

REFLECTIONS ON POVERTY SOLUTIONS OFFERED BY INTRODUCING SOCIAL ENTREPRENEURSHIP TO ECOSYSTEM SERVICES

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Abstract:

The new economy which characterizes today's world is invaded by countless theories and concepts which try to explain the way societies fail to assure a general well-being for citizens and wish to offer support for the development of a flourishing and safe future. Between these concepts, some new and some old, are the social entrepreneurship and the ecosystem services. Both of these have started to become very important for researchers and policy makers in the last decade. Also, both have the objective of creating a more human economy and assuring the human well-being. Even though the subjects of these theories are very different, we have managed to show in this paper that a correlation between the two is possible and more than that their combination can have positive outcomes. Social entrepreneurship is a concept describing a new way of using business know-how gained from the private sector in order to find solutions to social, cultural and environmental problems. Ecosystem services are the benefits which people obtain from ecosystems. A relation between the two concepts can be represented by the fact that ecosystem services might be the subject of social entrepreneurship. Another one would be the input which social entrepreneurship might bring to ecosystem services, in what concerns abilities and techniques in dealing with different problems. In conclusion, we tried to show that these double way relations would have an important role in what concerns the fight against poverty.

Key words: environmental economics, ecological economics, ecosystem services, social enterprises, social entrepreneurship, social innovation

JEL classification: Q57, L31, O35

INTRODUCTION

In the last decade, the concept of “ecosystem services” has become very important for many researchers and policy makers, increasingly taking into account the link between ecosystems and human societies (Lakerveld, Lele, Crane, Fortuin, & Springate-Baginski, 2015; Lelea, Springate-Baginskib, Lakerveldc, Debd, & Dashe, 2013). Many studies conducted by MA have been focused on the role of ecosystem as contributors to human well-being (MA, 2005). The understanding of social processes is essential if our goal is to conserve nature, to enhance human well-being or to alleviate poverty. Although in the development sector there were attempts to link poverty alleviation and inclusive growth with the concept of ecosystem services, there are still obvious gaps in this way.

Ecosystems and their biological diversity can provide a stream of goods and services which are of great importance to the social and economic environment we live in. At the same time, the current global changes determine the diversity decline of species and habitat, and replace these with landscapes biologically poor and human-dominated. These ecosystem degradations can be seen more often and with a greater intensity in developing countries, which are characterized by high levels of poverty and heavily reliance on natural resources (Jodi Newcome et al., 2005). This

antithetical situation accentuates the need of an economy and an entrepreneurship more human, more social and more ecological.

Social entrepreneurship and social enterprises have been proven to bring innovation and sustainable responses to different problems faced by communities (Bucaciuc, 2015). Taking into consideration the previously mentioned problematic status-quo elements of ecological economics, social entrepreneurship might contribute also to communities dependent on the development of ecosystem services.

In order to see if our hypothesis is correct, we have tried to empirically understand what ecosystem services contain, who are the beneficiaries and the other stakeholders of this ecological economics segment, what is social entrepreneurship and how can this contribute to the problems risen from the unconscious consume of services provided by natural systems.

WHAT ARE ECOSYSTEM SERVICES AND WHAT IS THEIR FIELD OF ACTIVITY

Ecosystem services are the benefits people obtain from ecosystems (Millenium Ecosystem Assessment, 2003). Millennium Ecosystem Assessment (hereafter MA) classified ecosystem services into four categories: provisioning services such as food and water, regulating services such as water flow regulation downstream, landslides prevention, soil erosion prevention, pollination services for agriculture, supporting services such as soil formation and nutrient cycling, and cultural services such as recreational, spiritual and religious benefits. MA was focused on the link between human welfare and services provided by ecosystems, and this link refers to the fact that any change in these services affects human well-being in many ways. Human well-being can be enhanced through sustainable human interactions with ecosystems supported by necessary instruments, institutions, organizations, and technology (Millenium Ecosystem Assessment, 2003)

The field of ecosystem services activity can be defined as linkages between organizations and ecosystems. This linkages can be understood in terms of impact and dependencies (Boulter, 2011). The impact refers to the organization's activities, which causes a positive or negative change to ecosystems and their capacity to supply services. The dependencies refer to those aspects through which an organization relies on steady and stable provision of particular ecosystem services for the continuation of its operations. Organizations depend upon a large range of goods and services provided by ecosystems. These organizations can come from different domains of ecosystem services usage or benefit; from production of bottled water to provisioning of timber, or water (see the category of beneficiaries in Table 1).

Moreover, some organizations may use intensively ecosystem service in order to have a negative impact on its availability. Excessive water use reducing water availability for all users in the area, pollution reducing numbers of pollinators, and carbon emissions affecting climate regulation, all of these lead finally to ecosystems degradation. Intensive usage of ecosystem services is correlated also with a high level of poverty of communities or degree of reliance on natural resources. Actually, those are the main issues that have to consider when we want to bring sustainable responses.

WHO ARE THE BENEFICIARIES AND OTHER STAKEHOLDERS OF ECOSYSTEM SERVICES

The direct beneficiaries (users) ecosystem services are economic entities with a quantifiable advantage benefiting the environmental services provided by ecosystems. The indirect beneficiary is that entity benefiting indirectly or passively of ecosystem services.

Another definition from scientific literature, present beneficiaries as an individual or a group that benefits from ecosystem goods and services through active or passive consumption or through simple appreciation resulting from awareness of the existence and importance of these environmental services (Nahlik et al., 2012).

The relationship between ecosystem services and beneficiaries can be described in terms of intensity of causal relationships, along a level of dependency, location and impact of ecosystem services on beneficiary activities (Table 1).

In our analyze we selected the ecosystem services that are relevant on the local and regional level, so that services such as carbon sequestration or genetic resources were excluded, since they benefit more globally. In terms of beneficiaries we have selected those who benefit from the services of a forest ecosystem (more specifically from a protected area), but they have been selected at national level. We can distinguish different degrees of dependency among the beneficiaries and different impact of ecosystem services on beneficiary activities (Table 1). For example, energy sector - hydroelectric energy production strictly depend upon water provisioning. Or we may have beneficiaries that are not depending on ES, they can easily substitute any ecosystem services with other source (visitors, hikers). Residents and local administration can be a dependent beneficiary, a direct and indirect beneficiary and stakeholders able to influence public decisions in the area. Such a distinction between different groups of beneficiaries serves to admit the dependency of economic activity on Protected Area.

Distinction between stakeholders and beneficiaries is regarding the ability to influence deciding policies and the condition of benefiting (Schirpke et al., 2014) The beneficiaries of ES from a Protected Area can be in the same time stakeholders (subjects involved or interested in management site), but not vice versa; not all stakeholders are necessarily beneficiaries. As Freeman said, a stakeholders is „any group or individual who can affect or is affected by the achievement of the organization’s objective” (Fassin, 2009).

Table 1. Intensity of relationship between beneficiaries and ecosystem services from a Protected Area

Category of ecosystem services ^a	Ecosystem services	Benefit domain (examples)	At site	Dependency	Impact of ecosystem services on activities	Category of beneficiaries
Water protection	Flood protection	Water retention, Flood Mitigation	No	Medium: depending on ES from outside	Direct	Residents, local administration
			No	Medium: depending on ES from outside	Direct	National Company of Roads
			No	Medium: depending on ES from outside	Direct	Insurance companies
	Water provisioning	Water usage or consumption	No	Low: depending on ES, but with substitution opportunities	Indirect	Fishermen Associations
			No	Low: depending on ES, but with substitution opportunities	Indirect	Fish farms owners
			Yes	Strong: totally depending on ES	Direct	Energy sector – hydroelectric energy production
			No	Strong: totally depending on ES	Direct	Water bottling companies
			No	Strong: totally depending on ES	Direct	Water distributors
Soil protection	Soil erosion protection	Erosion and landslide prevention	No	Medium: depending on ES from outside	Indirect	Residents, local administration
			Yes	Strong: totally	Direct	National

				depending on ES		Company of Roads
			No	Medium: depending on ES from outside	Indirect	Insurance companies
			No	Low: depending on ES, but with substitution opportunities	Indirect	Water distributors (surface water)
Recreation	Recreational scenery	Recreation	Yes/No	Low: depending on ES, but with substitution opportunities	Indirect	Tourism sector
			No	No dependency: easily substitutable with other source areas	Direct	Visitors, hikers
Genofund and ecofund protection forests	Provision of habitat area and shelters	Biodiversity	No	Strong: totally depending on ES	Direct	Biodiversity Department
			No	Medium: depending on ES from outside	Indirect	Fishermen Associations
			No	Medium: depending on ES from outside	Indirect	Hunting Associations
Resources provision	Timber resources provision	Forestry	Yes	Low: depending on ES, but with substitution opportunities	Direct	Forest owners
	Non-wood resources provision	Forestry	No	Low: depending on ES, but with substitution opportunities	Direct	Processing companies in non-wood products
			No	Medium: depending on ES from outside	Direct	Beekeepers Associations
	Pharmaceutical Resources provision	Medicine	No	Strong: totally depending on ES	Direct	Pharmaceutical companies

Source: adapted from Schirpke et al., 2014

^a the category of ecosystem services adapted according to functional categories from Technical Standards of Forest Planning

ES=ecosystem services

SOCIAL ENTREPRENEURSHIP, A WAY OF ACTING WITHIN ECOSYSTEM SERVICES

As the today's economic, social and environmental context gets more and more complicated, and the old methods of organizing and carrying on daily life fail to assure at least a common well-being, new principles of life start to lead humanity. We can see a revolution in what concerns our food, our climate, our jobs and our way of doing business. The trend is going to a more green and a more human way of life, and one aspect of this transformation is the development of social entrepreneurship.

This social entrepreneurship is seen as part of social economy, and more than that, a new challenge faced by social economy organizations. It is a global phenomenon based on social innovation and deep involvement in identifying solutions to different social problems (Vlasceanu, 2010).

Within business models which are characterized by hybridity, entrepreneurship connects the disparate elements and this way, it is indispensable to social enterprises (Martin & Osberg, 2007). There are two steps which assure the success of the connection: the delineation of entrepreneurship features and the adding of social entrepreneurship specific differences (Austin, Stevenson, & Wei-Skillern, 2006; Murphy & Coombes, 2008).

Social entrepreneurship has at its base the same situations necessary to the development of classic entrepreneurship: an opportunity, the existence of some characteristics necessary for the pursuance of opportunities and the desire of creating results. More and more often it is said that entrepreneurs are marked by the desire of making money and social entrepreneurs by altruism. However, entrepreneurs won't continue their activity only for their financial target, because this would assure them the failure. Instead, the entrepreneur and the social entrepreneur are motivated by the discovered opportunity, chasing without cease their vision. But the differentiation between the two is still their values. The classic entrepreneur serves markets which afford the product or service he offers and is created with the purpose of obtaining financial profit, while the social entrepreneur wishes to lead to a large scale added value, serving the ones neglected, the ones disadvantaged or all those who lack the means of obtaining the transformation benefit on their own (Martin & Osberg, 2007).

In our context, a suitable definition of the social entrepreneur would be: the person who sees an opportunity of satisfying a set of needs which are not addressed by the welfare state and who gathers the necessary resources (generally people, money, etc.) and uses these in order to "make a difference" (Thompson, Alvy, & Lees, 2000).

When thinking about social entrepreneurship in the sphere of ecosystem services, we can see the development of an environmental entrepreneurship. Some research have shown that the characteristics of an area influence the specific nature of the local social economy and contribute to its development considering the constraints and opportunities imposed by the institutional context (Amin, Cameron, & Hudson, 2002). This way, in areas in which environmental problems are of great importance, social entrepreneurship is put in practice through environmental entrepreneurship.

HOW SOCIAL ENTREPRENEURSHIP CAN BRING ADDED VALUE TO ECOSYSTEM SERVICES

Research has shown that when trying to refocus economics on problems and contexts which have been neglected, there can be followed two different ways: (1) one which internalizes social and environmental contexts in the economics' framework of valuating and allocating resources and (2) a second one which internalizes the economic activity in social and environmental problems (O'Hara, 2010). The two approaches will offer different answers to economic questions regarding what to produce, how and for whom. A great focus has been put on the first approach, considering that ecological systems, biological systems and natural resources are a great contributor to the economy. However, in the last years, based on different case studies, economists have started to understand that the fight against poverty can be won using the know-how local people have in solving local problems (Huggins, 2013) and by internalizing economic activity in these social and environmental problems.

Transposing the presented theory in the relationship between social entrepreneurship and ecosystem services, we can detect the following two approaches: (1) ecosystem services might be the subject of social entrepreneurship and (2) social entrepreneurship might bring an important input to ecosystem services, in what concerns abilities and techniques in dealing with different problems.

Different scholars has been argued that entrepreneurship can be the answer to eradicating poverty (Powell, 2008 in Creech, Huppe, G., Pass, & Voora, 2012). The inclusion of entrepreneurship in the theory of economic growth increases the roles of human capital, but also the returns to scale and knowledge externalities.

Locations characterized by environmental problems are usually also characterized by low levels of community well-being. The encouragement of entrepreneurship focused on the specific environmental problems contributes not only to finding ecologic solutions but also fights poverty by creating employment either through creation of new start-up enterprises or the expansion of existing enterprises. This way, this social entrepreneurship's engines would be poverty eradication and solving of environmental problems.

CONCLUSIONS

Feeling threatened by the economic, social and environmental problems which attack humanity nowadays, it was necessary the rethinking of our choices in life. This way, more and more entrepreneurs tend to focus on new types of doing business. The response to this is a social entrepreneurship which is developed on the desire of solving different social and environmental problems.

Of course, social businesses still have to be ruled by classic business know-how, strategies and principles, but they are enriched with the goal of solving social or environmental problems. This new way of doing business is considered to be superior in what concerns impact on society and is the response to the need of a more human economy.

Within this paper we have focused on the relationship between social entrepreneurship and ecosystem services and we have seen that this relationship is with a double sense: the development of solutions to ecosystem problems can represent the target of social entrepreneurship initiatives and also that social entrepreneurship can be a real tool in solving these environmental issues.

Not least, we have seen that the development of social entrepreneurship in regions characterized by environmental problems can help eradicating poverty through job creation and the focus on solving environmental issues.

While the beneficiaries of ecosystem services are mostly representatives of the local communities, and because the development of the discussed relationship between social entrepreneurship and ecosystem services would have positive outcomes, an increase of social enterprises in the field of ecosystem services should be a great focus for local communities.

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