Social Entrepreneurship: The Rise Of Alternative Economy

Sadika LAMAALAM¹, Kaoutar EL MENZHI² and Nabil BENBRAHIM³

¹ Phd Student, Mohammed V University Of Rabat, Faculty Of Law, Economics and Social Sciences-Souissi, Rabat, Morocco

Abstract: The concept of social entrepreneurship has emerged gradually and has too often been presented and perceived as a discipline in itself. Also, this concept has a complex relationship with other discipline such as economy. Indeed, the social entrepreneurship is used to describe different organizations that have non-profitability aim and that reinvest a large part of their surpluses in support of their mission. The social entrepreneurship is increasingly being used to refers to the organizations that have entrepreneurial initiatives that serve a social and environmental mission such as the organizations of social and solidarity economy (OSSE) which is being used to designate the production of goods and services by a broad range of organizations that are distinguished from enterprise and informal economy. This organizations serves a collective aim and are guided by principles and practices of cooperation, solidarity, ethics and democratic selfmanagement. The main purpose of this paper is to show the emergence of the territorial approach to development and the important role of social entrepreneurship (Social and Solidarity Economy (SSE)) in the Local Development.

Keywords - Social Entrepreneurship, Local Development, Territory, Social and Solidarity Economy, Networks.

Date of Submission: 25-07-2018 Date of acceptance: 12-08-2018

I. Introduction

The reading of the great economic works shows that the economy started with the postulate of the autonomy of economic compared to the rest of the society. Indeed, while going up in the history of economic thought, the founders of political economy, being influenced by the exact and natural sciences (chemistry, physics, biology...), formulate the first principles founders of the economy which suggest that the economy is a mechanics exclusively directed towards the market, the accumulation and the progress of an anonymous system which articulates them and organizes them.

Hence, the political economy, such as it appeared, is not primarily intended to satisfy human needs but the needs of a system which conditions and organizes the human life. Therefore, this economy becomes an autonomous science and practice only after its separation from the other dimensions of the human condition.

According to the great economists, true science in economics is that which focuses its investigations on the market universe and which mathematically theorizes the causalities of its functioning and its evolution. This protocol gives rise to an invasion of mathematical formalization in profoundly human area.

It is this same « neo-liberal illusion » that has offered to the world, since the 1980s, the supply side economics by ideologically justifying its criticisms of the welfare state and by setting up its arsenal of arguments in favor of globalization.

Indeed, from the 1970s onwards, the Fordist production model of The $\scriptstyle <$ Thirty Glorious $\scriptstyle >$ has undergone profound changes.

These transformations in the functioning of the capitalist economic system had very important repercussions, not only on the mode of organization and functioning of firms, but also on the role of territories in development dynamics.

In doing so, local development initiatives emerged strongly in the 1970s and has become increasingly important in recent years. So the strong potential of the local development can improve and regenerate the economies and societies

The concept of social entrepreneurship has emerged gradually and has too often been presented and perceived as a discipline in itself. Also, this concept has a complex relationship with other discipline such as economy. Indeed, the social entrepreneurship is used to describe different organizations that have non-profitability aim and that reinvest a large part of their surpluses in support of their mission.

² Professor, Mohammed V University Of Rabat, Faculty Of Law, Economics and Social Sciences-Souissi, Rabat, Morocco

³ Phd Student, Mohammed V University Of Rabat, Faculty Of Educational Sciences, Rabat, Morocco Corresponding Author: Sadika LAMAALAM

The social entrepreneurship is increasingly being used to refers to the organizations that have entrepreneurial initiatives that serve a social and environmental mission such as the organizations of social and solidarity economy (OSSE) which is being used to designate the production of goods and services by a broad range of organizations that are distinguished from enterprise and informal economy.

These organizations serves a collective aim and are guided by principles and practices of cooperation, solidarity, ethics and democratic self-management.

The main purpose of this paper is to show the emergence of the territorial approach to development and the important role of social entrepreneurship (Social and Solidarity Economy (SSE)) in the local development.

II. The Impasses Of The Autonomy Of The Economy

The reading of the great economic works shows that the economy started with the postulate of the autonomy of economic compared to the rest of the society. Indeed, while going up in the history of economic thought, the founders of political economy, being influenced by the exact and natural sciences (chemistry, physics, biology...), formulate the first principles founders of the economy which suggest that the economy is a mechanics exclusively directed towards the market, the accumulation and the progress of an anonymous system which articulates them and organizes them.

Hence, the political economy, such as it appeared, is not primarily intended to satisfy human needs but the needs of a system which conditions and organizes the human life. Therefore, this economy becomes an autonomous science and practice only after its separation from the other dimensions of the human condition.

Indeed, it was in the middle of the Enlightenment that Adam Smith formulated his researches on « the Nature and Causes of the Wealth of Nations » (1776). In this work, we can detect the embryo of this belief, which postulates that the economic activity would be governed by a set of laws as natural as those which govern the phenomena of nature.

Similarly, for Leon Walras (1834-1910), one of the greatest figures in political economy, the economy became scientific only by becoming a mathematical economy science like the other physico-mathematical sciences. Then, according to Walras, the pure economy is the economy, which relies on natural and universal laws. These laws are as certain as those of celestial mechanics.

In short, according to the great economists, true science in economics is that which focuses its investigations on the market universe and which mathematically theorizes the causalities of its functioning and its evolution. This protocol gives rise to an invasion of mathematical formalization in profoundly human area.

It is this same « neo-liberal illusion » that has offered to the world, since the 1980s, the supply side economics by ideologically justifying its criticisms of the welfare state and by setting up its arsenal of arguments in favor of globalization.

Reduced to its simplest expression, the supply theory has as a totalitarian project to impose the laws of the market on the totality of the life (the men, the fauna and the flora). Everything should be decoded, manipulated, transformed and evaluated in the light of the economic system.

Moreover, this supply theory that inspires globalization, has no answers to the different paradoxes of global thinking.

So, it is necessary to speak about a global/local paradox which is amplified with the global economic depression and would require a coherent answer.

Indeed, the Fordist model, that some have baptised « patrimonial regime of growth » (COBBAUT and LENOBLE, 2003), was the economic and social system which dominated the industrial world from the 1920s to the 1970s. This production model is marked by an intensive using of technology, the combination of mass production and mass consumption, and also the support of the welfare state.

Indeed, from the 1920s to the 1970s, the Fordist model, that some have baptised « patrimonial regime of growth» (COBBAUT and LENOBLE, 2003), was the economic and social system which dominated the industrial world. This production model is marked by an intensive using of technology, the combination of mass production and mass consumption, and also the support of the welfare state. However, from the 1970s onwards, the Fordist production model of The « Thirty Glorious » has undergone profound changes.

These transformations in the functioning of the capitalist economic system had very important repercussions, not only on the mode of organization and functioning of firms, but also on the role of territories in development dynamics.

In so doing, this period of crisis of Fordism was characterized by the massive use of flexible methods of production, the labor market flexibility, the automation of productive processes and the recomposition of subcontracting relationships between firms. In some ways, it is the network-enterprise model where the large firm is replaced by a network of specialized firms, which is organized in localized industrial systems and linked to international networks.

The network entreprise was characterized by elevated flexibility and adaptibility, improved resource use, risk spreadingn and also accessing information and skills. Thus, the network entreprise can be interpreted as an organizational system that is strongly tertiarized organizational structure (DIOGUARDI, 2009).

Finally, these network entreprise: Industrial district, Local productive systems, innovative environment, clusters, Technopole, Learning region, are not only aimed at a local horizon, but are increasingly integrated into a global competition and competitiveness.

Furthermore, when globalization is growing, it becomes necessary to confront the uncertainties and problems that accompany it, and which are sources of economic paralysis and social anomie (Stock-market crisis, unemployment, inflation, social exclusion, environmental degradation...).

Therefore, the territory is akin to a social organization that produces meaning, belonging and hope, it thus becomes an economic a cure for the economic globalization insofar as it emerges as a collective actor capable of stimulating new Economic dynamics (ZAOUAL, 2008). Moreover, H. ZAOUAL states that « La myriade des pratiques d'Economie Sociale et Solidaire, du développement local et l'attrait des produits locaux pour des raisons à la fois économiques, sociales, sanitaires et environnementales en témoignent. Ces dynamiques de territoires et de terroirs expriment le besoin universel d'un ré-encastrement territorial des économies contemporaines » (ZAOUAL, 2011).

This territorial embedding of the economies has also been the source of the emergence of new entrepreneurial dynamics with the aim of improving the economic, social and environmental quality of life for the community, through matching local dynamics with global environment.

III. The Role Of Social Entrepreneurship In The Local Development

The economic paradigm advocates a central idea that progress is dependent solely on market transactions, and that those, which are based on reciprocity, donation and other non-market coordination mechanisms, do not contribute to the progress of society.

Indeed, the economy has created its "social man: Homo oeconomicus", to describe humans as rational, self-interested and who is even inclined to keep other actors in a situation of uncertainty in order to maximize its utility and profit. Accordingly, the relationship with others is only made through a single mechanism of socialization and coordination, that of the market.

This concept of homo oeconomicus has been developed in the works of the two great thinkers of classical political economy, namely Adam Smith and John Stuart Mill Both thinkers believed that economic actions are context-dependent, they take place inside a well-defined social context (ZOUBOULAKIS, 2005). Precisely the individuals and their actions depend on the social, culturaland moral frame inside which they operate (ZOUBOULAKIS, 2005).

In his Theory of Moral Sentiments, Smith recognized that individuals are undeniably self-interested: "Every man is, no doubt, by nature first and principally recommended to his own care; and he is fitter to care of himself than of every other person..."(ZOUBOULAKIS, 2005).

Similarly, "the central theoretical and empirical project of Mill was to use economic man, with his rudimentary but manageable psychology, to prove that institutions did matter". His concept of economic rationality, developed in his "Essays on some Unsettled Questions of Political Economy "(1848) and full-fledged in his Principles of Political Economy (1848), aimed to describe how a person, belonging to a particular geographical and historical context, tends to behave during his economic activities under the influence of only one motive –the "desire of wealth" (ZOUBOULAKIS, 2005).

Moreover, Neo-classical economic theory is based on three basic concepts: rationality of agents, market and equilibrium. The principle of rationality constitutes the most criticized object in this theory. Indeed, pure rationality and optimization calculations could not be the universal motivation of individuals in any circumstance and situation. Economic activity can takes place in different contexts: technical, legal, social and political. In this diversity of situations, individuals have different reasons and multiple motivations that are not always decryptable by optimization calculations based on economic rationality.

In that view, rationality can no longer be assumed to be pure, uniform or even limited, it is constantly confronted with a complex and unpredictable reality. As a result, the market is powerless to ensure its own dynamism without recourse to rules, conventions or even to a culture that ensures greater certainty and fluidity in transactions.

Moroever, this is what sociology and the economics of networks suggest. Indeed, K. POLANYI and M. GRANOVETTER, who have advanced the concept of "embeddedness", think that the economic action is embedded in networks of personal relationships.

Finally, this model of man, which global thinking proposes and imposes on all humanity, has an antisocial essence that generates different anomalies and dysfunctions.

Indeed In the paradigme of symbolic sites of belonging, H. ZAOUAL think that if the globalization destabilizes, the site stabilizes, if the globalization disintegrates, the site integrates. The Homo situs

disglobalises globalization and restores it to its site, by integrating its imperatives and the multiplicity of its situation. Therefore, he states that the Sites are the complex entities endowed with an adaptive dynamic « Les sites sont donc des entités complexes douées d'une dynamique adaptative » (ZAOUAL, 1998).

In the same vein, the concept of social entrepreneurship has emerged gradually and has too often been presented and perceived as a discipline in itself. Also, this concept has a complex relationship with other discipline such as economy. Indeed, the social entrepreneurship is used to describe different organizations that have non-profitability aim and that reinvest a large part of their surpluses in support of their mission.

The social entrepreneurship is increasingly being used to refers to the organizations that have entrepreneurial initiatives that serve a social and environmental mission such as the organizations of social and solidarity economy (OSSE) which is being used to designate the production of goods and services by a broad range of organizations that are distinguished from enterprise and informal economy.

This organizations have close and strong relationship with the territories in which they emerge, they serves a collective aim and are guided by principles and practices of cooperation, solidarity, ethics and democratic self-management.

The organizations of social and solidarity economy play a key role in synergizing existing Human and material resources in a spirit of complementarity, enriching social capital and networks and also developing collective intelligence. Also, this organizations strengthen their territorial roots and participate actively in the and prosperity of the local community.

H. ZAOUAL states that « Les valeurs sur lesquelles reposent ces formes de vie, expriment, en réalité, la nécessité de changer de définition quant à l'Homme dans sa vie quotidienne. Ce n'est pas celle d'un Homo oeconomicus qui est recherchée mais celle d'un Homo relationnel et solidaire [Homo situs] avec ses semblables et son territoire à partir duquel il agit concrètement » (ZAOUAL, 2006), And concluded that « le territoire au sens du site est donc une sorte de médiateur entre l'individu et l'expérience, un filtre, un système qui impose, en tant que processus collectif de proximité ses contraintes et son expertisme aux individus. Le site crée ainsi : les règles qui satisfont momentanément l'efficacité sociale de la vie de ses organisations et de ses réseaux » (ZAOUAL, 1998).

IV. Conclusion

With the recent emergence of the phenomenon of globalization, the territorial approach to local development, based on actors and networks, is experiencing an unprecedented revival.

Furthermore, the organizations of social and solidarity economy participates more and more actively in the prosperity of the local community and to reinforce territory attractiveness.

In doing so and due to their high capacity to generate new solidarities and democracy, the Organizations of Social and Solidarity Economy have rapidly developed and have begun to play a more active and important role in all the territorial dynamics of development.

References

- [1]. COBBAUT R., LENOBLE J., Corporate Governance: An Institutionalist Approach, The Hague/London/New York, Kluwer Law International, 2003, p.87.
- [2]. COBBAUT R., LENOBLE J., Corporate Governance: An Institutionalist Approach, The Hague/London/New York, Kluwer Law International, 2003, p.10.
- [3]. DIOGUARDI G., Network Enterprises: The Evolution of Organizational Models from Guilds to Assembly Lines to Innovation Clusters, Springer Science & Business Media, 2009, p.10.
- [4]. ZAOUAL H., « Les paradoxes de la pensée globale », in DAGHRI T. et ZAOUAL H. (sous la dir), Développement humain et dynamiques territoriales. Vers des savoirs recomposés, Paris, l'Harmattan, 2008, p. 51.
- [5]. ZAOUAL H., « Territoire, un concept de diversité socio-économique et d'inspiration plurielle de valeurs entrepreneuriales », in DOKOU G. (sous la dir), Territoires et entrepreneuriat. Les expériences des villes entrepreneuriales, Paris, l'Harmattan, 2011, p. 119.
- [6]. ZOUBOULAKIS M., « On the social nature of rationality in Adam Smith and John Stuart Mill », Cahiers d'économie Politique / Papers in Political Economy (en ligne), vol. 49, n° 2, pp. 51-63, 2005, p.52. Consulté le 30 Janvier 2018, URL : https://www.cairn.info/revue-cahiers-d-economie-politique-2005-2-page-51.htm.
- [7]. ZOUBOULAKIS M., « On the social nature of rationality in Adam Smith and John Stuart Mill », Cahiers d'économie Politique / Papers in Political Economy (en ligne), vol. 49, n° 2, pp. 51-63, 2005, p.51. Consulté le 30 Janvier 2018, URL : https://www.cairn.info/revue-cahiers-d-economie-politique-2005-2-page-51.htm.
- [8]. ZOUBOULAKIS M., « On the social nature of rationality in Adam Smith and John Stuart Mill », Cahiers d'économie Politique / Papers in Political Economy (en ligne), vol. 49, n° 2, pp. 51-63, 2005, p.52. Consulté le 30 Janvier 2018, URL : https://www.cairn.info/revue-cahiers-d-economie-politique-2005-2-page-51.htm.
- [9]. ZOUBOULAKIS M., « On the social nature of rationality in Adam Smith and John Stuart Mill », Cahiers d'économie Politique / Papers in Political Economy (en ligne), vol. 49, n° 2, pp. 51-63, 2005, p.56. Consulté le 30 Janvier 2018, URL : https://www.cairn.info/revue-cahiers-d-economie-politique-2005-2-page-51.htm.
- [10]. ZAOUAL H., « La nouvelle économie des territoires : une approche par les sites », in KHERDJEMIL B., PANHUYS H. et ZAOUAL H. (sous la dir), Territoires et dynamiques économiques. Au-delà de la pensée unique, Paris, l'Harmattan, 1998, p. 49.

- [11]. ZAOUAL H., « PROXIMITE ET SOLIDARITE », REVUE MAROCAINE POUR LA RECHERCHE ET LE DIALOGUE, N° 6, 2006, P. 16.
- [12]. ZAOUAL H., « La nouvelle économie des territoires : une approche par les sites », in KHERDJEMIL B., PANHUYS H. et ZAOUAL H. (sous la dir), Territoires et dynamiques économiques. Au-delà de la pensée unique, Paris, l'Harmattan, 1998, p. 75.

Sadika LAMAALAM. "Social Entrepreneurship: The Rise Of Alternative Economy." IOSR Journal of Business and Management (IOSR-JBM) 20.8 (2018): 12-16.