

# **An Exploratory Study of the Process Model of Social Problem-Solving in Social Entrepreneurship Research<sup>1</sup>**

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## **Abstract**

Social entrepreneurship is still in its infancy and there are few studies discussing its process of solving poverty issues. The article argues that discovering and exploiting social entrepreneurial opportunities for the formation of new goods or services in the social entrepreneurial process cannot guarantee that the problem is solved completely. The article suggests that understanding the nature of the problem and putting the focus on behavioral patterns of the individuals facing the problem are important steps as well as issues to be taken into consideration in any problem-solving approach. These are white spaces in current social entrepreneurship research as well as challenges for the development of the field into a really problem-solving approach.

**Keywords:** Social entrepreneurial process, problem-solving process, poverty alleviation

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## **1. Introduction**

In recent years, social entrepreneurship has become an emerging phenomenon, attracting the attention of many practitioners, policymakers, and researchers as a means of solving social problems and catalyzing social change. A global network of nearly 4,000 fellows in over 90 countries called the social entrepreneurs of Ashoka, are also playing the role of change agents with the goal of transforming the world through innovative ideas and solutions. In some ways, they are reducing extreme poverty in developing countries.

The contribution of social entrepreneurship to poverty alleviation in practice is undeniable to an extent, however, the urgency of the poverty problem calls for more scientific and serious studies around the question of how social entrepreneurship can contribute to poverty alleviation or how social entrepreneurship can approach poverty issues.

In order to arrive at a reasonable conclusion, the article is constructed as follows. It first discusses several studies on the topic of the process of social entrepreneurship in its approach to poverty alleviation in order to identify potential gaps. Then, the author conducts a thorough analysis of the nature of the problem and extracts methods for dealing with poverty issues from a problem solving approach. The last section discusses the possible directions of the social entrepreneurial process, as well as other approaches.

## **2. Vagueness in the social entrepreneurial process of poverty alleviation**

Though social entrepreneurship has been characterized as an innovative and social value creating activity (Austin, et al. 2006), research on individual or collective actors addressing “opportunity spaces” created by traditional organizations in their failures to serve the basic needs of large segments of a population (Mair, 2010). Further, research indicates that social entrepreneurship tends to be based partly on the accumulation of entrepreneurship research. However, the field of entrepreneurship itself is still in its early stages with only about 40 years of available research (Nicolaou & Shane, 2011), despite the fact that entrepreneurship has a long history as an idea (Acs & Audretsch, 2004). However, social entrepreneurship is still a multi-dimensional but ill-defined concept (Weerawardena & Mort, 2006); its borders with other fields of study still remain fuzzy (Mair & Marti, 2006), and most studies try to define and differentiate it as a distinct field (Desa, 2010).

The field of entrepreneurship puts the focus on sources of opportunities, the process of discovering, evaluating, and exploiting opportunities, along with the set of individuals who carry out the process (Shane & Venkataraman, 2000; Venkataraman, 1997). Social entrepreneurship studies tend to follow these focus areas to discuss sources of social entrepreneurial opportunities (Hockerts, 2006; Monllor, 2010), how social entrepreneurs identify and evaluate opportunities (Monllor, 2010; Robinson, 2006), and so on. However, there is no accepted definition of the so-

called “social entrepreneurial opportunity,” leaving it to be implicitly understood as an opportunity for social entrepreneurship. This ignorance can lead to ambiguity and inconsistency in understanding the social entrepreneurial process.

## **2.1 Social entrepreneurial opportunities or opportunities for solving social problems?**

Entrepreneurs seek opportunities to introduce new goods, services, raw materials, and organizing methods and sell them at a higher price than their production cost (Casson, 1982). Understanding of social entrepreneurial opportunities is mostly based on this definition, however, (Robinson, 2006) stressed that embeddedness in a social sector market is a distinctive characteristic of social entrepreneurship. Hence, social entrepreneurial opportunities and entrepreneurial ones share the similarity that both offer opportunities for providing goods, services, and so on; however, targets in the former are poverty stricken areas or areas where social problems or issues exist (Robinson, 2006). This perspective identifies the need for new goods and services as an opportunity for the creation of social ventures, which then help to address the poverty problem by entering these social sector markets and providing customers/clients with goods or services that help improve their lives. However, exploiting these opportunities cannot ensure that the social problems will be solved completely. Social ventures in emerging markets are further investigated below to clarify this argument.

Prahalad & Hammond (2002), Prahalad (2005) argued that multinational companies can explore a new source of growth through innovative solutions for serving 4 billion people with a per capita annual income of \$2000 at the lowest tier of the economic pyramid as latent customers. This is called the Bottom of the Pyramid (BOP) and has an economy of over \$13 trillion in PPP terms. Recent studies have mentioned the BOP business as an illustration for a social entrepreneurship approach to improving the lives of the poor by serving them as latent customers through technological innovations (Desa & Kotha, 2006; Mair, 2010; Perrini & Vurro, 2006).

According to current thinking on social entrepreneurial opportunities, as discussed in recent studies as above, understanding and exploring the unmet needs of 4 billion poor people around the world, stimulates the creation and entry of social ventures that enable the poor to have more access to goods and services. Though the BOP approach has blown a new wind to the old problem of poverty and stimulated an explosion of articles, books, forums and workshops on this topic as well as a rush of companies to poor markets in developing countries, there is still an intense debate of contradictory positions among scholars concerning whether the consuming side (Prahalad, 2005; Prahalad & Hammond, 2002) or working side of the poor (Karnani, 2007, 2009, 2010) is the best solution to poverty alleviation. While the former emphasizes the importance of exploring the BOP market with innovative products and services, and serving their unmet needs, the latter stresses generating income for the poor through fostering modern enterprises that would provide them with

employment opportunities. Both are equally important since consuming and working are aspects in the daily lives of the poor. Therefore, unless the poor have money, it is impossible for innovative products or services to be accepted, even though they can meet the needs of the poor. However, even with purchasing power the poor require their basic needs to be satisfied.

Discovering and exploring opportunities around the un-met needs of targets in social sector markets, (which open a path for the creation and entry of social ventures), is an attractive approach in seeking a profit for new markets; however, it is still too early to conclude that this is an appropriate step for social entrepreneurship in solving social problems. Bringing new goods or services into existence to meet unmet needs of poor people merely addresses some parts of the problem; this cannot guarantee that the problem is solved completely. From the viewpoint of observing how the approach can deal with poverty issues effectively and completely, opportunities should not be merely taken for the formation of social enterprises, or creation of new goods, services, but must be basically regarded as the ones that lead to discovering and solving the problems.

## **2.2 The complexity of a problem**

For the goals of catalyzing social change or addressing social needs, social problems such as community development, homeless people and so on become potential targets for social entrepreneurship. Of all these social problems, poverty is probably the most serious and urgent issue for the global community as well as the most challenging field for social entrepreneurship activities. On the other hand, social problems are targets of the social entrepreneurial process; however, there are few studies investigating the nature of social problems. These problems appear to be ill-defined concepts bearing such assumptions as “too obvious to talk more about” or “as everyone can understand,” or “problems of the society.” This causes a serious lapse in progress because understanding the nature of “social problems” can help us determine the targets of the social entrepreneurship approach, and discover whether or not we have properly addressed social problems.

Robinson (2006) mentioned that the characteristics of the social sector markets create entry barriers. However, the nature of the problem itself is complex, not the so-called social problem alone. In researching real-world problems and developing the methodology to explore how research can contribute to solving practical problems, O’Leary (2005) stated that all problems, even simple ones, are complex, multi-faced or multi-dimensional. A problem has economic, bio-physical, cultural, social, political, and personal elements, dimensions, or facets (O’Leary, 2005). In problem-solving research, which studies how human beings solve problems in “real-life” situations, a problem is defined as “*a specific situation or set of related situations to which a person must respond in order to function effectively in his environment*” (D’zurilla & Goldfried 1971: 107). In this situational emphasis, Davis (1966) and Skinner (1953) viewed “a problem” as “a problematic situation” in which a situation is considered problematic “*if no effective response alternative is*

*immediately available to the individual confronted with the situation*” (as cited in D’zurilla & Goldfried 1971:108). O’Leary (2005: 24), in researching real-world problems, further clarified the situational emphasis that a problem is “*where there is a gap between what is real and what is ideal or desired.*” Moreover, as D’zurilla & Goldfried (1971: 108) pointed out, “*a problematic situation may involve a series of related events over a period of time, including a number of different settings.*” Therefore, a problem is not a single issue, but a series of related events constructing that problematic situation. Therefore, poverty as a problem is a situation in which there is no effective response for the so-called poor people to fill the gap between reality and how they desire to live.

Since problem solving is the behavioral process of discovering a solution, a response or pattern of responses to make that problematic situation no longer exist (D’zurilla & Goldfried, 1971), dealing with poverty issues should be taken into consideration as the process of finding responses to overcome the gap between reality and poor peoples’ desires to live their preferred lives. As discussed above, problems are defined at individual levels in problem-solving theories and research, in which problem solving places individuals who are facing problems at the center of the process and discusses the behaviors of these individuals. Therefore, it is these individuals who can realize the gap between what is real and what is desired and define the problematic situations as they pertain to themselves. Priestley et al. (1978) emphasized that problems are basically self-defined and individuals only have the motivation to solve problems defined by themselves, not by others.

However, the poor are often neglected or underestimated in existing models discussing approaches to poverty alleviation, which shows theoretical inadequacies in the existing models. For example, emphasis on the consuming side of the poor tends to highlight of the role of multinational companies with abundant resources, while taking on aspects of work as the focus for the escape from poverty of the poor makes light of the role of the private sector, and in turn highlights the necessity of governments issuing policies to create jobs for the poor (Karnani, 2010). Furthermore, most studies are still based on case descriptions without a fundamental research design, which should be based on collecting and analyzing information in order to obtain accurate answers.

In terms of root causes of poverty, ILO (2003) identifies that “People in poverty go through each day with the will to survive, but without the support and possibilities to move up the ladder of opportunity”. This means that poor people are just victims, living in the vicious cycle of poverty with the will but not the ability to escape from it. Moreover, a mega-study on the realities of 60,000 poor people’s lives in 60 countries, by the World Bank, concluded that poor people should be taken into consideration as resources and partners in any approach to poverty alleviation, which aims to increase “people’s freedom to live the lives they value” (Narayan & Petesch, 2002). For that reason, research should put the focus on the poor people themselves, to discuss how they can get out of poverty. The key issue is neither working nor consuming, since neither is automatically linked to solving other issues surrounding poor people. As mentioned above, poor people are victims of

constraints keeping them in poverty. The behavioral issues of people affect their processes of moving out of poverty. However, there is still little research on behavioral analysis of how they can escape poverty. Current solutions seem to be ready-made ones, which means just creating job opportunities or providing goods or services is supposed to lead to poverty alleviation.

### **2.3 Towards a proper process of solving social problems**

Some efforts have been observed in developing the process of poverty alleviation, such as a Venn diagram of opportunity, people, and capital resources with the context forces surrounding them (Wei-Skillern, et al. 2007). However, the goal of the social entrepreneurial process has been discussed as the creation of social enterprises through exploiting opportunities (Haugh, 2005; Mair & Noboa, 2006). For example, in the model of social entrepreneurial intention formation by Mair & Noboa (2006), the creation of social enterprise is the last stage.

While social entrepreneurship has been captured as the process of catalyzing social change and /or addressing social needs (Mair & Marti, 2006), this definition remains obscure, leaving many questions on how these social problems will be solved. For example, the model by Wei-Skillern, et al. (2007) discusses elements rather than the manner in which social entrepreneurship approaches social issues. Mair & Noboa (2006) proposed the model of social entrepreneurial intention formation and a discussion regarding how the intentions of social enterprises are formed, while Thompson (2002) discussed the process of envisioning, engaging, enabling, and enacting. These researchers are among the pioneers to discuss the manner in which the social entrepreneurial process occurs. Though the model by Mair & Noboa (2006) gives a clear explanation of sources and antecedents of behavioral intentions and how they are formed, these elements still remain, without any specific impact on the social issue of poverty. It indicates a gap between social entrepreneurial behavior and the formation of social enterprise. For example, in which manners do these behaviors occur and lead to the creation of social enterprises? Are there any stages in these behaviors? On the other hand, the model by Thompson (2002) regards opportunity perception as the first step in the process and lays it at the center of the venture. However, similar to other current models, the path to solving social problems still seems to be vague and questions such as where the process starts and ends are left unanswered.

On the contrary, studies in problem-solving, positioned as process-based research, have provided a rich discussion on the process of solving a problem, in which constitutive elements are clarified and placed in an order toward the final goal of making the problem non-existent. Accordingly, problem-solving is described as a behavioral process that includes four steps: preparation, incubation, inspiration, and verification (Kleinmuntz, 1966; Rubinstein, 1975), taking place in parallel rather than in series, or in the following five stages: general orientation, problem definition and formulation, generation of alternatives, decision making, and verification (D'zurilla & Goldfried, 1971). Meanwhile, Priestley et al. (1978) proposed a process

of four steps including assessment, setting objectives, learning, and evaluation (Table 1).

**Table 1: Summary of problem-solving processes**

Kleinmuntz 1966 Rubinstein 1975	<ol style="list-style-type: none"> <li>1. <i>Preparation</i>: the elements of the problem are studied and the implications are investigated</li> <li>2. <i>Incubation</i>: the frustrated problem solver turns to other tasks without having solved the problem</li> <li>3. <i>Inspiration</i>: the solution suddenly appears in consciousness either spontaneously or when the subject intentionally returns to the problem</li> <li>4. <i>Verification</i>: the subject checks that his bright idea is in fact a solution to the problem</li> </ol>
D'zurilla & Goldfried 1971	<ol style="list-style-type: none"> <li>1. <i>General orientation</i>: accepting the problematic situation as a normal part of life, recognizing problematic situations when they occur, and responding to them</li> <li>2. <i>Problem definition &amp; formulation</i>: stating the problem specifically and concretely, and formulating elements of the situation appropriately</li> <li>3. <i>Generation of alternatives</i>: generating possible solutions appropriate to the particular problematic situation</li> <li>4. <i>Decision making</i>: making a judgment of which alternative is "best" or "optimal"</li> <li>5. <i>Verification</i>: assessing the actual outcome to make self-correction possible</li> </ol>
Priestley et al. 1978	<ol style="list-style-type: none"> <li>1. <i>Assessment</i>: identifying the problem</li> <li>2. <i>Setting objective</i>: deciding what to do about it</li> <li>3. <i>Learning</i>: acquiring the ability to achieve these objectives</li> <li>4. <i>Evaluation</i>: checking the result</li> </ol>

Though there are some differences in the names of the process stages as well as clarifying their contents, the process mainly puts an emphasis on stages of self-defining the problem, setting the objective, generating the response, and evaluating the solution.

- *Self-defining the problem*: implies that the individual facing the problem accepts the problematic situation as his/her own problem and is motivated to solve it (Priestley et al., 1978).
- *Setting the objective*: with reference to the above-mentioned discussion of a problem, realizing the gap between what he/she desires and what is reality, and deciding what to do about it (Priestley et al., 1978).
- *Generating the response*: studies in problem-solving theories show rich discussions regarding the stage of generating the response, such as brainstorming or incubation
- *Evaluating*: means evaluating the result to consider whether or not the problematic situation has been resolved (Priestley, et al., 1978). That is, the individual who is facing the problem must decide whether or not the response has succeeded in filling the gap between reality and his/her desire as realized

previously. In reality, man cannot achieve ultimate success (Simon, 1957), (first cited in D'zurilla & Goldfried, 1971), or the most “optimal” solution (D'zurilla & Goldfried, 1971). An individual needs to set the standard by which he can feel satisfied or reasonably successful. D'zurilla & Goldfried (1971) attributed this to the complexities of situations that people face as well as the limitation of man's information-processing abilities.

This implies that the process doesn't simply end in one round. As long as the situation is still problematic or an individual feels a gap between what is real and what is desired, the problem-solving process continues. Problem-solving studies also share similarities in focusing each study on individuals and using units of analysis in their behaviors to discuss the behavioral process of dealing with their problematic situations. Let's have a look at the following cases in which the poor with disabilities have struggled to deal with their own problems by their problem-solving methods in Vietnam.

About 6.4% (5.3 millions) of the population are people with disabilities, of which 70% (3.7 millions) are people of working age in Vietnam (Vietnam, 2006). Furthermore, a survey by the Ministry of Labour, Invalids and Social Affairs in 1995 showed that just nearly 1% of those families who have higher incomes manage to create favorable conditions for their families' disabled members. This causes disabled people themselves gradually to bear in mind the thought that they become burdens to the families. Disabled people bear the prejudice about being ‘the poorest of the poor’, since they are those poor people even defective of one or many parts of the body. Inside them usually exists the feeling of wanting to do something, the desire of escaping from poverty, not for themselves alone, but for their families also. Table 1 displays the cases that have been studied.

*Duc Hien Business Enterprise of Persons with Disabilities* was founded by a person with disabilities and run by PWDs with the aim to constantly assert themselves to overcome their fates. It is a social venture, which operates neither as an association nor a charity in order to strongly state their message that running a successful business is done by providing excellent products, not at anyone's mercy or bearing the prejudice of clients about an organization just asking for help. Due to health conditions, a person with disabilities cannot serve as a production unit, instead, teams of members with strong health, techniques, and knowledge, are formed as a production unit so that strength of one can cover the weakness of others.

*Association of Interdependent Arising of Persons with Disabilities* was founded and run by PWDs to deal with diverse problems in their lives. Their solution is the creation of the model of mutual aid tontine groups, a self-help microfinance scheme. Operating tontine funds is built on the basis of equality with love, requiring an emotional rather than costly material investment. Furthermore, the funds are based on solidarity and the collective contribution of many people. In order to borrow money, a member must provide reasons and a plan for using the money. In addition, he/she needs to have two other members in that team as guarantors. Members in



each team gather once a month, maybe at a team leader's home or the borrower's residence. Team members will learn about the situation of the member who wants to borrow the money, evaluate, and give advice about the project he/she is going to undertake with the money.

*Hoang Minh Business Enterprise of Persons with Disabilities* was founded by an entrepreneurial person with disabilities to produce three-wheel motorbikes with reverse gear for people with disabilities. The founder studied the techniques of converting normal bikes into three-wheel motorbikes at low cost with the aim of solving the problem faced by the founder himself and then training other employees with disabilities in the enterprise. The company produced various three-wheel motorbikes for customers with various types of disabilities and continuously brings new types of motorbikes into existence in order to avoid inconvenience in people's lives based on a deep understanding of the problems faced by their customers.

*Chien Thang massage-service business by the blind* was the first social enterprise in Ho Chi Minh City, Vietnam to specialize in providing massage-services by the blind. The founder of the enterprise is blind. In the past, blind people would wander around street corners to sell lottery tickets for a living. Wandering around in bad weather, slipping into holes in the streets, stepping into puddles, or being cheated and handed old lottery tickets by bad buyers happened often. The massage enterprise took in other blind people, and provided vocational training so that employees could serve customers and create a stable working environment with higher incomes for blind people. Employees realized that there wasn't another job that enables them to realize their desires for a better life, not only for themselves, but also for their families. Therefore, they maintained the highest concentration in locating acupuncture points, body parts, and performing the massage precisely in order to deliver the best massage service to their customers. There are approximately 450,000 blind people in Vietnam, accounting for 0.5% of the population. Massage services by blind people are popular in Vietnam and have been an effective tool for blind people to overcome their disabilities, earn a living, support their families, and lead a normal life.

The similarity in these social problem-solving cases lies in the fact that it is poor people who founded the organizations, and it is poor people who run and manage the organizations in their continuous efforts to solve their own diverse problems. Those solutions may result in the creation of innovative products, methods of production, or organizations. These multifaceted problems cause the process of finding solutions and problem-solving to continue for many rounds until problematic situations no longer exist.

**Table 2: Cases of Problem Solving by the Poor Themselves**

<b>Organization</b>	<b>Legal Form</b>	<b>Basic Information</b>	<b>Goal</b>	<b>Problems to Solve</b>	<b>Solutions</b>
Duc Hien Business Enterprise of Persons with Disabilities	Entrepreneurial social venture	Founded in 2005 with 46 persons in the company, most of whom were people with disabilities (PWDs).	Create suitable environment for PWDs to work and benefit from the fruit of their labors.	PWDs face difficulties in finding jobs suitable to their health conditions.	Creative methods of production, in which PWDs work in teams as a production unit in order to make positive use of their strengths and overcome the weaknesses of every disabled individual.
Association of Interdependent Arising of Persons with Disabilities	Not-for-profit organization	Founded in 2005 and run by 242 members with disabilities.	Overcome their weaknesses, deal with poverty problems themselves and enjoy their lives with the desire to fully integrate into society.	<ul style="list-style-type: none"> <li>■ Low awareness, skills, and interest in work</li> <li>■ Financial obstacles to become self-independent or solve problems in self-employed activities</li> </ul>	<ul style="list-style-type: none"> <li>■ Study promotion, vocational training</li> <li>■ Career consultancy, job introduction, and vocational guidance</li> <li>■ Production and trade program</li> <li>■ Mutual aid tontine groups</li> </ul>
Hoang Minh Business Enterprise of Persons with Disabilities	Entrepreneurial social venture	Founded in 2006 and run by 10 persons with disabilities	<ul style="list-style-type: none"> <li>■ Integrate equally and fully into society.</li> <li>■ Have a good job, support themselves, lift the financial burden for their families and become useful to society.</li> </ul>	Immobility and inconvenience in the daily lives of people with disabilities	<ul style="list-style-type: none"> <li>■ Take in PWDs and provide them with education and vocational training.</li> <li>■ Produce three-wheeled motorcycles for people with disabilities</li> </ul>
Chien Thang massage-service business by the blind	Entrepreneurial social venture	Founded in 2003 and run by 15 members with disabilities	Create a stable working environment with higher incomes for blind people	Difficulties in finding jobs suitable to health conditions.	Take in other blind people, provide vocational training and together serve customers

### 3. Entrepreneurship, social entrepreneurship or problem-solving for poverty alleviation?

The poor appear to be passive subjects for studies discussing how to help them, though just a few studies mention poor people portrayed in a negative light. For example, Karnani (2009) believes that poor people often spend a large part of their incomes on beer, ceremonies, and festivals. Karnani (2009) also added that poor people don't have the skills, vision, creativity, and persistence to become entrepreneurs; the poor would choose to be employed rather than being self-employed and they are worse entrepreneurs than the non-poor. If these are observations revealed from a scientific process of systematically collecting and analyzing information based on strict procedures, then there is no reason to doubt these conclusions about the poor. If it is not, it cannot be seen to accurately portray all poor people. If we look at self-help organizations, the micro or small enterprises of poor people, they exude the desire for poor people to have a common voice, integrate equally and fully into society, respond willingly to the formidable challenges of fate, try hard to support themselves, free their families from burden, and become useful to society. Poor people with disabilities in the above-mentioned cases stated,

*"We, persons with disabilities, never lose to any obstacle or difficulty, we always try by all means to survive, ... "*

*"We have disabilities but we are not useless, we have the desire to work so that we can earn incomes, pay living expenses by ourselves, support our family since it can help release the misfortune in our bodies, ... "*

*"If we cannot manage to do anything, we will be despised by the society and our families also become unhappy."*

This is a characteristic of poor people as well as the core principle of any approach to poverty reduction. Furthermore, the above-mentioned exploration of the problem implies that un-met needs, living on under \$1 or \$2 a day, unemployment, and so on are merely one facet of the problematic situation to which the poor have not found a suitable response to bridge the gap between reality and their desire.

A significant stage of problem-solving is the self-defining problem stage, in which the poor realize the necessity of solving the problematic situation they are facing. Therefore, examples of poor people wasting their incomes on beer or wine can be attributed to the lack of this element. Repeatedly, the core principle of problem-solving lies in the individuals facing problems. It does not mean that problem-solving is separated from currently promising solutions to poverty alleviation such as entrepreneurship, social entrepreneurship, or social innovation.

A study conducted by the author on social entrepreneurship approach to reconstructing and activating Tohoku Region (literally "North East Region") after the Earthquake in March 11, 2010 in Japan showed the following surprising results. Some projects have been carried out so that victims of the earthquake can join

production activities, such as art crafts, from which they can earn incomes and become independent, and also communicate with each other at the work place instead of spending all the time in temporary homes. The projects have been designed to prioritize income generation for the victims by purchasing products from them, paying the money in advance, and then selling the products somewhere. This means that the victims do not have to worry about the sales of products and just concentrate on production, in which the more they produce, the more money they can get. However, in some areas the projects attract only a few participants. The result lies in the fact that some are receiving subsidiary aids, which are to support their lives until they can become independent and earn a living by themselves. If they take part in these income-generating activities, the aids will be reduced or cut; therefore, they would rather stay as they are at present than choose to work to earn a living and become independent. The core problem does not simply lie on the formation of social enterprises, creation of job opportunities for beneficiaries, but the self-consciousness or awareness of the necessity of dealing with the problem that these individuals are facing, which is an important target for social entrepreneurship.

A literature review of motives of the entrepreneurs showed that entrepreneurs are motivated by non-pecuniary benefits, among which autonomy or independence is the first consideration (Light & Siegel, 2006). Entrepreneurship has also been discussed to help remove unemployment by turning unemployed people into entrepreneurs and employing others (Parker, 2006). However, the above-mentioned cases show that solutions by the poor are not merely founding enterprises or taking other poor people as employees.

On the other hand, the process of discovering and exploiting entrepreneurial opportunities tend to lead to the creation of new goods and services aimed primarily for a profit while employment is a by-product. Although social entrepreneurship is supposed to exploit social opportunities, the formation of social enterprises is merely a specific form of solving problems. In the illustrated cases, there are many responses made by the poor themselves within the established enterprises to deal with problematic situations. For example, as the second illustration case shows, the interest-free microfinance fund is a creative method of making a positive use of not only savings, but knowledge as well as the experience of other poor people in solving the problems of every member. This is merely one of many solutions by the poor themselves to deal with obstacles in order to enjoy their lives. The story of the three-wheeled motorbikes for people with disabilities is also similar. Realizing the gap between difficulties in mobility and what they desire stimulated endless efforts by poor people to create solutions until they felt satisfied, certainly not only for customers with disabilities, but also for themselves. Self-study of the techniques of converting normal bikes into three-wheeled motorbikes with low cost, improving three-wheeled motorbikes so they have reverse capabilities, and realizing the necessity for stair-climbing wheelchairs, and so on were innovations created by the poor to improve their own situations.

It is forced and unnatural to capture these problem-solving behaviors of people into

a social entrepreneurial process and to point out that it is the discovery and exploitation of social entrepreneurial opportunities leading to the formation of social enterprises that helps bring about optimal solutions to these problems. Social entrepreneurship research at present has taken into account neither the nature or complexity of problems nor the behaviors of individuals facing problems. This leads to limitations of social entrepreneurship in discussing how it can solve a social problem completely.

#### **4. Conclusion**

Though social entrepreneurship has undeniably attracted worldwide attention as an innovative means of solving social problems, most studies are still trying to clarify the phenomenon or to give a satisfactory definition. Meanwhile, the complex nature of poverty issues calls for social entrepreneurship research to be developed further so that it can actually serve as a tool for dealing with poverty. However, poor social entrepreneurship research in the behavioral process of solving social problems cannot help grasp an understanding of the mysterious phenomena of problem-solving. Furthermore, this limits the involvement of social entrepreneurship in poverty reduction, both in theory and in practice.

On the other hand, social entrepreneurship and other approaches to social problems tend to place social problems in a static state to be observed unilaterally. Using social entrepreneurship research for an approach to poverty alleviation will lead to a change in social entrepreneurship from merely clarifying the phenomenon or giving a satisfactory definition, to placing itself in the complexity of the problem it is supposed to solve and maturing into a really problem-solving approach. Considering the complexity of the problem and the behavioral patterns of the individuals facing the problem, placing social entrepreneurship in a problem-solving approach will bring about one new angle for the development of the field. These are challenges as well as white spaces in social entrepreneurship research to poverty alleviation at present, but they are also potential engines to drag social entrepreneurship one step closer to a real problem-solving approach.

Though there are also arguments on the differences between social entrepreneurship and social innovation in terms of the real solution to a social problem they similarly tackle these issues in order to be the real “solution” to the “problem.”

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