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WHERE IS THE FERTILE GROUND? AN EMPIRICAL INVESTIGATION OF THE MACRO DETERMINANTS OF SOCIAL ENTREPRENEURSHIP (SUMMARY)

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≈ SUMMARY ≈

**WHERE IS THE FERTILE GROUND? AN EMPIRICAL INVESTIGATION OF
THE MACRO DETERMINANTS OF SOCIAL ENTREPRENEURSHIP**

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Principal Topic

Social entrepreneurship has the potential to confront and address some of society's most challenging and complex problems arising from market/government inadequacies or failures. Instead of focusing solely on financial value creation, social entrepreneurship centers on the creation of social value for disenfranchised members of society. However, little attention has focused on understanding the macro-level issues as well as impediments that influence the creation and development of social entrepreneurship firms. The purpose of this study is to investigate the economic and contextual factors that can stimulate or impede the emergence of social entrepreneurship. Much of the research has not fully explained the causes of differences in nations and none, to our knowledge, addresses the conditions under which social entrepreneurship flourishes.

Method

We used the Legatum Prosperity Index as a guide to determining countries of interest and availability of data. The variables employed were: 1) economy (increase per capita income); 2) governance (number of impediments to enterprise start up and dissolution); 3) education (availability of higher levels of education); 4) health (degree of healthcare infrastructure); 5) safety and security (level of threats to national and personal safety). To measure social entrepreneurial activity, we formed a composite of three variables: 1) entrepreneurship and opportunity (index based on degree citizens can pursue new ideas and opportunities); 2) social capital (degree of cohesion of society, willingness to help others); 3) personal freedom.

Results and Implications

Hierarchical multiple regression analyses revealed that social entrepreneurial activity is influenced by the country's economy, governance, and safety & security. Although little research on these macro level determinants has been conducted, this study investigates several variables crucial in traditional entrepreneurial studies but have yet to be examined within the extant social entrepreneurship literature. As previous research has indicated, social entrepreneurs enact opportunities utilizing strategies and methods similar to commercial entrepreneurs. Yet, there are distinctions characteristic of the specific entrepreneurial contexts in which social entrepreneurs operate that are important to examine. Continued work and research in this area can deepen our understanding of the role our factors examined can have on social entrepreneurship activity that may be crucial to assisting social entrepreneurs in driving long-term systematic change for individuals and the broader communities they serve.

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