

**Social Entrepreneurship as a Bridges between Academic Programs and Communities in  
Combating Poverty: An Experience Social Entrepreneurship in Universiti Malaysia  
Kelantan**

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**Abstract**

The Social Entrepreneurship is science that combines some knowledge like Culture, Geography, Business, Psychology, Anthropology, Engineering, Agroculture, and so on. Social Entrepreneurship (SE) is a program that bridges between theory and its application in society. The main goal of this program does improve the welfare of village community life, including overcoming the problem of poverty that often occurred in the village. This paper describes the experience of running and explains to concept of social entrepreneurship programme in Malaysia conducted by the Universiti Malaysia Kelantan (UMK) and cooperation with St. Gallen University and Institute Technology Bandung. The first SE programme, this programme was followed by 18 international participants from Switzerland, Singapore, Brunei, Thailand, Vietnam, and 49 UMK students. The program had been implemented in seven districts of Tumpat as: Village Tujuh (product: free range Chicken), Village Tujuh Masjid (product: cattle and goat), Village Belukar Neting (product: noni Juice), Village Pak Kerau Hilir (product: catfish), Village Pak Kerau Hulu (product: Akok and Batek), Village Sungai Tapang (product: Mushroom), and Village Tujuh Tengah/ Pos Banjar (product: chillies). There are seven projects and after the program starts, conducted follow-up to ensure the success of a business plan that has been made. From seven programmes, four programmes was failure, two programmes were stable, and one programme was being successful. The second SE programme was followed by 17 UMK students, and it was run in Village Pak Kerau Hilir (product: catfish), Village Pak Kerau Hulu (product: Akok and keropok), Village Tujuh Tengah/ Pos Banjar (product: chillies), and Village Getting (product: traditional cookies). From 5 projects, it was just 3 projects still run until the end of programme. There is difference procedure between SE I and SE II UMK. The differences include the use of expert in SE II. The program follow up for SE II UMK will soon be implemented to ensure poverty eradication program in the village Sri Tujuh to give significant impact to community there.

Keyword: social entrepreneurship programme, eliminate poverty based community and knowledge transfer

## 1. Introduction

The terms *social entrepreneur* and *social entrepreneurship* were used first in the literature on social change in the 1960s and 1970s. The terms came into widespread use in the 1980s and 1990s, promoted by Bill Drayton the founder of Ashoka: Innovators for the Public, and others such as Charles Leadbeater. From the 1950s to the 1990s Michael Young was a leading promoter of social enterprise and in the 1980s was described by Professor Daniel Bell at Harvard as 'the world's most successful entrepreneur of social enterprises' because of his role in creating more than sixty new organizations worldwide, including a series of Schools for Social Entrepreneurs in the UK. Another British social entrepreneur is Lord Mawson OBE. Andrew Mawson was given a peerage in 2007 because of his pioneering regeneration work. This includes the creation of the renowned Bromley by Bow Centre in East London. He has recorded these experiences in his book "The Social Entrepreneur: Making Communities Work" and currently runs Andrew Mawson Partnerships to help promote his regeneration work. The National Center for Social Entrepreneurs was founded in 1985 by Judson Bemis and Robert M. Price, and Jerr Boschee served as its president and CEO from 1991 to 1999 (wikipedia, 2011).

The concept of Social Entrepreneurship is in practice, recognized as encompassing a wide range of activities: enterprising individuals devoted to making a difference. Social purpose business venture dedicated to adding for-profit motivations to the nonprofit sector. Social Entrepreneurship as a field of research on the other hand is a relatively recent phenomenon (Mair, Robinson & Hockerts, 2006).

Social Entrepreneurship is the work of social entrepreneurs. A social entrepreneur recognizes a social problem and uses entrepreneurial principles to organize, create and manage a venture to achieve social change (a social venture). While a business entrepreneur typically measures performance in profit and return, a social entrepreneur focuses on creating social capital. Thus, the main aim of social entrepreneurship is to further social and environmental goals. Social entrepreneurs are most commonly associated with the voluntary and not-for-profit sectors<sup>[1]</sup>, but this need not preclude making a profit. Social entrepreneurship practised with a world view or international context is called international social entrepreneurship (wikipedia, 2011)

Social Entrepreneurship (SE) and its methods, borrowed from the world of business, are becoming more and more popular among morally conscious people itching to solve a particular social problem and possibly make money in the process. Social entrepreneurs execute innovative solutions to what they define as social problems (local, regional, national, or international) (Durieux & Stebbins, 2010). There are three essential elements of SE: motivation, organization, and society.

SE is organization, it refers to legally incorporated. The organization needs a mission statement, which set out its vision, and a clear set of goals toward which to work. The nature of organization requires that there be leaders and followers. The principles of good leadership

apply as much to social enterprises as to any other kind of organization. The same word may be said for managing the people who participate in them. In for-profits, these people, or staff, are paid; whereas in nonprofits, they're either paid or serve as volunteers. Some non-profits rely on both paid staff and volunteers (Durieux & Stebbins, 2010).

SE is society, it refers to work with others is the whole idea, and not just internally within the organization itself. As with other organizations, social-enterprise leaders must adapt to and take advantage of the organization's external environment (Durieux & Stebbins, 2010).

### *Entrepreneurial Characteristics (Martin & Osberg, 2007)*

The entrepreneur is attracted to this suboptimal equilibrium, seeing embedded in it an opportunity to provide a new solution, product, service, or process. The reason that the entrepreneur sees this condition as an opportunity to create something new, while so many others see it as an inconvenience to be tolerated, stems from the unique set of personal characteristics he or she brings to the situation

The entrepreneur is inspired to alter the unpleasant equilibrium.

The entrepreneur thinks creatively and develops a new solution that dramatically breaks with the existing one. The entrepreneur doesn't try to optimize the current system with minor adjustments, but instead finds a wholly new way of approaching the problem. Once inspired by the opportunity and in possession of a creative solution, the entrepreneur takes direct action. Rather than waiting for someone else to intervene or trying to convince somebody else to solve the problem, the entrepreneur takes direct action by creating a new product or service and the venture to advance it.

Entrepreneurs demonstrate courage throughout the process of innovation, bearing the burden of risk and staring failure squarely if not repeatedly in the face. This often requires entrepreneurs to take big risks and do things that others think are unwise, or even undoable. Finally, entrepreneurs possess the fortitude to drive their creative solutions through to fruition and market adoption. No entrepreneurial venture proceeds without setbacks or unexpected turns, and the entrepreneur needs to be able to find creative ways around the barriers and challenges that arise.

## **2. How do it started SE programme?**

There are three-phase process as basically for starting SE programme like (Durieux & Stebbins, 2010):

### a) Recognizing and stating objections to the problem

This step refers to how we have to see the problem clearly enough to determine what action to try to take. Why is it important as first step? Because we aren't going to be able to effectively fight against something until you have a decent idea of what you're fighting against (Durieux & Stebbins, 2010).

b) Taking action to try to solve the problem

After our objection is clarified and galvanized by urgency and compassion, we make some initial attempts to solve the problem. In practice, the first trying to solve the problem through existing arrangements. It may mean that we learn that appropriate governmental, private-sector, or nonprofit organizations for solving the problem either don't exist or are inadequate for the job.

Trying to solve the problem by taking action through ordinary, existing channels is an important step. One reason for doing little other than objecting to the problem is that, the objector is unable to answer the questions about what should and can be done about it.

c) Starting a social enterprise.

Social entrepreneurship is any innovative initiative to help people like said Muhammad Yunus, winner of the Nobel Peace Prize and pioneer of the idea of microcredit (Durieux & Stebbins, 2010). For starting a social enterprise is needed a concept, and we offer the concept of enterprise like this below.

**3. The Correlation Between Concept and Practical on Social Entrepreneurship to Combating Proverty**

Social entrepreneurship and its methods, borrowed from the world of business, are becoming more and more popular among morally conscious people itching to solve a particular social problem and possibly make money in the process. Social entrepreneurs execute innovative solutions to what they define as social problems – be they local, regional, national, or international (Durieux & Stebbins, 2010).

**4. The Strategic of Social Entrepreneurship to Combating Proverty**

There are available variety form and strategic of Social Entrepreneurship (SE), however UMK has specific SE. the SE is compatible tool for combating poverty in Kelantan at the moment. How does the SE give impact to society?

The SE program will identify the state of a society through social mapping. Data obtained from the social mapping will be used to plan the development of entrepreneurial strategies in the area concerned. After the data collection will be done to understand the situation of entrepreneurship and business development plans appropriate to run in the region.

From business plan development is expected to improve an existing business or developing new business in the community. From a business unit that developed, to be developed for other business support. Business supporters of this very varied forms and can change the face of a community.

In general, the SE program involves a community, especially in poor communities or communities that have entrepreneurship programs, but not developed or not developed.

Plan the SE program conducted entrepreneurship will affect the target community. Changes that occurred in the community will have a major impact on the surrounding community, as a result of the poor communities will change (drop out of poverty).

Another strategy is to develop programs SE entrepreneurial projects that can be carried out by the community, and mutual relationships of the project.

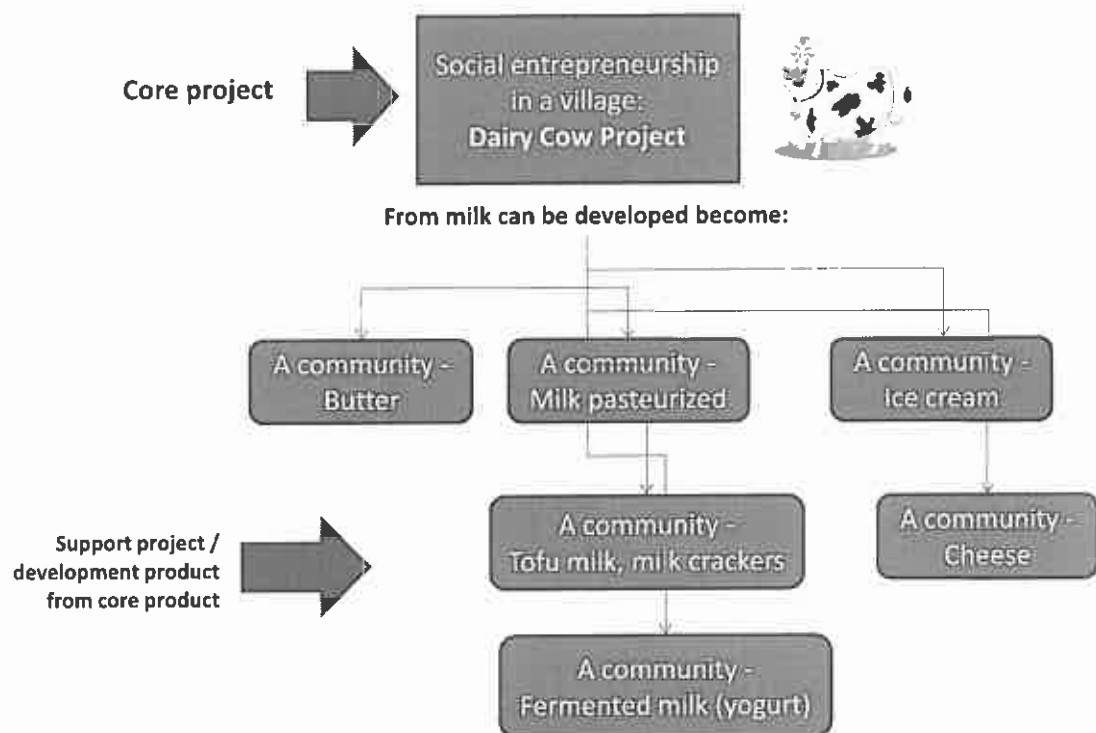


Figure 1. Dairy Cow Farm For Social Entrepreneurship Project

The above image is an example of the concept of Social Entrepreneurship can be done to improve the lives of poor communities. The main concept of this project is to defend cattle SE pesusu, the main result of this project is cow's milk.

Produced from cow's milk can be expanded to other businesses as supporters of the SE program. business support is to provide new business opportunities to the community or surrounding communities, such as butter business opportunities, entrepreneurs pasterized milk, ice cream entrepreneurs, entrepreneurs tofu milk, milk crackers, cheese entrepreneurs, entrepreneurs fermented milk (yogurt), and others. Project support will help accelerate the development process



Figure 2. Increased well-being of society through social entrepreneurship

Fig. 2 above shows the development of social entrepreneurship project in a community will provide opportunities for surrounding communities to develop their entrepreneurial as well. Each community can be linked together to produce products or products produced by supporters of other communities. Connectedness or interdependence between one community to another community will memperantas progress of a community, as well as diversification of products in the community.

For a successful program SE is required to apply management strategic. Strategic management is fundamentally about setting the underpinning aims of an organization , choosing the most appropriate goals towards those aims, and fulfilling both over time (Karami, 2007). David (1995) holds that strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives.

Strategic management is a process which needs to be understood more than just as a discipline. It is the process by which organizations determine their purpose, objectives and desired levels of attainment; decide pon actions for achieving these objectives in an appropriate time scale, and frequently in a changing environment; implement the actions; and assess progress and results. The strategic management process can thus be claimed to

consist of three stages: awareness, strategy formulation, and strategy implementation (Karami, 2007).

#### *Awareness*

In order to formulate effective strategies, strategists need to diagnose the firm's internal strengths and weaknesses and the opportunities and threats of the firm. The strategists employ different techniques such as SWOT analysis to analyse the internal factors such as culture, structure, resources, leadership style and external factors of the firm such as economical and social factors, technology, and competitors (Zajac, 1995).

#### *Strategy Formulation*

Strategy formulation includes developing a business mission, deciding both short term and long term objectives, and prioritizing strategies to pursue. Strategy formulation is concerned with resource allocation, decisions about diversifications, entry into international markets, merging with suppliers or sales agencies, and participation in joint ventures (Karami, 2007).

#### *Strategy Implementation*

Strategy implementation seeks to create the right circumstances within organization so that formulated strategies can be executed. Implementation of strategy is achieved by developing a strategy-supportive culture, creating an effective organizational structure, and motivating individuals to learn new ways of contributing to improve performance (Karami, 2007).

#### *Evaluation*

Strategy evaluation culminates the activity inherent in the design, application and eventual assessment of strategy. Strategy evaluation is needed because current success does not guarantee that such success will continue in the future: an organization which becomes complacent loses the drive required for survival in an increasingly competitive environment. Essential to realistic evaluation of company performance is the development of performance indicators linked to key improvement factors and attributes that influence improvement of people, product, and process elements of organizational performance (Karami, 2007).

### **5. The Social Entrepreneurship: An UMK's experience**

SEED is an abbreviation for Social Enterprise for Economic Development and is an international programme aimed at changing the mindset of the villagers through social enterprise. This programme was one of the initiatives under the Asean Learning Network Council which started in Bandung in 2008. The Asean Learning Network Council is an NGO that unanimously agrees to work together to foster good relationships among ASEAN universities in various programmes. The SEED programme was the product of the Social Entrepreneurship from St. Gallen University, Switzerland that is Prof. Dr. Chong Li Choy. Prof. Chong and his counterparts Prof. Dr. Suryana Djaja Djajaningrat from School of

Business Management of Institut Teknologi Bandung started the First SEED programme in Cisondari, Indonesia which was later on extended to the second and third SEED programmes in Garut, Indonesia. After witnessing the success of SEED in Indonesia, the programme spread its arms to Universiti Malaysia Kelantan through the fourth SEED programme.

Besides providing the students with the precious life experience in different context on community work, they also gain some knowledge in communicating with their international counterparts.

Besides performing their daily village visitation, the participants were also given the chance to Visit some historical sites in Tumpat, traditional Business premises around Kota Baru and Pengkalan Kubor.

## 6. UMK' SEED Programme Concept

There are some ways to run social entrepreneurship programme. Universiti Malaysia Kelantan as the pioneer social entrepreneurship in Malaysia has an own concept that is different with other social entrepreneurship.

The SEED programme is followed by 17 UMK students, 4 UMK's experts from variety sciences who had diligently taken part in developing the business plan for various projects. There were 3 (three) villages with existing industries that voluntarily cooperated in the SEED programme. These villages were as follows:

- i. Pak Kerau Hilir Village ( catfish)
- ii. Neting Village ( Traditional Cookies)
- iii. Tujuh Tengah/ Pos Banjar Village ( chillies)

### 5.3 SEED UMK'S Process

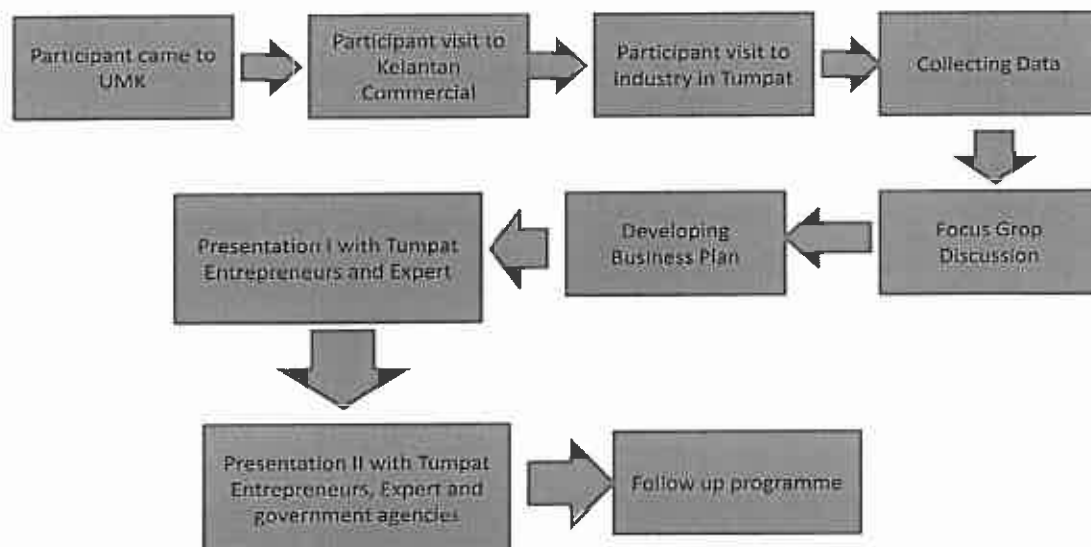


Figure 3. Flow chart SEED UMK Process



As shown in Figure 3 above, this program begins with the arrival of program participants to Universiti Malaysia Kelantan (UMK). After that, program participants will be taken to potential industries in the vicinity (Kota Bharu) such as batik industry, silver industry, and industrial processing of fish and beef (in Malay known as “serunding”) industry.

Then the participants proceed by visiting villages in Sri Tujuh where the SEED program is conducted. In these villages the participants visit the catfish businessmen, “akok” (a special cake from Kelantan) entrepreneurs, goat farming, poultry, mushroom growers, and chilli farmers.

One of the important activities in this SEED programme to collect data and create a business plan at the end of this programme. After collecting data, the participants will continue with focus group discussions. It are held with village communities to discuss about business ideas that can be developed to help improve the welfare of the village community life, and get approval from them in implementing the business plan created.

After focus group discussion, the participants create a business plan. Once the business plan is ready, business plans that have been made will be presented in front of the village communities to get accepted and correction. Then from the feedback obtained during the presentation of business plans, participants will improve the plans by discussing further with the group in order to refine the business plan they make. At the end of the Social Entrepreneurship Program, participants re-present business plans they have to fix. This presentation will be made before the village entrepreneurs, government agencies and private companies.

After the SEED program ended, participants will have to conduct follow-up sessions to ensure the existing program can run properly according to the business plan, and achieve the program goal of improving the welfare of the village community life. Implementation period of follow-up programme is of 6 – 12 months, and and the level of program effectiveness will be measured after the follow-up program is completed.

## 7. Conclusion:

Social entrepreneurship programs conducted in Tumpat, Kelantan by the UMK is an opportunity for local communities to change the level of prosperity. Although the Social Entrepreneurship program is still in progress and have not shown significant results, but it has adapted to the goal of the program is run.

The program is very appropriate social entrepreneurship conducted in developing countries such as ASEAN countries such as Malaysia, Cambodia, Laos, Mynmar, Indonesia, Thailand, the Philippines, Brunei and others. Social entrepreneurship program is consistent with the purpose of the proposed development by several developing countries and international organizations, because the program has the support of governments and international organizations such as the UN, both physical support (financial) or moral.

Therefore recommended to the government and NGOs to carry out programs of social entrepreneurship to solve the problems of poverty faced by many developing countries around the world.

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