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## Why is Community Entrepreneurship Worth Debating?

Thomas M. Cooney

*Technological University Dublin*, [thomas.cooney@tudublin.ie](mailto:thomas.cooney@tudublin.ie)

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Why is community entrepreneurship worth debating?

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In early 2008, the author was asked to speak at a conference in an economically disadvantaged area of Ireland. The conference was part of a series of events aimed at boosting enterprise in the region. Frequently, at such events, the ire of the speakers is targeted at government or European policies for not doing enough to help build economic success locally. In terms of who is to blame and who is responsible for changing the current situation, the finger is usually being pointed at someone else. However, the author spoke at length about the qualities of entrepreneurship involving positive, proactive, self-help and that for the region to flourish the catalyst must come from within that locality. The speech highlighted the myths surrounding entrepreneurship and that just as anyone can be an entrepreneur (whether they should be or want to be are different questions), so also every region possesses the qualities and resources to enable it to support its people. Community entrepreneurship epitomises that sense of local proactivity and demonstrates clearly how people in very challenging situations and locations can change their lives for the better by taking the lead themselves.

Throughout the history of mankind, a small percentage of individuals have committed themselves to improving the environment of their communities and to offering a better life for those whom general society considered to be less fortunate. Regularly this has led to community entrepreneurship whose primary purpose was the enhancement of a local neighbourhood or district rather than the personal accumulation of wealth. The activity of these individuals has frequently led to the development of community enterprises and activities from which communities suffering a wide variety of human needs have benefited. However, their work has frequently not been formally recognised as an act of entrepreneurship because the people who initiated these ventures were not motivated by profit but by broader social goals. This is a perspective that must be immediately altered if support agencies and actors wish to engender greater entrepreneurial activity in regions that face significant social and economic problems.

Many commentators view community entrepreneurship simply as the creation of any not-for-profit organisation, and some even include the public sector within this range of activity. But community enterprises are significantly different to the public sector whose organisations are larger, where funding comes from government, and where the taxpayer is the boss. Community enterprises must be established in the same way as profit-orientated ventures since they need to generate income from a variety of sources, and the risk of bankruptcy and closure is constant. Defining a community enterprise is additionally complicated by the legal status that it may take since the options include a charity, trust, co-operative, private company, or public company. Indeed, the variety of legal and operating structures utilised by community enterprises contributes to the challenge of identifying how many exist and to a deeper understanding of their characteristics.

The process of community entrepreneurship is broadly similar to the traditional concept of starting a new business as an entrepreneur gauges the commitment, develops the infrastructure, generates and screens ideas, conducts feasibility studies, and plans the venture. The community entrepreneur will also establish a new venture team, develop a business plan, and determine sources of finance for the venture. As can be seen, community entrepreneurship follows a similar path to that found with other forms of entrepreneurship. However, as with entrepreneurship in other contexts, unique characteristics apply and these peculiar differences must be considered when initiating a community enterprise. For example, community enterprises frequently start from a point of having no assets

and are unable to offer collateral for loans, and thus must access a range of non-traditional funds. Community enterprises will operate in complex partnerships with the private and public sector that may have a strong impact upon the developmental path of the organisation and issues related to funding. Indeed, income will frequently come from a combination of commercial and non-commercial sources. The principal difference between community and traditional entrepreneurship is that community enterprises will habitually reinvest the surplus income or utilise it for additional social purposes rather than pay out dividends.

As previously highlighted, the primary motives behind the venture are socially or community-driven rather than by individual wealth creation. A community entrepreneur is an individual who is driven by a social vision, someone who has the leadership skills to operationalise that vision, and who will build something that will grow and endure. Community entrepreneurs build social, aesthetic and environmental capital, as well as the financial capital required to achieve the primary objectives of the community enterprise. Many of the characteristics of successful community entrepreneurs reflect those of entrepreneurs in the profit-seeking sectors. Some commentators believe that their leadership and personal qualities are quite similar, that they are equally driven and ambitious, that they have a vision that they can communicate and sell to others, and that they have the capacity to bootleg resources. The vision is generally based on an opportunity where the current services to the community are weak or a need has been identified. The community entrepreneur must also build networks and relationships that bring credibility and co-operation to the organisation.

This special edition of the *Journal of Enterprising Communities* is based upon papers presented at the International Council for Small Business World Conference held in Turku (Finland) in June 2007. A dedicated track on community entrepreneurship offered academics, policy makers, support agents, and entrepreneurs the opportunity to discuss what is meant by the term “community entrepreneurship” and to identify examples of best practices across the globe. It additionally enabled individuals to broaden their perspective on community entrepreneurship and to return to their countries with fresh ideas about getting communities and regions to help themselves. The papers selected from the conference are those considered to be of the highest quality and of widest interest to the readers of the journal. The first article looks at the community entrepreneur relative to resource configuration, and who through the process of creative practice is able to change local practices and cultural dispositions. The second article examines the challenges faced by the Roma community in Finland while the third and fourth articles analyse how different First Nations tribes in Canada successfully altered their economic situation by taking planning and organising their own futures. The final article considered the challenges faced in the Niger Delta in Nigeria where high-youth unemployment is leading to increasing social unrest and where community entrepreneurship might offer a viable solution.

This special edition is a very welcome enrichment of research on this topic. It also serves to reinforce the desire of many academics to stop equating entrepreneurship solely with the creation of a new venture and instead to see it as a behaviour that can occur in many different contexts. Throughout communities worldwide, there are people demonstrating community entrepreneurial characteristics on a daily basis but the public fail to recognise them because they have not established a profit-making venture. It is time for society to open its mind to the true meaning of entrepreneurship and maybe then, evermore individuals will discover the entrepreneurial capabilities within themselves and how they might use these qualities to help others.

**Thomas M. Cooney** *Guest Editor*