

## Reducing inequality in communities through social entrepreneurship: different pathways to transformation





## Working paper series

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## Extended abstract

Equitable distribution of all of societies benefits and costs is a key dimension of community resilience (Magis, 2010; Matarrita-Cascante and Trejos, 2013). Yet in contemporary urban developed economies, a multitude of inequalities can be observed: income (access to jobs and equal pay), wealth (home ownership) and health (life expectancy). These inequalities are often geographically concentrated in deprived urban communities. Our paper asks, how do social enterprises create positive social change and reduce inequality in deprived urban communities? This is an important question as there is little theorizing on how social enterprises create social impact at a community level (Rawhauser 2019; Stephan et al. 2016).

We extend the MCO (motivation, capability, opportunity) framework put forward by Stephan et al. (2016) to understand how social enterprises use these three mechanisms for change in the community context. We collected data from 12 social enterprises in deprived areas of London (6) and Birmingham (6) in the UK using semi-structured interviews. By analysing the social enterprises' theories of change and the mechanisms they employ to illicit positive social change in their communities we discovered three pillars used for creating community-level change: 1) individual behavioural change, 2) adaptive problem solving and 3) establishing community cohesion. Analysing the different usage of these pillars shows that our sample of social enterprise divided into three types of change makers: A) focused awareness raisers, B) targeted deep interventionists and C) holistic community developers. Whilst A & B primarily target individual-level change, the holistic community developers use all three pillars, employing MCO mechanisms conjointly and explicitly link individual and community outcomes. These social enterprises provide holistic solutions to complex problems they encounter in their communities and demonstrate that social change is achieved when individual-and system-level changes are targeted simultaneously.

Keywords: Social entrepreneurship, place-based impact, communities.