



Diaspora, social entrepreneurs and community development

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development

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Abstract

Purpose – In view of significance of social entrepreneurial activity for community development, the purpose of this paper is to attempt to identify attributes of social entrepreneurs and philanthropists among returning successful diaspora in North Indian villages. Philanthropists are defined by the fact that they only invest money, whereas the social entrepreneurs invest their activities as well. An attempt is also made to ascertain key determinants and processes influencing outcomes of social entrepreneurial activity with a view to facilitate it.

Design/methodology/approach – Emphasis is on qualitative analysis based on interviews of scientifically sampled respondents. However, the paper suggests that the rational choice approach is inappropriate to address the issue of community development. An approach based on a broader view of man in works of some classical economists like Adam Smith is more useful.

Findings – The results of empirical analysis suggest that there exist substantial factors, such as early socialization, experience in community work, education and health, that differentiate social entrepreneurs and philanthropists. Salience of relationship between formal and informal institutions, personal traits and social skills of social entrepreneurs in influencing outcomes of social entrepreneurial activity is indicated. By investing moral and material resources in communities, social entrepreneurs augment social capital and facilitate social action. In contrast, philanthropists may add to distortions in community functioning, especially if they opt to operate through largely dysfunctional formal local institutions due to structural impasse in rural areas.

Research limitations/implications – The paper pertains to Indian Punjab, an area with a long history of emigration. However, researchers need to take into account distinct socio-economic conditions in Punjab when designing studies for other areas.

Practical implications – Policy measures addressing hurdles in the way of social entrepreneurial activity can speed up the modernization of traditional communities.

Originality/value – The paper adds to understanding of what motivates human behaviour in economic analysis of community development. Further, it makes an important distinction between the roles of the philanthropist and the social entrepreneur in community development. The paper would be useful to researchers desirous of doing similar exercises in other areas.

Keywords India, Entrepreneurs, Economic theory, Social capital, Community development, Philanthropy

Paper type Research paper

Diaspora's interest in ancestral places is a universal phenomenon. Indian Punjabi diaspora, numbering about five million, is no exception. Their active involvement in the rural Doaba region of Punjab, an area of heavy emigration, can be traced back to early settlers in North America in the nineteenth century (Walton-Roberts, 2005). Earlier, most of them were happy just making monetary contributions with only a few travelling to and fro as social leaders. However, diaspora's emotional links with home

The paper benefited from valuable comments of Professor Clem Tisdell and an anonymous referee.

Received October 2009
Revised March 2010
Accepted March 2010



International Journal of Social
Economics
Vol. 37 No. 9, 2010
pp. 703-716

© Emerald Group Publishing Limited
0306-8293
DOI 10.1108/03068291011062498

places have become more diversified and pronounced recently due to better communication facilities and their enhanced wealth status. This has drawn the attention of both researchers and policy makers (Dhesi, 2008, 2009).

Diaspora's intervention in development of their ancestral places has now become more or less a continuous on-going process. It is a psychological mechanism for them to cope with uncertainties associated with new life at the host places. This is particularly applicable to those who left villages as grown ups. They contribute to modernization of rural communities in Punjab by infusing not only substantial financial resources but also new ideas, modern attitudes and technology (Dhesi, 2008). Yet, only about 50 per cent of their contributions go to secular projects, the remaining being spent on sacral projects. It has been noticed that the secular social projects are mainly funded by well-off individuals belonging to pre-migration land-owning, leading families of original settlers of the village communities in Punjab. Others may contribute to maintain and/or enhance their social position. Many researchers find that diaspora interventions benefit the rural area of emigration by improving facilities for education, health and other civic amenities (Dhesi, 2009).

Their involvement in development is welcome by village communities. However, diaspora has to overcome many hurdles in implementing social projects. The main hurdles in the way of social entrepreneurial activity are due to indifferent behaviour of local bureaucracy and conflict between formal local institutions like village council and slow adjusting, culturally embedded informal institutions. The objective of changes in formal institutions has been to give voice to the disadvantaged groups through caste-based reservations. A broad consensus on the desirability of transforming unequal social structures notwithstanding, the quick-fix method of effecting institutional change has created many problems not envisaged by policy makers. Among other negative outcomes, it has given impetus to caste-based political and social divides. In the absence of serious efforts to meld informal local institutions and formal local institutions, a structural impasse exists in rural India. Such structural conditions often weaken social capital, that is, trust, norms of reciprocity and disposition for co-operation and make social action difficult. The well-meaning persons of dominant groups often withdraw from community affairs. At the same time, the opportunity cost in the development process for the poor can be prohibitive. They become the willing surrogates of the clever among the local elite and officials, thus defeating the very objective of institutional change (Dhesi, 2008, 2009). As a result, formal local institutions are largely dysfunctional and elected leaders, generally lacking moral authority, fail to undertake sustainable development. Consequently, development in villages is slow despite official efforts.

Such situations often require morally driven outside intervention to stimulate village development. However, diaspora social entrepreneurs find the slow guiding administrative set up and its personalized approached way baffling. They often seek solution to problems by trying to minimize their interactions with the local bureaucracy and formal local institutions. Keeping this in view, they develop good relation with concerned higher officials to legitimise their interventions and secure official funds. Further, they try to overcome difficulties due to structural impasse by operating through broad-based village non-governmental organizations (NGOs) incorporating credible individuals from different social groups and a few elected

members of formal local institutions. The objective is to approximate informal local institution (Dhesi, 2008, 2009).

The outcome of diaspora's involvement in local development depends on instruments of intervention and quality of social leadership. Many members of diaspora do not go beyond making donations to existing organizations, official as well as unofficial, for some specified or unspecified development activity. Yet, there are some who devote time and effort to mobilize community resources besides making their own financial contributions. They are the social entrepreneurs who make a lasting impact by working with the communities. Yet, every social entrepreneur is not equally successful in achieving her/his social goals.

The purpose of this paper is to identify the characteristics and motivation of social entrepreneurs and differentiate them from those who only make donations. An attempt is also made to ascertain important factors and processes influencing outcomes of social entrepreneurial activity with a view to suggesting measures for its facilitation.

Profiling social entrepreneurs

Increasing popularity of the concept of social entrepreneurship notwithstanding, it has meant different things to different people. In addition to not-for-profit activities, social entrepreneurship has been associated with business ventures geared to serve social purposes (Dees, 1988). "Still others use the term when referring to business enterprises that integrate social responsibility into operations" (Dees, 1988). Broadly one may also distinguish between European/UK and US models of social entrepreneurship in the literature. The focus of the US models is on exceptional individuals aiming at large-scale top-down impact (Waddock and Post, 1991), whereas the relevant UK model's prime concern is with mobilisation of communities to meet local needs[1] (Wilson, 2009).

Community development requires involvement of social entrepreneurs who exhibit a set of behaviours that are exceptional. In addition to their monetary contributions, social entrepreneurs are able to mobilize community resources. They work with the community unlike donors who just donate. So a philanthropist is not a social entrepreneur if her/his participation in a social entrepreneurial activity is confined to monetary contributions even though both philanthropists and social entrepreneur may share altruistic motives or pro-social behaviour. However, everyone with pro-social behaviour is not a potential social entrepreneur. Such behaviour is a necessary but not sufficient condition for someone to be a social entrepreneur. Nevertheless, a philanthropist may give impetus to social entrepreneurial activity if her/his action complements efforts of social entrepreneurs.

A social entrepreneur is like a business entrepreneur with some basic differences. Both apply their minds with discipline, innovation and determination to achieve their social goals. Similarly, they always dare to exceed their limits if it helps them to achieve their mission. A process of continuous innovation, adaptation and learning characterizes their *modus operandi* (Dees, 1988). But unlike business entrepreneurs, social entrepreneurs, risk their monetary contributions and efforts and mobilize resources for investing in communities without expecting monetary returns (Couto, 1997).

The key difference between the two types of entrepreneurs lies in their end-values. Both social entrepreneurs and philanthropists have a value commitment to benefit the community, thus strengthening it. However, an ideal social entrepreneur enjoys synergistic, reflexive, ethical relations with other members of community. She/he is not

only able to inspire others to contribute to the social good but also creates more social entrepreneurs in the process. Social entrepreneurs add to community's moral resources besides producing social goods. However, much social entrepreneurial activity involves collective action that can be problematic in the absence of active social connectivity underlined by shared-values, expected behaviour and a sense of trust among community members (Dhesi, 2000). Such social connectivity fosters trust by providing opportunities for interaction, low-cost communication, thus facilitating the emergence of norms of reciprocity, and convergence of expectations. In other words, active social connectivity is source of social capital that facilitates social action[2]. A successful social entrepreneur contributes to transformation of local social conditions by restoring or increasing social capital by investing social goods and moral resources in the community. By raising awareness of shared interests and identity through social entrepreneurial activity, social entrepreneurs strengthen community. Consequently, a community can be expected to move to a higher development path.

However, by making her/his contribution to social good, a social entrepreneurs expresses her/his identity as a caring, moral person (Wuthnow, 1991). So, compassion, concern for others' well-being may be regarded as distinguishing attributes of a social entrepreneur. Nevertheless, disposition for social entrepreneurial activity may be manifestation of one's early socialization process-influence of family, peers and associations.

Theoretical back drop

The rational choice concept of human action, primarily based on combination of self-interest and instrumental rationality, side-steps other concepts of action. Human actions, driven by moral motives, social end-values, commitment and their context are ignored. However, the normative dimensions of action were not overlooked by classical economists (Caldas *et al.*, 2007). The pro-social concerns for them were grounded on normative commitments. More specifically, for Smith (1975), their source was affections or sentiments between people. In view of classicists, individual action can go beyond the exclusive pursuit of self-interest thus underlining the complexity of motivation (Sen, 1994).

Smith (1975) understood the significance of social commitments to social life and suggested that humans have capacity for mutual sympathy. According to him, man equally longs for approbation and self-love, i.e. for praise and praise-worthiness. He suggests that beneficent or disinterested disposition to help others is as much a natural affection of humans as self-love. The human needs for approval and the capacity of individuals to judge their own actions impartially (through "innerman" or conscience) underpins commitment and virtuous behaviour[3]. Sen (1977) distinguishes between sympathy and commitment as concepts and defines sympathy as the case in which the concern for other directly affects one's welfare. He thinks that action based on sympathy is in a sense egoistic, and defines commitment in opposition to such egoistic sympathy[4].

The rational choice view of human action is increasingly criticised, and the importance of normative dimensions of action stressed. Difficulties arise when rational choice model is applied to contexts where personal ties and social relationships become salient. Buchanan (1978) notes that individuals often forego personal gains because of their sentiments and sense of obligations towards others. Similarly, other leading

modern economists have emphasized the importance of moral and social norms in human action (Sen, 1977, 1994; Hirschman, 1984; Anderson, 2000; Davis, 2003). In general, human behaviour is driven by multiple motivations. Broadly, motivations can be extrinsic and intrinsic, driven by external and internal incentives, respectively. An intrinsically motivated person performs an activity only for the sake of it and enjoys doing it (Deci, 1971; Hirschman, 1984). The link between action and external reward breaks down. Yet, some intrinsically motivated action may affect one's own welfare (Sen, 1977). But there are several kinds of motivations that cannot be reduced to self-interest. All of them can be thought as kinds of commitment in which something else besides one's welfare motivates them (Sen, 1977). In general, non-instrumental action benefiting others is apparently altruistically motivated. But altruistic behaviour has many facets. For example, individuals work with and/or for others as the act itself may be satisfying without any external reward. Sometimes, altruism may be a function of social pressure or prestige (Rose-Ackerman, 1996). In most traditional communities, more successful individuals are expected to share their fortunes with the less successful and contribute to social good. In the process, the successful ones are able to legitimise their fortunes and earn esteem by sharing. Thus, social entrepreneurial activity may be expected to bestow moral authority on those who carry it out. Sometimes, individual's altruistic acts may be out of concern for creating an enabling environment for pursuing some long-term goals (Dhesi, 2000). Gintis (2007) suggests that changes in wealth status after a certain level have little effect on subjective well-being of some individuals. They often consider wealth as a means to achieve self-actualization or fulfilment. Finally, there is moral duty-based altruism, i.e. individuals may find void in their lives without some beneficent acts (Asheim, 1991). Such behaviour is noticed among some religious groups, e.g. Quakers and Sikhs.

Characteristics of social entrepreneurs – empirical studies

Findings in empirical studies clearly suggest positive relationship between socio-economic status of individuals and their altruistic contributions to well-being of the community (Smith, 1994). It is obvious that philanthropist should be an affluent person. However, the dominant characteristics of "philanthropist plus" persons who engage themselves in social entrepreneurial activity are not that obvious. Wealth status is a necessary but not sufficient condition for someone to adopt the mantle of a social entrepreneur. In general, social entrepreneurial activity is quite demanding in terms of time, physical and mental health, social skills, knowledge and general awareness of social issues. Therefore, a social entrepreneur, in addition to being financially well-off, should be well-endowed with human capital and social skills in dealing with people.

The positive impact of education, a major component of human capital, on participation in social entrepreneurial activity (or voluntary work) have been confirmed in many studies (Smith, 1994). It impacts individual's potential to contribute through use of social skills and knowledge. The educated persons usually enjoy useful linkages outside their communities, that is, linking social capital that can be conduit of information, technology and material resources for their communities.

Health like education is another component of human capital. It indicates individual's physical and mental well-being, and is an important determinant of labour supply and productivity (Dhesi and Dhariwal, 1990). Obviously, good health is an asset and bad health a constraint on participation in social entrepreneurial activity (Hogan *et al.*, 1993).

While education and income are seen as indicators of socio-economic status, functional health is generally considered to depend on socio-economic status. In other words, it is an individual attribute or resource that affects social entrepreneurial activity. Yet, it is outcome of other factors.

Family income/wealth along with education is an indicator of socio-economic status, which qualifies an individual for social entrepreneurial activity. Wealthy individuals are more inclined to contribute and get involved in social entrepreneurial activity (Hodgkinson, 1995). Income also measures a person's stake in social equilibrium (Sundeen, 1988). This is a different view of the impact of earnings on social entrepreneurial activity from what economists generally hold. In their view, higher opportunity costs for persons with higher earnings would dampen their tendency to opt for social entrepreneurial activity. (Wilson and Musick, 1997; for recent contrary view, Gintis, 2007).

The characteristics like age and membership of a social category like caste may also influence participation in social entrepreneurial activity. However, their influence may be indirect through other intervening variables. So these individual differences should be considered specious, and not as an indicator of innate differences in value systems.

Age can be an important factor in the study of social entrepreneurial activity for several reasons. It may be a measure of experience. A positive effect of age may also reflect life-cycle effects. For example, elderly persons, free from family responsibilities, are better placed to engage in social entrepreneurial activity. However, advancing years can lower involvement in social entrepreneurial activity if it results in declining functional health.

One may expect caste differences in participation rates in social entrepreneurial activity. For example, "bounded solidarity" of lower castes may impel members to help each other rather than reach out the wider community. It has been suggested in case of African Americans and some other minority groups that the effect of minority status is entirely indirect because they have relatively lower human capital endowments and enjoy lower rates of informal interactions outside their communities (Wilson and Musick, 1997). This may also apply to the lowest caste category in India with low socio-economic status. But in case of many other backward castes, inward-looking behaviour may not be the outcome of their socio-economic status. It may reflect instead cynicism about expected behaviour of individuals outside their castes.

In any case, members of a low or backward caste in general may carry the historical burden of psychological inhibitions/deficiencies, acquired in the past, as a group, even in the changed circumstances. This anomaly in behaviour can be appreciated by referring to British philosopher Derek Parfit's distinction between personal and psychological identity. In case of individuals belonging to groups with unpleasant past memories, psychological identity often persists for long time even with disappearance of causes of earlier sufferings. So one may suggest that taste for social entrepreneurial activity does not vary naturally across members of different castes but is an outcome of past social processes.

Methodology and data

The controversy regarding quantitative versus qualitative research notwithstanding, they often complement each other (Lancaster, 1962; Miles and Huberman, 1994; Clark and Fast, 2008). However, the underlying concepts and procedures clearly differentiate the two approaches. In simple language, qualitative research means a non-numerical

data collection and explanation based on source of data. Unlike the traditional economic model, it does not assume complete rationality and information to estimate deviations of the actual behaviour from the model behaviour. The focus is on critical rationalism.

The two main branches of economics are economic theory and econometrics (Piore, 1979). The basic economic model, underpinned by Cartesian rationalism, is often reduced to constrained maximization of some objective function under conditions of complete information and certainty. The aim of econometrics is to obtain quantitative estimates of deviations from the model behaviour by using individual observations. The criticism of qualitative research is against the standard of econometric theory (Piore, 1979). However, to cope with the difficulty of obtaining precise values under conditions of uncertainty and incomplete information, econometricians seek escape route in economic theory that attributes to individuals intuitive knowledge about the structure of the world and values of the variables. In any case, quantitative research based on statistical analysis of numerical data may sometimes amount to “forcing data or people into categories that might not make much sense” (Miles and Huberman, 1994).

There have been varied responses to meet challenge posed by the failure of traditional theory to track reality. The broader field of behavioural economics is, indeed, a result of intellectual endeavours to meet this challenge. For example, Simon’s (1957) assumption of bounded rationality gave rise to “theory of procedural rationality.” Similarly, satisficing as a rational rule, strategic-decision-making and recursive deliberations have been outcomes of other attempts to develop new theories for providing general orientations for action in difficult situations (Kerstenetzky, 2009). Kahneman’s (2002) prospect theory incorporating cognitive biases to explain action is another example. According to him, in decision under risk, evaluation of decision outcomes is reference-dependent, and the source of deviations from expected behaviour is the reference point. The preferences, observes Kahneman (2002), seem to be determined by attitudes to gains and losses, defined relative to a reference point. Earlier, Latsis (1972) underlined the significance of agent’s cognitive status in overcoming psychological gap between her/his situational appraisal and decision. This is particularly the case, according to him, in conditions of less than perfect knowledge, fuzzy or inconsistent preference maps. The agent’s actions may depend on more or less idiosyncratic rules or stable rules relating personality traits, social background or other such factors (Latsis, 1972).

The aim of recent research in mainstream economics with focus on incomplete information and uncertainty also has been to meet the challenge posed by difference between the social practices of real world and the world of economic theory, especially its parsimonious, formal version (Piore, 1979, 2004). The qualitative research is another way of meeting this challenge. It aims at understanding behaviour in many dimensions and at many levels. The qualitative research is holistic and contextual rather than reductionist and isolationist.

The most commonly used qualitative research technique is based on grounded theory or situational logic that permits examination of individual action objectively in its social context. It allows more diversity in responses as well as flexibility to examine issues that may emerge during the course of research. The approach assumes the existence of multilogics world in which maximizing behaviour does not exhaust the set of possibilities.

The qualitative research involves analysing the situation of agents to explain actions from within. The individual is considered neither an autonomous “psyche” nor an atom. She/he is socially situated, and social is structured by institutions, formal and informal, to provide framework for individual actions and interactions. Thus, unlike in traditional economic analysis, independent influence of institutions on behaviour is not ignored (Dhesi, 2009).

Further, each situation is assumed to have its own logic, articulation of which indicates the basis for action. First, the key elements of the problem situation are identified through informal interactions with agents. These elements form the basis of rational reconstruction of the situation to identify its logic with the use of rationality principle (Kertsenetzky, 2009). Thus, solution to the problem lies in description of the situation. But every solution is subject to critical analysis. The objectivity of the method is in its inbuilt openness to rational criticism. This facilitates the identification of mistakes on the part of agents or theoretician.

However, qualitative research works as it seeks information directly from agents about their motivations and behaviour, revealing structure that reflects reality (Piore, 1979, 2004). The informal interviews are ways of discovering thought processes of agents. The traditional economic model overlooks these processes as they provide answers to problems assumed away by it. The qualitative research thus can facilitate further development of economic theory.

But a qualitative researcher has to keep in mind that it is quite easy to ignore the larger picture by focusing too closely on individual responses. She/he also needs to pay some attention to issues relating to validity of results. Some of the important ways of establishing validity include interview corroboration, peer debriefing, prolonged engagement, conformability, etc.

Data

The approach used to get relevant information has been both formal and informal. The author’s active association with a couple of NGOs, spearheaded by social entrepreneurs, facilitated easy access to respondents. However, every care was taken to remain objective in eliciting information from them that was thoroughly counter checked from other sources. As the prime objective of our study is to understand the processes of social entrepreneurial activity, emphasis has been on qualitative rather quantitative analysis. So no survey schedule was administered formally. But a set of questions were kept in mind while getting the required information from each respondent during a number of meetings in informal and relaxed settings. The questions were framed and reframed in a way to minimize the possibility of response bias[5]. The information was sought on personal characteristics of respondents such as age, education, social category, family background, financial/wealth status, health status, early socialization experience relevant to social entrepreneurial activity, experience in voluntary work and nature of contributions, social projects and their implementation.

Before selecting the sample, a broad general picture of diaspora’s involvement in social entrepreneurial activity in rural Punjab developed by interacting with officials, local leaders and by getting information from secondary sources. A sample of 100 interviewees was drawn from randomly selected 15 villages in the Doaba region of Punjab, was area of historically concentrated emigration to North American and Britain for more than a century. A village was selected if a significant diaspora

contribution to development of sustainable social infrastructural facilities have been made during the last five years. The year of reference was 2007. Only those persons were taken as social entrepreneurs who had experience in social entrepreneurial activity for five years or more. The other consideration in choosing a social entrepreneur was that social entrepreneurial activity initiated by her/him was secular in nature, designed to serve all sections of the community and was sustainable. All persons numbering 55 in the sampled villages who met these criteria were selected. However, five of them had to be dropped during survey for various reasons. The objective was to focus on individuals whose activities were explicitly or implicitly aimed at strengthening community social bonds by investing their material and moral resources in the community. They should have made serious efforts to involve different sections of their community in social entrepreneurial activity and maintenance of the completed projects, thus underlining equality in access to facilities. Such inclusive approach to community development should facilitate interdependence and promote inter-group interaction and trust.

The persons who made financial contribution of at least Rs. 0.1 million without involvement in execution and maintenance of social projects were considered philanthropists. The number of such persons are quite large, and many of them remit funds from abroad to village councils or social entrepreneurs. However, some of them usually come annually to their villages on short visits in winter months. Owing to practical difficulty in meeting them, we selected 50 such persons randomly from those who were available in the selected villages in the month of November 2007.

Findings

Ranked on a scale from 1 to 4 (college = 4, higher secondary = 3, lower secondary = 2 and below lower secondary = 1), all social entrepreneurs are well educated with college education in India and/or abroad. Based on a similar scale for family income/wealth status (high = 4, middle = 3, lower = 2 and low = 1), all of them enjoy high-wealth status. Adding these two ranking to get an approximate indicator of socio-economic status, they are found to have high-socio-economic status. Based on their self-assessment of health, all social entrepreneurs perceive themselves as having good functional health. Interestingly, all of them have had some exposure to community work in their host countries and about 40 per cent have had similar experience before emigration. All of them had gone through early socialization process conducive to pro-social dispositions. Some elders in their families or the peer groups were actively involved in community work when they were young. Incidentally, all social entrepreneurs belong to traditionally established families of their communities and still maintain considerable properties there. All of them have retired permanently and have accumulated sufficient wealth to lead a comfortable life. However, majority of them (90 per cent) go back abroad to spend summer months there. All of them have made significant monetary contributions to social entrepreneurial activity, in addition to devoting their time. Another important characteristic of social entrepreneurs is that they are reasonably successful in mobilizing sufficient contributions from their village folks abroad and in some cases also from other donors to get the matching grants from the Punjab Government.

However, only 50 per cent of philanthropists are college graduates with the remaining being high-school graduates. But all of them enjoy high-wealth status.

On the basis of both educational attainment and wealth status, only 50 per cent have a high-socio-economic status.

About 45 per cent have exposure to community work in their host countries and about 20 per cent have had a similar experience before emigration. Early socialization, conducive to developing altruistic dispositions, was experienced by 60 per cent with the remaining having grown in neutral environment in this respect. It also came out during discussions that persons in the last category make donations with a view to raise social status of their families. Those having gone through pro-community socialization process expressed least concern with achieving such objectives through donations. In contrast with social entrepreneurs, only about 60 per cent philanthropists belong to traditionally established families of their communities, and 30 per cent philanthropists reported some health problem. Majority of them (75 per cent) are actively engaged in business or full-time jobs with the remaining having been retired[6]. Almost all philanthropists, whether working or retired, come to India regularly on short visits in connection with ancestral properties or family functions, etc. However, both social entrepreneurs and philanthropists can be considered as trusting persons in view of responses to questions in this respect[7].

It seems that the key factors differentiating social entrepreneurs and philanthropists are early socialization experience, involvement in community work, educational attainment and functional health. There is hardly any difference in their economic status. However, a significant percentage of philanthropists do not belong to traditionally established families before emigration and made good abroad. The key factor distinguishing the two groups is their method of intervention in community development. Most of the philanthropists (60 per cent) are happy to give donations to village councils. Only about 40 per cent prefer to support social entrepreneurs in their social projects. The difference in backgrounds of social entrepreneurs and philanthropists seems to influence the level of their community involvement.

What makes a successful social entrepreneur?

All social entrepreneurs are not equally successful in their social objectives. Findings suggest that a successful social entrepreneur is able to articulate objectives of social entrepreneurial activity clearly and put them across different sections of community through face-to-face informal discussions in small groups as well as at general assemblies of their communities. They are also able to bring senior officers and prominent public leaders to address these assemblies to secure legitimacy for their activities and overcome hurdles in their work. Through such actions, social entrepreneurs are able to strengthen common village identities of their respective communities thus facilitating social action.

In general, the successful social entrepreneurs seem to have acquired good grasp of working of the community institutions – formal as well as informal. This is important as interventions of social entrepreneurs impact norms, intra- and inter-group relations as well as functionality of formal local institutions such as elected village councils (panchayats). However, outcome of a social entrepreneurial activity is conditioned by its social context, especially the level of social capital that is likely to vary across communities because of difference in their historical evolutionary experiences. In any case, structural impasse due to schism between recently introduced over-rationalised and over-democratized formal local institution and informal local institutions has weakened social capital in rural areas

(Dhesi, 2000, 2008). Findings suggest that the effectiveness of a social entrepreneur depends on her/his social skills to regenerate and augment social capital by revitalizing social connectivity within and across groups. This is possible only, if she/he is able to realign different interests, identity and articulate shared issues and goals of community development.

Nevertheless, personality traits of social entrepreneurs also make the difference in carrying the communities with them in achieving the agreed set of goals. The social entrepreneurs who are polite, patient and responsive to sensitivities of individuals and groups add to their effectiveness as moral leaders. Finally, their capacity to interact with different segments of their communities, communicate clearly, and to attend to their grievances, real or imaginary also enhances their effectiveness.

Conclusion

The morally driven social entrepreneurial activity is quite demanding but crucial for sustainable community development. But it cannot be explained in the neoclassical framework of analysis that largely bypasses the normative aspects of behaviour. Classicists, however, recognized individual's concern for others' well-being and self-interest as equally strong motives for her/his actions.

However, outcomes of a social entrepreneurial activity are contingent on a community's social capital. In view of it having been weakened in rural communities due to schism between formal local institutions and informal local institutions, effectiveness of a social entrepreneur depends on her/his social skills to realign different interests and articulate common concerns. By investing moral and material resources in a community, social entrepreneurs vitalize it by augmenting its social capital. In contrast, philanthropists, though also altruistically motivated, may inadvertently strengthen deeply entrenched vested interests in the countryside, especially if they opt to operate through largely dysfunctional village councils. In view of the crucial role social entrepreneurs may play in modernising traditional communities, they need to be encouraged[8]. Their activities should be facilitated by removing various bureaucratic and institutional hurdles through appropriate policy measures.

In particular, there is need to encourage local voluntary organizations embedded in informal local institutions. Such organizations often enjoy close relationships with different segments of local communities and engender social capital. By bridging the gap between informal and formal local institutions they can contribute to effectiveness of local governance (Dhesi, 2000, 2009). Further, the innovative, institutional mechanisms outside the existing rigid administrative framework that meet the accepted standards of accountability and transparency would also facilitate the social entrepreneurial activity.

Notes

1. For further discussion, see Bornstein (2004), Elikington and Hartigan (2008), Leadbeater (1997), Mair *et al.* (2006), Peredo and Mclean (2006) and Young and Edwards (2007).
2. There is no consensus on the concept of social capital, but it is determined by context, and assumptions regarding human behaviour. For example, rational choice theorist, Coleman's (1988) focus is on instrumental functions of social capital that enhance returns. He, like some others, ignores its role in non-instrumental activities, In contrast, Hirschman (1984), Putnam *et al.* (1993) and Couto (1997) emphasize non-market related, non-instrumental

functions of social capital and consider it a moral resource. Recently, Brooks (2005) finds evidence on influence of social capital on charitable behaviour.

3. For Mill and Marshall, the source of such obligations was reason, enhanced by education and enlightened public spirit (Caldas *et al.*, 2007).
4. In contrast, Smith considered sympathy as a principle of human behaviour. For him, "commitment in its connection to morals, is inseparable from sympathy" (Caldas *et al.*, 2007).
5. One has to keep in mind the limitations of data as self-reported responses to behavioural questions in survey may not always match actual behaviour.
6. It is possible that some of the philanthropists sharing attributes with social entrepreneurs may opt for social entrepreneurial activity after retirement.
7. Assessment of respondents as trusting persons was made on the basis of positive responses to questions relating to: (1) trust in neighbours; (2) trust in co-religionists; (3) trust in co-villagers; (4) trust in people of other castes and religions; and (5) belief that people can be trusted in general.
8. Diaspora intervention in rural development of Doaba region of Punjab has been a continuous process for over a century. For recent assessments of its overall impact, see Dhesi (2008, 2009).

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