

Chapter 14

Corporate Social Entrepreneurship: An Effective Dual Strategy?

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ABSTRACT

Entrepreneurship is a strategic opportunity for human development, on which MNCs play a vital role in the spillover effect. This chapter aims (1) to illustrate corporate social entrepreneurship (CSE) practices to generate social value and (2) to explore their ethical constraint alleviation. Using an internet-mediated research, a sustainability analysis of seventy companies from different countries and sizes evidenced that CSE is a tool for economic growth and good governance. This study brings new insights to the field of CSR and its role in sustainability by incorporating the entrepreneurship discipline. A corporate social innovation business model is proposed as a core business strategy. Also, Ecuadorian CSE practices and their different perspectives can serve as references for future studies.

INTRODUCTION

Corporate Social Responsibility (CSR) and Corporate Social Entrepreneurship (CSE) are applied in Corporate Ethics to generate social value or, in some cases, the constraint alleviation of self-regulation and legal pressure. Corporate Ethics involve transparency, integrity, and authenticity to increase the trust that is warranted by the company sustainable accountability. Traceability plays a vital role in accountability to track the supply chain and assure the pursuit of the three sustainable pillars: people, the planet, and profits. Sustainability aligned with organizational mission and vision scale up competitive differentiation and make businesses create value beyond benefits.

Company's values face an economic-oriented world that is led by consumerism; which impact is driven by the cultural collapse of the Anthropocene (human effect on Earth). This cultural collapse places financial motivations over sustainability. The social support lets companies get involved in specific community's problems. The environmental component enables businesses to change their policies towards

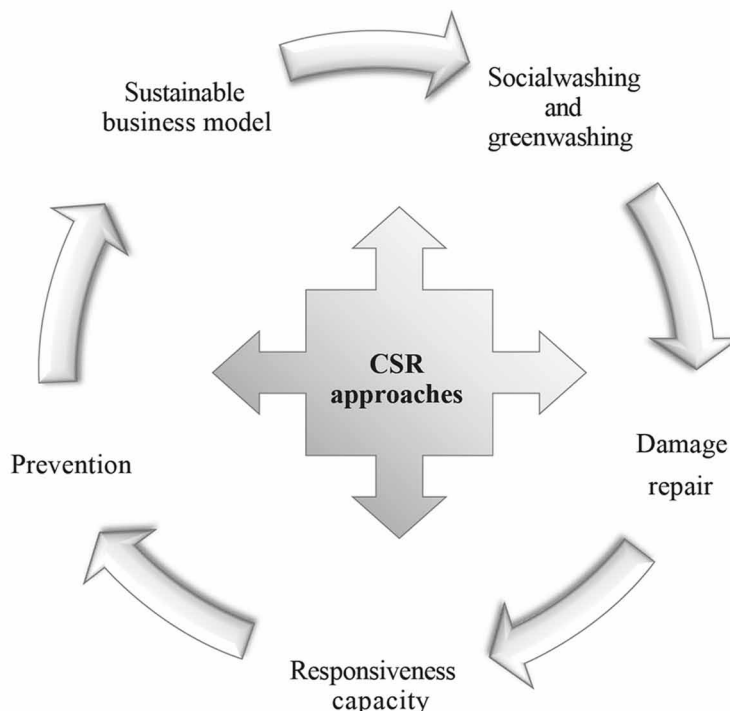
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ecological production; most companies focus on reducing waste, but very few of them reincorporate waste to their production processes. The economic factor allows enterprises to foster development through inclusive businesses by getting their input locally or internationally in fair conditions in the value chain, making meaningful this partnership for everybody.

There are a considerable variety of CSR programs, but many of them are a short-term and low impact. Even though some CSR programs are long-term, they are still a small impact. Godet (2007) proposed four attitudes towards the future: passive, reactive, preactive, and proactive; and, an integrated approach, strategic *prospective* or strategic foresight (Godet, 2011). Godet’s contributions are used in this chapter to propose a Corporate Social Responsibility Approach Cycle (CSR-Approach Cycle) (Figure 1). This cycle classifies CSR into five categories: social washing and greenwashing as a passive approach to promote through marketing that companies have or aim to have CSR programs; damage repair as a reactive approach to restore the negative impacts of companies’ processes that are not intended to be changed; responsiveness capacity as a preactive approach to anticipate to detriment by being ready to respond and mend it; prevention as a proactive approach to take short and middle-term tangible CSR actions to predict injury and provoke change; and, sustainable business model as a strategic *prospective* approach to apply long-term high impact sustainable strategies to change the future and reach Corporate Social Innovation (CSI).

There is an increasing number of companies that are embracing CSE programs, but there is a lack of entrepreneurship culture. Even though some companies are adopting entrepreneurship, these actions are limited to the creation of social incubators as part of their value chain. Social incubators are being created and led to inclusive businesses, either as suppliers, distributors, customers, innovators or as a target of

Figure 1.



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