies was performed to interpret relevant information and data that could facilitate valuable conclusions.

III. OBSERVATIONS AND DISCUSSION

3.1 Social Entrepreneurship - An Overview

Entrepreneurship refers to activities for identifying, evaluating, and exploiting opportunities to introduce novel products or services into existence (Hisrich et al. 2017). The idea of social entrepreneurship was primarily
observed in composition in the 1960s and 70s. The concept of social entrepreneurs was encouraged by Michael Young from the 1950s to 90s and has been a pioneer in promotions of social entrepreneurs (Baber et al. 2012). Social entrepreneurship, a sub-domain in the sphere of entrepreneurship, includes identifying, evaluating, and exploiting those opportunities that generate social value. Social value is a fundamental and persistent requirement of society. Social value is not focussed on profits and mainly comprises fulfilling the fundamental and enduring needs of those people of society who require food, water, shelter, education, and medical services (Certo and Miller 2008).

Social entrepreneurship is an effective system based on which particular kinds of people, often termed ‘social entrepreneurs’, initiate and establish organizations which are referred to as ‘social enterprises’. The concept of social entrepreneurship is perceived as the driver of wide-ranging social change and is related to the fundamental needs of society (Huybrechts and Nicholls 2012). The combination of social entrepreneurship and the generation of social value is identified in a variety of business structures. It can be often seen within the attributes of non-governmental organizations (NGO), hybrid social enterprises, and socially-committed regular enterprises (Maniam et al. 2018). According to Dacin et al. (2011), social entrepreneurship is generally described based on four main aspects, such as the individual attributes, operational vicinity, process and use of resources, and pursuit of the social entrepreneur.

3.2 A Glimpse of Malaysian Social Entrepreneurship

Social entrepreneurship entails applying typical entrepreneurial ideas to a specific setting and focuses on social challenges. Despite quickly developing and receiving more attention in many industrialised nations, social entrepreneurship is still regarded young, and activities are still at the ground level in the Malaysian environment. Adnan et al. (2018) in their study gives an overview of social entrepreneurship as well as a preliminary examination of the situation of social entrepreneurship in Malaysia. Based on the research, it is possible to infer that, though social entrepreneurship is still relatively young in Malaysia, many entities, both government and non-government, have started to recognise the value of social entrepreneurship activities to the country's socioeconomic growth. Their participation in numerous socio-entrepreneurship activities has indirectly contributed to the country's socioeconomic growth. It is anticipated that social entrepreneurship will continue to thrive for the country's future prosperity.

3.3 Implications of Social Entrepreneurship and Sustainability

There are indicators that show the influence of social entrepreneurship and measure the scope, namely cultural promotion, economic prosperity of the community, people satisfaction, solidarity, welfare and social value, reduction of social inequalities, and social platform for growth. Based on social entrepreneurship, social entrepreneurs provide a composite value to society comprising innovation and seeking solutions (Arasti et al. 2015). The implications of social entrepreneurship can be seen in the efforts of the social entrepreneur, who serves as the central actor in initiating and implementing various innovations. These innovations are specifically intended to solve social issues (Howaldt et al. 2015).

Social entrepreneurship is slowly being identified as an efficient medium to achieve sustainable development. Through social entrepreneurship, sustainable development is observed to support social, economic, and environmental factors effectively. Therefore, social entrepreneurs are considered as the change agents who implement entrepreneurial activities to resolve social and environmental problems in consideration of survival and sustainability (Bansal et al. 2019). There are various factors for the success of social enterprises in consideration of sustainability and include strong leadership, motivation with commitment of management as well as partners, legal and regulatory environment, management expertise, local community involvement, financial sustainability, innovation capabilities, rational utilization of resources (Stratan 2017). The relationship between social entrepreneurship and sustainability can be seen in the rise of social status, less dependency of women on their husbands, improved nutrition of children, improved shelter options, development of poor and poor women’s roles in income generation and integral development of society through employment. These initiatives can be seen as a great social change for the survival of society and specifically the community in need by improving the quality of life of people (Iwueke Obinna and Nwaiwu Blessing 2014).

3.4 COVID-19 pandemic and Social Entrepreneurship

The emergence of the Covid-19 pandemic has changed the entire world with profound effects on society. Different social issues caused by Covid-19 are being managed by various enterprises stepping ahead to develop
solutions for the betterment of the public. The Covid-19 pandemic has increased the level of uncertainties, with an increase in new, emergent and overwhelming requirements of society (Bacq and Lumpkin 2020). It is observed that the biggest impact of the Covid-19 pandemic on social entrepreneurship is financial. However, social enterprises are aiming to tackle social issues through innovative and revenue-generating activities. Moreover, Covid-19 is expected to make social enterprises face challenges in managing their social and economic goals. Social enterprises are required to concentrate on developing economic value that sustain these enterprises during the pandemic. Social enterprises may also face challenges in establishing corporate collaborations and affiliations that are always vital for social entrepreneurs and have appeared to be even more necessary in this time (Weaver 2020).

The effect of a pandemic can be observed as an opportunity to recognize social issues. According to Ratten (2020), positive changes and developments can be initiated in society to overcome the problems caused by Covid-19 through social entrepreneurship and strategy based on creating value. According to Bacq and Lumpkin (2020), social enterprises are required to follow an outlook of mission agility throughout this pandemic as mission agility can offer advantages to social enterprises at the time of crises. This outlook will support the goal of social enterprises of serving as a sustainable tool for reducing social issues.

3.5 COVID-19 pandemic and Sustainability

Before the Covid-19 pandemic, the sustainability aspect was observed to be affected by controversial economic policies and the global environment. However, with the spread of pandemic, sustainability is redefined with the intersection of not only the economy, environment, and society, but also human health. Due to Covid-19, it has become impossible to consider sustainability without the health of society. Socially sustainable communities are defined to have a good quality of life which includes the physical and mental wellbeing of humans. The Covid-19 pandemic has affected physical health in a direct sense with an indirect impact on mental health (Hakovirta and Denuwara 2020). The present situation of pandemic outbreak has created a psychological and psychosocial burden for people, families, and societies. A broad range of relationships between ecological, economical, and socially unsustainable outcomes and the outbreak of Covid-19 can be predicted. The social factors of sustainability, including lower wages and lower prestige attributed to jobs and the stringent impositions are making the crisis difficult to handle and to sustain (Bodenheimer and Leidenberger 2020). From the perspective of approaches, sustainability is associated with multidimensional challenges for complex links between the environment, economy and society’s prosperity. The influence of technological progress and globalisation to achieve sustainability can be considered as an approach to managing epidemic outbreaks outcomes (Leal Filho et al. 2021). Many social companies saw their normal economic activity fall. According to Julie (2020), 40% of Malaysian social businesses and other start-ups believe they will be forced to close if the country's pandemic restrictions remain in place until mid-2021, according to a study by the Malaysian Global Innovation and Creativity Centre.

IV. RECOMMENDATIONS

The effect of the proceeding Covid-19 outbreak on social entrepreneurship and the social enterprise sector seems to be unidentified currently even though the domain has the potential to reduce few of its after-effects on the economic and social development of the community. The process of social entrepreneurship and social enterprises are perceived as the effective medium to combat societal problems caused due to the Covid-19 pandemic. Moreover, the sustainability aspect is also required to be looked into with shifting away from tapered short-term economics of efficiency towards interdependency between economic, social and environmental flexibility. With less maturity of the domain of social entrepreneurship, further research in response to Covid-19 can assist future study in analysing its contribution in emergent situations and periods of economic ambiguity with support to sustainability.

In spite of the various unpredictable and substantial challenges linked with after-effects of COVID-19, it is recommended that social entrepreneurs look for different opportunities to materialize collaborative efforts while considering innovative solutions for prevailing issues. These efforts will recreate the best of things that have worked elsewhere at a scale adequate to address the existing problems while respecting the locality of social issues. Moreover, it is also recommended to address the issues in the domains of human development such as better nutrition and health, educational advancements, initiatives towards gender equality, and fulfilling basic human needs such as safe water, sanitation, and adequate access to energy and socio-political change with respect to sustainability and sustainable goals for society.
V. CONCLUSION

As a result, the social enterprise sector has been busy in recent months delivering assistance to social entrepreneurs in order to assist them survive the epidemic. The only way out is in. It means expanding into new markets, boosting internet activity, and guiding businesses to appropriate financial assistance. It is encouraging to discover that many social entrepreneurs are highly adaptable in terms of adjusting their business model. Social entrepreneurs, at their heart, are game-changers. They have the best interests of their end users or consumers as beneficiaries in mind and are working hard to preserve the long-term viability of their business enterprises.

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LIMITATIONS OF THE STUDY

The impact of COVID-19 has been on broad-ranging sectors and domains, but the current study is limited to exploring the effect of the pandemic on social entrepreneurship and sustainability.

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