

New Concepts in Post-Disaster Development: Learning from Social Entrepreneurs in Northern Haiti

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Aim of the paper:

This study aims to address entrepreneurial solutions to a post-disaster context. Social entrepreneurship seems a promising way to acknowledge social opportunities, while applying business practices in a sustainable manner. The question raised is *how social entrepreneurs can support the development of post-disaster Haiti?*

Contribution to Literature:

Three schools of thought govern the landscape of Social Entrepreneurship. Varieties in definitions indicate that the strength of social entrepreneurship is its dynamic flexibility and little isomorphic pressures. However, the interplay between the entrepreneur, the organization and the society are hardly studied. This study contributes by analysing the dynamics between the elements.

Methodology:

Through an ethnographic study in-depth data has been collected – partly via videography. The empirical data has been analysed through a practice theoretical lens with a critical realist epistemology. An edited film shows the results of the data analysis by following the model of the effectuation logic.

Keywords:

Social entrepreneurship, videography, effectuation, post-disaster

1. Introduction

A spectre is haunting Europe – the spectre of infinite money transfer from richer countries to poorer ones. Our governments invest billions of Euros into a financial system that is beyond any human's comprehension in order to avoid even more widespread social disruptions. The common claim is that the drastic measures – the billions of Euros – are necessary for our society's survival. By contrast the vast majority of governments fail to contribute 0.7% of their Gross Domestic Product to improve the situation of half of the world's population that live in poverty or extreme poverty. If we, as a society, are not able to meet a pre-agreed target transfer in compensation for all the benefits we derive from poorer countries, but instead mobilize billions of

Euros to rescue the common currency, then our inability to eradicate poverty can hardly be monetary in nature.

As societies evolve, new concepts emerge in academia. In recent years there has been a growing interest in academia on the concept of social entrepreneurship (SE). As governments fail to address public needs and as multinational enterprises are unable to slow down the widening gap between the rich and the poor, social entrepreneurs have stepped up to create unique business models aligning social and economic needs. They bring a unique understanding of their own society and a large network of resources that are beneficial to overcoming societal and development challenges. “Social entrepreneurship 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 organizations in an innovative manner” (Zahra et al., 2009: 522). Seelos and Mair (2005) demonstrated that a growing number of social enterprises have successfully implemented effective models that compete with traditional for-profit organizations, and, at the same time, trigger a series of welfare effects. Yet, SE remains to be perceived as a concept adapted in cases of unidentifiable and unclear structures and practices of the business as claimed by Mair & Martí (2006). Dacin et al. (2010) are convinced that the future of SE research is within the common entrepreneurship frame.

In the following paper I argue that this is too simple a view and that, on the contrary, SE addresses the apparent gap to find new solutions for the existing challenges of the globalized world. Without refuting the concept of the homo economicus – rational actors pursue efficiency-based processes – some researchers (e.g. Bornstein, 2007; Trivedi & Stokols, 2011) have highlighted the growing need to push the human society into the centre of decision-making. SE intends to provide solutions to the existing social problems with an emphasis on the human agency. While in the past the duty of social justice has been a task of the government, which has most often created unsatisfactory results, the society itself, including social enterprises, increasingly accepts this challenge themselves. In developed nations the prosperity impact has been acknowledged by society and academia. However, particularly in economically peripheral areas – as are major parts of the developing world – the leading economic theories have failed to create prosperity. Therefore it is worthwhile to further investigate their socio-economic conditions and a new set of successful business models – such as SE.

In general, the objective of this study is to find sustainable development mechanisms

for a developing country emerging from disaster. In this matter, the particular question this study intends to contribute to is: *How can Social Entrepreneurship support the development of post-disaster Haiti?* In order to answer that question, a secondary one is raised: *How to better integrate business activities and adapt them to the post-disaster conflict?* Thus, the objective of the study is to investigate how SE can work under the post-disaster circumstances of a developing nation in crisis. In order to empirically research the questions raised, the focus is to present the work of social entrepreneurs in this context.

2. Literature Review

It is widely claimed that traditional development assistance has failed to achieve the desired impact (Collier, 2007). There are two trends at work. On the one hand, Moyo (2009) further claims international aid might even reverse the national development efforts, rather than exploring the fortune at the bottom of the pyramid (compare Prahalad, 2010). A general concern is that creating solutions for the poor should not be perceived as a charity task, but as a long-term strategic business investment (Yunus, 2003). For centuries donor countries have provided conditional development assistance, sometimes simply transferring Western solutions to different societies and imposing these societal models on them, which Riddell (2007) concludes led to low aid effectiveness. On the other hand, the international community lacks a strategic vision and long-term commitment to fostering development. Most efforts have been geared towards addressing short-term demands rather than long-term strategic priorities. This is particularly evident in countries emerging from natural disasters where there has been a conspicuous emphasis on humanitarian relief over development. As an alternative, instead of relying on foreign aid, societies have to be empowered and assisted in the pursuit of solving their inherent social, environmental and economic challenges. It is clear that the empowering impact of SE has been often overlooked.

SE is a loosely defined concept lacking a coherent set of commonalities in academia. It comprises two highly ambiguous words – ‘social’ and ‘entrepreneurship’ – that are understood differently by various people including researchers (Mair & Martí, 2004). So far no consensus has been reached on the domain entrepreneurship (Shane & Venkataraman, 2000) and the term social is a value-laden prefix (Zahra et al., 2009). It is often associated with activities contrary to commercial ones. Zahra et al. (2009) discovered that at least 20 diverse, and hardly intersecting, definitions are

used in the latest publications. Dacin et al. (2010) claim even 37 distinctive definitions. Overall, the small number of empirical cases shows that best practices cannot be claimed yet and that concepts remain at the conceptual and theoretical level (Mair, 2010).

The strength of the SE concept is its dynamic flexibility and the little isomorphic pressure it experiences. While some authors criticize the lack of clarity and coherence, others perceive the definitional flexibility as the main value of the concept (Nicholls, 2008). According to Nicholls (2008), the remarkable variety of organizational contexts and differences in organizational models prevents a narrow classification. Respectively, without appropriate metrics social entrepreneurs cannot be evaluated as effective or ineffective (Zahra et al., 2009). Even though, the extraordinary impact of SE is the loose definitional constraint (Nicholls, 2008), for the purpose of this study the following definition has been applied: “social entrepreneurship 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 organizations in an innovative manner” (Zahra et al., 2009: 522).

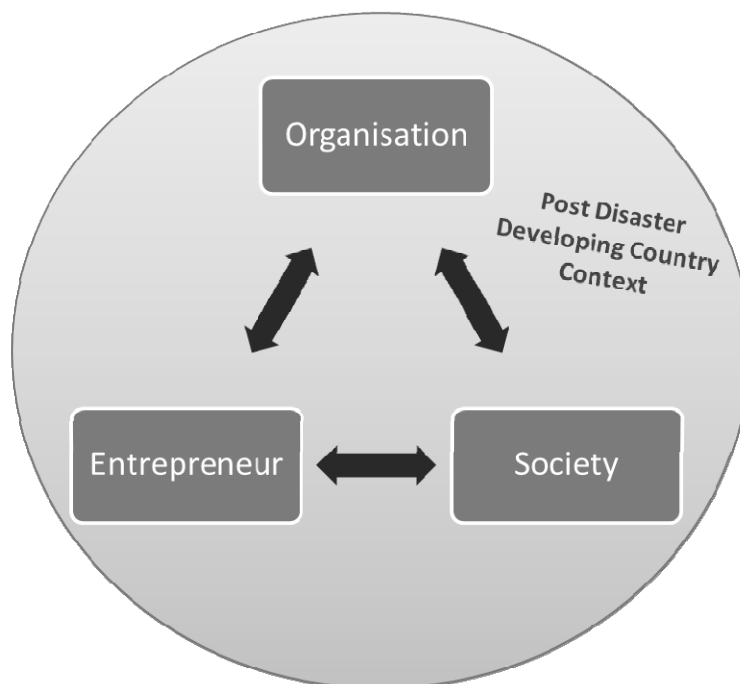
In SE research three different schools of thought exist that differ in geographical distribution as well as in their thematic analysis (Bacq & Janssen, 2008). All three vary in the way they perceive SE, the social enterprise and the social entrepreneur. Two of them have emerged in the US, though, researching phenomena from distinct perspectives. The first one, the Social Innovation School focuses on the social entrepreneur and its feature. The second, the Social Enterprise School emphasizes the necessity for the social enterprise to create a profit to finance the social impact. The third one, the European approach – the EMES network – accentuates the specific legal forms required for this type of venture. These schools of thought perpetrate the thematic criterion different, wherefore it is insufficient to claim purely a transatlantic divide as sometimes denoted. In short, one school focuses on the agent – the social entrepreneur – and two highlight the agency – the organization –, yet the interlinking element – the process – is merely acknowledged and not accentuated.

Firstly, SE differs significantly from commercial entrepreneurship, in particular, the mission and context driven forces in and for SE (Austin et al., 2006; Trivedi & Stokols, 2011). As Trivedi and Stokols (2011) argue, the point of inception for a social enterprise is to solve long standing unsolved social problems. At the heart of the social entrepreneurial activity is the opportunity recognition (Austin, 2006; Corner & Ho, 2010), however the window-of-opportunity

has different temporal punctuations (Light, 2009). Secondly, with regard to the development context, the lack of inclusiveness is one of the inhibiting forces (Trivedi & Stokols, 2011) that make social progress an international development matter rather than a community activity. In direct connection, thirdly, a unique network positively influences the ability for resource mobilization (Miller & Wesley II, 2010). For instance, Gronbjerg et al. (2000) discovered that the grantor-grantee relationship is a better determinant of grant obtainment than screening the plain proposal. For some researchers, social enterprises are a novel form to convert the financial resources into social ones (Murphy & Coombes, 2009).

Moreover, the entrepreneur cannot be neglected as entrepreneurship is the most agent-centred discipline in management sciences (Mole & Mole, 2010). He is uniquely positioned to influence the success of the venture. Zahra et al. (2009) have identified three broad categories of social entrepreneurs – the Social Bricoleur, the Social Constructionist, and the Social Engineer. In their study they distinguish the types of entrepreneurs based on their opportunity discovery approach, their impact on the broader social system, the resource configuration and their unique ethical philosophies. Additionally, in resource-poor environments, social bricolage is used to analyse entrepreneurs (Di Domenico et al., 2010). The concept comprises of "making do", "refusal to enact limitations" and "improvisation" (Ibid.). Making do refers to the entrepreneur combining the resources at hand.

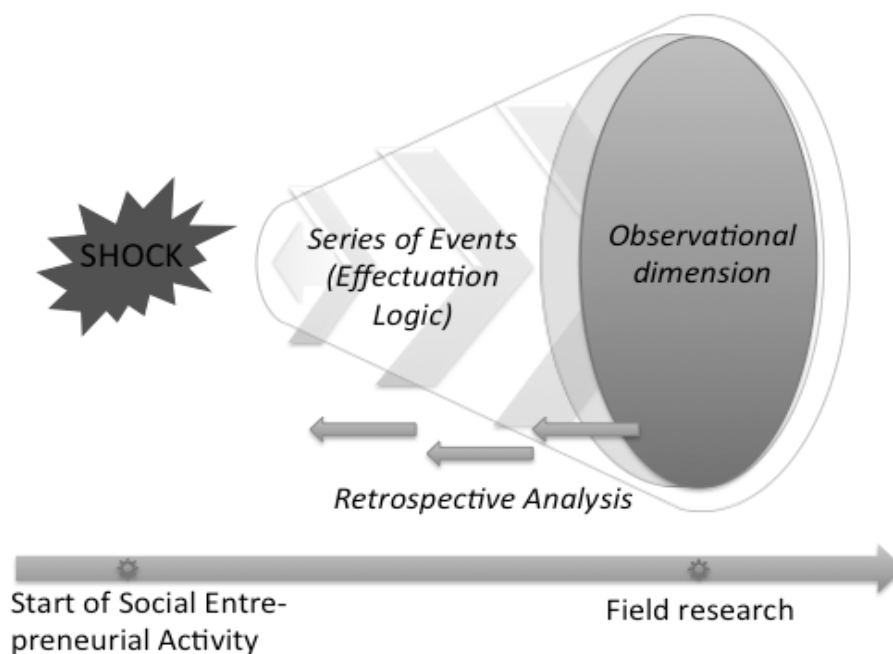
Figure 1: Conceptual framework for Social Entrepreneurship



The theoretical analysis suggests integrating the individual, the organizational and societal element. It is not enough to focus exclusively on the structure and the agency. It is rather the interplay between them that demands our special attention. The discussion on the process leads to the conclusion that the organization and the entrepreneur have to be understood embedded in the environment – in relation to the society. Thus for the empirical study, the findings suggest focusing on the relationship between three elements: the organization, the individual and the society (see Figure 1). Investigation is needed on the network constellation (society – organization), the interplay between the constituents (individual – society), as well as the interplay between the structure and agency (individual – organization). Following Zahra et al.’s (2009) definition, in addition to the social element, it emphasizes the significance of opportunity recognition and exploitation. It permits investigating the opportunity of SE by studying the dynamics between the individual, organizational and societal layer.

3. Methodology

Figure 2: The methodological model of this study



For this research a qualitative study was chosen. Through a critical realist ethnographic design, an in-depth understanding of the environment can be revealed (Mir, 2011). The call for novel approaches in entrepreneurship research (Neergaard & Ulhøi, 2007) was

acknowledged and carefully configured into the data collection and analysis. For the data collection and analysis part, videography as an ethnographic research method has been integrated (Belk, 2006; Borghini et al., 2010; Kozinets & Belk, 2006; Martin et al., 2006). the focus of the data analysis is to reveal the social practices to achieve analytical generalizations by retrospectively identifying a series of elements that led to the development of the social enterprise in its current form (see Figure 2). The idea of this method is to show processes in action and to retrospectively make sense of the relationships. Taking a practice theoretical lens, the emphasis of the critical realist ethnographic study was on analysing causal relations in the local context. As an ethnographic study, the task is to make descriptions as thick as possible (Sharpe, 2004). Therefore, the richness of the data has been conserved into an edited film.

As a suitable context for this investigation, post-Earthquake Haiti has been chosen. The post-disaster is the context for the study, while Haiti represents the society element of the conceptual model (see Figure 1). Haiti is a fragile state, with a complete absence of functional markets. These are used as a tool of patronage, to control the population. SE has to step up not to fill a market failure, but to achieve an impact despite the market absence. Additionally, due to the high number of influential international parties, the severity of poverty and the impact of the earthquake, it is a prime example for a post-disaster developing country context.

4. Findingsⁱ

This study supports the idea that no panacea exists that will solve the development problems (Banerjee & Duflo, 2011). Studying the interplay provided new insights on the practices of social entrepreneurs in a post-disaster developing country. Foremost, the decision-making logic differed between the international community and the entrepreneurs. Also the logic of effectuation is present between the entrepreneur and the organisation. This is no new insight as it has been part of the effectuation framework and research from the inception. However, the insight is to note that the individual and the enterprise follow the same logic towards making the decisions with the society. It is rather to say that they apply this logic despite the society as they are a disturbing factor inhibiting the progress – no functional markets exist, no monetary support, no legal justice nor fair competition. It is this interplay that is dysfunctional and constraints the effectuation logic to be applied.

Similarly, the logic of rationality applied by the international community and the effectuation logic applied by the entrepreneurs hardly co-function. Regarding the opportunity exploitation, these explained practices of the two systems are to a great extent incompatible. A key finding is that local social entrepreneurs primarily follow an effectual approach at which the opportunity recognition or identification is interconnected with the evaluation and the exploitation phase. Through the leverage of failure not its avoidance they progress (Sarasvathy, 2008). The unstable post-disaster environment and the low functionality of a financial infrastructure in a developing country impose a more short term framework, so to say day-oriented behaviour

5. Conclusion and Recommendations

This study is an attempt to create synergies between the post-disaster context and the current entrepreneurship research. This necessity has not been seen for a long time. It took a Peace Nobel Prize to open the eyes of the world. Still, research has remained marginal in this area even though the significance of it is steadily increasing. In the future the world is likely to see a rise of catastrophes, natural ones, such as the Haiti Earthquake of 2010, social ones, such as the democracy movement in the Arab world, or a combination of social-natural, such as the post-tsunami Japan of 2011. Whether due to climate change or the evolution of communication, governments are already spending unimaginable amounts on societal evolution as a consequence of those shocks. Entrepreneurship is perceived as a key factor in the 21st century globalized world. Therefore, strengthening the research efforts on this matter should be in the interest of everybody. This study mainly contributes to the discussions in three ways:

1. It pinpoints a necessary shift in pro-poor development strategies
2. It calls for a greater appreciation of the concept of social entrepreneurship at the centre of future policy-making in the development aid sector
3. It suggests emphasizing the commercial aspect of the concept in order to reach sustainability

The first finding addresses the continuous failure in development strategies in general as in the post-disaster context. Contrary to the common opinion, the post-disaster situation provides

an enormous opportunity for societal change. Unfortunately each disaster destroys many individual lives, and leaves a deep scar within the society, but at the same time triggers collective action. With the current mind-set the international community engages primarily in “re-activities”, such as rebuilding, reconstructing. The “re” indicates the focus on establishing a situation similar to the one before. Even though not being mentioned explicitly, the researcher witnessed this mind-set in all the international projects and the foreigners who he engaged with during the field trip. With all respect in mind for the individual tragedies that have occurred, restoring the status-quo bypasses the great opportunity of the situation. Change-agents, turnaround experts in commercial enterprises intend to shake-up the people and create acceptance for change in order to upheave the company. A similar mind-set in the development work would benefit the long-term prosperity of the affected communities to a greater extent than healing the wounds. For the future of development assistance in post-disaster situations, the study proposes a stronger positive attitude for societal change as a meta-goal.

As a direct implication of this attitude, and a second contribution of the investigation, several implications evolve for policy makers. First and foremost, the objective of the international community is to support local initiatives. Societal change is an endogenous process that cannot be induced by foreign agents, nonetheless, can be facilitated. Second, the transition of direct help, mainly in form of aliments and textiles, has to occur faster towards indirect help. The long cycles of free aid lead into market disequilibria with unfair competition. Thousands of local producers loose the basis for production and withdraw as a result of the artificially sustained disequilibrium. Thus, a quicker transition from humanitarian relief to development assistance should be favoured. Third, temporary solutions have to be reconsidered. Currently transitional concepts, for instance temporary shelters, turn into permanent installations and impact the development of more radical and locally adapted solutions that benefit to the community in a sustainable way. Instead, the overall goal could be to support social entrepreneurs and related activities that embrace the spirit of helping the people to help themselves.

As this study has demonstrated, SE struggles to be a sustainable approach, in particular in the development context. The third claim builds up on the early perception that SE is a charitable idea rather than a real business concept. In fact, it has the right fundamentals for conducting business in the 21st century wherefore it requires compelling arguments that it is sustainable in every aspect. One result of the videographic film is that commercial aspects should be integrated into the conceptualization of social entrepreneurial activity. Therefore international

networks and technology transfers are wanted to bring in the best available technology. This claim can support the evolution and global acceptance of the concept and trigger necessary investments to maximise the impact. Yet it remains to be exercised carefully as the risk exists that it will turn into just another form of commercial entrepreneurship and eventually become the new version of green-washing.

This study recommends the following areas for further research: (i) applying quality criteria for videography as a research method, (ii) investigating a better understanding where value is created in the post-disaster societies, (iii) studying the connection of effectual decision-making between the organization and the society factors, and (iv) researching the opportunity process for social entrepreneurship.

ⁱ The findings are compiled in a videographic form and briefly summarized in this paper.

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