Preface

OVERVIEW: WHAT THIS BOOK IS ALL ABOUT

Rationale for the Book

There is a growing interest about social enterprise, as a field aimed at ensuring sustainability and achieving deep social impact and sustainable economic development. Concepts such as “social venture,” “non-profit enterprise,” or “social enterprise” are receiving international attention. In Europe, the economic crisis has shifted the focus of policy makers to longer term objectives and to people, instead of capital, and it has helped putting social economy enterprises on the agenda once again. On February 19, 2009, the European Parliament adopted a resolution on Social Economy (2008/2250(INI)1), which calls for the recognition of the concept of social economy. Today, the “social economy makes notable contributions to a fairer distribution of income and wealth, to creating and providing welfare services, to sustainable development, to greater democracy and involvement by the public and to increasing the efficiency of public policies,” as stated by the European Economic and Social Committee (2007, p. 29).

The third sector, as a part of the social economy, has grown rapidly, highlighting its importance in the development of social policies. The third social sector is part of the so-called third sector, a concept that defines the non-governmental and non-profit sector in contrast to the first or public sector (governmental and non-profit making), and to the second or private sector (non-governmental and profit making). According to the definition of the Observatory of the Third Social Sector2, the third social sector consists of legally-constituted, non-profit organizations that are privately owned. This sector works for the advancement of people and the inclusion of vulnerable groups, and its importance in terms of size and visibility within the social and economic system is steadily increasing. Today, social economy enterprises and organizations represent 10% of all European businesses, with two million enterprises or 6% of total employment, but still lack full visibility and support. It is also noteworthy to point out that social economy enterprises have shown greater resilience to the economic crisis. As the International Labor Organization (ILO) confirmed in its publication “Resilience of the Cooperative Business Model in Times of Crisis”: “Financial cooperatives remain financially sound; consumer cooperatives are reporting increased turnover; worker cooperatives are seeing growth as people choose the cooperative form of enterprise to respond to new economic realities” (Birchall & Hammond Ketilson, 2009).

The definition of social enterprise incorporates the enterprise orientation with social objectives and social ownership, which means that the social enterprise is accountable to community stakeholders rather than financial investment shareholders. So, a social enterprise can be understood as any business venture created for a social purpose (e.g., mitigating a social problem or a market failure) and to gener-
ate social value while operating with the financial discipline, innovation and determination of a private sector business. The common trait is that social enterprises are committed to achieving a double goal: their social mission and their financial objectives. Despite the fact that the ability to institute professional management practices is a key success factor for achieving growth, some social economy enterprises still face a number of internal management barriers which prevent them from operating with high levels of economic efficiency. As Ignacio Arellano points out in the foreword of this book, there is a cultural “anti-business attitude,” which is changing slowly, especially among non-governmental organizations (NGO).

The global slowdown in the economic growth has its bigger impact on social development and unemployment rates, especially in Southern European countries. For that reason, it is crucial to promote entrepreneurship. At the same time, the Commission working document on the future of the EU 2020 strategy declares that the exit from the crisis should be the point of entry into a new sustainable social market economy, where prosperity will come from innovation and from using scarce resources better. Capitalism strives for maximising profits but it falls short on other economic, social and environmental objectives. The social economy turns this order of priorities around: enterprises aim most of all for the societal objective, while looking for profitability.

The above statements lead us to briefly reflect about the value of social (e)-entrepreneurship.

In the early 19th century, Jean-Baptiste Say, a French economist, defined an entrepreneur as a person who creates value by shifting “economic resources out of an area of lower and into an area of higher productivity and greater yield.” Some decades later, Joseph Schumpeter defined it as an innovative force for economic progress, important in the process of ‘creative destruction’ and therefore as a change agent. Schumpeter (1934) describes the motives of the entrepreneur as follows:

First of all there is the dream and the will to found a private kingdom, usually, though not necessarily, also a dynasty. ... Then there is the will to conquer: the impulse to fight, to prove one-self superior to others, to succeed for the sake, not of the fruits of success, but of success itself. From this aspect, economic action becomes akin to sport... The financial result is a secondary consideration, or, at all events, mainly valued as an index of success and as a symptom of victory, the displaying of which very often is more important as a motive of large expenditure than the wish for the consumers’ goods themselves. ... Finally, there is the joy of creating, of getting things done, or simply of exercising one’s energy and ingenuity. ... Our type seeks out difficulties, changes in order to change, delights in ventures. Romantic as it may seem at first glance (p. 93-94)

Considering this definition, Schumpeter’s interpretation of the entrepreneur as an agent of social and economic change implies that entrepreneurs are particularly sensitive to the social environment. So, entrepreneurship and social economy can be seen as two side of the same coin. In The Theory of Economic Development, Joseph Schumpeter also describes how the innovating entrepreneur challenges incumbent firms by introducing new inventions that make current technologies and products obsolete. In most industrialized countries, between one quarter and two-thirds of the variation in economic growth is attributable to the creation, by nascent entrepreneurs, of new and independent businesses (Davidsson, Lindmark, & Olofsson, 1994; Reynolds, Storey, & Gestead, 1994). And that is a data to retain.

In the digital connected society, it is also necessary to understand how social enterprises are using ICT for building and sustaining their competitive advantage, and how ICT add value acting as an agent of product and process innovation. As the use of ICT becomes more common in organizations, it constitutes an important tool for business strategy (Dandridge & Levenburt, 2000). Competitive advantages
conferred by an Internet-based economy are becoming a key element for firms (Castells, 2001). At a similar way, due to the importance of information as a supporting and independent competitive factor, as well as the increase in digital data networks, it must be assumed that there will be two relevant trade levels on which the world will do business in the future. In addition to the level of real, physical products and services (real economy), an electronic trade level for digital products and services (net economy) is evolving. And this is the net or digital (social) network economy which, via various electronic platforms, allows the conclusion of information, communication, and transaction processes (Kollmann, 2009).

In recent years, concepts such as e-business, net economy, e-commerce, information economics, network economics are used as synonymous and they are understood as an strategic way to improve communication within organizations, and to enhance collaboration with key external stakeholders, such as customers, suppliers and government representatives (Basu & Kumar, 2002; Byrd, 2001). ICT facilitate the evolution of new and innovative organizational forms (Matlay & Westhead, 2005) that help organization to achieve sustainable competitive advantage in an increasingly globalized economy (Matlay & Martin, 2009).

In this evolving world, new forms of social entrepreneurship are emerging from the synergies between ICT developments and new business models. The resulting new social e-business models facilitate the evolution of innovative small and medium size organizations eager to take advantages of the opportunities posed by ICT. These new entrepreneurial organizations need to redesign their value chain and add value to existing services with complementary e-services. ICT have emerged as a major component of both any business model and developed social economy.

For all the above, it is time to emphasize the role of ICT within the social enterprise value chain. It is also time to focus on the use of ICT for the core operations of the social enterprise, on transactional applications of ICT used to build networks with their stakeholders, and to focus on applications of ICT for managing knowledge and information. It is time to reflect about the value creation through ICT in the social sector.

This book aims to provide applications of ICT on the social entrepreneurial enterprise world. It focuses on the role of ICT in promoting social enterprise and the development of the social sector. Both theoretical and empirical evidence, which stem from the provision of collaborative knowledge discovery, needs to be discussed in depth.

In an economic meltdown where social firms are under increasing pressure to deliver continual innovation to solve new social problems, the best use of their scarce resources is paramount. For that reason, a thorough understanding of the characteristics of social enterprise and how it is affected by ICT implementation is critical for both their social and economic effectiveness. This book’s overall mission is addressed through the following objectives:

- Show the power of ICT for the social economy,
- Provide state of the art academic research on the phenomena of social enterprise when ICT are part of their processes and value chain,
- Present experiences from social enterprises where ICT was used for, or resulted in, higher levels of social and economic performance,
- Detail the use of new technology in order to make possible new configurations of the social enterprise value chain.
- Detail processes which may be used to support the technological aspect of a new social e-enterprise model.
- Show social e-entrepreneurship as a source of growth and wealth creation in emerging, developing, and developed economies.
BOOK’S VALUES AND HIGHLIGHTS

The field of social enterprise is developing a body of knowledge, research, good practices, tools, principles, and a diverse base of practitioners and researchers committed to bringing social enterprise to the fore as a viable methodology for non-profits organizations to achieve the dual objectives of financial sustainability and social mission. There is no quick and easy answer to building a social and solidarity economy, though knowledge transfer is a key stone of the process.

Through the fifteen chapters of this book several critical insights emerge which will help the reader find an answer for their own context. Different key themes and subjects are developed through three distinct parts of the book. Section 1, *Innovation: Value Creation through ICT in the Social Sector*, is a general framework for uncovering critical insights into the use of ICT in the social enterprise. Next, section 2 illustrates *Knowledge in Action: Social Entrepreneurship in the Digital Era* to help social e-entrepreneurs by identifying and exploiting ICT opportunities. Finally, Section 3 regales *Knowledge Transfer: Learning through the Experience*. Sectorial cases show the use of ICT and current status in social enterprise, thereby moving towards a general understanding of how ICT can add value to management processes and (e)-services, as well as showcasing best practice for others to implement. As social enterprises have shown positive track records in time of crisis, we do believe these experiences will support other social enterprises in the long term.

Three sections, fifteen chapters in total, tied together by the common aim of building a strong social economy. To achieve this goal, this book stimulates dialogue between different areas of the social enterprise community—researchers, practitioners, teachers—in order to facilitate a holistic approach to adding value through ICT. The content in each part may either facilitate direct implementation or generate ideas, either for innovative practice or future research.

And now let’s take a closer look at the different chapters.

Nobody knows exactly how many languages there are in the world; English is the required international language, which allows us to dialogue, co-create knowledge and interact with each other. Social enterprises are neither alone nor isolated. They also need to communicate, interact and exchange information with other organizations and stakeholders using a common language. In the first chapter, *Social and Solidarity Economy Web Information Systems: State of the Art*, Mariana Curado Malta and Ana Alice Baptista summarize the state-of-the-art on interoperability developments for the social and solidarity economy web-based information systems (such as, intranets or e-commerce sites). The deep impact of these systems on economic and social business performance and competitiveness is more than evident. Based on a deep literature review about interoperability on social economy web-based information systems and a series of interviews to community leaders, Curado and Batista come across some connections between web-based information systems platforms that support social economy activities; despite they are incipient. Organization-to-organization effective dialogue should be the first step to a fully networking social economy.

In our personal life, we usually face a wide range of complex and specific communication difficulties. In a parallel way, socio-economic reality of contemporary societies addresses the need to look for instruments that facilitate effective communication and data interchange. Business intelligence tools and services are useful for effective relationship management and optimized communications. Jorge Bernardino, in his chapter *Business Intelligence Tools for Social e-Enterprises*, describes and evaluates the major open source business intelligence tools that can have strong impact on social enterprise change and development. As defined by the author, business intelligence tools “allow a company to
gather, store, access and analyze corporate data to aid in decision-making. Generally these systems will illustrate business intelligence in the areas of customer profiling, customer support, market research, market segmentation, product profitability, statistical analysis, and inventory and distribution analysis.” Following an empirical approach, this study analyzes free open source tools given that one of the main objectives is always to cut down costs. One relevant finding from his research is that the value of business intelligence tools “hides in improved business processes and thus in improved business performance.”

Once organizations can communicate with each other and understand their own information to make good decisions, it is time for looking for success. In chapter 3, Appreciating Rapid Technology Integration in Creating Value in Enterprises, Mambo G. Mupepi and Sylvia C. Mupepi use appreciative inquiry, community of practice, and the theory of structuration methodologies as prisms to understand organizations, the notion of the division of labor, and the introduction and management of social e-enterprise. Mupepi and Mupepi’s chapter is an open dialogue born from three different questions: Is appreciative inquiry useful in creating the knowledge and skills required in successful social societies? Can a community of practice advance the interests of a company in a social economy? Is the theory of structuration effective in creating successful social enterprise? All of these methodologies are positive approaches for strategic communication and ongoing business improvements.

A historical analysis of ICT changes and their consequences (such as the digital divide) suggest that technological change is often accompanied by increased inequality in society. Unfortunately, social inequalities lead to social exclusion, miscommunication and misunderstanding problems among agents, organizations and people. In Chapter 4, Capacity Building for Different Abilities using ICT, the main argument presented by Ina Freeman and Aiofe Freeman is that social enterprises might research the necessary technology to further develop and facilitate the engagement of individuals with disabilities into society. Their conclusions show that “with the evolution of ICT and the recognition of the humanity of individuals with disabilities, we are coming to a time of inclusion of all within our society. Through the utilization of ICT in both the daily lives and in facilitating employment the individual with disabilities gains a sense of self and self-worth and the society gains through a more satisfied population and a more diverse and inclusive commercial sector.” Without any doubt, this chapter represents an unquestionable example of the added value of ICT from a social perspective.

Computer networks link machines and people thus becoming social networks. In virtual communication, the negative effects of losing verbal nuances (i.e., voice tone) and nonverbal cues (i.e., body language) are straightforward. Different studies have examined how the limited social presence of computer mediated communication negatively affects interactions and group decision-making. However, such computer-supported social networks are becoming important bases of virtual (or online) cooperative work and telework. In the fifth chapter of Section 1, Telework as a Driver of the Third Sector and its Networks, Angel Belzunegui-Eraso, Amaya Erro-Garcés, and Inmaculada Pastor-Gosálbez examine the role of telework as a driving force behind third sector activities and in the creation of networks and links between social organizations. In the third sector, telework takes de form a network, “structured in such a way that many of the projects which are carried out generate a constellation of entities and organizations, of people and teleworkers, which constitute what we have called here an organization-network”; thus creating high quality results.

Finally, Social e-Enterprise through Technological Innovations and Mobile Social Networks by Vanessa Ratten reviews the existing research on technological innovations in social e-enterprise and mobile social networks by providing a set of research propositions that can be used to understand the adoption of social technology innovations. Her propositions analyze the intention to adopt social technological
innovations, which depends on a person’s knowledge of mobile communications, the usefulness of mobile social software and the level of social mobility participation. In her analysis, Ratten integrates social cognitive theory to link the literature on innovation adoption theory and mobile social networks. The result is highly recommended.

Section 2 on Knowledge in action brings some insights about social e-entrepreneurship. How important are social entrepreneurs for economic development? How can ICT foster employment development, innovation, social capital building and social equity in our economies? Section 2 begins with Alfonso C. Morales-Gutiérrez, J. Antonio Ariza-Montes, and Noel M. Muniz-Rodríguez’s chapter, Social entrepreneurial e-empowerment. These authors take a closer look at some remarkable experiences of today worldwide social entrepreneurial empowerments, denoting those projects that intensify the use of ICTs on reaching and interrelating individuals and communities, thus building social capital. This work presents a series of physical and virtual social entrepreneurship promotion organizations (SEPOs) that pursue to develop an ecosystem conducive to the growing-up of social initiatives. ICT play a key role in addressing new social needs posed by the recent financial and economic crisis. As stated by the authors, “social entrepreneurs noticeably understand that making an intensive use of new technologies engenders innovation and scales impact effects in society; that is why ICTs, and especially the web 2.0, have constituted catalysts to accelerate collaborations for social change: social innovation labs, social e-enterprise incubators, social innovation centers and social innovation park.” These collaborations are the first step of a long learning process.

With the acceleration of ICT, social entrepreneurs are beginning to consider how ICT will influence the way in which they learn. Technology has created new ways of learning, including opening up new opportunities in life-long learning that have not been possible before. Collaborative development and sharing of media content (e.g. blogging, podcasting, Wikipedia, YouTube™) and social networking (e.g. MySpace™, Facebook®) are transforming knowledge sharing, social capital and the learning society. In this context, one of the aims of social entrepreneurship training programs is to foster a new generation of business leaders that values the social as well as the profit potential of business. In chapter 8, Social e-Entrepreneurship, Employment and e-Learning, Medhina Tezcan details the benefits of e-learning programs. In an age where education and training policies promote the need for higher levels of knowledge creation to achieve economic prosperity, learning can be conceived as a direct route into economic growth and employment at the individual level. The growing up of social entrepreneurs, which also depends upon ICT and lifelong learning, is vital to build a competitive and dynamic knowledge-based society.

Leona Achtenhagen, Bengt Henoch, and Quang Luong write a chapter about The Role of ICT in Supporting Transnational Diaspora Entrepreneurship. This chapter, as stated by authors, “integrates the academic literature on social entrepreneurship with that on transnational diaspora entrepreneurship, arguing that the entrepreneurial activities of immigrant entrepreneurs have an enormous potential for social transformation in both, their home and host countries.” Authors emphasize the role of ICT for fostering transnational diaspora entrepreneurship by reducing obstacles. This chapter’s contribution is important from the point of view of economic recovery because diaspora entrepreneurship “contributes to development by creating businesses and jobs, stimulating innovation, creating social capital across borders, and channeling political and financial capital toward their countries of origin.” (Newland & Tanaka, 2010, p. 1)

Entrepreneurship, innovation and ICT are tied together. A growing number of enterprises are building virtual teams to assist in crafting new opportunities in the fuzzy front end of the innovation process as pointed out by Preeta M. Banerjee, in the tenth and final chapter of section 2, ICT: A Resource for Bri-
The bricolage theory, first theorized by Levi Strauss, has emerged to develop a better understanding of how entrepreneurs can cope with resources constraints. The continuous conflict between the greater requirements for resources and limited resource availability make bricolage behaviors vital for new ventures (Senyard, Davidsson & Steffens, 2010). How does the global financial crisis impact bricolage resource decisions in social new ventures? Banerjee argues that “social entrepreneurship requires creation of value and obtaining competitive advantage as much as and even more so than pure business firms (…).” This requires ICT to be a malleable tool that can be shaped and reshaped to changing needs, to have the ability to continue to function well when context is changed, and to be able to leverage pre-existing complementary human capital and evolve with the entrepreneur’s skill set.

Section 3, on Knowledge Transfer, considers business experiences as an evidence-collection approach and contributes to our knowledge. Experiences arise out of our need to understand and explain the social e-enterprise phenomenon. Section 3 starts with ICT and Agricultural Cooperatives: Are they Prepared to Take Advantage of Business Opportunities? by Yolanda Montegut-Salla, Eduard Cristóbal-Fransi, and Maria Jesús Gómez-Adillón. In this chapter, the authors examine the current situation of Internet usage and electronic commerce in agri-food cooperatives in the province of Lleida, Spain. This research shows that the active presence of the cooperative on the Internet is not very high, although the management of the cooperatives is aware of their possibilities. They mention that the main obstacle is the lack of personnel for carrying out business on the Internet.

ICT Adoption in the Small and Medium Size Social Enterprises in Spain: Opportunity or Priority?, a chapter by Glòria Estapé-Dubreuil and Consol Torreguitart-Mirada, is devoted to exploring the actual use of information and communication technologies in the social economy in Spain, focusing on the ICT-related management of its organizations. The study confirms that ICT adoption among the analyzed sample is a priority. They have reached a high level of ICT infrastructures and internet presence. It is also noticeable the effort that is being made by the firms in ICT training for their partners and employees.

Next, in chapter 13, ANOBIUM, SL: The Use of the ICT as Niche of Employment and as Tool for Developing the Social Market, Millan Díaz-Foncea and Carmen Marcuello present the experience of the company Innovation in Information and Documentation Systems Ltd. (ANOBIUM); a nonprofit special employment centre focused on the social integration through employment of physical, sensory, intellectual and mental disable people. This experience demonstrates that ICT have the potential to streamline processes, radically enhance business relationships and revolutionize the way social business gets done.

Dino Ruta, Barbara Imperatori, and John Cavenaghi, in their chapter entitled The Effects of ICT on Sports Fan Management, study the role of ICT in the fan engagement process and the role ITC can play in enabling the reconfiguration of a sports organization. Authors adopt the social enterprise framework in order to interpret sports organization and present three successful club and league initiatives of fan management through ICT. The first case illustrates how Web 2.0 technology can be an effective tool to expand the base of supporters (or organizational customers), the second one describes an initiative to support fan satisfaction through a web-based forum, and finally, the third one exemplifies a Web-based initiative to involve fans in decision-making processes. These initiatives, their strategies, methodologies and tools can be extrapolated to other social enterprises (and economic sectors).

Last, but not the least, in chapter 15, Technology Integration in Strategic Management: The Case of a Micro-Financing Institutions Network, Nouha Taifi and Khaddouj Gharbi demonstrate the important role of technology integration in the micro-financing sector strategic management. Business networking is a not science, it is a form of art, which can play a vital role in business survival and growth. It is considered to be the most effective mean of enhancing business performance and innovation. A business
network must be based on resources, technology integration, expert people and social relationships. As networks “evolve and develop” they add value to the objectives of the network. However, they have still a lot to do.

The fifteen articles in this volume provide valuable insights on key opportunities of social e-enterprises and the value added by ICT. They lead us to reflect on the true value added of ICT: the power to transform business relationships, business processes and collaborative networks between social enterprises and stakeholders through IT transformative communication processes. The whole essence of the human being (and of the organizations) is communicative by its very nature. Communication arose and developed with the rise of man and the formation of society, and more recently with the development of ICT. As organizations reflect the values and behaviors of people, the shifts in social communication patterns posed by ICT will transform the social enterprise and its way of addressing social needs. With no doubt, communication is the key to a better society.

FINAL NOTE

Finally, we must note that the development of this book was a virtual collaborative project that required high levels of collaboration using ICT communication tools and web-based working environments. The numbers are challenging and stimulating: 34 people (2 editors, 1 publisher, 31 authors). We hope that you enjoy the results of this editorial project. Enjoy the learning and don’t forget to share your knowledge, impressions, motivations and interests in this growing field with all of us!

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REFERENCES


ENDNOTES