CÀ FOSCARI UNIVERSITY OF VENICE

EUROPEAN MASTER'S DEGREE
IN HUMAN RIGHTS
AND DEMOCRATISATION

Social Entrepreneurship as a Human Rights Based Approach to Development and Poverty Reduction

A Theoretical Analysis on its Sustainability

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Abstract

Social entrepreneurship is receiving increasing attention at a global scale in the recent years. Many governments, international organisations, and NGOs view it as an effective and a sustainable strategy for development, especially in the area of poverty reduction. In the current international development agenda, human rights based approach has become a key word as violation of human rights is identified as the root cause to underdevelopment and poverty. However, most of researches on social entrepreneurship are made in the areas of business economic studies, and the current academic literature does not provide studies on social entrepreneurship and human rights.

Through theoretical analysis, this study closely examines the definition of social entrepreneurship, its link to human rights, and its sustainability as a human rights based approach to development and poverty reduction. The study finds that social enterprises have a strong link with human rights since they start with recognising human rights violations and operate to enhance those rights. Even though there are some issues, there is a great potential for social entrepreneurship to become a human rights based approach strategy to development and poverty reduction in the future.

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Introduction

During the last century, much effort has been made to eradicate poverty in the world and help the poor to get out of miserable situations and live a better life. Big amount of investment through loans and aids were made to improve the lives of the poor. Substantial amounts of development funds were allocated to meet poverty and poverty-related social needs.[1] By sending food, building infrastructures, and promoting capitalism through free trade, many attempts were made to develop. In spite of the numerous efforts, it is difficult to find a clear progress in poverty alleviation. Why traditional approaches only had relatively limited impact? These programs overly privilege western style institutions, practices, and reliance on free markets, without paying adequate attention and respect to the local institutions.[2] The investments would be made without considering the opinions of the receiving, and before the money reached to the poor, it fell into the hands of the corrupted governments. The past development and poverty reduction activities were that they were merely addressing the needs of the poor, treating symptoms of poverty but not going to the root causes. This kind of needs-based approach to development and poverty reduction viewed problems as a phenomenon, instead of identifying violation of rights and recognising the outcome of power struggle. It was proved that meeting the needs of the poor was only a temporary treatment, not a sustainable solution. As the root causes to underdevelopment and poverty were identified as the result of power struggle and violation of rights, human rights became crucial in the area of development. The work by Amartya Sen on capability approach to development and poverty played an important role to this shift in attention from low income to deprivation of basic capabilities. It is now generally understood that poverty is a result of disempowerment and exclusion.[3] Human rights violations are both a cause and a consequence of poverty.[4]

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[1] Seelos et al., 2010, p. 1.
[2] Idem.
[3] OHCHR, 2006, p. 9.
[4] Idem.

Since then growing support for human rights centred development activities are witnessed. However, the recognition of the relation between human rights and development goes back to 1945 when the United Nations (UN) has acknowledged the importance of human rights at the establishment of the UN Charter. In Chapter 1 Article 1 of the Charter, the integration of human rights and development is clearly mentioned when the UN member states agreed to achieve international cooperation in solving international problems and in promoting and encouraging respect for human rights and for fundamental freedoms for all.[5] However, this interrelation did not get much support for a few decades (mainly due to the confrontation of divided support of civil and political rights and economic, social and cultural rights during the Cold War).[6] In the recent years, the importance of human rights in the development process has been emphasised again. In 1997, in his UN Reform Agenda, the Secretary-General Kofi Annan called for the mainstreaming of human rights into the UN's activities, including in development area.[7] The Vienna Declaration of 1993 and Millennium Development Goals in 2000 are also significant actions taken by the UN to support that development and human rights are interdependent and mutually reinforcing.[8] NGOs have also taken up human rights-based approach in their development activities. UN is mainstreaming human rights based approach in their activities and programs. According to their statement, when human rights aspects are considered, it makes a development process more sustainable. It is apparent that human rights has become a key word in the area of sustainable development and poverty reduction.

However, a tough challenge has come up to human rights-based approach to development and poverty reduction. Economic globalisation has decreased the nation-state's control of the regulation of the market, and non-state actors have become decisive forces. It has become difficult for human rights to protect people from the market, especially the lives of the poor in the world. In this context, social entrepreneurship, which is commonly described as innovative entrepreneurial

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[5] UNDP, 2012.
[6] Boesen & Sano, 2010, p.47.
[7] UNDP, 2012.
[8] Boesen & Sano, 2010, p.49.

activities addressing social needs and challenges, emerged as meeting deficiency of the market or state's failure in response. "The dominance of a market economy in the nineties led to a plethora of social enterprises aimed at increasing incomes through better market access. Or a better quality of life through accessing improved health care, education and basic social services. Social enterprise has therefore become an integral part of the development doctrine."[9] Social entrepreneurship has captured well-deserved attention because of its potential for rapidly improving human lives and livelihoods. Social entrepreneurship unleashes innovation and mobilizes new resources to deal with important issues that affect many, often underserved groups of people.[10]

Social entrepreneurship is receiving increasing attention at a global scale in the recent years. Scholars have highlighted the phenomenon of a particular form of local entrepreneurship that explicitly targets poverty or the social needs associated with poverty[11]. Many governments, international organisations, NGOs and individuals in the world have growing interest for social entrepreneurship and see it as an effective and a sustainable strategy for development, especially in the area of poverty reduction. In Europe, social enterprises in United Kingdom has increased,[12] and the government created a unit dedicated to social enterprises, the Social Enterprise Unit launched inside the Department of Trade and Industry in 2001.[13] European Commission is encouraging social entrepreneurship through supports such as setting a financial framework for social enterprises. Social Entrepreneurship Fund was set up by the European Union Single Market of European Commission to improve access to finance of social enterprises.[14] International organisations are promoting

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[9] Thekaekara & Thekaekara,, p.4.
[10] Cho, 2006, p. 52.
[11] Seelos et al., 2010, p. 1.
[12] According to Social Enterprise London, the 2005 Annual Survey of Small Businesses UK found that there are 55,000 social enterprises in the UK with a combined turnover of £27 billion. Social enterprises account for 5% of all businesses with employees, and contribute £8.4 billion per year to the UK economy. Social Enterprise London, Social enterprise: definition, at http://www.sel.org.uk/definition-of-se/. (consulted on 05 May 2013).
[13] In 2006, the unit became part of the newly created Office of the Third Sector, under the wing of the Cabinet Office. Park & Wilding, 2012, p.240.
[14] European Commission, The EU Single Market, Social Entrepreneurship, at http://ec.europa.eu/internal_market/social_business/index_en.htm. (consulted on 20 June 2013).

social entrepreneurship through programs such as the World Bank Development Market Place, the Inter-American Development Bank Social Entrepreneurship Program and the United Nations Global Compact.[15] Especially the World Bank is keen on promoting social entrepreneurship. In particular, it has stated that "the growing field of social entrepreneurship represents a bottom-up model of socio-economic development."[16] In addition, many foundations and NGOs have also endorsed the concept of social entrepreneurship through fellowships, grants, loans, and other sources of funding.[17] A number of business entrepreneurs also have dedicated substantial resources to supporting social entrepreneurship. E-bay founder Jeff Skoll created a social entrepreneurship research centre and donated 4.4 million UK pounds.[18] Klaus Schwab, the Executive Chairman of the World Economic Forum, endowed Schwab Foundation for social entrepreneurship in 1998.[19] There are also movements of regional and continental level of social enterprise network, such as African Social Entrepreneurs Network in Africa.[20]

In spite of such interest from many levels of society and the world, the academic researches on the topic are neither diverse nor well-developed. Current studies on social entrepreneurship are mainly carried out in the disciplines of economics and other social sciences. The most common discipline contributing to the social entrepreneurship research was management, followed by entrepreneurship, political science, economics, marketing, sociology, and education.[21] In relation to the area of human rights, academic research is extremely rare and difficult to find, and no current academic literature provide link between human rights. This raises various questions to consider. Is the practice of social entrepreneurship sustainable? Could it be a sustainable solution for development and poverty reduction in the age of economic globalisation? Is it taking a needs-based approach or human rights-based

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[15] Hanley, 2013.
[16] Koch, 2010, p. 17.
[17] Hanley, 2013.
[18] Seelos & Mair, 2005, p.5.
[19] Idem.
[20] African Social Entrepreneurs Network, What is Social Entrepreneurship?, at http://asenetwork.org/about/what-is-se/(consulted on 20 June 2013).
[21] Short, Moss & Lumpkin, 2009, p.164.

approach? This study will focus on finding relation between human rights and social entrepreneurship, and examine whether social entrepreneurship is a sustainable solution for development and poverty reduction. The hypothesis is that even though many social enterprises are market-oriented (do not often use the language of human rights), since social entrepreneurs run social enterprises with the aim of realising social justice, social enterprises are inherently operated within the context of human rights. If social enterprises are operated with human-rights based approaches, the legitimacy and sustainability of social enterprises will be enhanced. If social enterprises are operated in both human rights and economic aspects combined, it will have a great potential to contribute to sustainable development and poverty reduction.

This study will approach the questions in theoretical analysis methodology. First, to have a clear idea of what social entrepreneurship is, the history, definition, and recent trends of social entrepreneurship will be discussed. Then the link between human rights and social entrepreneurship will be presented with main human rights instruments – the Universal Declaration of Human Rights, Civil and Political Rights, Economic, Social and Cultural Rights - and also the human rights-based approaches. Then, sustainability of social entrepreneurship in relation to human rights based approach to development and poverty reduction will be examined. In this study a variety of cases of social entrepreneurship will be used to illustrate and explain the theoretical arguments made. However, this study does not intend to examine the sustainability of each of these examples or use the examples that are already proven to be sustainable. The readers should be reminded that the social entrepreneurship's sustainability and its link to human rights are examined in theory and not in practice. Many of the cases are elaborated in detail to let the readers to obtain a better concept of social entrepreneurship since social entrepreneurship could be a new field that readers never encountered.

CHAPTER I

What is Social Entrepreneurship?

1.1 History

Although the terms, social entrepreneurship, social entrepreneur and social enterprise, have emerged recently, and has been recognized as an innovative approach to addressing crucial issues of the society, economic entities with social goals have long played an important role in influencing social and economic systems of all parts of the world.[22] Charities and other types of non-profit organizations have been spreading in the health and social service domains since the Middle Ages.[23] Mutual societies date back to the same period when they were set up by workers to provide common insurance and assistance to their members.[24]

In the developing countries, the continued failure of the states to provide welfare to the poor, stirred up some people to meet the social problems that the state were unable to or did not take care of. The famous case that illustrates this phenomenon is Grameen Bank in Bangladesh. In the 1970s, Muhammad Yunus, then a Professor of University of Chittagong, launched an action research project to examine the possibility of designing a credit delivery system to provide banking services targeted at the rural poor in a local village. Through lending small amount of money to the poor to start their businesses, economic development in the village occurred and the successful project was extended to other villages and eventually in 1983, the Grameen Bank Project was transformed into an independent bank by government legislation. Today Grameen Bank is owned by the rural poor whom it serves. Borrowers of the Bank own 90% of its shares, while the remaining 10% is owned by the government.[25] In 2006, the founder of micro credit and Grameen Bank was

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[22] Serenyi eds., 2008, p. 15.
[23] Idem.
[24] Idem.
[25] Grameen Bank, A Short History of Grameen Bank, at http://www.grameen-info.org/index.php?option=com_content&task=view&id=19&Itemid=114. (consulted on 10 May

awarded Nobel Peace Prize for the amazing difference he made in the lives of the poor in Bangladesh. Witnessing the success of Grameen Bank, a movement of microcredit lending took place in other countries, similar social enterprises have been established and grew in number for the poor mostly located in the developing countries, mainly in South Asia and Africa. Social enterprises in different areas such as health, water, agriculture, education emerged. As such, working scope and forms of social entrepreneurship is extremely broad.

In Europe, there is no one symbolic example of a social entrepreneurship that represents the recent movement of social entrepreneurship. However, entrepreneurial organizations with social goals started developing all over Europe since in the middle of the 19th century; agricultural cooperatives, credit unions and saving banks were set up in almost every European locality, while other types of cooperatives were consolidated in specific countries. They include consumer cooperatives in the UK and housing cooperatives in Germany, the UK and Sweden. In countries such as France and Italy, which were characterized by a slower industrialization process, workers' production cooperatives took root.[26]

1.2 Difficulty of Defining

Social entrepreneurship has been a topic of academic inquiry for nearly 20 years, and scholarly work to date reflects that social entrepreneurship research is a global phenomenon.[27] Many leading business schools have started centres in the last 10 years that research the field of social entrepreneurship and some have integrated into MBA curricula,[28] and created degree programs in social entrepreneurship.[29] These dedicated teaching and research centres in social entrepreneurship have been set up at universities mostly in North America and Europe, starting with the Initiative on Social Enterprise at Harvard Business School in 1993.[30] Hence the majority of

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[26] Serenyi eds., 2008, p. 15.
[27] Short, Moss & Lumpkin, 2009, p. 167.
[28] Seelos &Mair, 2004, p.3.
[29] Nicholls ed., 2008, p.8-9. A list of universities can be found in these pages.
[30] Idem, p.8.

academic researches on social entrepreneurship are carried out in the North America and Europe. According to Short et al, most articles on social entrepreneurship were published in the UK and then followed by the United States.[31]

Despite this effort, the academics are still in quest. While several scholars have offered definitions, yet there is no consensus on the definition.[32] Defining what social entrepreneurship is, and what its conceptual boundaries are, is not an easy task because the concept is inherently complex, and the literature in the area is so new that little consensus has emerged.[33] The definitions vary depending on who is using and defining the term. In this chapter, existing definitions of the terms, social entrepreneurship, social entrepreneur and social enterprise, will be reviewed and analysed.

1.3 Social Enterprise and Social Entrepreneur

The histories of the emergence of the terms social enterprise and social entrepreneur can shed light to understanding social entrepreneurship. The term, social enterprise, is known to be originated from Italy and the other term, social entrepreneur, from the United States.

1.3.1 Social Enterprise

"The concept of "social enterprise" first appeared in Europe (a few years before it emerged in the United States), and more precisely in Italy, where it was promoted by a journal launched in 1990 and entitled social enterprise (impresa sociale) in the process of new cooperative movement."[34] The origin of Italian cooperatives goes back to 1854 when, in Torino, the association of the city's workers opened the first consumer cooperative shop.[35] However, a new movement took place during the

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[31] Short, Moss & Lumpkin, 2009, p.167.
[32] Smith & Stevens, 2010, p. 577.
[33] Nicholls, 2006, p.7.
[34] Defourny & Nyssens, 2008, p.5.
[35] Italian Documentation Centre on Cooperatives and Social Economy, at http://www.cooperazione.net/eng/pagina.asp?pid=386&uid=383.(consulted on 25 June 2013).

1970's and 1980's, in which the traditional cooperatives evolved to fulfil an important function in the country as a social, economic and productive vehicle, able to gather together the diverse interests of many different groups, allowing them access to employment and production-opportunities. In 1985, the cooperative movement managed to bring into legislation the "Marcora Law" (no.49, 27 February) which provided for the establishment of a special fund for the cooperatives created by unemployed workers in cassa integrazione (welfare benefit for reduced work hours). Similarly, two laws established between 1985 and 1986 encouraged entrepreneurship among youth in Southern Italy. These types of social cooperatives flourished in the 1980's, with the establishment of consortia. The important difference of these new social cooperatives from the traditional ones was that the principles of solidarity were applied not only among members of cooperatives, but also in favour of other users.[36] Law 381 of 1991 completed the innovation of the social cooperatives (describe more on this) and starting with Italy, social enterprises began to be promoted and protected through national legal frameworks. (UK, other countries)

1.3.2 Social Entrepreneur

The term "social entrepreneur" has been particularly emphasised by American foundations and organisations like Ashoka since the mid 1990s. Those entities identify and support in various ways individuals launching new activities dedicated to a social mission while behaving as true entrepreneurs in terms of dynamism, personal involvement and innovative practices.[37] They are seen as the main initiating features of social enterprise and entrepreneurship. They are entrepreneurial since they are resourceful. "Social entrepreneurs identify resources where people only see problems. They view the villagers as the solution, not the passive beneficiary. They begin with the assumption of competence and unleash resources in the communities they're serving.[38] They are social since they make changes in the system. Bill

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[36] Idem.
[37] Defourny & Nyssens, 2008, p.4.
[38] PBS, The New Heros, What is Social Entrepreneurship?, at http://www.pbs.org/opb/thenewwheroes/whatis/ (consulted on 30 June 2013).

Drayton, CEO, chair and founder of Ashoka says that "Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry."[39] This view of social entrepreneurship is in contrast with Europe, as explained above in the section about social enterprises, where the emphasis has been much more often put on the collective nature. But the US approach is gaining some influence.[40] Many studies about the characteristics and types of social entrepreneurs exist. Zahra et al. draw inspiration from three cornerstones of entrepreneurial theories of Frederick Hayek (1945), Israel Kirzner (1997) and Joseph Schumpeter (1942) to categorize and define the types of social entrepreneurs and their unique characteristics[41] to describe how each type of entrepreneurs address specific social problems in their own ways and within their own realms.[42] More details of these concepts will be explained when motivations of social entrepreneurship is discussed below.

1.4 Existing Definitions

Deeper analysis of social entrepreneurship can be made by surveying existing definitions. The below is a table that illustrates various definitions of social entrepreneurship, social entrepreneur, and social enterprise in the past 20 years.

	Author/s & year	Definition suggested
Social entrepreneurship	Leadbetter (1997)	Social entrepreneurship is the use of entrepreneurial behaviour for social ends rather than for profit objectives, or alternatively, that the profits generated are used for the benefit of a specific disadvantaged group.[43]
	Fowler (2000)	Social entrepreneurship is the creation of viable (socio-) economic structures, relations, institutions, organizations, and practices that yield and sustain social benefits.[44]
	Canadian Centre for Social Entrepreneurship (2001)	Social entrepreneurship falls into two categories. First, in the for-profit sector it encompasses activities emphasizing the importance of a socially engaged private sector and the benefits that accrue to those who do well by doing good. Second, it refers to activities encouraging more entrepreneurial approaches in the non-profit sector in order

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[39] Idem.
[40] Defourny & Nyssens, 2008, p.4.
[41] Smith & Stevens pp.577-578.
[42] Zahra et al., 2009, pp.522-523.
[43] Seelos & Mair, 2004, p 2.
[44] Idem.

		to increase organizational effectiveness and foster long-term sustainability.[45]
	Shaw (2004)	The work of community, voluntary and public organizations as well as private firms working for social rather than only profit objectives.[46]
	Schwab Foundation (2005)	Applying practical, innovative and sustainable approaches to benefit society in general, with an emphasis on those who are marginalized and poor.[47]
	New York University Stern (2005)	The process of using entrepreneurial and business skills to create innovative approaches to social problems. "These non-profit and for profit ventures pursue the double bottom line of social impact and financial self-sustainability or profitability.[48]
	Mair and Marti (2006)	First, we view social entrepreneurship as a process of creating value by combining resources in new ways. Second, these resource combinations are intended primarily to explore and exploit opportunities to create social value by stimulating social change or meeting social needs. And third, when viewed as a process, social entrepreneurship involves the offering of services and products but can also refer to the creation of new organisations.[49]
	Nicholls (2006)	Innovative and effective activities that focus strategically on resolving social market failures and creating opportunities to add social value systematically by using a range of organizational formats to maximize social impact and bring about change.[50]
	Zahra et al. (2009)	Encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organisations in an innovative manner.[51]
	International Labor Organization (2011)	Social Enterprises differ from conventional enterprises in that social impact is considered as more important than maximizing profits.[52]
Social entrepreneur	Waddock and Post (1991)	Social entrepreneurs are private sector citizens who play critical roles in bringing about catalytic changes in the public sector agenda and the perception of certain social issues.[53]

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[45] Idem.
[46] Zahra et al., 2009, p.521.
[47] Idem.
[48] Idem.
[49] Mair & Marti, 2006, p.37.
[50] Nicholls, 2006, p.23.
[51] Zahra et al., 2009, p.522.
[52] The International Labor Organization (ILO), African Social Entrepreneur Network, at http://asenetwork.org/about/what-is-se/. (consulted on 07 June 2013).
[53] Seelos & Mair, 2004, p. 2.

	Thake and Zadek (1997)	Social entrepreneurs are driven by a desire for social justice. They seek a direct link between their actions and an improvement in the quality of life for the people with whom they work and those that they seek to serve. They aim to produce solutions which are sustainable financially, organisationally, socially and environmentally.[54]
	Dees (1998)	Social entrepreneurs play the role of change agents in the social sector by:[55] – Adopting a mission to create and sustain social value (not just private value); – Recognizing and relentlessly pursuing new opportunities to serve that mission; – Engaging in a process of continuous innovation, adaptation, and learning; – Acting boldly without being limited by resources currently in hand; – Exhibiting a heightened sense of accountability to the constituencies served for the outcomes created.
	Bornstein (1998)	A social entrepreneur is a path breaker with a powerful new idea who combines visionary and real-world problem-solving creativity, has a strong ethical fibre, and is totally possessed by his or her vision for change.[56]
	Thompson et al. (2000)	Social entrepreneurs are people who realize where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather together the necessary resources (generally people, often volunteers, money, and premises) and use these to "make a difference".[57]
	LaBarre and Fishman (2001)	Social entrepreneurs are dedicated innovators who are determined to tackle some of society's deepest challenges by embracing new ideas from business.[58]
	Drayton (2002)	A major change agent, one whose core values centre on identifying, addressing and solving societal problems.[59]
	Ashoka (2003)	Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change.[60]
	Alford et al. (2004)	Creates innovative solutions to immediate social problems and mobilises the ideas, capacities, resources and social arrangements required for social transformations.

[54] Zahra et al., 2009, p.521.
[55] Seelos & Mair, 2004, p 2.
[56] Idem.
[57] Idem.
[58] Idem.
[59] Zahra et al., 2009, p.521.
[60] Grubisich, Social Entrepreneur - With An Emphasis On 'Entrepreneur, 2010, at http://wbi.worldbank.org/developmentmarketplace/stories/social-entrepreneur-emphasis-entrepreneur. (consulted on 27 June, 2013.)

	Tan et al. (2005	A legal person is a social entrepreneur from t1 to t2 just in case that person attempts from t1 to t2 just profit for society or a segment of it by 'innovation" the face of risk, in a way that involves that society or segment of it.[61]
Social enterprise	Department of Trade and Industry of United Kingdom (2002)	A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or the community.[62]
	Social Enterprise Alliance (2005)	[An] organization or venture that achieves its primary social or environmental mission using business methods. The social needs addressed by social enterprises and the business models they use are as diverse as human ingenuity. Social enterprises build a more just, sustainable world by applying market-based strategies to today's social problems.[63]
	Defourny and Nyssens (2008)	Social enterprises are not-for-profit private organizations providing goods or services directly related to their explicit aim to benefit the community. They rely on a collective dynamics involving various types of stakeholders in their governing bodies, they place a high value on their autonomy and they bear economic risks linked to their activity.[64]

1.5 'Social' and 'Entrepreneurial'

The term social entrepreneurship is composed of two words each referring to a different domain: the word 'social' referring to social aspect and 'entrepreneurship' referring to economic aspect. Reflecting on the definitions listed in the above table, the 'social' part of the term is described mainly in four ways. First, phrases such as "social problems" and "society's deepest challenges" show that a problem of society is identified. Second, phrases such as "social change", "catalytic changes", "change agents", "make a difference", and "social transformation" present that the entrepreneurs who discovered the problems are dissatisfied with the current system and wish to change it. Third, the use of the words, "social ends", "social objectives", "social value", "social impact", and "benefit the community and disadvantaged group or marginalised and poor" show the purpose of the entrepreneurial activities

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[61] Tan et al., 2005, p. 356.
[62] Park & Wilding, 2012, p. 240.
[63] Zahra et al., 2009, p.521.
[64] Defourny & Nyssens, 2008, p.5.

are to address the problems and expecting an outcome. Fourth, it is not commonly used but some scholars mention the democratic process of the entrepreneurial activities. As Defourny and Nyssens included "involving various types of stakeholders in the governing bodies" and Tan et al mentioned "involves the society or segment of it".

In regards to 'entrepreneurship', the following words stand out. Phrases such as "providing goods and services", "bearing economic risks", and "using entrepreneurial and business skills" signifies that the activities are placed in the economy. The word "innovative" emphasises the originality and pioneering aspect of entrepreneurship. Lastly, the notion of "financially self-sustainability" comes from the initiatives of non-profit organisations in search of additional revenues after facing cuts in governmental support, cuts in individual and corporate giving, increased competition, more social needs, and pressure from fund providers to merge or downsize.[65]

By examining the social and entrepreneurial aspects of the term, the conceptual diversities of social entrepreneurship are outlined. The following are a few social and economic indicators[66] that summarises the above findings: A continuous activity producing goods and/or selling services; a significant level of economic risk; an explicit aim to benefit the community, an initiative launched by a group of citizens; a decision-making power not based on capital ownership; a participatory nature, which involves various parties affected by the activity.

1.6 Organisational Forms

Currently, social entrepreneurship exists in an extremely broad scope of organisational forms ranging from charities to socially responsible private companies.

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[65] Dees, 1998, "Enterprising nonprofits: What do you do when traditional funding fall short?", Harvard Business Review, Jan.-Feb., pp.55-67.

[66] Some of the indicators are taken from European Research Network, which through a permanent dialogue among researchers from all parts of the European Union, developed the conceptualization of social enterprise based on four economic criteria and five social criteria. Defourny & Nyssens, 2008, pp. 227-228.

Other examples of organisational forms are social cooperatives, mutual organisations, associations, foundations and voluntary organisations.[67] In most of the existing definitions, the organisational form of social entrepreneurship is described as either non-profit or for-profit organisations. In the case of Department of Trade and Industry of United Kingdom, the form of social entrepreneurship is completely market-oriented, constraining to the form of 'businesses'. Some scholars suggest social enterprise as one type of organisational form. For example, Alter places social enterprise in the middle of traditional non-profit, non-profit with income-generating activities, socially responsible business, corporation practicing social responsibility, traditional for-profit.[68] Seelos and Mair suggest using the following three types of orientations to describe existing social enterprises: collective action (i.e. community-based organisations and cooperatives), market-based (i.e. private businesses), and social giving (i.e. charity-like organisations).[69] There are other scholars who categorise by focusing on the degree of economic and social aspect of enterprise. Tan, Williams, and Tan suggest the following categorisation: community-based enterprises, socially responsible enterprises, social service industry, and socio-economic or dualistic enterprises.[70] On the other hand, there are quite a few numbers of definitions that suggests the combination of different forms of organisational structure. Nicholls argue that "social entrepreneurship is best understood as a multi-dimensional and dynamic construct moving across various intersection points between the public, private, and social sectors. Social entrepreneurs employ (…) many organisational mechanisms. (…) They work in the public, private, and social sectors alike, employing for-profit, not-for-profit, and hybrid organisational forms (or a mix of all three) to deliver social value and bring about change."[71]

1.7 Working Scope

Social entrepreneurship provides various types of goods and services to the society.

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[67] European Commission, Enterprise and Industry, Small and medium-sized enterprises, at http://ec.europa.eu/enterprise/policies/sme/. (consulted on 02 June 2013).
[68] Alter, 2006, p.7 & Jurgen Nagler, 2007, p.3.
[69] Seelos et al, 2010, p. 11.
[70] Tan et al., 2005, p. 361.
[71] Nicholls, 2006, p.12.

Some scholars argue that defining social enterprises with organisational structures does not capture the full picture of social entrepreneurship. Additionally, they use the working scope of social entrepreneurship to describe them. Scholars usually group the activities of social entrepreneurship into three different working scopes. Defourny and Nyssens argue the following three working scopes: affirmative business – work integration (providing jobs, competitive salaries, career opportunities and ownership for disadvantaged people), direct-service business – aim at improving the social situation of vulnerable people, and catalytic alliances – dealing with major social problems without apparent short-term solution to increase public awareness of a particular social problem through high-profile publicity campaigns, pressure policy makers to put the issue on their agenda.[72] Similarly, the European Commission also describes social enterprises mainly operate in the following three fields: work integration (i.e. training and integration of unemployed persons); Personal services (i.e. childcare services, services for elderly people, 'proximity' services, aid for disadvantaged people) and local development of disadvantaged areas (i.e. social enterprises in remote rural areas, neighbourhood development or rehabilitations schemes in urban areas).[73]

UNDP publications on social entrepreneurship suggests that social enterprises have four main modes of integration.[74]The following is the explanation of each categories and its aim. Transitional employment: the aim is to give their target group work experience (transitional employment) or on-the-job training, with a view to achieving the integration of disadvantaged workers in the open labour market; creation of permanent self-financed jobs: aim to create jobs which are stable and economically sustainable in the medium term for people who are disadvantaged in the labour market. In the initial stage, public subsidies are granted to make up for the lack of productivity of the target group. These subsidies are often temporary, and they taper off until the workers become competitive in the mainstream labour market; professional integration with permanent subsidies: employ mainly disabled workers,

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[72] Serenyi eds, 2008, pp. 26-27.
[73] European Commission, Enterprise and Industry, Small and medium-sized enterprises, at http://ec.europa.eu/enterprise/policies/sme/. (consulted on 02 June 2013).
[74] Serenyi eds, 2008, pp. 26-27.

but also people with a severe 'social disadvantage. For the most disadvantaged groups, for whom integration in the open labour market would be difficult in the medium term, stable jobs that are permanently subsidized by public authorities are offered, in some cases in enterprises that are'sheltered' from the open market; and socialisation through a productive activity: The aim is not the professional integration of their workers in the open labour market (even though this possibility is not excluded) but rather the (re)socialization of the target groups through social contact, respect for rules, a more 'structured' lifestyle etc. The activity is thus 'semi-formal' in the sense that it is not governed by a real legal status or work contract. These enterprises mainly work with people with serious social problems (alcoholics, drug addicts, former convicts etc.) and people with a severe physical or mental disability.[75] An example of work integration social enterprise is well illustrated by an organisation called Mirakle Couriers in India. This for-profit social enterprise is a highly competitive and professionally demanding courier business that employs deaf people who gain confidence while also gaining financial independence and able to support their families.[76]

1.8 Globalisation and the Emergence of Social Entrepreneurship

As it is described above, many forms of organizations with characteristics of social entrepreneurship existed in the world before the term emerged. It is curious why and how social entrepreneurship is gaining much more attention now. Also it is puzzling to see why now social entrepreneurship is considered as a field that deserves research, development, and support from governments, international organizations, and NGOs. This study would like to suggest that the main cause of the rise of social entrepreneurship and recent global attention is complex outcomes resulted from economic globalization.

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[75] Serenyi eds., 2008, p. 27.
[76] Mirackle Couriers, Our Social Impact, at http://www.miraklecouriers.com/our-business/our-social-impact/. (consulted on 25 May 2013).

Globalisation has broken down the boundaries of the world and brought many changes into people's lives. It affects every aspect of human society in every corner of the world, including economy, politics, and culture even more than before. With globalization, people's access to information has became diverse and plenty. Globalisation expanded people's knowledge from local and national areas to international areas. Through media, migrants, or travelling, along with many interesting information, the social issues are also delivered and witnessed by people. According to Giddens, it is becoming more and more apparent that lifestyle choices, within the settings of local-global interrelations, raise moral issues which cannot simply be pushed to one side, and such issues call for forms of political engagement which the new social movements both pressure and serve to help initiate actions.[77] People started to pay more attention of the issues of the poor in the developing world. This is giving rise to a 'moral individualism', an altruistically oriented motive, looking to support social justice and to create a better world.[78] In a sense, globalisation created a kind of civil society that is in global context. Or in other words, global civil society that doesn't just respond to the local issues but responds to social issues in other parts of the world or related affects linked to their local community. This is evident in the practice of social entrepreneurship. Many social enterprises are established by individuals from other countries in North America or Western Europe or they are financially supported by foundations and institutions from those two parts of the world. Some social enterprises start within communities and result from grassroots actions and movements of locals, there are quite a few individuals and groups of people from developing countries start social enterprises in the developing countries.

Globalisation brought advancement in technology and sciences, such as the world wide network provided by internet. For example, Kiva is a not-for-profit organisation that provides microcredit loans to small scale entrepreneurs in the developing countries through the use of website. Their website posts individual potential borrower's story allowing potential lenders to choose a borrower and lend needed

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[77] Giddens 1990, p. 5.
[78] Nicholls ed, 2006, p. 126.

amount of finance. Kiva updates the lender about the progress of the borrowers. The borrowed money are paid back to the loaners without interest.[79]

New technological resources and tools created new methods and ideas to address social problems. Many definitions of social entrepreneurship highlight the innovative character of the goods and services of social enterprises or ingenious and innovative ideas of entrepreneurs. New engineering or agricultural technologies make new products available for the poor. Inventions such as solar panels or water purifying bottles bring significant changes in the well-being of the poor in rural areas.

Globalisation causes instability and threats to economies in both developed and developed countries. Economic crisis and difficulties in Europe influence the welfare states fail to address. As economic growth rates declined and unemployment rose, which are the factors at the origins of the crisis in the western European dichotomous model centred around the 'state' and the 'market', the traditional welfare state model proved itself to be insufficient for distributing welfare inclusively, as evidenced by its difficulty in coping with the growing inequalities and social exclusion. In particular, the traditional welfare model has proved inadequate at providing all the social services demanded, to ensure equal access to social services to all those in need, and to help people with non-standard problems. The wide spectrum of socio-economic institutions that are neither investor-owned organizations (the for-profit sector) nor public agencies (the state), (which are now can be called social enterprises), emerged to address the problems.[80] The emergence of many types of work integration social enterprises illustrate this very well.

Economic effects of globalization also influenced rural communities to respond as well. Rural communities are no longer isolated from global economic forces. Many rural communities saw their economies collapse under the processes of globalization and became increasingly dependent upon transfer payments from state governments, corporations and non-governmental organizations (Anderson et al., 2006). Such

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[79] Kiva, Start, at http://www.kiva.org/start (consulted on 28 May 2013).
[80] Serenyi eds., 2008, p. 15.

processes result in the loss of rural livelihoods and place-based economies, and place rural communities in relationships of dependence with global actors.[81] The communities in rural parts of the world responded to the global economic forces used the business enterprises as a vehicle for development, control of local resources and self-determination.[82] Berke and Davidson- Hunt argue that social enterprises are seen as a way to mediate relationships with global actors for many rural communities.[83] Escobar has called it transformative engagement with modernity, whereby traditional practices are modified and enriched by outside technologies and knowledge, resulting in an adjustment of the local economy and social structure.[84]

As described above, the emergence of social enterprises and social entrepreneurs are a response to a complex set of outcomes caused by globalization and fast-spread of the attention and interest.

1.9 Current Trends in the World

The approach to social entrepreneurship in Europe emphasizes the third sector concept, which highlights that the enterprises are private and not-for-profit. Defourny and Nyssens analyses that in Europe social enterprises are perceived to be "at the crossroads of market, public policies and civil society" and hybridise their resources by combining income from sales or fees from users with public subsidies linked to their social mission and private donations and/or volunteering.[85]

Similar approach is taken in East Asia, especially by Republic of Korea and Japan, where the interest in social entrepreneurship has started to grow.[86] Legal framework is in place of these countries and the governments are encouraging the establishment of social enterprises in hopes to increase the employment market.[87] There are many public schemes to support social enterprises. Besides the creation of new legal forms,

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[81] Berkes & Davidson-Hunt, 2007, p. 211.
[82] Idem., p. 210.
[83] Idem., p. 211.
[84] Idem.
[85] Defourny & Nyssens, 2008, p. 204.
[86] Defourny & Nyssens, 2010, p. 1.
[87] Park & Wilding, 2012, p. 237.

from the 1990s many countries developed specific public programmes targeting social enterprise, most of them in the field of work integration. Examples of public programmes on the national level include empresas de insercao in Portugal, enterprises d'insertion and associations intermediaires in France, the social economy programme in Ireland, and social enterprises in Finland. On the regional level there have been public programmes such as enterprises d'insertion, enterprises de formation par le travail and sociale werkplaatsen in Belgium and empresas de insercion in Spain. For example, in France in 2004 there were 2,300 registered bodies providing work integration services (i.e. work-integration enterprises, temporary work-integration enterprises, intermediary associations) and employing some 220,000 salaried workers. In these countries the emphasis has been much often put on the collective nature of the social enterprise, as well as on its associative and cooperative form.[88] This is also the trend in many Latin American countries.

In contrasts with European enterprises, there is a strong tendency in the United States to define social enterprises only as non-profit organizations more oriented towards the market and developing "earned income strategies" as a response to decreasing public subsidies and to the limits of private grants from foundations.[89] The emphasis is on individual entrepreneurs instead of collective actions. Even though the approaches could be different, the general purpose of social enterprises is to meet the challenges of the market and the society, and bring change.

1.10 How Social Entrepreneurship is Different

Due to the broad range of interpretation of social entrepreneurship, it makes the term look ambiguous, generic or even meaningless. One might wonder how is social entrepreneurship is different from traditional non-profit organisations and corporations with social responsibility. Some scholars try to include as much as organisational forms to be recognised as social entrepreneurship to broaden the impact of the field of social entrepreneurship, it is important to point out that not all

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[88] Serenyi eds, 2008, p. 4.
[89] Idem, p.5.

non-for-profit organisations and for-profit firms with altruistic goals are social enterprises. Social entrepreneurship is clearly a type of field of organisation with distinguishable characteristics. For-profit firms engaged in philanthropic endeavours or socially responsible activities would fall out of the domain of social entrepreneurship as their sole objective is pursuing profits [90] through the enhancement of the company image. As in case of corporate social responsibility, the motivation and initiation of the social activities of corporations are different from social entrepreneurship. While social entrepreneurs start their organisations initially by discovering societal problems and incorporate resources to operate, corporations started business to make a profit. For social enterprise in a for-profit organisation form, the profit they make is merely a mean to an end. The profit is used to benefit the social aim or reinvested to their purpose. Dees support this argument: "Most of the definitions interpret the social aspect of social entrepreneurship with social aim and challenges. Having a social mission is central. The economic aspect of entrepreneurship is generally interpreted as use as resources to achieve the social mission. Thus the making-profit part is a means to an end and the purpose is not wealth creation."[91] Corporate social responsibility started in response to societal demand or out of morality make sure the process and outcomes of the corporation's activities are not hindering or harming the society (i.e. environment or economy). It is also to monitor themselves to abide by existing regulations and human rights, and making sure if their subcontractors are also operating in accordance to labour laws and not violating human rights. Or in some cases the motivation of good activities is to give back to the society or redistributing their wealth to the society. On the other hand, charity or philanthropic organisations cannot be social enterprises as they only provide resources and do not involve themselves in the process of addressing the identified social challenge.[92] Non-profit, social service organisations or NGOs that do not have market-oriented operations would generally lie outside the boundaries of social entrepreneurship as well. Market-orientation can include anything from conventional competitive markets to the exchange of social and/or environmental

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[90] Zahra et al., 2009, p.521.
[91] Dees, 1998, p.3.
[92] Tan et al., 2005, p. 360.

value that are performance-driven and competitive, and with an outlook that drives greater accountability and co-operation across sectors.[93]   An advocacy organisation work to bring pressure on policy makers and the public to stop a specific practice but no alternative options are proposed.[94] Social enterprises are distinguished from other traditional voluntary organizations since social enterprises place a higher value on risk-taking related to an ongoing productive activity (production and sale of goods and services) (in the world of non-profit organizations, production-oriented associations are certainly closer to social enterprises than are advocacy organizations and grant-making foundations).[95] Social enterprise also puts has importance in its process. The new language, social entrepreneurship, is important that it implies a blurring of sector boundaries by broadening the playing field[96] and this expands the space of social justice to various sectors.

1.11 Workable Definition for the Study

As a clear description is important to examine social entrepreneurship, it is necessary to propose a working definition for the purpose of this study. After analysing the history and existing terms above, the following are summary of important features of social entrepreneurship.

1. Identifying social problems and challenges
2. Operating to address the discovered problems
3. Innovative use of resources to meet the goals
4. Financial stability through providing products and services
5. Involving the stakeholders

With these in mind, for the remainder of this study I propose the following definition of social entrepreneurship:

Social entrepreneurship is the practice of addressing discovered social problems

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[93]University of Oxford, Skoll Centre for Social Entrepreneurship, Defining Social Entrepreneurship, at http://www.sbs.ox.ac.uk/centres/skoll/about/Pages/whatisse2.aspx (consulted on 25 March 2013).
[94] Idem.
[95] Serenyi eds., 2008, p. 18
[96] Dees, 1998, p.1.

and challenges through the process of making innovative use of resources,
providing products and services, and involving the stakeholders.

This is a combination of conditions that are observed through many existing definitions of social entrepreneurship above. These conditions are chosen since it is considered that they are the important features of social entrepreneurship that are related to human rights and sustainability to test the hypothesis of the study. However, these indicators do not describe an "ideal" type of social entrepreneurship nor represent features of organizations to be "qualified" as involved in social entrepreneurship. It is to help readers to draw a boundary between social entrepreneurship activities and other activities that he or she may consider as social entrepreneurship, and to position themselves within the context of social entrepreneurship to understand the arguments that will enfold below.

CHAPTER II

Human Rights and Social Entrepreneurship

2.1 Freedom, Equality and Dignity

It is commonly recognized that human rights derive from "the dignity and worth of the human person".[97] Throughout the evolutionary history of human rights, three aspects of human existence have sought to be safeguarded: human integrity, freedom and equality, which are unquestionably indicating the respect for the dignity of every human being.[98] In 1948, the United Nations General Assembly adopted the Universal Declaration of Human Rights (UDHR) affirming the inherent dignity and equality of every human being as it is clearly mentioned in Article 1. UDHR was a proclamation of new framework of rights, laws, and institutions that could pave a path for a world in which every person has the opportunity to live up to his or her potential.[99] UDHR proclaimed 'freedom from fear' and 'freedom from want' as the highest aspiration of all peoples.[100] The greatest contribution of UDHR is that it extended the human rights platform to embrace the whole field – civil, political, economic, social and cultural, and made the different rights interrelated and mutually reinforcing.[101] Below, the principle ideas of human rights, freedom, equality and dignity will be discussed in the context of social entrepreneurship.

2.1.1 Freedom

In January 1941, Franklin D. Roosevelt said in his State of the Union Address that "we have come to the clear realisation of the fact that true individual freedom cannot exist without economic security and independence. Necessitous men are not free men.

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[97] Pillay, Navanethem. WHO, Human Rights, Health and Poverty Reduction Strategies.
[98] Eide, 2001, p. 12. (ipad. Reading for thematic session 1, week 4)
[99] Skoll World Forum, Human Rights, at http://skollworldforum.org/theme/human-rights/ (consulted on 28 June 2013).
[100] OHCHR, 2004, p. 1.
[101] Eide, 2001, pp. 14-15.

People who are hungry and out of job are the stuff of which dictatorships are made."[102] By stating "necessitous men are not free men", Roosevelt emphasised the relation between social and economic rights, and freedom. In other words this statement signifies that a man is not free if he or she has needs. At the core of social rights is the right to an adequate standard of living. The enjoyment of this right requires, at a minimum, that everyone shall enjoy the necessary subsistence rights – adequate food and nutrition rights, clothing, housing and the necessary conditions of care.[103] Economic rights are the right to property, the right to work, and the right to social security. On the one hand, this right serves as a basis for entitlements which can ensure an adequate standard of living, while on the other hand it is a basis of independence and therefore of freedom.[104]

In the previous chapter, the working scope of social entrepreneurship was discussed. Among the three main areas of the working scope, work integration and direct-service business are the ones that best represent social entrepreneurship's contribution to bringing social and economic freedom to people. Work integration aims to train and integrate unemployed persons who are from disadvantaged background or with disabilities. Through providing employment, these social enterprises realise the right to work. Social enterprises that provide direct service aim at improving the social situation of vulnerable people. A few examples are social enterprises that provide childcare services, aid to elderly people, affordable housing in a form of housing cooperatives, and food through small crop farming. They bring adequate standard of living, realising many social right such as right to food and right to adequate housing.

One example concerning childcare services is the "micro-hospitals", where malnourished toddlers can receive the specialized medical attention that they need. This new structure emphasizes function over form, cleanliness and cost-efficiency. The idea is offering a low cost service with the aim of eliminating childhood

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[102] Idem, p. 15.
[103] Idem, pp. 17-18.
[104] Idem, p. 18.

malnutrition as a major health problem in Argentina. The project founder is Abel Albino, who also created and directs the non-profit Cooperative for Infant Nutrition. After implementing the "micro-hospitals" program on a pilot basis, he intends to replicate it throughout the country to achieve a goal that malnutrition is no longer a substantial problem in Argentina."[105]

Here is another relevant example of a social right enhanced by a social enterprise, which offers aid to elderly people. The Calcutta Metropolitan Institute of Gerontology, is a non-profit, voluntary organisation involved in research, publication, training, and service programs in gerontology. It is located in Beliaghata in India and established in 1988 by Indrani Chakravarty. The Institute served as a base for her myriad of smaller ideas, all intended to provide a meaningful life for people over sixty. Based on the necessities of elderly people in India, Idrani created a project to combine research with practical work and care for the elderly. The project not only provides necessary services to the elderly in Calcutta, but also could eventually draw necessary attention to the plight of the eighty million elderly in all of India.[106] The main idea of the project is to include a mobile medical care unit, medical centres located in slum areas (that can provide food, clothes, and blankets), recreational programs, a home for the abandoned elderly, a library, an adult literacy program, a lobbying drive for special seats for the elderly on Calcutta's buses, a computer training program, and various postretirement job opportunities. One of Indrani's ideas is to train elderly people in simple computer data entry, which is the kind of work she believes many companies will be willing to contract out to elderly people. She also plans to win employment for retired people in such positions as phone managers and in various cottage industries. Indrani stated: "Ultimately our objective is to create an awareness by our services so that our society, government, and other public organizations recognize the problem as a social problem and can take remedial measures."

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[105]Ashoka, Ashoka Innovators for the public, Abel Albino, at: https://www.ashoka.org/fellow/abel-albino (consulted on 25 June 2013).
[106] Ashoka, Ashoka Innovators for the public, Indrani Chakravarty, at https://www.ashoka.org/fellow/indrani-chakravarty. (consulted on 25 June 2013).

However, social entrepreneurship not only operates for promoting freedom from economic, social and cultural needs. Right to equal access to justice, right to freedom of association, right to freedom of speech, and right to other political and civil freedom that ensure full and equal participation in the conduct of public affairs area are also crucial rights that increase the capabilities of poor to be free and to be well. Some social enterprises educate youth and adults about their civil and political rights.

The "Tour Marginal" social enterprise from Chile is an example of offering service to educate youth about their civil and political rights. Through this Organization, Raúl Abásolo offers support and social integration system for marginalized youth that combines nonviolent channels of expression and access to health, education, and job opportunities with the creation of greater acceptance of these vulnerable youth within the broader society.[107] To bring together the many resources required for Tour Marginal, Raúl has created a partnership between the Chilean government and 240 NGOs, most of which do not regularly collaborate with government institutions. By successfully coordinating a vast network of partners in the development of youth-oriented programs and children's rights advocacy projects, Raúl has simultaneously worked for the benefit of disadvantaged youth and created a forum for grassroots and government cooperation.

The idea is not creating simple help assistance but, differently, Raúl seeks to integrate marginal youth on their own terms and with their own diversity into the broader society. By designing support programs and services that channel the creative energy coming from different urban youth groups in a safe and accepting environment, Raúl positions Tour Marginal as a "family for vulnerable youth"[108] Since allowing nonmainstream youth voices to be heard and acknowledged is the foundation on which Tour Marginal rests, Raúl established a physical space that became an urban centre where all ostracized youth could meet to express themselves without fear of condemnation.

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[107] Ashoka, Ashoka Innovators for the public, Raul Oscar Abasolo Trincado, at https://www.ashoka.org/fellow/raul-oscar-abasolo-trincado (consulted on 26 June 2013).
[108] Idem.

Some examples of the Organization's activities are: the "Tour Escuela" which teaches groups of 180 youths about community leadership and music so that they develop the skills needed to spearhead projects in their own neighborhoods, "Tour Empleo" which provides job opportunities and training in trade skills and entrepreneurship. In 2002 Tour Empleo expanded to include 206 adolescents and shifted its focus to adolescent women–single mothers, young heads of household, and school dropouts. Tour Marginal currently works with more than 200 organizations within the metropolitan area of Santiago and with another 50 in other regions. In all, tour projects reach more than 10,000 youngsters. The organization has a board with representatives from several community groups and citizen organizations that are part of tour's partnership network, supplemented by a team of 40 staff professionals, including psychologists, educators, counselors, sociologists, and anthropologists.[109]

An interesting fact is that Tour Marginal's success has started persuading both public programs and NGOs in Chile to revise their view and approaches towards marginal youth. Raúl is already transferring the tour´s methodology to public institutions such as the National Institute of Youth, the Social Investment Fund, the President's Social Fund, and the Social Planning Ministry and the Social Organizations Division. The President of Chile has also invited Raúl to participate in the National Citizen Council for the Strengthening of Civil Society, a roundtable discussion with representatives from the public and civil society sectors, from which Raúl is also influencing the citizen sector.[110]

In all of cases described above, it was observed that many operate to enhance the rights of the poor. In spite of being private institutions, the projects not only concerned rights but also help to awareness the problems at a government level.

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[109] Idem.
[110] Idem.

2.1.2 Equality

A just society can be realised only when equality is guaranteed. Injustice stems from unequal power relationships and social justice is about empowering the powerless.[111] Social entrepreneurship has a deep root in social justice. In the first chapter, the 'social' part of the term, social entrepreneurship, was analysed. Through the words "addressing social problems" and "meeting society's deepest challenges", it is evident that that social entrepreneurship begins with discovering injustices in the society. Phrases such as "social change", "catalytic changes", "change agents", "make a difference", and "social transformation" presented that the entrepreneurs who discovered the problems are dissatisfied with the current system and wish to change it. Focus on the "benefit the community and disadvantaged group or marginalised and poor" show that they aim to empower the powerless.

From the motivations of social entrepreneurs, it is clearly presented that their long-term goal of operating social enterprises is realising social justice, bringing equality to the people. As it was mentioned in the first chapter, there are three main characteristics of entrepreneurs according to the work of Zahra et al on the typology of social entrepreneurs. From Frederick Hayek's concept of bricolage, Zahra et al., suggest the first type of social entrepreneur, social bricoleur. They are described as people who identify a concern of their local community and they leverage this motivation and address the problems with their expertise and personal resources to create and enhance social wealth.[112] Since they usually focus on localized movements, the impact is restricted to their community[113] but they aim to change the power relation in the local community. From the theory of entrepreneurs of Israel Kirzner, the second type of entrepreneurs is suggested. Social constructionists typically identify gaps in the social market and fill it with goods and services in order to introduce reforms and innovations to the broader social system.[114] The motives of social constructionists are complex and multi-faceted since their desire to generate social wealth is matched with a hope to bring new equilibrium to broad social

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[111] Thekaekara & Thekaekara, p.9.
[112] Zahra et al., 2009, p.524.
[113] Smith & Stevens, 2010, pp.577-578.
[114] Zahra et al., 2009, p.519.

systems where serious imbalances exist.[115] They not only want to serve their client group, but also seek to introduce social change and reform.[116] The last suggested type of social entrepreneurs is social engineers taken from the theory of Joseph Schumpeter. Social engineers recognise systematic problems within existing social structures and address them by introducing revolutionary change.[117] They are usually driven by a missionary zeal and unbounded belief in the righteousness of their causes.[118] They often introduce dramatic changes in the social sphere, acting as prime movers of innovation and change, destroying dated systems, structures and processes to be replaced by newer and more suitable ones.[119] Their focus is on large-scale issues with mass appeal.[120]

In practice, many social enterprises strive to achieve equality among poor. One of the important challenges of achieving equality to all people is bring equality between different genders. The following example of a social enterprise illustrates this. Turkey's first women's housing cooperative, founded by Selma Demirelli, provides affordable housing to women. One of the objectives of this housing cooperative was also to empower women as property owners with full citizenship and financial stability, in a region devastated by the 1999 earthquakes. In this sense, Selma helped to expand the rights of women and children in Turkey. Beyond satisfying the basic need for shelter, owning property opens up doors for women and places them on a more equal legal footing with men, in addition to giving them critical financial stability. The women's involvement in governing a housing cooperative helps them to learn key principles of finance, business development, loans, and urban planning, that they can draw on for future community or business ventures. The women are responsible for the administration of the cooperative and are active in coordinating the design, architecture, and urban landscape of the first forty-eight unit housing plot. This kind of control and participation by women is unprecedented in Turkey and has generated national media attention.[121]

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[115] Idem, p.528.
[116] Idem, p.528.
[117] Idem, p.519.
[118] Zahra et al., 2009, p.529.
[119] Zahra et al., 2009, p.526.
[120] Smith & Stevens, 2010, p.577-578.
[121] Ashoka, Ashoka Innovators for the public, Selma Demirelli, at

2.1.3 Dignity

By enjoying freedom to exercise civil, political rights, and economic and social rights, once vulnerable people can improve their lives and get one step closer to leading their lives with human dignity. For some other vulnerable people who are in a working condition with corporations with low working standards can work with dignity by the work of some social enterprises. In addition to the civil, political rights, and economic and social rights, through social entrepreneurship, people's access to cultural rights can also be enhanced. Cultural rights are the right to take part in cultural life, the right to enjoy the benefits of scientific progress and its applications, the right to benefit from the protection of the moral and material interest resulting from any scientific, literary or artistic production of which the beneficiary is the author, and the freedom indispensible for scientific research and creative activity.[122] Social entrepreneurship itself is known for its innovativeness. Many academic centres and foundations that support social entrepreneurship highly value its innovative and new technological skills integrated into its operation. Creation of solar panels provide electricity and water purifying bottles provide healthy drinking water to the poor without access to clean water. There are social enterprises that provide cultural activities. Even more, since civil, political, economic and social rights are interrelated and mutually reinforcing, even without providing direct services related to cultural rights, enjoyment of cultural rights come along as a by-product. With improved living standards and earned income, they can choose to engage in more cultural activities, consume cultural and technological products, and expand their knowledge and experiences in enjoying cultural rights.

An organisation in Brasil called "Instituto Sertão", is an interesting example concerning social enterprise that brings dignity to people by using technology to provide food through small crop farming. This organisation was created by Oscar Hinterland Arruda as a way to promote the sustainable development of communities

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https://www.ashoka.org/fellow/selma-demirelli (consulted on 25 Jun 2013).
[122] Eide, 2001, p. 18.

in semi-arid, aiming at integration between people and the natural resources available. The organization's work has focused on the social transformation of the socio-environmental Northeast Brazil and it seeks alternatives to achieve sustainability. Besides the social and environmental transformation of the semi-arid, the organization aims to research and develop innovative technologies and alternatives for the management of regional water resources, in a manner that is economically viable, environmentally sustainable and socially equitable.

The work of Oscar Arruda have already benefited thirty families in the settlement of "Bonfim da Conceição"[123], as well as training of eighty young leaders in the School of Local Development in "Santana do Acaraú" and thirty-six farmers for two years at the School of Agroecology Experience at "Poço Salgado". The institute has promoted the establishment of over 200 cisterns and machines for the production of Community wax. Other thirty-six families have benefited from the actions of agroecology and water resources management. The Initiatives and results enabled the implementation of the Poço Salgado's desertification project.[124]

Concerning that Brazil's semi-arid Northeast has long been unable to provide livings for its people, Oscar Arruda has devised a strategy for enabling farmers in Brazil's semi-arid northeast to exploit an abundant local plant as an alternative crop that provides economic self-sufficiency in an otherwise depressed local economy. He has collaborated with small farmers to build a plant in the Bonfim-Conceição Settlement to refine the wax from locally harvested palm leaves. To help the farmers and harvesters become managers of production instead of simply being suppliers of raw material, he offers technical training and links with regional and national distribution networks. The region's small farmers now have a valuable alternative product that can provide them with good livings while taking advantage of local resources. Oscar is applying for environmental certification based on the guidelines of the

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[123] The settlement of "Bonfim da Conceição" *is located at* Santana do Aracaú, a municipality of the Ceará Federative State of Brazil.
[124] Ashoka Brasil & Paraguay, Oscar Arruda D'alva, at http://www.ashoka.org.br/blog/2009/10/25/oscar-arruda-d%E2%80%99alva/. (consulted on 14 June 2013).

International Standards Organization.[125]

By looking at the motivations of social entrepreneurs and the work of existing social enterprises, it is clear that social entrepreneurship contribute to the enhancement and promotion of human rights. Many social entrepreneurs do not use human rights legal mechanisms but they recognise human rights violations and operate to enhance those related rights. Their services and goods not only identify denial of the Economic, Social and Cultural Rights of the poor but also the Civil and Political Rights of the poor. It is clear that social entrepreneurship contribute to the enhancement and promotion of human rights crucial to poverty reduction.

2.2 Background to Human Right Based Approach

The development has begun to acknowledge that development is not just about economic progress — it involves human rights in many dimensions, including civil and political rights. This realisation has helped bring development discourse closer to the traditional concerns of the human rights approach.[126] The integration of human rights in the development field has also changed the concept of poverty. The paradigm shift in the approaching poverty with capabilities was manifested in the 1995 World Summit for Social Development where 134 nation-states pledged to 'place people at the centre of development' (or in other words people-centred-approach to development) known as Copenhagen Declaration 1995, and in statements by the OECD that defined its mission as 'making progress towards the achievement of Human Development' in 1996. At the time UNDP defined UNDP defined people-centred-approach to development as 'the process of enlarging peoples' capabilities and choices so as to enable them to better satisfy their own needs'.[127] A scholar of the time recounts that this 'new' paradigm was also unique in that, by placing the emphasis on peoples' well-being rather than on their income, consumption or productivity, it aims to transcend both economistic and

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[125] Ashoka, Ashoka Innovators for the public, Oscar Arruda D'avila, at https://www.ashoka.org/fellow/oscar-arruda-davila (consulted on 25 June 2013).
[126] Osmani, 2005, pp. 205-206.
[127] Nicholls, L., 1999, p. 396.

instrumentalist models of development.[128]

The main scholar who contributed to this shift is Amartya Sen who was awarded Nobel Memorial Prize in Economic Sciences for his contributions to welfare economics and social choice theory, and for his interest in the problems of society's poorest members. His work on development as freedom uses the capability approach to explain the causes and strategies to reduce poverty. This capability approach has already inspired a significant broadening of the concept of poverty.[129] Based on Sen's explorations of the philosophical foundations of the concept of well-being, Osmani argues that in the first proposition, human rights have a constitutive relevance to poverty, while in the second they have an instrumental relevance. The first proposition maintains that if one explores the conceptual foundation of poverty — that is, if one asks the question 'exactly what is it that constitutes the state of being called poverty?' — then a plausible answer can be given in terms of denial of human rights. Poverty, after all, is a state of deprivations of various kinds, and it can be argued that those deprivations are nothing other than a denial of a range of human rights. The second proposition is concerned not with the conditions that constitute the state of poverty, but with the causal mechanisms that create the conditions that constitute poverty, and argues that denial of human rights plays an important part in those causal mechanisms. In his opinion, constitutive relevance of human rights to poverty can be best seen through the lens of the capability approach.[130] Based on Amartya Sen's theory of poverty in a capability approach, the following syllogism is proposed: (a) Poverty can be seen as the failure to achieve basic capabilities, (b) Many human rights can be seen as 'capability rights'; that is, rights to certain basic capabilities. (c) Therefore, poverty can be seen as the failure to fulfill, or the denial of, a range of human rights. Hence, well-being, which is best understood in terms of capabilities; that is, a person's ability to do and to be the things he or she has reasons to value. The higher the level of a person's capabilities, the higher is the level of his/her well-being. Since poverty can be understood in the widest sense as a very low

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[128] Nicholls, L., 1999, p. 397.
[129] OHCHR, 2008, p. 6.
[130] Osmani, 2005, pp. 206-207.

level of well-being, it can also be seen as the failure to achieve certain basic capabilities. Once poverty is seen to consist in the failure of a range of basic capabilities, it immediately becomes a multidimensional concept. Poverty can no longer be defined uni-dimensionally as lack of adequate income, as has traditionally been done. In fact, in this conception inadequate income ceases to be a dimension of poverty. [131] Sen attempts to expand the basic interpretations of freedom by examining five elemental forms of instrumental freedoms: political freedoms, economic facilities, social opportunities, transparency guarantees, and protective security. [132]

Human rights based approach is now widely accepted in the development literature. Most of the current discussions of poverty in academic circles, as well as in international organizations such that deal with poverty, draw upon this approach either explicitly or implicitly. [133] The Committee on Economic, Social and Cultural Rights expressed that: "Anti-poverty policies are more likely to be effective, sustainable, inclusive, equitable and meaningful to those living in poverty if they are based upon international human rights." [134] Development agencies such as the UNDP and the World Bank have embraced the approach in their operational work. NGOs have also taken up human rights based approach in their development activities. Oxfam International embraced human rights based approach as their common philosophical threads that unite their development practice. [135] Bilateral organizations such as the Swedish International Development Cooperating Agency and the United Kingdom Department for International Development also have mainstreamed rights-based approach in their development programmes. Many donors have recognized the importance of human rights based approach and therefore require development activities to be in line with this approach. As one practitioner puts it, donors nowadays want a rights based approach to be sprinkled liberally on every page of

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[131] OHCHR, 2008, p. 7.
[132] Osmani, 2005, p. 207.
[133] OHCHR, 2008, p. 6.
[134] Poverty and the International Covenant on Economic, Social and Cultural Rights: statement adopted on 4 May 2001 by the Committee on Economic, Social and Cultural Rights (E/C.12/2001/10).
[135] Offenheiser and Holcombe, 2003, p. 268.

proposals.[136]

2.3 Definition of a Human Rights Based Approach

Even though human rights are widely integrated into development practices, there is no clear definition of a human rights based approach. Each organization that makes use of a rights-based approach has different interpretations. While definitions contain similar themes such as justice, non-discrimination, marginalized groups and rights-related empowerment, the focus is different. The Office of the High Commissioner for Human Rights (OHCHR) has defined a human rights based approach as a conceptual framework for the process of human development that is normatively based on international human rights standards and operationally directed to promoting and protection human rights.[137] Whereas an international development NGO, Care International, defines a rights-based approach as an approach that deliberately focuses on people achieving the minimum condition for living with dignity through a mean of exposing the roots of vulnerability and marginalization and expanding the range of responses, which empowers people to claim their rights and fulfil their responsibilities.[138] By examining different definitions, a workable definition as the following can be reached: a human rights based approach is about promoting human dignity through the development of claims that seek to empower excluded groups and that seek to create socially guaranteed improvements in policy, including but not limited to legal frameworks. [139] Uvin argues that in essence, human rights based approach should be about promoting human dignity through the development of claims that seek to empower excluded groups and that seek to create socially guaranteed improvements in policy (including but not limited to legal frameworks).[140] A number of researches identify three main principles of human rights based approach: accountability and the rule of law, participation and inclusion, and equality and non-discrimination.[141]

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[136] Thekaekara &Thekaekara, p.4.
[137] OHCHR, 2006, p. 15.
[138] Boesen & Sano, 2010, p. 51.
[139] Gready, 2008, p. 3.
[140] Uvin, 2004, p. 163.
[141] Gready, 2008, p. 3; Boesen & Sano, 2010, p.51; OHCHR, 2006, p.23; UNDP, 2012.

OHCHR suggests five main features of a human rights based approach to poverty reduction, which are empowerment, explicit recognition of the national and international human rights normative framework, accountability, non-discrimination and equality, and participation. The features are identified separately below. However, in practice, they are closely interrelated.

2.3.1 Empowerment

Fundamentally, a human rights based approach to poverty is about the empowerment of the poor. A major contribution of a human rights based approach to poverty reduction is the empowerment of poor people, expanding their freedom of choice and action to structure their own lives.[142] One of the clearest and most persistent themes in the series *Voices of the Poor* is the powerlessness of the poor.[143] For example, the second volume, *Crying Out for Change*, is organized around an examination of the "ten interlocking dimensions of powerlessness and ill-being that emerge from poor people's experiences".[144] Strikingly, it notes: "The challenge for development professionals, and for policy and practice, is to find ways to weaken the web of powerlessness and to enhance the capabilities of poor women and men so that they can take more control of their lives."[145]

2.3.2 National and International Human Rights Normative Framework

A human rights based approach to poverty will include an explicit recognition of the national and international human rights normative framework. Special attention will be given to those treaties that a State has ratified for two reasons: treaty ratification represents "country ownership" of the relevant provisions and, second, a ratified treaty is legally binding on all branches of Government.[146]

2.3.3 Accountability

There is a growing consensus on the centrality of accountability in poverty reduction and developmental strategies, and the need to broaden its scope. Referring to Poverty

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[142] OHCHR, 2004, p. 14.
[143] Idem, p. 13.
[144] Narayan et. al.,2000, p. 2.
[145] Idem, p. 235.
[146] OHCHR, 2004, p. 14.

Reduction Strategy Papers , James Wolfensohn recently said: "We now need to broaden this approach further by including in it measurements of results and accountability for performance by Governments, the international and bilateral institutions, civil society, and the private sector so that we can track progress as we go forward." [147] While duty-holders must determine for themselves which mechanisms of accountability are most appropriate in their particular case, all mechanisms must be accessible, transparent and effective.[148] In case of public organizations and authorities such as governments and inter governmental organizations, jurisdiction is mainly used to hold them accountable (i.e. judicial review of executive acts and omissions, ombudsmen, international human rights treaty bodies, administrative, the preparation, publication and scrutiny of human rights impact assessments, parliamentary processes and so on). In relation to social enterprises, the following questions could be considered. First, in relation to a particular duty-holder, are there accessible, transparent and effective mechanisms of accountability? Second, are the mechanisms of accountability accessible to the poor?[149] More details on how social entrepreneurship could be held accountable will be discussed in the next chapter when the sustainability of social entrepreneurship is discussed.

2.3.4 Non-discrimination and Equality

It is well documented that the poor frequently experience social exclusion, isolation, alienation, discrimination and inequality. This feeling of being looked down upon often arises from a combination of economic deprivation and socio-cultural factors, such as ethnicity, colour, religion, social hierarchy and gender. Poverty not only arises from a lack of resources – it may also arise from a lack of *access* to resources, information, opportunities, power and mobility.[150]

Many forms that discrimination and inequality may take. They may arise from

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[147] Idem, p. 15.
[148] Idem, p. 16.
[149] Idem.
[150] Idem, p.17.

express legal inequalities in status and entitlements; from policies that are blind to the needs of particular people; or from social values that shape relationships within households and communities. The human rights experience also confirms the importance of looking at effects, not intentions.[151]

2.3.5 Participation

A human rights approach to poverty also requires the active and informed participation of the poor in the formulation, implementation and monitoring of Poverty Reduction Strategy Papers. The right to participation is a crucial and complex human right that is inextricably linked to fundamental democratic principles.[152] The enjoyment of the right to participate is deeply dependent on the realization of other human rights. For example, if the poor are to participate meaningfully in PRSs, they must be free to organize without restriction (right of association), to meet without impediment (right of assembly), and to say what they want without intimidation (freedom of expression); they must know the relevant facts (right to information) and they must enjoy an elementary level of economic security and well-being (right to a reasonable standard of living and associated rights).[153]

2.4 Importance of Economic Aspect of Poverty

OHCHR highlights that it is nonetheless important to acknowledge that the concept of income – more generally, command over economic resources – does play an important role in defining poverty and tackling poverty. The way it does so is not by adding a dimension to poverty but by helping to distinguish the phenomenon of poverty from a low level of well-being in general. This distinction is important because while poverty implies a low level of well-being, not every case of a low level of well-being can be regarded as poverty. In general, for poverty to exist, lack of command over economic resources must play a role in the causal chain leading to a low level of well-being. For example, while the absence of the capability to live a

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[151] Idem, p.18.
[152] Idem.
[153] Idem, p.19.

healthy life is certainly a case of a low level of well-being, the specific case of ill-health caused by agenetic disorder (for which no remedy currently exists) will not in itself be recognized as poverty; whereas ill-health caused by lack of access to basic health-care resources will be. In general, for poverty to exist, lack of command over economic resources must play a role in the causal chain leading to a low level of well-being. These considerations suggest that the definition of poverty need to refer to the non-fulfilment of human rights, but without delinking it from the constraint of economic resources.[154]

In the publication of OHCHR, 'Human Rights and Poverty Reduction - A Conceptual Framework'[155] several clarifications are made so as to avoid misunderstanding of the importance of economic resources. First, while the concept of poverty does have an irreducible economic connotation, the relevant concept here is not low income but the broader concept of inadequate command over economic resources, of which inadequate personal income is only one possible source. Other sources include insufficient command over publicly provided goods and services, inadequate access to communally owned and managed resources, inadequate command over resources that are made available through formal and informal networks of mutual support, and so on. If a person's lack of command over any of these resources plays a role in precipitating basic capability failures, she would be counted as poor.

Second, the recognition that poverty has an irreducible economic connotation does not necessarily imply the primacy of economic factors in the causation of poverty. For example, when discrimination based on gender, ethnicity or any other ground denies a person access to health-care resources, the resulting ill-health is clearly a case of capability failure that should count as poverty because the lack of access to resources has played a role here. But causal primacy in this case lies in the socio-cultural practices as well as the political-legal frameworks that permit discrimination against particular individuals or groups; lack of command over resources plays merely a mediating role. However, as argued before, the existence of this mediating

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[154] Idem, pp. 7-8.
[155] Idem, pp. 8-9.

role is crucial in distinguishing poverty from a low level of well-being in general.

Third, it is important to emphasize that even though the link with economic resources must be maintained, this does not render the capability based concept of poverty equivalent to a uniformly low level of command over economic resources. The two would be equivalent only if everyone had the same capacity to convert resources into capabilities, but that is not the case. For instance, people with different biological characteristics may require different amounts of food and health care in order to acquire the same degree of freedom to live a healthy life. Similarly, people living in different cultural environments might feel that they need different amounts of clothing in order to have the capability to be clothed at a minimally acceptable level. In other words, the degree of command over resources that may be adequate for one person may not be adequate for another. It would, therefore, be a mistake to define and measure poverty in terms of a uniformly low level of command over economic resources, when the fundamental concern is with a person's capabilities.

To summarise above arguments, according to the capability approach poverty can be seen as the failure to fulfill, or the denial of, a range of human rights since poverty is the failure to achieve basic capabilities, and human rights can be seen as rights to certain basic capabilities. However, economic aspect is also an important feature of poverty since the lack of command over economic resources plays a role in the causal chain leading to these incapabilities. This analysis of what constitutes poverty can lead to the following insight: a person in poverty could be out of poverty when he or she has economic resources and his or her basic rights realised. Thus poverty can be reduced when the poor are empowered through human rights and economic resources. Therefore, for sustainable poverty reduction, it is important to contain both human rights and economic strategies. The following example of a social enterprise illustrates the ideal practice of poverty reduction through the empowering the poor with human rights and economic resources.

2.5 An Ideal Example

In 1986, Action for Community Organisation, Rehabilitation and Development (ACCORD) was set up to fight for the land rights of the advises of the Nilgiri Hills of Tamilnadu in southern India. In the beginning ACCORD purely did advocating activities by mobilising people to take back the land that once was theirs. But very soon the founders of ACCORD realized that people needed financial help in order to make their newly reclaimed land productive. They learnt that in Madhya Pradesh people who had fought and won back thousands of acres of land lost it all, because they did not have the means to make it productive or financially viable. They had seen the pointlessness of land grabs which did not provide a livelihood for the people. This shows that only having a right without economic resources and capability cannot reduce poverty.

ACCORD realized it would be fatal to overlook the effects of economic power in securing "political purchase", the rights to land they had earned. Thus they decided to approach this problem strategically. It took a few years of mobilizing, of creating awareness among an entire community that land was their birthright and that if they didn't get back their alienated land, their children would be pauperized and lose any chance of retaining their tribal identity. After fighting for their land, the community needed to prove possession legally and for this purpose they needed long lasting perennial crops. Only these could provide proof of occupation legally. Then they found tea, which was the perfect crop for this situation. Tea last a hundred years, and it provided an income fairly soon, after two or three years of planting. It needed relatively little care and most perfect of all, provided a little income every week enough to meet the food needs of a family unlike coffee or pepper which came in a lump sum and disappeared as fast. Tea was the mainstream economy then.

Their social entrepreneurial approach started when they realised a new challenged caused by the global market economy. Unlike prior to globalisation, the "enemy" was not feudal landlord or a local company. If a landlord did not pay the villagers a proper wage, they could mobilise a few hundred tribal people to go to the employer

and demand a fair wage. But when tea prices crash, as they have done in the last few years, they could not find the "duty-bearer" to protest, request for change. Even the development professionals were forced to accept that a decade of large investments in the poor had produced very little impact. Though these investments had increased productivity at the grassroots, falling prices left people as poor as ever. Then ACCORD started the Adivasi Tea Leaf Marketing society to break the cycle of exploitation and to give the group the advantage of collective bargaining power. They were thus able to create a special deal for adivasi tea farmers with Parry Agro, a tea company with a history of being socially responsible. Even though villagers were given business trainings and support, there are mistakes and problems during the process. However, now the community sees tangible, visible results. Moreover, important thing to highlight is that the villagers are justifiably proud of their achievement. There has been a huge leap in self esteem and pride. ACCORD was the first organisation to plant tea for adivasis in India, possibly in the world. This moved them from being landless labourers to tea planters which led to a leap in their status and self esteem. Here economic power secured political purchase. The adivasis are not mere beneficiaries but are owners of a tea nursery.

The villagers did not have access to adequate health and education. The founders of ACCORD were aware that delivery of basic social services was the government's job, not theirs. Following the traditional human rights framework of the state as the duty-bearer and the citizens as rights-holder, their task was to mobilize people to fight for their rights but not start medical or educational interventions. Yet they decided to take action because they could not sit by and watch women die in childbirth or babies die of dehydration and diarrhea. A young couple, Drs. Deva and Roopa, just out of medical school joined ACCORD to start the community health work. The health team did not dole out medicines, they talked about why poor nutrition and economics was at the bottom of poor health. The community was involved in the entire process from day one. Health was linked to the sangams (village organizations) and the community chose their health workers. Now it has become Gudalur Adivasi Hopital as the best in the district and the people are again proud of their hospital. Governance remains with the adivasis. The nurses and 95%

of the staff are adivasi. This has changed social equations, considerably improved the self esteem and self image of a battered, traumatised people and empowered them in the truest sense of the word.[156]

ACCORD's combined experiences of thirty years with communities lead to the conclusion that for greatest impact it is necessary to combine the different approaches of social justice, development and social entrepreneurship. This is especially crucial if one is aiming for sustainable, irreversible systemic change which would bring justice but also create opportunities for communities to move out of poverty and provide a dignified, decent life for their families. Political power – the ability to influence policy decisions that affect their lives; economic power – that reduces their vulnerability arising out of a dependence on more powerful sections of society for their livelihoods; and social power – that enables them to achieve standards of living that are comparable with those around them; must combine together to create true and lasting change.

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[156] The information of ACCORD is a compilation of different sources. Association for Health Welfare in the Nilgiris, http://www.ashwini.org/hospital.php; Adivasi Munnetra Sangam Gudalur, http://www.adivasi.net/accord.php; Thekaekara and Thekaekara, pp. 8-10.

CHAPTER III

Sustainability

Now that social entrepreneurship and human right based approach are defined and reviewed, this chapter will discuss the sustainability of social entrepreneurship as a sustainable strategy for development and especially in the area of poverty reduction by reviewing some of the existing and potential challenges and issues of social entrepreneurship. Each identified challenges will point to why it is important to have human rights based approach applied to the practice of social entrepreneurship. Also, some features of human right based approach will be suggested for each identified challenges. Many challenges in diverse dimensions exist for social entrepreneurship, including many business strategies such as human resources, obtaining legal forms, financing, marketing and more. However, only aspects more directly relevant human rights and human rights based approach will be discussed here because the purpose of the study is about examining the link between human rights and analyse whether it is compatible with human rights based approach to development and poverty reduction.

3.1 The 'Social' Aim

Some scholars have concerns regarding the uncertainty of what 'social' goals social entrepreneurship decides to achieve. Since there is no agreed definition of social entrepreneurship, the word 'social' can mean myriad of things in a very broad sense. "The importance of social entrepreneurship is inextricably linked to the terminal objectives it promotes. Understanding the normative content of these objectives is an essential part of understanding what social entrepreneurship is and what it ought to be." [157] Even in case of in countries with a legal framework for social entrepreneurship and the areas of social entrepreneurship's activities are clearly mentioned (such as in Italy), the term 'social' leaves some space in the definition to

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[157] Cho, 2006, p. 52.

vary. Cho makes the highly relevant point that existing definitions of social entrepreneurship fail to delineate what social ends are being pursued.[158] The social goal of a social enterprise could simply be the entrepreneur's conception of good since it could be having negative effect, or not a "bad" goal for others affected by it.

The following examples of Ecotourism illustrate this issue well. In the Philippines, hundreds of people were evicted and their houses razed by authorities clearing the area for an ecotourism venture, and in the Moulvibaza district of Bangladesh, over 1000 indigenous families face eviction from ancestral lands for the development of a 1500 acre eco-park. In Costa Rica, the designation of Tortuguero National Park disadvantaged local residents who had previously used the land for hunting and gathering activities. Defining the 'social' dimension of these types of ecotourism is difficult because developers of eco-tourist ventures can claim to be advancing social objectives because they may indeed be protecting resources and generating revenues for certain groups of people.[159] But this kind of ecotourism crowd out other kinds of important initiatives, such as access rights for indigenous communities.

Sud et al support this argument by using the embeddedness theory.[160] Their legitimacy argument is based on that the very existence of certain types of organizations depends upon the consent of the society in which they are embedded. This acquiescence is based on the perception that a type of organization serves some sort of useful purpose. For example, for-profit corporations are embraced by American society today, but were highly discouraged and limited during the founding of the United States. Private colleges are common in the United States, but virtually non-existent in western European countries. Organizational legitimacy, in the context of this argument, is a generalized perception or assumption that the actions of an entity are socially desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.

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[158] Sud et al., 2009, p. 207.
[159] Cho, 2006, p. 45.
[160] Sud et al., 2009, p. 202.

As social enterprises seek to scale their efforts to address social problems, they need to acquire legitimacy as a class of organization. However, in their efforts to bridge the traditional field of for-profit operations and fill in the gaps left by governments and markets (the non-profit sector's accustomed role), financial results tend to subsume the social mission, if not in the social entrepreneur's mind, certainly in the reporting requirements for investors and donors.

An early exemplar of this transition can be observed in the microfinance field. With the arrival of private investment into the sector there have been calls to broaden its scope and multiply its impact. Simultaneously, attempts are being made to reduce its dependence on donors and government funding. Citigroup, the world's biggest bank, started a microfinance division in 2005. The division's global director commented, ''Two and a half billion people have never used a bank. Forty percent of the world is beyond the world we know''. As a financial bank, the focus is likely to be on ''financial inclusion'' (gaining new customers for the bank's services) rather than reducing poverty.

In this case one of the key features of human rights based approach, recognizing the national and international human rights normative framework, could be the standard of the social aims that social entrepreneurs pursue. Also if another feature, participation, of all stakeholders is considered, an agreement of what is 'socially good' could be reached in a proper way.

3.2 Embeddedness and Political Influence

Building up on the concern above, Sud et al continue to points out that the process of establishing social ends is political.[161] Without some method of reaching agreement about the desirability of particular social ends, social entrepreneurship is subject to varied degrees of approval and support from entities external to the social entrepreneur. If general support from external bodies is limited (due to disagreement with the social end or alienation from the process of determining the end), social

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[161] Sud et al., 2009, p. 208.

entrepreneurs are dependent on processes external to them to set generally approved social goals. Yet the act of defining the domain of the social inevitably requires exclusionary and ultimately political choices about which concerns can claim to be in society's 'true' interest. These choices reveal that social entrepreneurship by its very nature is always already a political phenomenon. Cho expresses his concerns towards how social entrepreneurship would be limited to the political influence that they receive in their society.

Again for this issue, human rights instruments and human rights normative framework would be an effective tool to guide the process of defining the social ends. It is also legitimate, since it is a legal instrument. It is true that some human rights could be favored over others in the political scene according to the national context, but if the country has guaranteed relative rights in the national legal framework or ratified international human rights instruments that includes the rights relative to their social aim, the social entrepreneur does not need to 'depend' on the political agenda or interest to define and pursue the social end they desire to achieve. In other way around, they could use the human rights instruments to advocate for the cause and bring it to the public and political attention. Human rights norms and instruments are indeed a powerful tool and source here since in recent years, international human rights norms have acquired a high level of global legitimacy. "Human rights instruments are widely endorsed in each region of the world: all States affirm the Universal Declaration of Human Rights, while almost 150 States have ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR). The Convention on the Rights of the Child (CRC) has secured almost universal ratification: only two States have yet to ratify this wide-ranging human rights treaty. All States have chosen to ratify at least one human rights treaty; consequently, they all have some international legal obligations, binding under the law of treaties, in relation to human rights."[162] Even though OHCHR guideline on human rights based approach to poverty reduction has only explained explicit recognition of the national and

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[162] OHCHR, 2004, p. 1.

international human rights normative framework in regards to Governments. However, this is also indeed an important principle for sustainable operation of social entrepreneurship. Social entrepreneurs could make use of human rights normative framework to communicate and demand to the government. Educate their clients about their rights.

3.3 Allocation and Use of Created Social Wealth

Some scholars raise the issue of unfair use or allocation of resources profited by the social entrepreneurship. "One of the most serious ethical concerns about Social Bricoleurs (social entrepreneurs working in smaller context of society such as local communities) is the efficiency of the allocation process they use in creating a public good. Specifically, how is the social wealth generated best allocated? Who gets access to this wealth and how?"[163] Even though on the surface, it would present an image to be delivering services and goods that are benefiting the vulnerable people in need. However, when it is not accountable, problems as the following example could occur.

The following example is from Cho's article.[164] A lottery system in Georgia, which is used to fund a state-wide college scholarship program, students in the poorest neighborhoods received seven cents per dollar spent on the state lottery. Students in the ten richest neighborhoods, by contrast, received twenty cents in scholarship aid (Hill and Palmer, 2002). In effect, the lottery system represented a transfer of income from the very poor to the relatively well-off. The lottery system collects a disproportionate amount of its revenues from poor neighborhoods, but it spends many of the profits on programs that benefit richer portions of society. Though their visible effect is to generate social benefits in a self-financing and theoretically non-coercive manner, their ultimate impacts are socially negative.

An example of a social enterprise, Farm Aid, illustrates controversial use of

[163] Zahra et al., 2009, p. 528.
[164] Cho, 2006, pp.48-49.

allocation of profits.[165] Farm Aid is a social venture that provides grants and support programs to US farmers. Though some critics point to the relatively low percentage of revenues ultimately given to farmers in the form of grants (28% in 2004), founders of the organization (e.g., such as Willie Nelson) believe the venture helps increase public awareness about the plight of the US farmer. Such disagreements about the mission of the venture can have other dramatic impacts upon its activities and performance. For example, while a 2003 Farm Aid concert generated over $1 million in revenues, expenses to hold the event ran over $850,000, leaving barely over $150,000 in profit. This is a small figure given that all artists paid their own expenses and performed for free. Divergent social ambitions, mixed with inadequate oversight, can place some social ventures in the difficult position of having to justify their performance and answer charges of negligence from their donors and other stakeholders. For these issues, principle of non-discrimination and equality is an important aspect to be included in the programming of social entrepreneurship.

3.4 In Conflict with State's Obligation as Duty-Bearers

The traditional paradigm of human rights is based on the idea of duty bearer and rights holder, which means the individuals have rights and the state government of the individuals has the duty to unsure those rights to its citizens. This paradigm is deeply rooted in the current human rights framework since the cradle of discourse on rights can be found in British, French, and American thinking in the seventeenth century, where initial principles reflected the necessity to constrain the power of authoritarian sovereigns.[166] Gradually, the notion that emerged that people should not be subordinated to anyone except themselves: the sovereignty of the people became a framework for the elaboration of human rights. From then on, ideas developed about the protective function of the state, and its role in promoting the common welfare of the people.[167] In the OHCHR Guidebook on human rights based approach to development cooperation, it is emphasised that "a human rights based

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[165] Zahra et al., 2009, p. 528.
[166] Eide, 2001, p. 12.
[167] Idem, p. 13.

approach identifies *rights-holders* and their entitlements and corresponding *duty-bearers* and their obligations, and works towards strengthening the capacities of rights-holders to make their claims and of duty-bearers to meet their obligations."[168]

In the developing world, the role of social enterprises are becoming more and more essential and as public services from the state is decentralised to the social enterprises. The state's inability to satisfy basic needs through public services has resulted in a lack of confidence on the part of the public, which has therefore turned to a variety of enterprises and organizations.[169] When the function of social entrepreneurship is perceived as an alternative solution to or a response to government failure, social entrepreneurship could be in conflict with the traditional human rights paradigm of state's role as a duty-bearer. This is especially relevant to social enterprises that provide services and products in the areas that should be guaranteed by the public institutions, such as access to health, utilities, housing, and education. According to the human rights paradigm, the governments are the ones who bear the duty to provide such services. In a way, such practices of social enterprises are taking over the responsibility of the states. Cho argues that this reversal of role lies at the heart of the theoretical problem with social entrepreneurship. "Social entrepreneurship is born in response to the 'responsiveness gap' of public authority. By assuming the responsibility to alleviate the most perverse symptoms of public sector failures, social enterprises may blunt civil society's critical capacity to assess the root causes of social objectives. Rather than interrogating institutional arrangements that produce perverse outcomes, the discourse of social enterprise as redeemer of the failed state saddles civil society with the responsibility for managing the consequences of market and policy failures. The public sphere ceases to be the pilot of society's steering mechanisms; instead, civil society begins to take its direction from the mechanistic operations and failures of markets and states."[170] When social enterprises continue to successfully provide public services since it could discourage the governments to resume their role or

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[168] OHCHR, 2006, p. 15.
[169] Hanely, 2013.
[170] Cho, 2006, p. 51.

encourage to use their activities as excuses to delay or not to initiate actions to respect their obligations to their rights-holders. The problem becomes more serious when social entrepreneurs do not recognise this role of the state. Social enterprises can also encroach on the state domain by competing and pushing the state out of the sphere of direct service delivery.[171] In the worst scenario, social entrepreneurship may constitute a privatization of public services in which the public sector is relieved of its responsibility, legitimizing the status quo where the state fails to serve the interests of the general public.[172]

3.5 In Conflict with Equality and Non-discrimination

Building up on this argument a concern regarding equality and non-discrimination is raised. Since social enterprises are not public institutions, to whom and how they deliver the services are dependent on the social enterprises. The state's reduced role in providing services may deny recipients the "publicness" of the services as access may be limited, either to those able to pay or through other forms of discrimination.[173] The conversion of public goods into club and private goods often shifts the financial burden to the recipient and this may result in the exclusion of some stakeholders while giving preference to others, resulting in fragmentation and inequality.[174] For example, the Aravind Eye Clinic in India charges some indigent patients the equivalent of US$4 for a US$1 cataract lens to help defray the cost of serving even poorer patients who get the implants for free. Among India's rural poor, a large percentage need eye care services but do not seek treatments from existing institutions which are inefficient and slow. In contrast, Aravind offers quick, easy-to-access and reasonably priced, quality services that address some unmet social needs. The business model used helps to defray the poor's cost. This may also lead to the denial of services to constituents who are costly to serve. Thus, social enterprise could also leave clients with compelling needs unserved, marginalized, or force some

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[171] Hanely, 2013.
[172] Hanley, 2013.
[173] Idem.
[174] Idem.

to pay for services that others may get at a lower rate.[175] Therefore, it is important to apply human rights based approach to social entrepreneurship in order to keep the social enterprises accountable and sustainable. Human rights based approach could be a guideline to follow when considering these issues.

3.6 Accountability

As the definition of social entrepreneurship is not unified and the types are not agreed, a general monitoring mechanism for social entrepreneurship does not exist. "The lack of oversight and the potential for unethical actions should also encourage social entrepreneurs to adopt effective mechanisms that help to monitor their ventures."[176] Introducing a mechanism for keeping accountability will be necessary.

What are practical ways to check accountability of social entrepreneurship? Social enterprises and social entrepreneurs can use the existing measurements and strategies for NGOs accountability. Alnoor Ebrahim from Harvard Business School suggests the following for measuring accountability for non-profit organisations. Many describe accountability in terms of a "process of holding actors responsible for actions"[177] or as "the means by which individuals and organisations report to a recognised authority (or authorities) and are held responsible for their actions"[178]. The One World Trust in the UK, which assesses the accountability of large global organizations — multinational corporations, international NGOs, and intergovernmental agencies — defines accountability as "the processes through which an organization makes a commitment to respond to and balance the needs of stakeholders in its decision making processes and activities, and delivers against this commitment"[179]. First, social enterprises need to identify to whom they are accountable. Due to the hybrid and flexible organisation structure of social entrepreneurship, social enterprises face demands for accountability from multiple actors, as NGOs do. There are generally three types of actors involved: "Upwards" relationship with donors, foundations, and governments and is often focused on the

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[175] Zahra et al., 2009, p. 527.
[176] Zahra et al., 2009, p. 529.
[177] Fox & Brown, 1998, p. 12.
[178] Edwards & Hulme, 1996, p. 967.
[179] Lloyd, et al., 2007, p. 11.

use of funds; "Downwards" relationships with groups receiving services; "Internal (or horizontal) is accountability towards organisations themselves.[180] In case of a social enterprise of a hybrid organisational structure, it should be more identify its stakeholders carefully.

"Social enterprises' financial viability depends on their members' efforts to secure adequate resources to support the enterprise's mission."[181] Social enterprises acquire resources from different sources. "They are located in an intermediate space between the market, the state and civil society."[182] This means multiple actors can hold social enterprises accountable. Different stakeholders and actors expect different things. These expectations can be broken down into four broad categories: Finances, governance, performance, and mission.[183]

As suggested by OHCHR, the mechanism of accountability should have the following characteristics: accessible, transparent and effective. Currently, myriads of accountability mechanisms exist for NGOs. Social enterprises could actively use these mechanisms to be monitored. There are five broad types of accountability mechanisms used by non-profits in practice: reports and disclosure statements, evaluations and performance assessments, industry self-regulation, participation, and adaptive learning.[184]

3.7 Complementary Role of Social Entrepreneurship

Instead of replacing the role of the governments, social entrepreneurship could complement the government and strengthen the relationship between different sectors of the society. The process of social entrepreneurship includes states, as well as community and public. As many examples of social enterprises in this study display, social entrepreneurship brings resources from civil society, community, market and the government and work among at least two of these sectors. Social

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[180] Ebrahim, 2010, p. 4.
[181] Serenyi eds., 2008, p. 177.
[182] Idem.
[183] Ebrahim, 2010, pp. 7-10.
[184] Idem.

entrepreneurship caters to the basic needs of individuals and is able to fill a vacuum of effective institutions to coordinate the best use and distribution of limited assets.[185] Social enterprises are in forms of not-for-profit, for-profit, or in between of these. It could be market oriented, community-based, or mixture of these. This hybrid characteristic of social entrepreneurship can bring different sectors of the society and bridge the gaps between them.

Human rights legal frameworks are powerful and important tools to development and poverty reduction. However, when putting it into practice, the governments have to consider the local circumstances. Eide emphasises the importance of putting human rights guaranteed in the legal framework into practices according to the local context and situation of countries. "The transformation of economic, social and cultural rights into positive law, whether in constitutions or in statutory law, is, however, not enough. The rights must be realised in fact, which may require comprehensive administrative measures and social action."[186] No single blueprint of sustainability will be found, as economic and social systems and ecological conditions differ widely among countries. Each nation will have to work out its own concrete policy implications.[187] OHCHR also supports this point. "For the most part, international human rights law does not – and cannot– provide detailed prescriptions for action. Building on the normative foundation established by international human rights, detailed anti-poverty programmes must be developed, through participatory processes, at the national and local levels."[188] Social entrepreneurship could provide a temporary solution in support of the government while the governments build the capacity to deliver public services. Social enterprises can function as a short-term fix to the lengthier and complex task of reinvesting in the state.[189]

There are three dimensions of the state observing human rights as duty bearers, which are to respect, to protect, and to fulfil human rights, also reflect the need of

[185] Seelos &M air, 2004, p.4.
[186] Eide, 2001, p. 17.
[187] Brundtland, 1987, p. 50.
[188] OHCHR, 2004, p. 3.
[189] Hanley, 2013.

cooperation. By becoming parties to international treaties, States assume obligations and duties under international law to respect, to protect and to fulfil human rights. The obligation to respect means that States must refrain from interfering with or curtailing the enjoyment of human rights. The obligation to protect requires States to protect individuals and groups against human rights abuses. The obligation to fulfil means that States must take positive action to facilitate the enjoyment of basic human rights.[190] For the obligation of the state to protect and fulfil, a strong cooperation with various sectors of the society is necessary. Especially in the era of globalisation, this has become even more necessary since there are other forces affecting the social and economic systems that the states cannot control. When the traditional human rights paradigm was established, the affects of globalisation and new influencers and violators were not taken into account then, and the main violators of individual's rights were considered as the states. However, now there are multiple players, especially business entities that have power to change the economy of the world and violating numerous human rights.

Perhaps one of the greatest potentials of social enterprises is embodied in the possibility of co-constructing social policy through partnerships and alliances that democratize policy and where social enterprises engage and are supported by the state. This constellation combines democratic and market forces in an effort to increase participation and provide greater citizen control over limited resources. For social entrepreneurship to be complementing the state's role, it is necessary to search alternatives that do not inherently weaken the state and remove the notion of democratic accountability to the general public, but rather bridge the divide to facilitate inclusiveness and equality of access.[191]

A good example of the hybrid characteristic of social enterprise is the most suitable form in a situation where the country cannot have functioning civil society and human rights legal framework cannot be used easily. Glowork in Saudi Arabia is one

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[190] UN OHCHR, International Human Rights Law, at http://www.ohchr.org/en/professionalinterest/Pages/InternationalLaw.aspx (consulted on 16 June 2013).
[191] Hanley, 2013.

of the social enterprises supported by Ashoka Foundation. Khalid Alkhudair, the founder of Glowork, established this social enterprise to change the role and perception of women through economic empowerment. Saudi Arabia is a country with both traditions and laws that make it nearly impossible for most women to find a job. His goal is to achieve an objective of having women represent 50 percent of the Saudi workforce. Social entrepreneurship becomes an adequate and useful form of organisation for Glowork in the context of the strict legal circumstance for not-for-profit organisations of Saudi Arabia. According to Saudi law, citizen organizations must have a member of the royal family as its founder and main decision maker. Thus, to ensure full autonomy over his initiative, Khalid set up his non-profit model with a front of a social business to realize his vision of reform in the country. Also, presenting himself using international-like branding allowed him to get in to the doors of the Ministry of Labour, who are more receptive to ideas that appear to be from abroad. Khalid's model serves as a precedent in the country for a business that places a social cause as its priority. He provides all services at no cost to female job seekers and Corporations. However, private companies pay a small fee to join the network. Khalid re-invest all profits back in to the company to maintain its sustainability. Aside from his engagement at policy levels, the company is entirely run by women.

To achieve the social goal, Khalid is working across the following three sectors: First, he is working with the Saudi Ministry of Labour to change policies that make it difficult for companies to hire women, proposing and passing new laws mandating the hiring of women in several sectors including retail and manufacturing. Second, he is building a platform that fills the gap between job seeking females and companies that are ready to hire women. Khalid's organization, Glowork, has worked with unemployment records to build a database of 1.2 million unemployed women. In his first year, he has created over 6,000 vacancies for women by establishing partnerships with both Saudi and International Corporations. Third, he is launching a series of marketing campaigns that encourage both Saudi men and women to think

differently about the role of women in the workplace.[192]

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[192] Ashoka, Ashoka Innovator for Public, Khalid Alkhudair, at https://www.ashoka.org/fellow/khalid-alkhudair (consulted on 27 June 2013).

Conclusion

Through a theoretical analysis, this study closely examined the definition of social entrepreneurship, its link to human rights, and its sustainability in relation to human rights based approach as a development and poverty reduction strategy.

Social entrepreneurship exists in an extremely broad scope of organisational forms ranging from charities to socially responsible private companies. They work in the public, private, and social sectors alike, employing for-profit, not-for-profit, and hybrid organisational forms (or a mix of all three) to deliver social value and bring about change. The working scope of social entrepreneurship is mainly work integration, personal services, catalytic alliances, and local development of disadvantaged areas. This diverse and broad range of forms and working scope of social entrepreneurship blur sector boundaries and broaden the playing field, which expands the space of its influence to various sectors.

Important argument made in Chapter I is that before the term, social entrepreneurship, emerged, economic entities with social goals playing an important role in social and economic systems have already existed. The reason why social entrepreneurship is suddenly gaining much attention in the recent years is mainly due to the complex interlinked outcomes from the process of globalisation. Globalisation expanded people's knowledge from local to international issues, and have created a global civil society that not only responds to the local issues but also to social issues in other parts of the world. This is evident when it is considered that many social enterprises in developing countries are established by individuals from countries in North America or Western Europe, or many local social enterprises in developing countries are financially supported by foundations and institutions from the above mentioned two continents. Also, advancement in technology and sciences, such as the world wide network provided by internet, created new methods and ideas to address social problems. Most importantly, the recent upsurge of social entrepreneurship is due to

the economic effects of global economic powers. It caused the instability and threats to economies in both developed and developed countries resulting in failure of states to address social issues, and social enterprises are set up in response to this. Moreover, it is difficult to hold states accountable and responsible to solve new social issues created by the uncontrollable global market, which makes it difficult to approach social issues with the traditional human rights paradigm (the state as the duty-bearer and individuals as the rights-holders).

In Chapter II, social entrepreneurship has its roots in human rights since they start by recognising injustice and inequality in the society, and operate to bring freedom, equality, and dignity to the poor. Numerous examples of social enterprises show that that social entrepreneurship contributes to the enhancement and promotion of human rights crucial to poverty reduction. Many social entrepreneurs do not often use the language of human rights but the goods and services that social entrepreneurship provide are clearly enhancing the Civil, Political, Economic, Social and Cultural Rights of the poor.

The human rights based approach is now widely accepted as a sustainable approach to development and poverty reduction. By analysing the background and features of human rights based approach, it is clear that poverty can be seen as the failure to fulfil, or the denial of, a range of human rights since poverty is the failure to achieve basic capabilities, and human rights is seen as rights to certain basic capabilities. However, economic aspect is also an important feature of poverty since the lack of command over economic resources plays a role in the causal chain leading to incapabilities of basic needs. This leads to an important argument that poverty can be reduced when the poor are empowered through human rights and economic resources. Therefore, for sustainable poverty reduction, it is crucial to include both human rights and economic strategies. In this regards, social entrepreneurship has a great potential to be an ideal model for sustainable development and poverty reduction since it is both 'social' and 'entrepreneurial'. Regarding 'social', as already explained, social entrepreneurship has its roots in human rights and numerous existing social enterprises provide goods and services that enhance the Civil, Political, Economic,

Social and Cultural Rights of the poor. Regarding 'entrepreneurial', many social enterprises provide economic resources to the poor through various ways such as providing employment, lending microcredit to set up businesses, or operating small crop farms. The example of a social enterprise, ACCORD, in this chapter, illustrates this potential very well.

In Chapter III, the sustainability of social entrepreneurship as a strategy for development and poverty reduction was examined by reviewing some of the existing and potential challenges and issues of social entrepreneurship. The issues are summarised as the following: there is a concern regarding social aim that social enterprises pursue when the interests of different stakeholders affected by the enterprises are not considered; based on embeddedness theory, organisations exist only if they are accepted by the society, and thus in order to be accepted as legitimate organisations, social enterprises will end up only pursuing the social aims accepted by the politics of the societies they are positioned in; allocation and use of social wealth created by social entrepreneurship could be distributed in unjust way and bring negative result; social entrepreneurship could be in conflict with state's obligation as duty bearers when it takes over the services and goods that should be provided by the state; social entrepreneurship could be in conflict with equality and non-discrimination principle of human rights since they provide basic public services and goods to only certain selected group of people; there is a lack of oversight of social entrepreneurship and it needs mechanisms to keep accountability.

According to the issues described above, social entrepreneurship is far from being a human rights based approach strategy to development and poverty reduction. However, when human rights based approach strategies are applied, the above issues of social entrepreneurship could be prevented and improved. This study has suggested at least one of the five main features of human rights based approach to poverty reduction suggested by OHCHR (which are empowerment, explicit recognition of the national and international human rights normative framework, accountability, non-discrimination and equality, and participation) as solutions to each of the identified issues. Therefore, it arrives to the conclusion that it is

extremely important to apply human rights based approach to the practice of social entrepreneurship to ensure its sustainability.

There is a potential for social entrepreneurship to become an important tool to strengthen the human rights based approach to development and poverty reduction. The process of social entrepreneurship includes states, as well as community and public. Instead of being in conflict with the state's role as the duty-bearer, it could complement the government and strengthen the relationship between different sectors of the society. As many examples of social enterprises in this study display, social entrepreneurship brings resources from civil society, community, market and the government, and work among at least two of these sectors. This hybrid characteristic of social entrepreneurship can bring different sectors of the society and bridge the gaps between them. Social entrepreneurship could provide a temporary solution in support of the government while the governments build the capacity to deliver public services.

The value of this research paper is linking two very different areas of studies, human rights and social entrepreneurship. Since social entrepreneurship has a great potential to contribute to sustainable development and poverty reduction, it is hoped that this study will encourage further researches.

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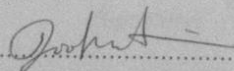
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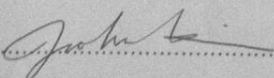
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