Chapter 10
Understanding Social Entrepreneurship in the African Context:
An Exploratory Review of Evidence From Nigeria

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ABSTRACT
Social enterprises are organizations created with the aim of applying entrepreneurial skills and innovations to solving social problems. They are managed by individuals who combine pragmatic and result-oriented methods of a business entrepreneur with the goals of a social reformer. Such enterprises combine resources in innovative ways to create social value in and for the society. However, social enterprises may face challenges that impact their ability to accomplish social goals. For instance, when confronted with the harsh realities of economic recession, teeming poor population, and the need to profit for social intervention, social enterprises existing in hostile economic environment in developing countries may face possibilities of shutdown. This chapter examines the concept of social entrepreneurship in a subsisting economy in Africa. Specifically, it draws from relevant primary and secondary data to explore the nature of social entrepreneurship in the Nigeria context and the potential role that social entrepreneurship can play in addressing social problems.

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INTRODUCTION

The word entrepreneurship, entrepreneur and small businesses have been in existence for many years, but people have diverse perspectives about them. They mean different things to different people depending on the context (Vecianna, 2008). Entrepreneurship can be perceived in terms of process, behaviour as well as outcomes (Stokes, Wilson & Mador, 2010); and they are the backbone of economic development for major countries all over the world. They play a significant role in alleviating poverty while acting as major drivers for social and economic change, particularly for emerging economies in Asia, South America and Africa (Audretsch & Thurik, 2001; Ihugba & Njoku, 2013). In developing African countries, it has been recorded that small-scale entrepreneurs engage mostly in small business activities. These oftentimes translate into income generating ventures for urban and rural dwellers, particularly the unemployed youth, who constitutes a significant percentage of the population of these countries (Ihugba & Njoku, 2013). Therefore, the place of small-scale businesses in any economy as drivers of entrepreneurship, agent of economic growth, employment creation, wealth generation and poverty alleviation, cannot be overlooked (Audretsch & Thurik, 2001). Sadly, despite the role of small businesses in major economies, they have not been properly coordinated in most African countries due to several factors which revolve around lack of interest, little understanding and government support. This is unfortunate given that the development of entrepreneurship in the small business sector has the potential of reducing unemployment and poverty significantly for developing African economies; especially when the historical economic and social growth of great economies such as the USA, UK, Japan, India, Canada and even China can be traced down to entrepreneurship development in this sector. It has therefore become imperative for developing economies such as Nigeria to refocus their attention on the potential role of entrepreneurs as the required change agents for these countries (Adeyeye, 2008; Wale-Oshinowo & Kuye, 2016).

BACKGROUND

While entrepreneurship is rightly identified as a major vehicle for economic growth, it needs to be considered and operationalised as a vehicle with the potential of creating values (e.g. social and environmental) that can simultaneously address the different dimensions of societal sustainability. The role that Social Entrepreneurship (SE) could play in this regard becomes worthy of consideration in the sense that SE extends the discussion and application of entrepreneurship to addressing social problems. The crux of our argument here is that although Nigeria is connected to the vision of entrepreneurship, the emergence of an entrepreneurial economy in Nigeria that combines the commercial and social dimensions of enterprise will, no doubt, enhance economic and social sustainability in the country. This is consistent with the view that the entrepreneurial economy is not only about commercial enterprise but also the social enterprise, and echoes the core assumptions of Social Entrepreneurship, i.e., that entrepreneur can create organisations that make profits and offer social benefit simultaneously for the community (Alberto, 2014). A fundamental issue worth exploring, therefore, pertains to understanding the nature of Social Entrepreneurship and the potential roles that it can play in addressing social problems in Nigeria and, correspondingly, other developing African countries. This chapter aims to address this two-fold issue. Focusing on Nigeria, a significant economy and political force within the region, as done in this Chapter, provides a broad view of the nature of social entrepreneurship in the broader African (and potentially, wider African perspective) region.