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Socially Entrepreneurial Behaviour of Multinational Corporations: Are MNCs ‘Social Entrepreneurs’?

Misagh Tasavori and Rudolf R. Sinkovics

Introduction

Multinational corporations (MNCs) have been recognized as the key agents of globalization. Rugman and Verbeke (2004) highlight the fact that most MNCs’ sales are within their home region, namely in North America, the European Union and Asia. On the other hand, Dunning and Lundan (2008) emphasize that MNCs are deemed to be not only bringers of economic development but also agents of social well-being, especially in less developed countries. Thus, a growing number of MNCs are altering their strategies to play a substantial role as regional agents to solve social challenges. They are embracing a new approach to corporate social responsibility (CSR) by reformulating their CSR activities. They identify social problems, not as a challenge to be avoided, but as a profitable opportunity that can be seized. Among various social problems, this paper will focus on poverty, which has inspired MNCs’ efforts in less developed countries (London and Hart, 2004; Prahalad, 2009). For instance, the bottom of the pyramid (BOP) approach explains the new strategy for implementing social responsibility and poverty reduction as well as making profit. In his seminal book, The Fortune at the Bottom of the Pyramid, Prahalad (2004) provides examples of pioneering MNCs in emerging markets that have modified their businesses and processes. As in many emerging fields, most of the examples and case studies about the innovative initiatives of MNCs in offering sustainable solutions to social hurdles are fragmented and there have been few attempts to provide a theoretical explanation. Thus, this research aims to bridge this gap by borrowing the literature from entrepreneurship and social entrepreneurship domains.

The primary contribution of this chapter will be to offer a theoretical clarification of the socially entrepreneurial behaviour of MNCs. Moreover, this conceptual work will contribute to extending the literature of international business and social entrepreneurship (SE) by offering the term ‘corporate social entrepreneurship’ as a new avenue for learning about MNCs’ role as social agents.
Social challenges and commercial firms’ responsibilities

While the world is experiencing massive wealth creation, technological innovation and political emancipation, almost two-thirds of the world’s population are still deprived of access to basic services and products (World Economic Forum, 2005). The United Nations Development Program has invited all nations of the world to embrace the Millennium Development Goals and address relevant dimensions of global poverty and human development. Historically, non-profit organizations, including non-governmental organizations (NGOs) and civil society organizations, have been deemed responsible for satisfying needs overlooked by governments (Wei-Skillern et al., 2007). Though their endeavours have been fruitful, evidence demonstrates that tackling poverty will not be strikingly successful without the engagement of all agents. This has led to increasing expectations that private sector firms, especially MNCs, offer sustainable solutions for the mitigation of social hurdles such as poverty (Prahalad and Hart, 2002). By harnessing their managerial and financial capabilities, MNCs can offer new products, services, initiatives and business models to solve social problems and promote quality of life in societies. On the other hand, commercial firms and their shareholders may view firms’ social responsibility as the supply of the goods and services required by societies at the right price, quality and level of service. Knox and Maklan (2004) argue that demanding that MNCs commit themselves to solving social challenges may be an over-expectation.

These two divergent requirements have made MNCs rethink their approach towards social responsibilities and they have begun to envisage social problems as opportunities to satisfy the development agencies’ expectations at the same time as the profitability demands of their shareholders.

Social challenges as an opportunity: a market-based approach

There is increasing agreement among NGOs and MNCs that charity and philanthropic donations will only satisfy the short-term needs of the poor but will not remove the underlying reasons for their poverty. This means that the pressure on corporations to mitigate social hurdles such as poverty will not diminish and they will continue to need to donate considerable amounts of money.

On the other hand, MNCs in developed countries are faced with saturated markets which propel them to look for new opportunities to guarantee their long-term growth and profitability (London and Hart, 2004). The billions of dollars in untapped markets such as the BOP provide a new window of opportunity for MNCs. While the traditional approach to poverty assumed that at the subsistence level people were not able to help themselves and needed charity or public assistance, the new approach views social problems as an opportunity to be addressed by the provision of market-based solutions. Advocates of the latter practice believe that being poor does not necessarily eliminate commerce; instead, the poor can be treated as potential consumers and producers (Hammond et al., 2007). A market-based approach suggests solutions such as producing affordable new products and
services and/or incorporating poor people in the MNCs’ supply chains (Prahalad, 2009). When corporations view this market as an opportunity, then the potential growth that they can offer their investors will be massive. It has been estimated that growth in developed countries will be around 3 per cent annually, whereas the growth rate in poor countries will be double or three times that rate. Additionally, the number of the low-income population is many times the number of the middle class or rich (Agarwal, 2006).

**MNCs’ innovative initiatives in addressing social challenges**

There is a surging consensus that business is the key driver in mitigating social problems both through the opportunities it creates and the services it provides. MNCs can link rich and poor countries, and transfer capital, knowledge, ideas and values to less developed economies (Meyer, 2004) and employ their global resource base and superior technology for the eradication of poverty (Prahalad and Hart, 2002).

Serving the low-income population is a demanding job even for large corporations, as it requires a new deeper understanding of the consumers’ needs and paying capacity. Companies should rethink their current business models and embrace new innovative strategies (London and Hart, 2004). Prahalad (2004) adds that corporations have to revise every step in their supply chains. CEMEX, for example, one of the world’s largest cement manufacturers, had to change its distribution strategy and bypass several intermediaries to provide affordable building materials for the low-income population in Mexico. Another example is Hindustan Unilever that has employed a new distribution strategy to serve the poor in India. It has developed a rural network of women who sell detergent products door-to-door in more than 100,000 villages, while raising awareness of the importance of hygiene and nutrition (Subrahmanyan and Gomez-Arias, 2008). Another example by this company is the introduction of a new iodized salt in rural areas of India, to prevent iodine deficiency and mental disorders. It was noticed that in India most of the iodine in salt is lost in the process of storage, transportation and cooking. Since iodized salt prevents iodine deficiency, the company modified its product for this market and developed a proprietary micro-encapsulation technology to stabilize the iodine content in salt (Prahalad, 2004). ITC, a multinational company in India, has provided internet access for low-income farmers to benefit from a variety of information such as weather forecasts, prices of commodities and best practices for farming (Subrahmanyan and Gomez-Arias, 2008).

**Theoretical explanation of socially innovative strategies of MNCs**

As indicated in the previous two sections, increasing numbers of MNCs are recognizing social challenges as opportunities which can be exploited profitably. However, this necessitates fundamental changes in their business models and strategies for the production and provision of services. The process of the recognition of
social opportunities and the innovative exploitation and mobilization of resources is usually the focus of attention in the emerging field of SE. Hence, in the following sections, we review some definitions of SE and unveil the key components of the concept. Then we examine whether MNCs can be considered to be social entrepreneurs.

**Review of the SE literature**

SE refers to organizations that employ innovative business models to satisfy the basic human needs which have been ignored by existing markets and institutions (Seelosa and Mair, 2005). Although SE has a long heritage among practitioners (Mair and Marti, 2006), it has only a brief scholarly history (Weerawardena and Mort, 2006). Similar to other emerging fields, there is still not much consensus on its definitions (see Table 22.1) and domains (Mair and Marti, 2006; Martin and Osberg, 2007; Peredo and McLean, 2006). Some academics describe SE broadly as the effort of an individual, group, network, organization or alliance of

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Dees (1994)</td>
<td>Social enterprises are private organizations dedicated to solving social problems, serving the disadvantaged and providing socially important goods that were not, in their judgement, adequately provided by public agencies or private markets.</td>
</tr>
<tr>
<td>Leadbeater (1997)</td>
<td>The use of entrepreneurial behaviour for social ends rather than for profit objectives, or alternatively, that the profits generated from market activities are used for the benefit of a specific disadvantaged group.</td>
</tr>
<tr>
<td>Dees (1998)</td>
<td>Social entrepreneurs play the role of change agents in the social sector by: (1) adopting a mission to create and sustain social value (not just private value), (2) recognizing and relentlessly pursuing new opportunities to serve that mission, (3) engaging in a process of continuous innovation, adaptation and learning, (4) acting boldly without being limited by resources currently in hand and (5) exhibiting heightened accountability to the constituencies served and for the outcomes created.</td>
</tr>
<tr>
<td>Fowler (2000)</td>
<td>Social entrepreneurship is the creation of viable socio-economic structures, relations, institutions, organizations and practices that yield and sustain social benefits.</td>
</tr>
<tr>
<td>Thompson et al. (2000)</td>
<td>Social entrepreneurs are people who realize where there is an opportunity to satisfy some unmet need that the welfare state will not or cannot meet.</td>
</tr>
<tr>
<td>Drayton (2002)</td>
<td>A social entrepreneur is a major change agent, one whose core values centre on identifying, addressing and solving societal problems.</td>
</tr>
</tbody>
</table>
Alvord et al. (2004) Social entrepreneurship creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources, and social arrangements required for sustainable transformation.

Haugh (2005) Social entrepreneurs combine innovation, entrepreneurship and social purpose to be financially sustainable by generating revenue from trading.

Austin et al. (2006) Social entrepreneurship is an innovative, social value-creating activity that can occur within or across the non-profit, business or government sectors.

Peredo and McLean (2006) Social entrepreneurship is exercised where some person or group…aim(s) at creating social value…shows a capacity to recognize and take advantage of opportunities…employ innovation…accept an above average degree of risk…and are unusually resourceful…in pursuing their social venture.

Mair and Marti (2006) Social entrepreneurship is a process of creating value by combining resources in new ways…intended primarily to explore and exploit opportunities to create social value by stimulating social change or meeting social needs.

Light (2006) Social entrepreneurship is an effort by an individual, group, network, organization, or alliance of organizations that seeks sustainable, large-scale change through pattern-breaking ideas in what governments, non-profits and businesses do to address significant social problems.

Martin and Osberg (2007) Social entrepreneurship is the: (1) identification of a stable yet unjust equilibrium which excludes, marginalizes or causes suffering to a group which lacks the means to transform the equilibrium, (2) identification of an opportunity and development of a new social value proposition to challenge the equilibrium and (3) the forging of a new, stable equilibrium to alleviate the suffering of the targeted group through the imitation and creation of a stable ecosystem around the new equilibrium to ensure a better future for the group and society.

Massetti (2008) Social entrepreneurship is making profits by innovation in the face of risk with the involvement of a segment of society and where all or part of the benefits accrue to that same segment of society.

Zahra et al. (2008) 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.

Light (2008) Social entrepreneurship includes efforts to solve intractable social problems through pattern-breaking change.

Bloom and Chatterji (2009) Individuals who start up and lead new organizations or programmes that are dedicated to mitigating or eliminating a social problem, deploying change strategies that differ from those that have been used to address the problem in the past.
organizations to pursue sustainable, large-scale change, through pattern-breaking ideas in what government, non-profit organizations, and businesses do to solve significant social problems (Light, 2006). It has also been observed that it is the process of exploring and exploiting opportunities and combining resources in new ways to create social value (Mair and Marti, 2006). Fowler (2000) simply explains it as new structures to solve social problems. Similarly, Austin et al. (2006) provide a concise definition by referring to SE as social value-creating activities. To better understand the boundaries of this field, the key concepts in SE definitions have been identified and discussed in the next section.

**Key concepts in SE definitions**

A review of SE definitions illustrates a variety of approaches towards defining this domain. Some scholars have explained it by unravelling the ‘social’ and ‘entrepreneurial’ dimensions (Peredo and McLean, 2006). Others have referred to the level of analysis such as individuals, firms, networks and alliances (Light, 2006). Another group has emphasized the funding strategy in their definitions (Leadbeater, 1997; Massetti, 2008). Built upon the review of the extant SE literature, we classify these common concepts in SE definitions into five main categories: the entrepreneurial dimension, social mission and social value creation, the level of analysis, the context and the funding strategy. Learning about these elements will help us to investigate whether MNCs can be considered as social entrepreneurs.

**Entrepreneurial dimension**

Several researchers have recognized the entrepreneurial dimension as the essential component of SE (Nicholls, 2008a; Peredo and McLean, 2006). Inheriting entrepreneurship as the core component, SE has incurred a continuous debate over its definition and evolution. Some scholars seek to understand social entrepreneurs by their characteristics. Drayton (2002) states that social entrepreneurs are change agents who are inspired by identifying, addressing and solving societal challenges. Based on their experiences with many social entrepreneurs, Elkington and Hartigan (2008) provide a long list of social entrepreneurs’ characteristics.

Another group of researchers define entrepreneurship as a combination of innovative, proactive and risk-taking behaviour (Covin and Slevin, 1989; Miller, 1983). Likewise, some SE researchers have developed their definitions based on key entrepreneurial dimensions such as innovativeness (Alvord et al., 2004; Austin et al., 2006; Zahra et al., 2008).

The third strand of definitions refers to the process of entrepreneurship or what the entrepreneurs do (Gartner, 1988; Kent et al., 1982). In this approach, entrepreneurs identify opportunities and exploit them innovatively. Shane and Venkataraman (2001) define entrepreneurship as ‘examination of how, by whom, and with what effect opportunities to create future goods and services are discovered, evaluated and exploited’. Nicholls and Cho (2008) highlight innovation and market orientation as key entrepreneurial dimensions of social enterprise.
entrepreneurs. Similarly, some scholars identify innovation, opportunity creation and recognition as determinant elements in SE (Dees et al., 2004; Thompson, 2002). Zahra et al. (2008) refer to SE as the innovative activities and processes undertaken to discover, define and exploit opportunities to enhance social wealth. Some researchers have highlighted the resource mobilization process. Mair and Marti (2006) define SE as the process of creating value by mobilizing resources in new ways to explore and exploit opportunities to offer social changes or address social needs. Finally, Brooks (2009) indicates that the SE process includes five stages: opportunity recognition, concept development, resource mobilization, launch and venture growth and harvesting the venture.

Social mission and social value creation

Despite the differences in the various definitions, the social dimension has been the common element in all definitions of SE (Brooks, 2009). Nicholls and Cho (2008) distinguish social entrepreneurs from their commercial counterparts by the ‘social’ element. For social entrepreneurs, the social mission is at the centre of their agenda and has priority over all other organizational objectives (Dees, 1998; Nicholls, 2008a). Dees (1994) emphasizes that social entrepreneurs solve social problems, serve the disadvantaged and offer socially important goods. Though social mission and social value creation have been referred to as the vital components of the SE definition, few researchers have provided an explanation about the realm of this dimension. Those who have defined this term have built their argument on the operation, process, output or context of social mission (Nicholls, 2008a). Nicholls (2008a), for instance, explains that the embracing of the social mission by social entrepreneurs means that they identify unmet social needs or create new social value. Emerson (2003) explains social objectives through their outcomes. He states that social entrepreneurs address social opportunities which are usually the result of dysfunctional systems due to a range of reasons, including a lack of reliable performance information, high transaction costs and a lack of innovation. Smallbone et al. (2001) describes social objectives as providing goods and services which the market or public sector is either unwilling or unable to provide, developing skills and empowering socially excluded people. Bornstein (2004) identifies the primary social challenges addressed by social entrepreneurs as:

- poverty alleviation through empowerment, for example, the microfinance movement
- healthcare, ranging from small-scale ventures to tackling the HIV/AIDS pandemic
- education and training, such as widening participation and the democratization of knowledge transfer
- environmental preservation and sustainable development, such as ‘green’ energy projects
- community regeneration, such as housing associations
• welfare projects, such as employment for the unemployed or homeless and drug and alcohol abuse projects
• advocacy and campaigning, such as fair trade and human rights promotion.

The most recent definition of social value creation has been provided by Young (2008). He provides a detailed explanation of the dimensions of social value creation. He states that ‘social’ may be found in everything and the ‘value’ that social entrepreneurs pursue refers to benefiting people whose urgent needs are not satisfied by other means. He then conceptualizes social value through four elements, namely, social added value, empowerment and social change, social innovation and systemic change. He believes that social added value is a common feature among all the activities of social entrepreneurs. There is a variety of models that create social added value. For example, it could refer to the generation of economic and social benefits in poor communities, or alternatively to combining personal, family and community resources (low-cost resources) to produce new product or offer services that are affordable to all. Young (2008) explains that added value represents additional inputs which enhance the quality of the beneficiaries’ lives.

Young’s second aspect of SE refers to empowerment and social change. Further to the creation of added social value, social entrepreneurs strive to change the social and economic situations of disadvantaged groups. They create employment opportunities for those who are seen by other parts of society to be taboo, dysfunctional or undeserving. Approaches that alter practices, structures, beliefs and deep-rooted cultural prejudices will be also valuable as they create social change.

Social innovation creates social value by allowing people to achieve more for less, or by solving insoluble problems. Innovation is the result of combining existing elements in a new way. International Development Enterprises’ experience in India, for example, has proved how cheap, simple, durable technology, such as water pumps or irrigation design, can transform the lives of poor farmers by allowing them to earn more money from their land.

Finally, systemic change describes the transformation of how things work and is a crucial factor in social value creation. The work of Mohammad Yunus, who introduced microfinance to the people at Grameen Bank, is one of the most successful examples in this area. The system he employed for giving loans to the poor changed the prospects of many Bangladeshi people, and has now become popular in other parts of the world as well.

Level of analysis

The level of analysis has been addressed in a few of the SE definitions. In some of the definitions, social entrepreneurs are limited to ‘individuals’ looking for new ways to add value (Brinckerhoff, 2001; Thompson et al., 2000). Peredo and McLean (2006) refer to social entrepreneurs as ‘persons’ or ‘groups’ who create social value. Light (2006) expands this boundary by mentioning that SE is an effort by an individual, group, network, organization or alliance of organizations.
Context

Another concept which has been employed in some of the SE definitions is the context or sector in which SE can occur. Leadbeater (1997) suggests that SE can be present across all three sectors of society, namely, the public sector adopting business skills, socially affirmative businesses or businesses focusing on social ends and, finally, the voluntary and not-for-profit sector adopting more entrepreneurial approaches (Nicholls, 2008a). In the same vein, Austin et al. (2006) state that SE can occur within or across the non-profit, business and government sectors.

Funding strategy

Funding strategy is another element which has been stated in a number of SE definitions. While early studies of SE shared the assumption that SE is a non-profit sector phenomenon (Dees et al., 2001), some scholars disagree and argue that social entrepreneurs can rely on different sources of funding. As an example, some researchers introduce the concept of the double bottom line and view non-profit organizations that employ income-generating strategies as social enterprises or ‘hybrid’ organizations (Davis, 1997). In this case, social entrepreneurs earn money and invest the profits to extend their products and/or services. These groups of scholars emphasize that the primary motive of a social entrepreneur's economic mission is to gain ‘surplus’ rather than ‘profit’ to ensure the viability of their activities (Fowler, 2000). For example, some non-profit organizations establish an enterprise to support other non-economically viable activities (Fowler, 2000).

Elkington and Hartigan (2008) believe that most social entrepreneurs’ business models are closer to those of non-profit organizations because of the immaturity of the markets they address. Nicholls (2008a) suggests a continuum of SE ventures based on their funding strategies (Figure 22.1). At one extreme, voluntary activism is dependent on donated assets and volunteers and, at the other extreme, corporate social innovation represents social ventures within the context of private sector organizations. Moving along the continuum, social entrepreneurs seek greater self-sufficiency through generating income to support their activities.

Not for profit: grant funded  
Social enterprise: fully self-funded  
Corporate social innovation

Voluntary activism

Not for profit: partially self-funded

Figure 22.1  Continuum of social entrepreneurship based on funding strategy
Reconciling SE definitions

Although SE is widely accepted as a phenomenon, an agreed universal definition of SE is absent. Before proceeding to the question of whether MNCs can be classified as social entrepreneurs, it is crucial to reach an agreement on its definition. For the purpose of this paper, we offer a comprehensive but broad definition which will be beneficial for the development of the early stages of the field (Sharma and Chrisman, 1999). SE refers to “embracing social mission (solving a social problem and offering solutions for the unmet needs of the disadvantaged groups) as the primary mission, employing entrepreneurial activities to achieve the mission and creating social value” (see Figure 22.2).

It is important to highlight the fact that in our definition social mission and social value creation have been differentiated. Since there are social problems in the society, social entrepreneurs choose to play a part as change agents. Hence the main reason behind the establishment of their enterprises will be a social rather than economic mission. Even when they are for profit, they aim to generate a surplus to support their activities (Fowler, 2000). Social value creation will be the outcome of their activities and as Young (2008) has indicated this results in social added value, empowerment and social change, social innovation and systemic change.

Some may claim that social value creation may also be the result of economic activities of organizations. Commercial firms also provide jobs and enhance the lives of a group of people through the employment opportunities that they offer. Though these consequences can be deemed as empowerment, it is important that organizations adopt a social mission and create value for those parts of the society that are deemed as dysfunctional or taboo.

The entrepreneurial dimension is definitely the core concept of SE definitions. Not all organizations that pursue social missions are entrepreneurs. Based on the entrepreneurship literature, they should be innovative, proactive and risk-taking (Covin and Slevin, 1989; Miller, 1983). From the process perspective of the entrepreneurship literature, social entrepreneurs perceive social problems as opportunities and mobilize the required resources innovatively in order to seize them.

In line with Light’s (2006) definition, SE may be pursued by individuals, groups, networks, organizations or alliances of organizations in the public or private sector, but it is important that they embrace social missions as the primary goals for their activities. Also, an increasing number of examples confirms that social entrepreneurs may adopt different approaches towards their funding strategies (Nicholls, 2008a).

Figure 22.2 Social entrepreneurship definition
Are MNCs social entrepreneurs?

To answer this question, we should examine whether the key concepts of SE are applicable for MNCs' behaviour. The first dimension is the entrepreneurial approach which has been distinguished as an effective instrument towards the mitigation of social problems in the world (Dees, 2001). As previously highlighted, a growing numbers of MNCs are recognizing social challenges as opportunities and mobilizing financial and managerial resources to offer innovative solutions.

Social mission and social value creation have been recognized as the key elements of SE. To investigate the presence of these two concepts in the socially entrepreneurial behaviour of MNCs, we start with social value creation. MNCs offer some social value at the BOP level, which results in poverty reduction. They offer new products and services for deprived and disadvantaged groups who have been neglected by other agents. Commercial banks, for example, offer microfinance to the low-income population who may not otherwise have access to loans. MNCs also empower the poor by modifying their sourcing and supply chain strategies. Nestlé trains poor farmers in good practices for breeding and feeding herds in order that they can enhance milk yields and consequently they have increased the income of these farmers (Subrahmanyan and Gomez-Arias, 2008).

Social mission is the major antecedent in the SE process. Despite the considerable roles of MNCs in solving social challenges in an entrepreneurial manner, the primary aim of MNCs is not the pursuit of a social mission. To this end it may require a new term for describing the socially entrepreneurial behaviour of MNCs.

Corporate SE

Apart from SE scholars, CSR researchers have employed the term corporate social entrepreneurship (CSE) in recent years. Wood (2008) in *The A to Z of Corporate Social Responsibility* refers to CSE and defines it as the creation or development of new products, services or market segments to satisfy social needs, innovation in processes or less harmful technologies, or the identification of business opportunities to earn profit while addressing a social challenge. Similarly, Schwab (2008) in ‘Global corporate citizenship’ describes CSE as the transformation of socially and environmentally responsible ideas into products and services. Drawing on CSR literature we suggest expanding the SE literature by introducing the concept of CSE to describe socially entrepreneurial behaviour of MNCs. This will be also in accordance with the entrepreneurship domain that distinguishes between entrepreneurship in small- and medium-sized enterprises and large and established organizations by introducing corporate entrepreneurship. CSE refers to “embracing an economic and social mission (solving a social problem and offering solutions for the unmet needs of the disadvantaged groups) as the primary mission; employing corporate entrepreneurial activities to achieve the mission and creating social value” (see Figure 22.3).

When embarking on CSE, a large organization will employ the characteristics of corporate entrepreneurs to offer social enhancement. Therefore, MNCs that alter
their business models innovatively, offer new products and services to ignored segments of the population, such as the poor, and enhance their lives, can be considered corporate social entrepreneurs.

It is noteworthy to clarify that social responsibility related activities can be referred to as SE only when there is an entrepreneurial element. Thus, we believe that the devotion of employees’ time to educating poor students, although valuable, cannot be classified as CSE. Similarly, the initiatives of organizations that engage in charitable giving or cause-related branding cannot be categorized as CSE.

Conclusion and future research directions

Rugman and Verbeke (2004) emphasize that IB scholars should take into account the fact that most MNCs’ activities are in their home region. This research seeks to explain the new role of MNCs in emerging economies as economic and social engines. Recently, MNCs have begun to recognize social challenges such as poverty as opportunities and have mobilized the required resources to address them. The main contribution of this research relies on highlighting the socially entrepreneurial behaviour of MNCs and examining whether we can offer new insights into the field of international business by incorporating the SE literature. To this end, the definitions of SE have been reviewed and its components have been discussed. In spite of our expectations, the analysis of the extant literature demonstrates that MNCs cannot be deemed social entrepreneurs as they pursue both an economic and social mission. Thus, we have drawn on the CSR literature and suggested CSE to refer to the socially entrepreneurial behaviour of MNCs.

This research is the first building block in the domain of CSE in international business. It will be beneficial that IB scholars further elaborate on the definition of CSE and its underlying concepts. In addition, developing a typology of CSE will highlight a new profitable strategy for MNCs to play a more substantial role in the implementation of their social responsibility. CSE that offers a win-win strategy for addressing social problems have crucial implications for policymakers; it opens a new avenue for the eradication of social problems by utilizing the MNCs’ financial and managerial resources. In addition, investigating how MNCs can successfully align a social mission with their economic mission will help to tackle conflicting expectations about their role towards society. We also suggest re-examining the role of NGOs and civil society in persuading MNCs to embrace CSE and access the BOP. Partnerships between MNCs and NGOs at the BOP have brought about innovative business models which invites further studies.
References


