

# Social Entrepreneurs Utilizing Business as a Force for Good

Jiajia Zhu\*

Curtin University, Singapore  
Jolynnn1210@gmail.com

**Abstract:** *Through their business, social entrepreneurs can have a positive impact on the world and are considered the most powerful force for good in the world. In recent years, more and more companies are utilizing their business skills to solve social problems ignored by governments and companies around the world. In this article, Scott Harrison discusses Charity: Water, a non-profit that provides clean water to people in developing countries. It hopes to help 1.1 billion people who do not have access to clean water. The Grameen Bank, founded by Muhammad Yunus, provides loans to poor, unemployed, and women in Bangladesh, enabling them to earn income while repaying loans. A 1% share of Patagonia's profits will be used for environmental protection, as pledged by its founder Yvon Chouinard. In order to encourage other businesses in the business world to contribute to social and environmental welfare, Yvon Chouinard founded a non-profit organization. Social entrepreneurs are not just interested in creating profits for themselves. Their mission is to observe the problems in modern society and begin businesses that help the poor get out of poverty and receive the basic necessities of life.*

**Keywords:** *Social-entrepreneurs, Nonprofit, Charity*

## 1. Introduction

In the literature, the topic of social entrepreneurship has generated a lot of debate and discussion[1]. In this article, we examine the contribution that social entrepreneurship makes to society. The purpose of this type of entrepreneurship is to generate social value and impact, not pure profits. Social entrepreneurs are considered the most potent force for good in the world[2]. Therefore, social entrepreneurs can make a positive impact on the world through their businesses. This article examines social entrepreneurship from an analytical, critical, and comprehensive viewpoint by providing relevant examples to demonstrate the concept.

Defining the concept of a social entrepreneur is necessary at the outset of this article. These two forms of entrepreneurship are fundamentally different from one another. The definition of an entrepreneur is someone who starts or organizes a business, primarily involving financial risk. In simple terms, someone who owns or runs a business [3]. Instead of just pursuing profit and launching a business, social entrepreneurs are more dedicated to social causes. Making significant and diverse contributions to society and communities requires social entrepreneurs to take risks and use a realistic, innovative approach [4]. Generally, social entrepreneurs and their careers are driven by a social purpose or to benefit society in some way. It increases social entrepreneurs' "social value", which contributes to the welfare and well-being of the community in which they live[5].

An increasing number of companies are using business to benefit society by solving social problems that have been ignored by governments and companies around the world[6]. As a result, these entrepreneurs made a significant contribution to the improvement of social conditions. In addition, social entrepreneurs are also being recognized as significant change agents, addressing troubling social problems such as poverty, discrimination, and social inequality using innovative and cost-effective approaches. Social entrepreneurs are described in various ways, such as motivations, business types, and organizational strategies, implying various types [7]. The definition of a social entrepreneur is often described as a highly innovative, entrepreneurial, and self-motivated individual who has a genuine faith in achieving the social goals they strive for. It has been found that social entrepreneurs are viewed as evidence of innovation, which is often evident in the results they achieve [8]. A 2005 report estimated that more than 3,000 social enterprises contributed 1 billion pounds to the economy in Scotland. It is clear that social entrepreneurship has made a considerable difference among disadvantaged groups.

## **2. Examples of social entrepreneurs using business to do good**

### **2.1. Scott Harrison's nonprofit Charity: water**

The following examples illustrate how social entrepreneurs can use business to do good.

The nonprofit Charity: water, founded and managed by Scott Harrison, is a prime example of a social entrepreneur [9]. On a visit to Liberia in 2004, Harrison visited the poor and witnessed their poverty and misery first-hand, and these impressions were profoundly moving. During that trip that Harrison realized how important clean water was and how many people had no access to it. According to a July 2017 report by UNICEF and the World Health Organization, about three-tenths of the world's population does not have ready access to pure water at home. Furthermore, according to the joint report, close to 844 million people lack access to basic drinking water services. Approximately 263 million people walk more than 30 minutes to fetch water, 159 million drink untreated water, and each year 361,000 children under the age of five die because of water shortages and poor sanitation[10].

Following his firsthand experience of dirty water's impact on society in 2006, Harrison is aware of the global water crisis and wants to help the 1.1 billion people who lack access to clean water. Therefore, a nonprofit organization named Charity: water was founded by Harrison in the same year. Through public donations, Charity: water provides clean water to people in developing countries. The organization's 100% donation policy is one of its distinguishing characteristics, which redefines the meaning of a nonprofit organization. This organization allows donors to track their donations, increasing transparency of the organization's operations and directing these donations to water projects such as wells and sanitation facilities. Harrison is concerned about whether the money donated to charities is supporting a worthwhile cause because there is a deep distrust of charities. Charity: water uses a global imaging system to map completed projects, allowing donors to see the wells their money built, knowing exactly where their money is going. Make sure every penny donated by the public goes towards building wells and supplying clean drinking water[11].

The establishment of the business has had a positive impact on society, as evidenced by its results. Charity: water received one million donations in its first year and more than \$50 million in its second year. In each country, Charity: water works with local organizations. Since Charity: water was founded in 2006, more than \$689 million has been raised, and more than one million donors have contributed over \$300 million to charity: water's cause. In 29 countries, they funded more than 111,000 projects related to water[12]. In addition to being a Young Global Leader at the World Economic Forum, Scott Harrison has been named to Fortune's Elite List, Forbes' 30 Most Influential List, and Forbes' 30 Most Powerful List.

It can be seen that Scott Harrison, as a social entrepreneur, has considered the problem of water scarcity in parts of the world and is committed to taking action to make a difference. The operating philosophy of water is to use commercial means to help the public solve social problems, and it is a positive force for good. Because the company is a non-profit, its services will assist in solving the water shortage problem. In addition to creating a new business philosophy, the CEO applied his innovative thinking to create a 100% donation policy, which represents high transparency and reassures donors. Charity: water's corporate goal is to have its services impact society in a meaningful way.

### **2.2. The establishment of Grameen Bank**

The second example is Grameen Bank, which originated in 1976 and is a microfinance bank in Bangladesh. This bank pioneered microfinance and microenterprise by offering small loans to the poor, enabling them to start businesses [13]. In October 1983, Grameen Bank became an independent bank and received its operating license. A key principle of Grameen Bank is that loans are more effective than charitable donations at fighting poverty, as they allow people to start their own businesses.

Muhammad Yunus founded the group after being inspired by the Bangladesh famine of 1974. The founder of Yunus believes that small loans can help poor start-up businesses and escape poverty. In addition, these borrowers are not subject to high-interest rates. In Yunus' view, the extension of such loans to poor people could lead to socio-economic development and reduce poverty in Bangladesh. Based on his research and experience, Yunus developed the principles of Grameen Bank. In the beginning, Yunus conducted research by taking \$27 from stool makers in the village to test the system for providing bank loans to the poor, and he observed how microfinance enabled them to prosper. The most important aspect of Grameen Bank is that it offers credit to vulnerable groups, such as the poor, women, and the

unemployed. Grameen Bank obtains reasonable credit terms from them, such as very long loan tenure, a group loan system, and weekly instalments, to give the poor an opportunity to use their existing skills and earn income while repaying their loans.

Muhammad Yunus founded Grameen Bank with generosity, kindness, and enthusiasm. Yunus's primary purpose is not to operate and charge high-interest rates but to give a chance to the poor in society, to help them earn income, and to enable them to repay their debts and get out of poverty. This example shows a social entrepreneur using business as a positive force for good. We believe that every person has unlimited potential, which is why we founded the bank. Through this belief, people will be more positive, more creative, more productive, and more innovative, and this can help them get rid of poverty. More than 240 families in Bangladesh had received loans from the bank since its inception by 2005. With approximately 2,600 branches and 9 million borrowers, the bank has a 99.6% repayment rate, which is significantly higher than any traditional banking system.

### ***2.3. Other social entrepreneurship dedicated to helping society***

In addition to the two examples mentioned above, there are many other social entrepreneurs who are also committed to helping society. To protect the environment and improve a community, Patagonia's founder, Yvon Chouinard, promised 1% of profits would go towards environmental protection. In 2002, Yvon Chouinard created a non-profitable company to encourage other businesses in the business world to do the same for social and environmental welfare, gaining consumer recognition and support [14]. As well as Christine Langdon, founder of The Good Registry, who simplifies the donation process and reduces waste. His belief is that charity is a better option than giving unwanted gifts at Christmas or birthdays, which help a good cause by calling for less waste. A total of \$650,000 has been donated by the company so far. In recent years, several businesses have implemented The Good Registry as a way to support charities and make a positive impact on society. Furthermore, Guillaume Dehan, founder of Supergenous, helped process nearly 2 million US dollars in tax refund applications for donations to charities worldwide, enabling the funds to be re-donated[20]. A new generation of social entrepreneurs leads these businesses, leveraging their potential to maximize and amplify opportunity while also creating a business to support charitable causes.

## ***3. The enlightenment of the above-mentioned social entrepreneurship spirit***

### ***3.1. The Promotion of social entrepreneurship for economic and social development***

The concept of entrepreneurship has been attracting the attention of all sectors of society since ancient times. As early as the early 20th century, Schumpeter put forward with insight that entrepreneurship is the force driving "creative destruction", which leads the elimination of old technology and the birth of new products, and builds a new business model. As time goes by, the relevant research has deepened, and the understanding of entrepreneurship has become more comprehensive and exquisite. In a broad sense, the entrepreneurial spirit embodies the unique ability and character essence of the entrepreneur group. The core of it is the spirit of courage, innovation and unremitting pursuit of excellence. At the same time, this spirit also contains the deep yearning for high moral standards and social value creation. Entering the new era, with the vigorous development of China's socialist market economy, the value of entrepreneurship is becoming more and more prominent. Under the guidance of Marxist theory, China not only continues to explore in theory, but also continuously deepens the understanding and application of entrepreneurship in practice. In particular, since the 18th CPC National Congress, Chinese leaders has repeatedly emphasized the role of entrepreneurship in promoting China's economic and social progress, and regarded it as an important engine. In September 2017, the Guiding Opinions of the CPC Central Committee and The State Council on Creating a Healthy Environment for the Growth of Entrepreneurs, Promoting Excellent Entrepreneurs and Better Playing the Role of Entrepreneurs were released, marking the first time that the central government focused on entrepreneurship and paid unprecedented attention to it. In the reports of the 19th and 20th CPC National Congress, promoting entrepreneurship is an important issue, emphasizing its indispensable importance in stimulating market vitality and promoting innovation and entrepreneurship. Chinese leaders has profoundly pointed out that the vigorous vitality of the market comes from the vitality of people, especially the creativity and entrepreneurship of entrepreneurs. This judgment accurately grasps the role of entrepreneurs as the core elements of activating market entities. Entrepreneurs with outstanding entrepreneurial spirit can stand out in the fierce market competition, create strong competitive enterprises, and make extraordinary contributions to the accumulation of social wealth, the creation of jobs, the sustained growth of the economy and the

improvement of the national comprehensive strength.

In entrepreneurship, patriotism is an indispensable cornerstone. Chinese leaders has deeply pointed out that although enterprise marketing crosses national boundaries, the hearts of entrepreneurs are always closely linked to the motherland. Outstanding entrepreneurs shoulder a deep sense of responsibility and mission to the country and the nation, and they closely connect the growth of enterprises with the prosperity of the country, the revitalization of the nation and the well-being of the people. In their eyes, the most direct contribution to the country is to operate the enterprise in good order, achieve quality leap, efficiency, competitiveness and expansion of influence. Under the framework of socialism with Chinese characteristics, patriotism means more than a firm support for the leadership of the Party, a deep understanding of socialist ideals, beliefs and values, and an active response to the Party's policy call. Entrepreneurs need to carefully balance the interests of the country, enterprises, employees and individuals, base themselves on the present, look to the future, and integrate their personal dreams into the grand blueprint of national modernization. Honesty and law-abiding, is the solid foundation of entrepreneurial spirit. Chinese leaders has repeatedly stressed that the socialist market economy is built on the basis of credit and the rule of law. Only by upholding good faith, entrepreneurs can establish a good reputation in the fierce market competition and lay a solid foundation for the steady development of the cause. In the context of a society ruled by law, entrepreneurs should not only pursue moral integrity, but also strictly abide by the law, fulfill all legal obligations, and become a model of integrity and law-abiding. By strengthening the awareness of integrity and law-abiding, they promote the construction of corporate culture, spread the concept of integrity, and lead the improvement of social moral fashion with their own actions. Innovation is the core driving force of entrepreneurship. Chinese leaders has pointed out that the innovation activities of entrepreneurs are the key to promote the development of enterprises and even the whole industry. They are the pioneer of innovation and development, and actively explore, organize and lead the innovation of production organization, technology and market. We should attach importance to technology research and development and human capital investment, stimulate the creativity and potential of employees, strive to build the enterprise into an innovation highland, resonate with the national innovation-driven development strategy, and contribute to solving the problems of economic development and stimulating economic vitality. Giving back to the society is the responsibility of entrepreneurship. Chinese leaders has stressed that enterprises should not only bear their economic and legal responsibilities, but also actively fulfill their social and moral responsibilities. Entrepreneurs should have a sense of honor and mission, and create more economic value and social benefits by driving the rich first and driving the rich later. They actively participate in public welfare undertakings, stabilize jobs, work hard to solve social problems, and promote social fairness, justice and all-round development. The international perspective is a higher requirement for entrepreneurship in the new era. Chinese leaders has pointed out that only a broad vision can achieve a broad mind. In the process of going to the world, many Chinese enterprises make full use of domestic and foreign markets and resources, absorb advanced management concepts and technologies, and gradually grow into internationally famous enterprises and breed outstanding entrepreneurs. Based on the strategic height of the great rejuvenation of the Chinese nation, they constantly improve the ability of international market development and risk prevention, and lead the enterprises to achieve leapfrog development in the higher level of opening up.

### ***3.2. The important role of entrepreneurship in the new era and the new journey***

With the deepening of reform and opening up, China has successfully transformed from a planned economy to a socialist market economy, this historic transformation has paved the way for the rise and development of Chinese entrepreneurs. In this process, many courageous and innovative entrepreneurs have emerged. With the vigorous development of the market economy, they have jointly built a group of Chinese entrepreneurs with unique features of The Times, national characteristics and international influence.

The leaders of state-owned enterprises, as the core force in this group, have now been fully integrated into the broad stage of the socialist market economy, showing a high degree of independent management, self-responsibility for profits and losses, self-development and self-restraint ability. Like other types of enterprises, state-owned enterprises also provide a broad stage and conditions for entrepreneurs to cultivate more outstanding talents and their unique entrepreneurial spirit.

In 2017, the Guiding Opinions of the CPC Central Committee and The State Council on Creating a Healthy Environment for The Growth of Entrepreneurs, Promoting Excellent Entrepreneurship and Better Playing the Role of Entrepreneurs were issued, further clarifying the importance of building a team of state-owned enterprises and highly recognizing their outstanding contributions to the country's economic development. Entrepreneurs of state-owned enterprises not only need to fulfill the duties of

ordinary entrepreneurs, but also need to integrate resources and optimize strategies to realize the unique mission of state-owned enterprises. Therefore, their entrepreneurial spirit is particularly rich and profound, including firm political stance, loyalty to the implementation of the Party and national policies, deep participation in major national projects, unremitting pursuit of people's well-being, and noble professional ethics and self-discipline, and become the model and model of the whole society.

In China's entrepreneurs group, private entrepreneurs occupy a pivotal position. Private enterprises are not only an important force to promote China's economic and social development, but also the cradle of entrepreneurship and employment, the engine of technological innovation and an important pillar of national tax revenue. They have shown extraordinary vitality and contributions in many fields. Chinese leaders once spoke highly of the private economy, pointing out its great contribution to China's economic development, stressing that the private economy is an important part of China's economic system, and private enterprises and private entrepreneurs are our indispensable partners. Our Party has always paid great attention to and support to private enterprises. While unswervingly developing the public sector of the economy, it also unswervingly encourages, supports, guides and protects the development of the private economy. At present, the country is actively introducing a series of policies and reform measures, aiming to further promote the prosperity and development of the private economy, create a more fair and transparent legal environment and business environment for private enterprises, and provide a strong guarantee for the growth of entrepreneurs. At the same time, private enterprises themselves should continue to pursue excellence, actively promote the entrepreneurial spirit of entrepreneurship and craftsman spirit, focus on the main business, strive to create more high-quality products, promote industrial upgrading, and contribute their own strength to the great rejuvenation of the Chinese nation. In the face of the complex and volatile international environment and arduous domestic reform and development tasks, China's entrepreneurs should have the courage to take responsibility, lead enterprises to face up to difficulties, and fully demonstrate their outstanding entrepreneurial spirit. Specifically, entrepreneurs should inspire patriotism, integrate the development of the enterprise with the country, adhere to the integrity and contribute to the construction of a high-level socialist market economic system; dare to explore and innovate, play the main role of the enterprise in innovation, stimulate the internal vitality of economic development; actively repay the society, promote social harmony and stability, and help to achieve common prosperity, and expand the international vision to the world-class enterprises, and constantly improve the international competitiveness of the enterprise.

#### 4. Conclusions

From the examples mentioned above, it can be seen that social entrepreneurs can use the business they create for positive contributions to society, which is a positive force in society. The purpose of social entrepreneurs is not just to generate profits for corporations. They are committed to observing the problems in modern society and creating enterprises in a charitable and non-profit way to help the poor get rid of poverty and obtain the basic living needs they need. It's also great that some social entrepreneurs use a percentage of their profits or revenue to support charities and good causes. They all share a unifying character of passionate leadership, clarity of purpose and effective use of technology. They can see innovation in conventional things, observe social deficiencies and problems, commit to improvement, face up to difficulties, and create a purposeful enterprise to support charity. This spirit is worthy of praise and should be inherited. These social entrepreneurs integrate innovative thinking into their businesses, use innovative models to support causes, and embed doing good into their company culture. We should support entrepreneurs who want to use business as a force for good, who think innovatively, work passionately, and want to make our world a better place.

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