

New study reveals the worldwide reach of social entrepreneurship

June 1 2016

American University's Kogod School of Business Professor [Siri Terjesen](#) announces the launch of the [Global Entrepreneurship Monitor's \(GEM\) Social Entrepreneurship Report](#). The report, released today, is the largest comparative study of social entrepreneurship in the world. The report confirms social entrepreneurship is taking root in both developing and developed nations, with more entrepreneurs focusing on doing good, rather than solely making a profit.

About 3.2% of the world's population is starting social ventures, with 5.75% of the total U.S. population involved in social start-ups. "Social entrepreneurship is about people starting any initiative that has a social, environmental, or community objective," said Professor Terjesen, AU Innovation Center Research Director. "It could be students who are starting a product that's based on recycled materials, or a group working to find a solution to irrigation problems in their neighborhood."

GEM, a membership organization dedicated to entrepreneurship research, provided Terjesen with access to its international network of nearly 90 countries to conduct a survey. She and her colleagues, Niels Bosma (Utrecht University), Thomas Schøtt (University of Southern Denmark), and Penny Kew (GEM South Africa), selected random populations from different GEM countries to survey by phone or face-to-face. The Social Entrepreneurship Report is based on interviews with 167,793 adults in 58 economies in 2015. Its findings have important implications for entrepreneurs, researchers, and policy-makers.

According to the new report, early-stage social entrepreneurial activity, measured by the percentage of adults between the age of 18 and 64 who are currently trying to start a social purpose business is at a global average of 3.2% - ranging from 0.3% (South Korea) to 10.1% (Peru). By comparison, the rate of start-up commercial entrepreneurship in the same regions averages 7.6% and ranges from 13.7% in Vietnam to a high of 22.2% in Peru. World regions with the highest social entrepreneurial activity (both in the start-up phase and those that are operational) are the U.S. and Australia (11%), followed by sub-Saharan Africa (9%). Southeast Asia is the region with the least amount of social entrepreneurs (3.8%).

The report also uncovered an important fact about the world's social entrepreneurs; an estimated 55% are male and 45% are female. "The social entrepreneurship gender gap is less pronounced than in commercial entrepreneurship where men trump women as business leaders 2:1," said Terjesen. "In social ventures, both genders are equally represented, suggesting that social entrepreneurship is a top business field of interest for women worldwide."

Additionally, the researchers found that most social entrepreneurs use their personal funds to start and run their businesses. Social entrepreneurs who start in Southern and Eastern Asia, the Middle East, and North Africa commit the highest levels of personal funds (estimated over 60%). In sub-Saharan Africa the share of self-investment is the lowest (roughly 30%), social entrepreneurs in this region rely heavily on resources from family. More than a third of the world's social entrepreneurial ventures rely on government funding, while family and banks are also important sources of funding for social entrepreneurs.

"Governments are not equipped to solve all of the world's problems - nor should they be. They are looking for innovative solutions from the private sector, which is where social entrepreneurs will play a vital role,"

said Terjesen. "The world will be a better place if we can determine the most appropriate ways to support social entrepreneurs and scale up their solutions."

Provided by American University

Citation: New study reveals the worldwide reach of social entrepreneurship (2016, June 1)
retrieved 9 May 2024 from
<https://phys.org/news/2016-06-reveals-worldwide-social-entrepreneurship.html>

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