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Teaching Social Entrepreneurship in Universities. The case of the Maramures County, Romania

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Abstract

Applying entrepreneurship within social organizations will generate positive effects for the entire society. Under these circumstances, the next inherent questions arise: Why is social entrepreneurship “underdeveloped” and how could we fix this problem? One reason for the underdevelopment of entrepreneurship within social organizations is that most social leaders do not have adequate training in economics. Even if some entrepreneurial traits such as creativity, originality, risk-taking, initiative, may be innate, in the absence of economic and management knowledge, social leaders will either fail or be unable to act efficiently. On the other hand, graduates of Economics, who possess knowledge and entrepreneurial skills as well, do not show a strong inclination towards the social component. A possible cause of their low interest in the social field could be the curriculum in Economics that does not include an approach of issues in terms of non-profit organizations. Based on these considerations, we argue that higher education institutions are directly accountable for both the existing situation and identifying and implementing some measures for entrepreneurship development in the social sector. This article seeks to analyze the importance and effects of social entrepreneurship and how universities can contribute to its development. Whereas museums have an important contribution in creating a proper system of social values and increasing the regional economic development, as public organizations operating in the community service, we chose the case of the Maramures County, Romania, in order to demonstrate the existing correlations between university, county museums and tourism. The article suggests some measures that should be considered by these two types of (not for profit) institutions, universities and museums, focused to achieve a common goal, namely to develop the county tourism (a for profit industry) by means of an entrepreneurial partnership.

Keywords: Social entrepreneurship, universities, museums, tourism

1 Introduction

Levenburg and Schwarz said that “*expanding the level of entrepreneurial activity within all nations is an increasingly important political and economic goal, especially for developing countries*” [1]. According to this statement entrepreneurship directly influences the economic development of countries. This is why great focus is put on its development. Yet in order to achieve this objective one needs to consider, beside vertical expansion, horizontal expansion of entrepreneurship as well. The latter means adapting entrepreneurial practices to all sectors of activity, including to those that function for the benefit of the community, generically called social sectors. This is the only way a complete implementation of entrepreneurship at the level of the entire country will take place. This process, once completed, will enable the desired level of development to be attained.

In Romania nonetheless, the notion of entrepreneurship is relatively new even for organizations which aim to obtain profitability. Despite all these, it would be useful that the process of developing entrepreneurship be carried out in parallel, at the same time, at the level of all sectors of activity, because in this way the objective of economic and social development of the country will be achieved in a shorter period of time. Moreover, the quality of the process of development will be higher. In other words, the sustainable development of the community and the country as a whole will be a long term reality. In order to reach this desideratum, an important role is played by universities which, through their policies, can coordinate the training of entrepreneurs in all fields. So far entrepreneurship has been developed mostly vertically because the teaching process was in most cases finalized with the training of specialists only for the private sector which is oriented towards obtaining profit. Yet if we consider the country as one single organization, developing entrepreneurship in a single domain is as if one would develop a single department. It is good to know that in order to obtain the maximum of results within an organization it is necessary to synchronize the activity of all departments since the development of a single department does not have the capability of generating growth, representing rather an immobilization of funds. Under these circumstances the economic and social development of

the country would be faster if universities supported this process of promoting entrepreneurship in all fields of activity (vertically, as well as horizontally) through specific means. It is for this reason that we consider useful to analyze the applying, teaching and learning of a new type of entrepreneurship – namely the social one – which would represent a step forward towards the horizontal expansion of entrepreneurship in Romania.

2 Characteristics of social entrepreneurship

Martin and Osberg define social entrepreneurship as having three components: “(1) *identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stable state’s hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large*” [2]. A far simpler definition of social entrepreneurship is: “*that type of entrepreneurship whose main goal is the improvement of social well-being*” [3].

Being a division of entrepreneurship, social entrepreneurship has all the former’s characteristics (identifying opportunities, taking risks, innovation, creativity), as well as some other features. The major difference resides in the goal for which all these actions are taken. While in a private company entrepreneurs have as supreme goal to make profit in their personal interest, in the case of a social organization making profit is only a secondary objective, a means towards fulfilling their mission, namely to offer services for the benefit of society. The motivating factor for social entrepreneurs is their desire to improve the standard of living and the quality of life for the members of the community. Social entrepreneurs have the ability to identify the problems of the community, as well as the means through which solving these problems can generate true strong points for the respective community. Social entrepreneurs consider the risk a “*small price to pay in order that millions of people have significant impacts in their lives*” [4]. Yet being a social entrepreneur is much more difficult because this activity implies, beside the desire to contribute to the solving of society’s problems, the ability to identify the means through which these objectives can be reached, considering that most opportunities which generate profitability are exploited by commercial entrepreneurs. Social organizations need to have a type of behaviour that is innovative both at commercial and at social level. At commercial level, they have to create goods and services that are at least as competitive as those created by commercial entrepreneurs. At social level, competitiveness is lower due to the smaller number of organizations which currently function aiming at meeting the same social need. This does not mean that things will be easier. As Vlăsceanu [5] states, “*the social sector enters a true competition with the public and the private sectors*”; we thus can conclude that social entrepreneurs need to make a double effort in terms of competition, as it may generate greater effects.

It has been previously shown that social entrepreneurship keeps the general characteristics of entrepreneurship, social entrepreneurs being “one species in the genus entrepreneur” [6]. Similarly, it will also keep the effects it generates at economic level. Social entrepreneurs contribute to the economic development to the same extent as commercial entrepreneurs (through their commercial activity) but beside this they also contribute to the national welfare through the social issues they solve and by reducing the effort the state would need to invest in administering those specific issues. A synthesis of the benefits generated by social entrepreneurship is found in Orhei [7]: (1) to increase the number of people employed; (2) to innovate and create new products and services for special needs that society does not address; (3) to create social capital for the support of sustainable social and economic development; (4) to promote social balance by addressing the needs of disadvantaged people; (5) it has an acute sense of responsibility towards the people it serves and the consequences of the undertaken actions. As such, we may conclude that a social organizations acts towards *those directions* that are not attractive enough for companies, but which are *absolutely necessary for the maintenance of the social balance*. Given the superior effects that social entrepreneurs generate, it is of utmost importance that the Romanian government pay extra attention to the training of such entrepreneurs, by means of policies it elaborates and by its universities as institutions best fit to train social entrepreneurs.

3 Teaching social entrepreneurship in universities

3.1. The need for the introduction of the new subject

During the past years there has been a spectacular development of social entrepreneurship internationally, both with regard to the number of newly founded institutions and the number of jobs created in this field. This sector in full development already represents 10% of the total European companies, employing over 11 million people throughout Europe [8]. Alongside Asoka and Skoll Foundation, one of the largest international social organizations is Acumen Fund, which has already been functioning for 10 years. Currently it brings together 65 enterprises from Africa, India and Pakistan; it has a portfolio of \$ 73 million, it has created and supports 55,000 jobs and has recorded an impact on the lives of 86 million people [9]. People in Romania have started also to become aware of the role that social entrepreneurship can play for the improvement of the well-being of all individuals. Two Romanian organizations acting in this field are RoPot, which intends to be the nucleus of a network of social entrepreneurs [10], and ASER Bucharest (Association of Romanian Students in Economy), who launched the first project of social entrepreneurship in 2009, under the name of club Changemakers. [3]. However, in Romania the number of social enterprises is very low, in spite of the significant funding that was provided through European programs aimed at developing the Romanian social entrepreneurship. Some examples of such programs are: the summer school "Together for social change" [11]; the project "School of entrepreneurship in social economics" [12]; the series of Centres of social entrepreneurship founded in the south, south-west and south-east regions of Romania as well as in Bucharest and Ilfov [13]. Despite all these, the effects are minor. Manuela Voicila, a businesswoman oriented towards social entrepreneurship, considers that a major issue preventing its development in Romania is the reluctance of most NGOs [14]. Numerous projects for training social entrepreneurs funded from European funds did not return social effects corresponding to the amount invested. The fact that, generally speaking, these projects are carried out over short periods of time, which does not allow the proper acquisition of notions and even less a change in attitude and behaviour which would lead to a different acting pattern, correlated with the fact that individuals subjected to education are often beyond the age at which they can be easily modelled, are the main reasons why short term programs did not succeed in generating a significant change in the environment of the Romanian social entrepreneurship. Other reasons are the short period of time elapsed from the initiation of these programs, as well as the non-formal character education has within these programs.

Many international universities are already aware of the advantages of social entrepreneurship and their role in its development. The number of universities offering study programs dedicated to social entrepreneurship has increased during the past years, the first measures having been taken by the Harvard Business School in 1993 [15]. Universities such as Stanford University, Harvard University, Indiana University, New York University, within their business faculties created programs whose purpose is the training of social entrepreneurs [16]. In Turkey, two organizations that educate young social entrepreneurs are: Istanbul Bilgi University and The Academy for Young Social Entrepreneurs [4]. More universities developed academic research networks (e.g. Social Enterprise Knowledge Network and European Research Network) which work on social economy [15]. Unfortunately, in Romania business faculties have not done anything yet in order to introduce this new subject. In order to facilitate the teaching of social entrepreneurship, Learning Innovation and Technology Consortium provides teachers special materials conceived for six graders up to high-school level [17]. This proves that, internationally, people have become aware of the need for education in the spirit of social entrepreneurship to begin at early ages because it is the only way results will be according to expectations. The later and shorter the educational is, the weaker the generated effects. So it would be ideal that education in this spirit should begin in primary school and be continued in high-school and university. Completing such a cycle indeed requires at least 10 years, but it is only then that we will begin to see a substantial amplification of the actions of social entrepreneurship in Romania as well. Until these changes are introduced in the curriculum, business universities can take the first steps towards this direction, because, even if effects will not be as great as in those cases when education starts in primary school, they will nevertheless be much more significant than those generated by short term programs.

Since non-formal education in the programs developed so far did not lead to any substantial changes, it is necessary that Romanian universities increase their degree of involvement in promoting social entrepreneurship. If higher education institutions introduced social entrepreneurship as a new subject, the generated effects would be much greater, and the costs implied much lower. Firstly, the number of

individuals who would get into direct contact with this subject would be greater than it is in the framework of the programs carried out currently. Secondly, teaching social entrepreneurship for an entire semester will allow a more thorough and appropriate acquisition of notions. Thirdly, the individuals subjected to the learning process would still be at young enough to be easily educated. Fourthly, the correlation between effect two and effect three will lead to a change in attitude, behaviour and acting pattern in students, a change which is significantly more visible in the world of social business as compared to the one generated by currently existent programs.

3.2. Teaching social entrepreneurship within the Technical University of Cluj Napoca, North University Center of Baia Mare, specialization Management

A major social issue in the county of Maramureş is the poor development of tourism despite the numerous cultural and natural resources it has. In Maramureş there are five museums, several memorial houses, eight wooden churches on the UNESCO list of world patrimony, and numerous places which preserve local traditions and customs. At the same time the environment is extremely diversified [18]. And yet tourists are not that numerous and a significant part of the population from the former mining areas is very poor, the average indicators for the standard of living being way below the national average, as it results from an interview with Vasile Pop, director of the Maramureş Statistics Directorate. Thus, at the end of 2010 the average gross salary in the country was 2,067 lei, whereas in the county of Maramureş it was merely 1,432 lei (by 35% smaller). At the same time, the ratio between retired people and employed people is the highest in the country because of the lack of jobs [19]. Under these circumstances we consider that the development of social entrepreneurship in the county is absolutely necessary for solving the major problem of relative poverty its population faces.

Starting from a statement by Pittaway and Cope [20] according to whom “*entrepreneurship education (...) can differ considerably within different countries (and, indeed regions) as a consequence of different HE systems*” correlated with the fact that carrying out short term projects proved to have limited results, the solution we suggest is the introduction of social entrepreneurship as subject for the students in Management as a start backed by partnerships signed between the University and local museums or NGOs with the aim of developing social entrepreneurship . As a matter of fact the success of these public-private partnerships is already recognized, a representative example in this regard is the case of Bill Strickland, analyzed by Dees, Anderson, and Wei-Skillern [21]. In the partnership that we suggest the crucial role is played by the University whose task is to supply the human resource specialized in social entrepreneurship. The best thing would be that the new subject be introduced in the second semester of the second year in such a way that the students have the necessary time to practically apply the knowledge until they graduate. At the end of the second year of study students have to carry out a placement. Within this placement students will be working for museums and NGOs throughout the county and, in cooperation with the personnel of those organizations, they will have to design and implement several actions aimed at solving the problem of the underdeveloped tourism. Students’ task will be to analyze the causes which determine the limited number of tourists, and based on their analysis they will suggest and implement adequate solutions. In order to be better aware of the context of the problem, students will be told at the beginning of the semester what they are expected to do, thus giving them the possibility to maintain the relationship with the institutions where they will carry out their placement during the entire year. Students will also be able to continue their activity over the summer and during their last year of study if they choose to.

For example, the students may reach the conclusion that the opportunities the county offers in terms of tourism are not sufficiently known abroad because all players in this domain promote their business individually and this does not allow tourists to have a general view of all the things they can benefit from when choosing to come to Maramureş. As a solution, students can create a flyer which would succinctly contain all that Maramureş has to offer. In cooperation with local tourism agencies students will identify as many foreign tourism agencies as possible to which they can send these flyers with the purpose that those agencies, in their turn, should promote Maramureş as a tourism destination. At the same time, in cooperation with local tourism agencies, students can draft different offers designed for different segments of the market, foreign tourists thus having the possibility to purchase the package of services they want. Offers will contain anything from transportation and accommodation services to guiding services. Other students can be involved in organizing activities at local level, as well as negotiate with transportation companies, hotels, restaurants with the aim of creating an attractive offer for the tourists. Of course the causes and necessary measures to be taken for the development of Maramures tourism are far more numerous, this being only one example meant to create an image of

the manner in which social entrepreneurship should be taught and the effects that could be obtained through such an approach.

The usefulness of this teaching-learning method is supported by Pittaway and Cope [20] according to whom *“the final contextual factors that impact on entrepreneurship education are relationships, specifically interactions between students and entrepreneurs.”* Introducing social entrepreneurship in the curriculum and creating the above mentioned partnerships will have the following effects: (1) achieving an improvement of the economic situation of the county as a follow-up of the development of tourism, and implicitly the decrease of poverty for those people who will find a job in tourism and/or related domains; (2) Solving the students' perpetual issue of placement; (3) Solving the problem related to the fact that students learn theories and are not capable of using them in practice; (4) The theoretical and practical training of the potential future social entrepreneurs; (5) Changing the mentality with regard to social entrepreneurship; (6) Better knowledge of social entrepreneurship; (7) More involvement in volunteering in the county, an activity which is still underdeveloped; (8) Supplying the human resource in museums, downsized as a consequence of substantial cuts in public expenses. For all these effects, the required financial effort is negligible. So introducing social entrepreneurship in the curriculum is more productive than carrying out a program with European funding, at the same time the costs being significantly lower.

Starting from the analysis of the concept of extending the social models and the numerous examples offered in this respect [21], one can state that once the model suggested for the county of Maramureş is implemented and it proves its feasibility, it could be extended in its turn. Spreading the model at national level is possible due to the fact that the elements which form the general framework are relatively similar in all regions of Romania. More exactly, the issue of graduates who cannot get a job because of their lack of experience is a national one. Every community has certain social problems which could be solved by freely using the human capital represented by students. Signing partnerships between universities, (public) institutions and the private sector will help solve both a social problem (different according to area), by putting into practice the students' knowledge and the problem related to the crisis of personnel in many institutions, the lack of practical experience of students, and the training of the future generation of social entrepreneurs. This may be an educational strategy of the win-win type in which all actors have something to gain: students, public institutions, the private business sector and last but not least, society. Therefore, we consider that this method suggested for teaching social entrepreneurship within the Technical University of Cluj Napoca, The North University Center of Baia Mare may lead to an efficient achievement of the goals aimed at through the introduction of this subject in the university curriculum.

4 Conclusion

This article has two main parts. In the first part the concept of social entrepreneurship is analyzed, as well as the effects it can generate. The second part aims at proving the necessity of introducing social entrepreneurship in the curriculum of business universities throughout Romania, ending with a presentation of the way in which this new subject has to be taught in a university in the county of Maramureş. Considering the similarities between the two types of entrepreneurship, we have highlighted that what represents the supreme goal of commercial entrepreneurship (obtaining a profit), for social entrepreneurship represents only one step towards achieving its mission, namely solving the social issue. On the other hand, a social entrepreneur needs to prove he has superior skills as compared to a commercial entrepreneur. Based on this observation we took a step further and issued the hypothesis that social entrepreneurship contributes to the development of communities and the nation far more than commercial entrepreneurship. At the same time, we have argued that development of a nation cannot be completed without social entrepreneurship because there are a series of social needs that commercial entrepreneurship cannot satisfy. Because the effort required for finding a way to solve both a social issue and the financial self-support of the action is significant, we drew the conclusion that a social entrepreneur needs to have more diversified skills above the average of commercial entrepreneurs.

After presenting the characteristics of social entrepreneurship, we analyzed the role it can play within a community; this analysis was practically backed-up through the example of the effects generated by Acumen Fund, ten years after its founding. We then presented the position social entrepreneurship has in Europe, as well as in Romania, observing that our country is far behind at this chapter. We further noticed that the programs carried out in this field with European funding did not bring about a significant change. Based on identifying the possible causes of this failure we reached the conclusion that it would be more efficient in terms of results and of costs, if universities introduced social

entrepreneurship in their curriculum. As a case study we focused on the economic situation of the Maramureş County. As solution for the problem of relative poverty of the unemployed population we suggested the introduction of social entrepreneurship in the curriculum of the Management specialization within the North University Center of Baia Mare, simultaneous with signing partnerships between the university, museums and local NGOs. Practically, the problem could be solved by having students, teachers and the personnel from museums and NGOs design market strategies which would lead to the valorisation of the resources this area has, aimed at developing tourism.

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