

Social Innovation and Entrepreneurship

The Case of Porto Region

João M. S. Carvalho
University Institute of Maia, Portugal

ABSTRACT

This chapter provides a summarized and objective review over the relationships among innovation, social innovation, entrepreneurship, social entrepreneurship, new business models (NBM), and product (good, service, idea) value and sustainability (economic, social, ecological, and psychological). A study has been done in Porto region through interviews with 13 social innovators and entrepreneurs, in order to evaluate those relationships. The conceptual base for analysis is the theories developed by Jonker (2012) and Carvalho & Jonker (2015). It has been concluded that market-oriented social innovation has a crucial role in the development social entrepreneurship. Moreover, these NBM should be adjusted to population needs towards societal well-being, by combining creation of shared value, co-creation of value, and multiple value creation. Thus, the value set (social innovation) contributes to economic, social, ecological, and psychological sustainability, and consequently to human, social and territorial development.

INTRODUCTION

This chapter begins with the theoretical framework that underlies the concepts of entrepreneurship, social entrepreneurship, entrepreneurial partnerships, innovation, social innovation, social sustainability, new business models (NBM), and the relations among them and their impact on regional development.

Jonker's theory (2012) was applied to the analysis of 13 cases of social innovation and entrepreneurship. Based on this study, the main characteristics of this NBM were assessed, as well as their link to a balanced value proposition (Carvalho & Jonker, 2015) that considers economic, ecological, social, and psychological factors. These case studies illustrate what is happening in Porto region in terms of social innovation and social entrepreneurship. The methodology followed is qualitative, based on interviews with the leaders of the projects and institutions. The analysis allows to draw conclusions about the new trends of social innovation in the region and in Portugal, as well as the adjustment of the social sector to population needs and towards a societal well-being, helping to reduce social exclusion.

The impact on regional and national development is perceived indirectly by the positive impact of these organizations on economic, ecological, social, and psychological sustainability. The latter is a new broad concept developed in connection to the concepts of psychological value (Carvalho & Jonker, 2015) and mental well-being (European Union, 2011).

The organizational pattern behavior is also assessed, namely using the combination of three approaches (Jonker, 2012): (1) sharing, in terms of social capital, equipment, property, data, time, transport, and skills, among partnerships; (2) trading, concerning transactions with associated benefits, like alternate payment methods or with services exchange, and the generation of value other than profit; and (3) creating, related to the creation of multiple values in win-win situations. These behaviors are related to the concepts of creation of social and shared value (Austin & Seitanidi, 2012b; Porter & Kramer, 2011); co-creative networks (Chatterjee, 2013; Zott, Amit, & Massa, 2011); and multiple value creation (Elkington, 1997).

In the end of the chapter, a new model is presented, which considers psychological sustainability as the fourth pillar of human, social, and territorial development.

BACKGROUND

Entrepreneurship

The identification of business opportunities and the use of enterprise skills to create a new organization or develop an existing one is at the core of the concept of entrepreneurship, which contributes to personal and professional self-realization, active citizenship and social inclusion of the individuals (Vázquez, Lanero, Gutiérrez, & García, 2011).

The entrepreneurial activity is influenced by a set of cognitive (self-efficacy, scripts, cognitive styles, analyzing problems, etc.) and non-cognitive (creativity, autonomy, self-confidence, etc.) competences, and is conditioned by factors like education, family experience in business, access to finance (e.g. Fairlie & Holleran, 2012), and other environmental variables. These variables were pointed out in the Global Entrepreneurship Monitor (Amorós & Bosna, 2014) as the nine structural conditions that facilitate or constrain entrepreneurial activity: financial, government policies, government programs, education and training, research and development transfer, commercial and professional infrastructure, openness of markets / barriers to entry, access to physical infrastructures, and cultural and social norms.

The analysis of the conceptual definitions of entrepreneurship in the literature leads to the conclusion that all approaches are complementary. Entrepreneurship is seen as a process of identifying and valuing an opportunity, and creating value through a package of resources in order to exploit it (Engelen, Heinemann, & Brettel, 2009; Morris, Kuratko, & Covin, 2008; Sahlman, Stevenson, Roberts, & Bhidé, 1999; Shane & Venkataraman, 2000; Stevenson & Jarillo-Mossi, 1986). Other authors defend that this process should be innovative and increase wealth, and that it is based on entrepreneurial skills like risk-taking, autonomy, and proactiveness (Nasution, Mavondo, Matanda, & Ndubisi, 2011). In the same line of thought, there are sociological points of view like those of Shapero and Sokol (1982) who state that all organizations and individuals have the potential to be entrepreneurial, and that creating new organizations is a social and economic context-dependent process (Reynolds, 1991; Thornton, 1999). Thus, the entrepreneurial process is viewed as an outcome of a complex social process, shaped by the profile of the entrepreneur, as well as the context surrounding the new venture (Chell, 2008; Gartner, 1985; Steyaert & Katz, 2004). For Chell (2007) entrepreneurship includes both business and social enterprises, and it is seen as a process of recognizing and pursuing opportunities in relation to the available resources for the creation of value.

Linked to the concept of entrepreneurship is the notion of entrepreneur. He/she has been seen as an innovator (creative destructive) who disrupts the economic equilibrium (Schumpeter, 1934), and can manage the innovation transfer process from an idea into a market (Raab, Stedham, & Neuner, 2005); as an individual who undertakes risks and develops innovations, even within an existing organization (intrapreneur), showing creativity and being responsible for identifying new opportunities in the market (Rathna & Vijaya, 2009); as a person committed in terms of equity, time, and career to creating economic value (Hornaday, 1992), who designs, develops and conducts visions as the ability to set and achieve goals (Filion, 1999); as someone who has the capacity to build an entrepreneurial or venture team to complement his own skills and talents, and possesses the know-how to find, manage, and control resources (Timmons, 1994).

Venkataraman (1997) suggested that entrepreneurship can have economic, psychological, and social consequences, and Cohen and Winn (2007) added environmental consequences in their definition of sustainable entrepreneurship. Carvalho and Jonker (2015) develop these four perspectives in terms of a balanced value creation theory. Dean and McMullen (2010) also talked about sustainable entrepreneurship as a process linked to economic opportunities that are present in market failures.

By integrating all these ideas, we define an entrepreneur as a person that is able to identify opportunities inside and outside an organization, and who has the skills to gather tangible (material, financial, and people) and intangible resources (teamwork, partnerships, knowledge, etc.) to plan and start a new project or activity while controlling risks, and increasing economic, social, ecological and psychological values.

Consequently, entrepreneurship is the process conducted by entrepreneurs, and can be summarized by the creation of something, most of the times through an organization, in order to serve and satisfy human wants and needs (Carvalho & Jonker, 2015).

The study of Praag and Versloot (2008), based in the analysis of 57 other studies, shows that entrepreneurs have a great impact on employment, economic growth, and innovation. Thus, their contribution to regional development is a natural consequence, positively affecting all companies in the long run. More, there is a strong evidence suggesting that high-growth entrepreneurship has a significant impact on economic development across nations (Wong, Ho, & Autio, 2009), and that economic development depends on high rates of productive entrepreneurship (Bianchi, 2010). In underdeveloped regions (Base of the Pyramid – Prahalad & Hart, 2002), entrepreneurship can contribute for inclusive growth, but it may also lead to negative outcomes such as crime and social exclusion (Hall, Matos, Sheehan, & Silvestre, 2012). Entrepreneurship policies should be based on economic and social indicators in order to avoid this possible negative societal effect. There are studies (e.g. Fiorentini, 2006; Mutis & Ricart, 2008) that focus on social-oriented companies, which by developing NBM to address low-income markets effectively and profitably, increase their value on the basis of co-creation and strategic networking. Therefore, it might be possible to teach and train entrepreneurial skills, and create or sponsor a better contextual environment to enhance entrepreneurial success contributing to the regional and national societal development.

Social Entrepreneurship

There is a significant demand for entrepreneurs with a new vision to cope with global, national and local problems that the market and the state have failed to solve (OECD, 2010). These opportunities emerge as new social enterprises, which can be defined as organizations driven by social or cultural values as opposed to financial gain or profit. Therefore, social entrepreneurs create value but they are not motivated by the appropriation of this value (European Commission, 2013; Santos, 2012). On the one hand, a social enterprise seeks to respond to the social needs of its target publics, and for that it needs to be financially sustainable. On the other hand, an enterprise aiming to be profitable needs to serve its stakeholders, namely the shareholders, in order to achieve that goal. Thus, while social entrepreneurship views stakeholders as the “ends” and the social enterprise as the “means” of entrepreneurship, economic entrepreneurship has the opposite perspective and treats the stakeholders as a mean to accumulate financial capital (Ridley-Duff & Bull, 2013). Hence, with different leading purposes, all the organizations must satisfy the economic, social, ecological and psychological demands of their stakeholders through a process of value creation as already mentioned in the last section. However, social value creation is considered the distinctive feature of social entrepreneurship (Sullivan-Mort, Weerawardena, & Carnegie, 2003).

Several authors have contributed to a definition of social enterprises adding complementary approaches: the concept of social innovation (e.g. Mulgan, Tucker, Ali, & Sanders (2007); the quest for business solutions to social problems (e.g. Chell, Nicolopoulou & Karatas-Özkan, 2010); the community and voluntary work from private and public organizations that seek to solve social problems (e.g. Austin, Stevenson, & Wei-Skillern, 2006; Dees, 1998; Dees & Anderson, 2003) through hybrid structures with a mix of non-profit and for-profit activities (Dart, 2004); the enhancement of social wealth by creating new ventures and managing in an innovative manner (e.g. Chell, 2007; Zahra, Gedajlovic, Neubaum, & Shulman, 2009); and the creation of value congruent with the social cause and the social community aiming a transformative social change through innovative activities (Tapsell & Woods, 2010) in a historical and cultural context (Austin et al., 2006; Chell, 2007; Roberts & Woods, 2005).

In brief, social entrepreneurship seeks the common good, namely the sustainability for both people and planet (Muscat & Whitty, 2009), looking for “sustainable solutions to neglected problems” (Santos, 2012, p.335), through a new combination of resources that creates social value (Mair & Marti, 2006; Short, Moss, & Lumpkin, 2009; Smith & Woodworth, 2012), in particular combining business and innovative perspectives for social purposes (Chell, 2007; Mair & Marti, 2006; Peredo & Mclean, 2006).

There is also a large institutional and political interest in the local and regional developmental role of social enterprises (Chell, Karatas-Ozkan, & Nicolopoulou 2007; Haugh 2007). Escobar and Gutiérrez (2011, p.45)

state that “social entrepreneurs are agents that respond to market failures with innovations that are transformational and financially sustainable”. Kostetska and Berezyak (2014) defend that social entrepreneurship could be “a generator of socially oriented economic development” (p.569), depending on the support of the state. The spread of this kind of innovative approach is considered a major criterion for the success of social entrepreneurs (Kramer, 2005), and they have been recognized for their contribution to social, economic, cultural and environmental wealth (Shaw & Carter, 2007). All these approaches underline the close bonds between social entrepreneurship and economic and social development, as well as with innovation, entrepreneurial orientation, and social change (Kramer, 2005; OECD, 2010; Perrini, Vurro & Costanzo, 2010). For Balta, Darlington, Smith, & Cornelius (2012), the adoption of entrepreneurial orientation with a market oriented strategy and social innovation practices provides the potential for sustainability and growth of social enterprises. Entrepreneurial orientation is associated with risk-taking, innovation and proactiveness (Covin & Slevin, 1988), whereas market orientation is associated with gathering, disseminating and analyzing market intelligence, responsiveness to the market, and interfunctional coordination (Carvalho, 2005, 2009), i.e., to offer the best product (good, service or idea) to serve and satisfy customers’ needs. Thus, entrepreneurial and market orientations are also innovative processes that will allow social organizations to intensify and fulfill their missions.

Social entrepreneurship can also be seen as a NBM that combines innovative ideas for a social change with a business mentality (Germak & Singh, 2009; Kramer, 2005), and thereby it will be a potentially radical innovation (Austin et al., 2006; Dees, 2009; Witkamp, Raven, & Royakkers, 2011) in programmatic and fiscal terms (Harding, 2004; Roberts & Woods, 2005) to solve broader social issues. However, it seems that improving the quality of life through social value creation that leads to social change can be achieved not always by radical innovation, but also by incremental paths (OECD, 2010).

The integration of values related to an old culture based on charity with a modern view of an entrepreneurial culture based on problem solving is a requisite to success of social entrepreneurship (Dees, 2012). Societal forces may shape the role of social entrepreneurs, but their motivation, cognitions and capital are essential for them to be the entrepreneurial agents in the process (Grimes, McMullen, Vogus, & Miller, 2013).

Social enterprises are part of the social economy, which also includes foundations, charities, mutual societies and cooperatives. Social enterprises are businesses trading for social purposes, within the (social) economy (European Commission, 2013). According to the EU Social Business Initiative, the social economy employs over 11 million people in the EU, accounting for 6% of total employment. It is recognized by European Commission (2013) that social economy and social entrepreneurship can clearly play a role in regional development and social inclusion. There are also examples of countries that assume by law these kind of goals. For instance in Spain, the Law 5/2011 regulates the concept of Social Economy and among its guiding principles is stated the “promotion of internal solidarity with society that favors commitment to local development, equality of opportunities between men and women, social cohesion, insertion of people in risk of social exclusion, the generation of stable quality employment, the reconciliation of private, family and work life and sustainability”. In the same way, in Portugal, the Law 30/2013 states that the organizations of social economy should reconcile the interests of members, users or beneficiaries with the public interest, in respect for the values of solidarity, equality and non-discrimination, social cohesion, justice and fairness, transparency, shared individual and social responsibility, and principle of subsidiarity.

Entrepreneurial Partnerships

The form of a social enterprise depends on which format will be most effective on mobilizing resources to address a social or environmental problem, and “can occur within or across the non-profit, business or government sector” (Austin et al., 2006, p. 2). Van Looy et al. (2011) show that the scientific productivity is positively associated with entrepreneurial effectiveness, through patent activity and contract research. Thus, the link between the universities and the industries is very important to achieve a more effective entrepreneurial activity.

Light (2006) describes a social entrepreneur as “an individual, group, network, organization, or alliance of organizations that seeks sustainable, large-scale change through pattern breaking ideas in what or how governments, nonprofits, and businesses do to address significant social problems” (p. 50). Therefore, nowadays, a preferable approach seems to be the idea of a partnership between sectors for the innovation in the development of solutions for social issues in a broad perspective. Presently, a 4th sector seems to be emerging, which is constituted by “integrated enterprises” or “hybrid enterprises” that are in the intersection of the public, private and social sectors (Escobar & Gutiérrez, 2011; Michelini, 2012), and that is related to new processes of social innovation. Recent studies (e.g. Manning & Roessler, 2014) point out the concept of “cross-sector development partnerships”, which aggregate business, government, and civil society organizations as a basis for development at many dimensions such as sustainability, health education, and economic development. Cross-sector collaboration and the process of hybridization has advantages. They allow for more efficiency, by reducing costs through a more efficient sharing of resources and capabilities, and by improving product distribution and services. Also they contribute to projects that are more innovative, creating new products and services, and more social sustainable in terms of business models, human capital, information, reputation, and credibility (Escobar & Gutiérrez, 2011). They also lead to social innovation and new ways of governance and management with more benefits for society (Austin et al., 2006; Crane & Matten, 2007; Grudinski et al., 2013; Jupp, 2000; Le Ber & Branzi, 2010; Phillips, Deiglmeier, & Miller, 2008). These kind of collaborative partnerships between the private, public, and third sectors can also lead to participative processes and people’s empowerment, which are considered essential aspects of social innovation with an impact on regional and local policies ((Edwards-Schachter et al., 2012; Klein, Fontan, Harrison, & Lévesque, 2012; Prahalad & Krishnan, 2008; Thomke & von Hippel, 2002; von Hippel, 1985, 2005). However, the state has a crucial role in establishing legal and tax conditions and a favorable institutional environment for the creation of all kind of social enterprises (Kostetska & Berezyak, 2014).

In fact, social innovation can happen within any sector, but seems to appear more often in the space between the three sectors (Lundström & Zhou, 2011), supported by open innovation, as a sharing attitude and by the use of external ideas and technologies, collaboration, self-organization, decentralization, transparency of process, empowerment, and plurality of participants (Chesbrough, 2006). Moreover, social innovation can be the grounds for designing and implementing programs to improve local and regional economic development and people’s quality of life (Edwards-Schachter, Matti, & Alcántara, 2012). In January 2009, EC President Barroso met social innovation experts and stakeholders in Brussels (BEPA, 2010) to discuss and explore ways to boost social innovation, leading to new European Commission policies in this domain like those published in 2010 (European Commission, 2010a, 2010b, 2010c) where social innovation and open innovation, next to technological innovation, are considered as key features of Europe’s innovation policy.

Thus, stimulating innovation, entrepreneurship and the knowledge-based society is the core of the Europe 2020 Strategy (European Commission, 2013).

Innovation and Social Innovation

Schumpeter (1934) was one of the first authors to acknowledge the role of innovation in cultural, social, and political aspects of society besides the economic one. As such, innovation can be seen as the generation, acceptance, and capacity to change or adapt new ideas, processes, products or services by organizations (Thompson, 1965) in order to advance, compete and differentiate themselves successfully in the market (Baregheh, Rowley & Sambrook, 2009), and to prepare the future of the business (Carvalho, 2013) through an interactive process involving both formal and informal relationships among various actors interacting through social networks (Doh & Acs (2010).

Lundström and Zhou (2011) differentiate technological, business and social innovation. The former focuses on knowledge production and ends with R&D results (new ideas) that can or cannot be used to make products. The second focuses on economic benefits from business innovations like market share or profit

rate. And the last focuses on social value like the solution for social problems with limited resources, seeking for political recognition, financial support, voluntary labor, and philanthropic commitment.

Hurley and Hult (1998) introduced the concept of innovativeness, as the capacity of an organization to be open to new ideas, and consider it as a measure of its orientation towards innovation. These authors also introduce the concept of ability to innovate, as the organization's capacity to adopt and implement new ideas, processes, or products successfully. Thus, innovativeness reflects a firm's propensity to engage in new idea generation, experimentation, and R&D activities resulting in new products and processes (Lumpkin & Dess, 1996). It is important to notice that there are new characteristics in the way companies are innovating: co-creation of value with customers; global knowledge sourcing and collaborative networks; and global challenges and public sector problems as drivers of innovation (Prahalad, McCracken, & McCracken, 2009).

In particular, Taylor (1970) pointed out that social innovation involves activists and social entrepreneurs in order to meet social needs by doing things in a new way. Holt (1971) emphasized that technological innovation is concerned with application of new technology, whereas social innovation deals with the application of new social patterns of human interaction. Drucker (1987) considered social innovation as a complement of technological innovation, including educational methods, hospital administration, and marketing practices that impact on productivity. Mulgan (2006, p.146) defines social innovation as "innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organizations whose primary purposes are social", which can be complemented by the definition of Phills et al. (2008, p.36) as "a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions, and for which the value created accrues primarily to society as a whole rather than to private individuals".

Social innovations are related with the use of social means (inventiveness of citizens, civil society organizations, local communities, businesses, and public agents) to achieve social ends (Caulier-Grice, Kahn, Mulgan, Pulford, & Vasconcelos, 2010), creating shared value, both economic and social (Porter & Kramer, 2011). Although business innovation is considered market- and consumer-driven (Mulgan et al., 2007), to be successful it should satisfy unmet human and societal needs and desires (Carvalho, 2013) as well as happens with social innovation. Both business and social innovation are needed to improve quality of life in Europe, and to promote sustainability of welfare state social systems (European Commission, 2013). In particular, social innovation seeks new answers to social problems, implying conceptual, process, product, and organizational changes, based on new relationships with stakeholders and territories (OECD, 2010).

As we have seen in regards to social entrepreneurship, there are two types of innovation: incremental and radical (Abernathy, 1978) or disruptive (Christensen, 1997). Also, some social innovations can be incremental (as they build on what already exists), while others are radical, disruptive and generative, transforming approaches and situations, like those targeting new customers and those addressing the low-income market with low-cost products (Christensen & Raynor, 2003). The ultimate goal of social innovation should be systemic change linked to disruptive innovation. Systemic change involves the interaction of social movements, business models, laws and regulations, data and infrastructures, and entirely new ways of thinking and doing things (Murray, Caulier-Grice, & Mulgan, 2010).

In what regional development is concerned, it is important to consider science and technology parks based on natural sciences and technologies, and social innovation parks based on social sciences and technologies, which support diversified innovative activities, such as organization development, knowledge transfer, social technology progress, educational and training programs and entrepreneurship services (Lundström & Zhou, 2011). There is also the concept of territorial innovation models (industrial districts, milieux innovateurs, new industrial spaces, local production systems, etc.), which are models of regional innovation and local development (Moulaert & Sekia, 2003; Moulaert & Mehmood, 2010). These models represent what happens in several countries, like France, Italy and the USA, regarding the role of the endogenous potential of institutions in launching innovative dynamic firms (Aydalot, 1986), with a great focus on cooperation and partnership (Becattini, 1987), a regional learning economy (Edquist, 1997; Storper & Scott, 1988; Saxenian, 1994), and systems of innovation (Bartholomew, 1997; Cooke, Uranga, & Etzebarria,

1997; Freeman, 1995). All these types of innovation and R & D networks are seen as important mechanisms for regional economic development (Yokura, Matsubara, & Sternberg, 2013).

Other concept around social innovation is “Socio-Ecological Innovation” that concerns innovation resulting from the strategic integration of sustainable innovation that is part of the organizational culture, and innovation for sustainability that addresses ecological or societal issues (Edgeman & Eskildsen, 2013). Olsson and Galaz (2011) suggest that socio-ecological innovation should work more directly toward social justice, poverty alleviation, environmental sustainability, and democracy rather than toward profits. Thus, innovation can also be a key enabler of sustainability (Nidumolu, Prahalad, & Rangaswami, 2009).

Social Sustainability

The concept of “sustainable development” appeared at the United Nations Conference on the Human Environment in 1972 and later gained prominence by way of a report to the United Nations by the World Commission on Environment and Development (WCED, 1987), chaired by Dr. Gro Harlem Brundtland, former Director General of the World Health Organization and former Prime Minister of Norway. The Brundtland report defines sustainability in terms of the enterprise perspective as a composition of four characteristics: lean (conservation of non-environmental resources), green (conservation of non-renewable natural resources), ethical (commitment to and practice of social equity and justice, community involvement and contribution, and positive regard for treatment of the enterprise’s human capital), and real (implies lean, green, and ethical practice and their financial, societal, and environmental results) (Edgeman & Eskildsen, 2013).

Now, it is common that large firms have explicit public sustainability policy statements and claim to apply financial, environmental, and social assessment (Hall, Daneke, & Lenox, 2010), the so called “triple bottom line” (Elkington, 1997). These three divisions are also called the three P’s: people, planet and profit, or the “three pillars of sustainability”, and are obviously linked to sustainable entrepreneurship (Kuckertz & Wagner, 2010). This means that a sustainable entrepreneur should seek for environmental sustainability – preservation of natural capital –, social sustainability – preservation of social cohesion in terms of well-being, nutrition, shelter, health, education, quality of life, etc. –, and economic sustainability – satisfying human needs with available resources as a condition to financial sustainability of the organizations. Therefore, sustainable innovations have to account for the needs of local customers, people’s wealth status, natural environment, and business ecosystems (Khavul & Bruton, 2013). All the concepts are linked: economic and environmental sustainability contribute to societal development, which leads to social sustainability (Assefa & Frostell, 2007). Thus, sustainable development should integrate social, environmental, and economic sustainability (Goodland, 1995).

However, and according to the European Union (EU) Sustainable Development Strategy adopted in 2006, “health policies should aim at creating and implementing plans to help women and men achieve and maintain positive emotional states and thus improve their well-being, their subjective perception of the quality of their life and their physical and mental health” (European Commission, 2011, p.7). This EU strategy defends that it is necessary to protect and promote human capital and the mental well-being of citizens, in order to achieve economic, social and environmental objectives. Problems like those related with childhood and adulthood inequalities and mental health (e.g. school drop-outs, poverty and social exclusion) request a new vision, mainly in what concerns social responses. Hence, the concept of psychological sustainability extends the concept of mental well-being to all aspects that contribute to individual human being satisfaction (e.g. new knowledge and skills to cope with health or working life). The bonds among (social) entrepreneurship, (social) innovation, and (social) sustainability can be seen in NBM, in particular on the third and fourth sectors.

New Business Models

A business model can be defined as the organizational method to use resources and offer a better value to customers and make money with that (Afuah & Tucci, 2001), or “as the blueprint of how a company does business” (Osterwalder, Pigneur, & Tucci, 2005, p.4). Thus, creating and offering value is the common foundation of every business model.

The NBM appear with novel characteristics like the crucial role of stakeholders (Freeman, 1984); the creation of social and shared value (Austin & Seitanidi, 2012b; Porter & Kramer, 2011); co-creative networks (Chatterjee, 2013; Zott, Amit, & Massa, 2011); and multiple value creation (Elkington, 1997). Multiple value creation refers to the idea that sustainability implies the organization of several types of value such as ecological, social, economic (or financial), and psychological value (Carvalho & Jonker, 2015). The concept of shared value means that values can benefit other entities beyond their creator. And collective value creation refers to the collaboration between partners in order to create value.

Thus, a business model is a conceptual and operational tool that describes the values (economic, social, ecological and psychological) offered to the main organizational stakeholders, through the creation of a product (good, service or idea), the organization and coordination of key activities of the team and the partners, and the design of a marketing plan, to deliver those values and achieve economic, social, ecological, and psychological sustainability (Carvalho & Jonker, 2015).

It is important to notice that among the proposed determinants of value creation (e.g. Austin & Seitanidi, 2012a; Pitelis, 2009; Zott et al., 2011), the most relevant appears to be innovation, leading to a value proposition that may include individual, organizational, and societal benefits as a foundation to economic, social, ecological and psychological values to customers and other stakeholders (Carvalho & Jonker, 2015). This chapter concerns the study of NBM in social sector of Porto region, relating social innovation, social entrepreneurship and sustainability with the perception of their impact on regional and national development.

CASES OF SOCIAL INNOVATION IN PORTO REGION

Porto region is a Portuguese multi-municipal metropolis in the north of the country with eleven counties. The region occupies a total area of 1,024 km² and has 1,287,276 inhabitants (2011 census).

To gather a better insight in the construction of a theory about NBM, the author collaborate in this research studying 28 Portuguese cases (15 profit and 13 nonprofit), through in-depth interviews with their managers. This chapter presents the non-profit cases in order to illustrate how social entrepreneurship emerges with social innovation through a NBM, contributing to economic, ecological, psychological, and social sustainability at regional level.

This study is based on the exploratory research of Jonker (2012) showed that it seems to exist a pattern in NBM around three basic organizational behaviors: (1) *sharing*, in terms of social capital (people, ideas, knowledge, networks), equipment, property, data, time, transport, and skills, among partnerships; (2) *trading*, which concerns transactions with associated benefits, such as alternative payment methods (points, credits, advertisements, tweets, time and savings systems), or without payment but with the exchange of services, and the generation of value other than profit; and (3) *creating*, as the use of different methods to simultaneously create multiple values (economic, social and ecological) in win-win situations. All these three streams have in common the concepts of connection and collaboration.

Is was used a qualitative strategy with a cross-section design. The method to collect data is based on the international interview protocol (Jonker, 2012). In part one, considering the characteristics of the NBM, the questions were:

- 1) What is the nature of the firm's activity generated for its business model? Why/what is new about it?
- 2) What is the role of sustainability (economic, social, and ecological) in the new model? If exists, what is its nature in the model?
- 3) When did you start developing a new business model or activity?
- 4) Why did you start to develop this model? What led to this?

- 5) The activity is at the beginning, middle or end of their development?
- 6) For how long did you implement it?
- 7) What criteria do you think should carry the new models of activity in the mature phase, i.e., what could be the requirements of organizational models in current activities?
- 8) How would you classify your style of activity or organization (in relation to sharing, trading, or creating)?

In the second part of the interview, considering the results with new business model, the managers were asked:

- 9) Does the business model generate value(s) other than profit (or beyond the value for users in the case of nonprofit)? If so, what kind of value(s)?
- 10) Did you start new collaborations or strengthen previous collaborations for the new model? (If so, with which actors and what does that collaboration look like?)
- 11) Did the new business model led to access to new products or markets (or type of users in the case of nonprofit)?
- 12) Up till now, what are the results of the new sustainable business model?

A sample of 45 organizations were selected. All of them have a significative social media impact and present some kind of innovation in the processes, or in the activity, or in the way they approach the market. Only 28 were considered somehow a NBM; 15 in the profit sector, and 13 in the nonprofit sector. This research took place between January and May 2013. All the chosen cases in nonprofit sector are located in Porto region, north of Portugal that is the second more important region in the country. The interviews were made with the owners or the top managers, and took one to two hours long.

Case 1 – Socialis

Socialis - <http://socialis.no.sapo.pt/index.html>

Socialis is developing an innovative activity since 2006 with a fringe of the population that has been actually socially "forgotten" – teenage mothers. They were supported by a State program to start this new venture. The president is a social worker of the municipality that faced this kind of social needs, and realize that there was no social response adjusted to these cases.

In this project the innovation lies in working effectively with pregnant teens and teenage mothers (not necessarily single) as well as supporting the integration into the Portuguese society of these teens if they are immigrants.

It has a social response called ATL (Free Time Activities) that has always been directed toward children and youngsters, encompassing ages up to 30 years. This is in fact an innovation because, prior to the establishment of Socialis, the extant institutions were solely working with children up to 4 years of schooling. This activity helps fighting against school failure and absenteeism.

Socialis created a Life Support Center where female teenagers have a personalized intervention in order to in the one hand improve their household and maternal skills to cope with life, and in the other hand receive professional orientation aiming their social inclusion, in particular in labor market. At the same time, Socialis work with teenagers' families as an important piece in their life's project, monitoring and assessing the results obtained with all players in the process. This activity took 6 months to implement and is now in the middle of its development.

Socialis is supported by State Social Security (SSS), fundraising, product donations, and organization of charity events with the participation of all users of social services. They have partnerships with the City Hall and other local authorities.

Its services produce economic, social and psychological value, contributing to regional development. These values are related to the activity with users, and to the creation of new jobs (21) and several job shadowing promoting employability. However, because of the economic crisis, Socialis has to deal with financial problems since it serves 136 teenagers and only has financial support for 86 from SSS, which makes it more dependent on fundraising and volunteers.

The president thinks that a NBM should have a good inventory of needs, quality of intervention to promote users' satisfaction and a positive feedback. To her, Socialis can be classified as *creating*, as they are alert to new needs of vulnerable people and new ideas, and as *sharing* because they share know-how, services, and equipment, with multiple partnerships.

Case 2 – CrescerSer [BeGrowing]

CrescerSer – <http://www.crescerser.org/>

The CrescerSer Association is nationwide and headquartered in Lisbon. The association is comprised of 7 temporary shelters. There are two in Porto: since 1996 the “Casa do Vale” that welcomes boys from 12 to 18 years; and since 2004 the “Casa de Cedofeita” that welcomes children of both sexes from birth to 10 years old.

The innovation of these shelters is that care is temporarily provided in small units, like a home, with a resident population between 10 and 14 children. This is a different approach from the traditional method that comprehends hosting children in larger institutions for many years. These shelters give time to families to reorganize themselves in order to allow the return of the child. Moreover, innovative work with families, the direct relationship with the community, and the very emotional and personal hosting are also appreciable distinctions.

Recently, there is a new class of users, institutionalized youngsters that want to leave the institution at 18 years old, and live on their own. Thus, ‘Casa de Cedofeita’ promoted a support network, allowing them, in an informal basis, volunteering in homes in return for meals, clothing, medical and psychological support, and counseling. In many cases, these young people haven’t had a normal childhood phase, and thus the ‘Casa de Cedofeita’, having on their staff only women, fulfills the need of “maternal support” even though those youngsters are not aware of it. This female proximity has given good results in young people’s development.

There is a great concern about the economic sustainability based on SSS and community support, because there is a strong risk of being reduced or terminated. All the food gathered by the shelters is provided freely by a chain of suppliers through an innovative method. For instance, the bread is provided by the baker but he only contributes with his part of the costs, the cereal producer support his own part, and other part comes from the grinding.

CrescerSer contributes to ecological sustainability by separating garbage for recycling, involving children in this activity for educational purposes, and carrying out energy saving programs.

In terms of social and psychological sustainability, it tries to prevent institutionalization of children, avoiding an emotional cost to them and their families. It also contributes to the education of the community, aiming that children are not maltreated and removed from their families. Thus, its psychological value proposition is linked to the influence on new life projects for children and youth. This has a positive impact in society, as social value, by promoting social inclusion, as well as influencing both families and community behaviors by giving parental training, organizing technical meetings with families, workshops, seminars, conferences, where the rights of children, young people, and good practices are addressed.

This activity is at a mature phase in relation to children, but in relation to adolescents is now starting, after 4 months of hard work. The NBM has good results in children’s care and support, because most of the 180 children, who were helped in these years, is again with their families or with an adoptive family. The greater the age the greater the difficulty of social inclusion, since they suffered more traumatic damages, and have high levels of consumption (alcohol and drugs) and delinquency paths. Hence, CrescerSer must also play a role as therapeutic host.

What is most important in a mature NBM is, internally, cohesion and stability in the team, specific technical training with regard to the social work they do, previous training for the educational team, and financial sustainability; and, externally, a good integration into society, a network of reliable partners, and a good collaboration with the community that has to be bilateral: giving and receiving. Finally, although beyond their scope and control, there is a need for social policies that facilitate the integration and achievement of the objectives.

The business model of CrescerSer can be classified as *sharing*, because they share most of the resources with many other organizations. They have collaboration protocols with SSS (financial support), universities (sharing practices and knowledge), companies (food and equipment), Courts of Law and Children and Youth Protection Committees, and similar institutions (sharing experiences). It also can be seen as *creating* due to their innovative approach to this social need, and as *trading* in the case of the work with older youngsters.

Case 3 – Nomeiodonada [Inthemiddleofnothing]

Nomeiodonada – <http://www.nomeiodonada.pt/>

Beginning in 2012, with the work of 9 people during 2.5 months, this association was established to address deficiencies in supporting children, who are in intensive care, and their parents. The support can be comprised of money, clothing, food, and technical aids, which currently are not subsidized by the State. This is a pioneering activity in terms of client targets and personal support. Most founders had worked in intensive care and had noticed daily the problems of parents who require psychological support to cope with the situation, as well as those who do not have the economic means to remain near their children during their stay in intensive care. Some even sleep in their own cars. Therefore, to be able to provide them with some assistance, partnerships were established with the Porto City Hall, Hospital Centre of Porto, Abbot, and Pingo Doce, which help these parents with food, facilities, housing, financial and counselling support. Nomeiodonada is halfway of its organizational development, because it wants to start another innovative project, which consists in opening a Continuing and Palliative Care Unit for children aged 0 to 18 years, who need special care, allowing the permanence of the family 24 hours a day, and contributing to avoid the breakdown of the nuclear family. This kind of social response only exists in National Health System for adults.

The organization's economic sustainability depends on partnerships with private companies for fundraising, organization of events (fairs, workshops, walks, etc.), and other activities, like editing, publishing and selling books with stories related to parents and children's experiences in Intensive Care Units.

The president of Nomeiodonada considers that its activities meet the needs that somehow the State cannot fulfill. The solidarity with the families who have psychological and financial needs so that they can rehabilitate the family unit, the implementation of several financial supporting activities, and sharing information with other entities in order to list the cases that wouldn't otherwise come to their attention, are the main characteristics of their business model. Thus, she classifies the association as *creating* and *sharing*. She thinks that the association generates psychological, social, and economic value, since it provides children and their parents with a more humane health care environment and psychological care, promoting their reintegration into society; it offers equipment, like wheel chairs; and it helps with medication payment and transportation costs, allowing families to visit their children. Consequently, its activities contribute for a better living of vulnerable people and to social sustainability in a time of great economic crisis.

Case 4 – SAOM [Mary Organizations Assistance Service]

SAOM - <http://www.saom.pt/>

SAOM was initially founded in 1976 and focused on two major aspects: support for seniors (a Day Center and Home Care Service) and support to children and young people. Since 2005, the latter social response ceased to exist when it was discovered that it no longer made sense given the reduction in the population in these age groups in the historical center of the town and the existence of many other institutions with those types of services. A new and innovative social response was then created in 2006 with 3.5 months of preparation: the social reintegration of adults in situations of extreme vulnerability, including the homeless – the "Give Way to Life" project.

This project consists in providing training in hospitality domains, and was initially supported by a State program during 4 years. There are many challenges to be faced when working with homeless and other vulnerable people living with a minimum income in order to prepare them to be a hospitality employee, in particular their personal image (teeth, hair, nails, etc.), especially when the National Health System doesn't

help. Thus, in the last 2 years, the users of this service have initial training supported by public funds, and then they work in paid catering services, which allows paying their personal care treatments. Then, to be financial sustainable, SAOM decided to open a social enterprise: a restaurant near the old wall of Porto. This social economy project is in a developmental stage, and aims to invest all the profit in enabling people to be part of “normal” society.

The coordinator of the training courses defends that the autonomous financial sustainability is the most important characteristic in this type of business model.

SAOM presents two styles of organizational behavior: *trading* with power company (EDP Foundation), providing catering services in exchange for financial support, social visibility, publicity, and experience to our trainees; and *creating* a new social response to help social inclusion of homeless, prostitutes, addicts, and people living with minimum income from the State.

SAOM generates ecological value through recycling all the materials, and sensitizing the trainees for this subject; psychological value through the great change they promote in the image and lifestyle of the trainees; social value because they contribute to solving the social problems already mentioned; and economic value by producing and selling services, satisfying clients’ needs. All these values are strategically thought by a team that shares all the situations in weekly meetings, to be aware of what happens with each one of the trainees, with the help of psychologists and social workers. There is a need for a strong leadership and an empowered and skilled team, to work and gather trust among all, including the trainees, whose commitment and responsibility must be formal, accepting all rules of the institution by signing a contract. Obviously, providing these values to society has a positive impact in all types of sustainability.

Case 5 – C.V.P. Matosinhos

C.V.P. Matosinhos – <http://matosinhos.cruzvermelha.pt/>

It was created in December, 31st 2012, after 2.5 month of logistic preparation, a new and innovative response to the need of an emergency foster home for victims of domestic violence. This service consists of providing temporary shelter and support to the victims (10 days maximum). During this period of time, the victim receives psychological, legal, and social support. After this period and upon determining a diagnosis, the victim is then directed to his/her home or is placed in a different home or shelter. The absence of a social response of this kind in Portugal was considered a serious gap that was urgent to fill, and it is in the beginning of its development.

The service is supported by a European Fund framed on POPH (Human Potential Operational Program), which assures it financial sustainability. C.V.P. Matosinhos collaborates with other internal social responses and with SSS.

There are psychological and social values inherent to the type of service and support given to the victims, contributing for psychological and social sustainability.

The coordinator, beyond the *creating* aspect of this new social response, defends that in NBM is important to take advantage of existing synergies to a better *sharing* of resources, which are the main characteristics of this new service. She considers the results satisfactory for now.

Case 6 – Santa Casa da Misericórdia do Porto [Holy House of Mercy of Porto]

Santa Casa da Misericórdia do Porto – <http://www.scmp.pt/>

Just as with any organization of social economy, the “Santa Casa” (SCMP), at this time, is concerned about and strives to provide a different solution to the situations of the economic and social crises and also the need to establish a new paradigm in the relationship between Institutions of Social Economy and the State. This entails that, in the name of sustainability, there is better and more efficient management. This organization is accomplishing this by introducing management rules that allow the centralization of services, called Back-Office, which were spread over several areas within the organization. These areas of social intervention are linked to the SSS, through the work with at-risk children, female victims of domestic violence, elderly in the most varied situations, and social entrepreneurship projects. Thus, it is implementing a new governance process since 2011 that allows it to be more financial sustainable and, at the same time,

to contribute more to social sustainability through the improvement of the services. In terms of ecological sustainability, it must take care of the medical waste of its three private hospitals.

The new governance and management model is near the stabilization phase, and allows to spare many resources and use them in a more efficient and effective way. In its base is the goodwill of all collaborators that understand the new management ideas. It took almost 18 months to implement the process.

This NBM must pay attention to financial sustainability and to self-regulation of the collaborators in order to achieve a quality certification. The effectiveness and efficiency in management leads SCMP to increasingly become a State partner in administering new spaces, new equipment and new social responses. SCMP uses a *sharing* behavior among all the social responses they coordinate, namely people and equipment, in order to get economies of scale. Internally, it has too a cross exchange of services between its organizations and, externally, a lot of partnerships with dozens of other institutions.

SCMP creates mainly economic and social value (*creating*), as it helps people to go out of the difficult situation they are in, and it has a great impact in regional economy, as SCMP employs thousands of workers in their social services. Thus, SCMP creates multiple value, and always seeks win-win situations in all its activities.

The president of the board also talks about a generation of affective value among the people that works in SCMP, and people that benefit from its activity. Hence, it is possible to see here the psychological kind of value provided by this institution.

Case 7 – Mundos de Vida [Living Worlds]

Mundos de Vida – <http://www.mundosdevida.pt/>

Mundos de Vida is organized around three major services: childhood, older persons, and family. All services are performed through a type of intervention based on quality models (the institution is certified by ISO 9001-2008). Within family service, foster care for children was created in 2006, and is based on a model of intervention with new processes: building awareness and raising families (a new generation of quality host families) that requires a very high level of strong partnerships with the civil society (through the tools of social marketing) and changes in the mentality both of protection system and ordinary citizens (employing innovative and extensive awareness campaigns).

In Portugal, only 5% of children that need an alternative way to grow up in a healthy environment has an opportunity with a foster family. Thus, there is a great gap between demand and supply, mainly due to, on the one hand, the financial limitations of SSS and, on the other hand, the preference of the authorities in this matter, anachronistically, for institutionalization in State homes. The NBM allows users (children at risk and their families) to fulfill their care and education needs through an activity almost nonexistent but with superior results in comparison with institutional care. It also allows finding quality host families in the community, with higher humanitarian motivation.

The implementation of the model took two years of work of three specialists (a psychologist, a social worker, and a social educator), and is now in a mature phase with excellent results, assessed by external committees, and is aiming to expand geographically.

The new process model requires three dimensions of sustainability: (1) psychological, through the adjustment of care relations and education of a child who moves into a new family (called foster family), maintaining relations with the biological family (it is expected to be transformed into an appropriate level of functioning in terms of social stability and positive parenting), and aiming the return of the child through support and mediation of the technical team; (2) economic, since the biological family doesn't pay for care service or education, SSS support is required, which is limited and, therefore, has to be supplemented by resources that the institution has to identify and capture within civil society; and (3) social, as Mundos de Vida needs to create a pool of host families, with different profiles, in order to identify the right family for each child that needs to be protected. These families must have a clear humanitarian motivation with a family and social network that accept to collaborate in this project, since caring for and educating a child goes beyond the border of a nuclear family.

The president of Mundos de Vida considers that NBM in this area should be interventional, resulting from known good practices and internationally inspired. They must improve on the basis of ongoing reflection on achievements and innovative actions, creating a flow of information, communication and affection more than the mere satisfaction of a need, allowing the creation of a lasting and rewarding relationship with the target audience and the community.

He claims that Mundos de Vida has an organizational behavior based on *creating* and *sharing*. It generates value to the society by the use of potential foster families, developing a sharing and responsible mentality, and promoting also a better economic sustainability because the cost of foster care is half of the cost in an institutional care system.

Mundos de Vida has close relationships with Oviedo University and Fundación Meniños (Spain), as well as with Portuguese SSS, Courts of Law, and Children and Youth Protection Committees. Also, it was created the network “Procuram-se abraços”, which involves dozen of entities like Children and Youth Protection Committees, Municipalities, schools, health centers, and companies, aiming the dissemination of the service by increasing the capacity to reach more people during funding campaigns and using the partners’ communication networks.

The president claims excellent results with this business model in terms of recruiting new families, reducing institutional care rates, and extending their offer to other municipalities.

Case 8 – Percurso das Memórias [Route of Memories]

Percurso das Memórias – <http://www.facebook.com/percursodasmemorias>

This is a community tourism project which aims to promote the economic and social development of local communities through the promotion of tourist activities that are streamlined by the communities themselves in order to defend and respect their identities by disclosing their customs. The project promotes not only interaction with the community but also its socio-economic development. This is a product that is not offered in the programs of other travel agencies.

This NBM allows a positive impact on psychological, economic and social sustainability. For example, when the tourists are taken to a craftsman or to a traditional shop, they are contributing to an increase in the owners’ self-esteem, enhancing their personal development, and helping them to get more business. They are creating an active and sustained community around their routes of memories.

The project began at April, 2012, and it took one year to implement. The major motivation was the lack of this kind of tourist projects involving the communities in the city of Porto, with special relevance to the historical center, and the will to help combating its desertification, promoting the stories, culture, customs and traditions of the old city. Now, the project is being developed by consolidating the routes.

First of all, the entrepreneurs considers that financial sustainability, good spread of services, partnerships, and good quality service are the most important features in a NBM.

They classified themselves as *creating*, because they work with the community with a new approach ensuring win-win situations, and create multiple value. Thus, they generate economic, social, psychological, and cultural value to all local communities, and also to all stakeholders (directly or indirectly), helping preserving their identity and fighting urban desertification. The nature of the project involves a whole set of associations, institutions, craftsmen, municipality, schools, and the general population.

Case 9 – Santa Casa da Misericórdia da Maia [Holy House of Mercy of Maia]

Bué de Escolhas – <http://www.misericordiadamaia.com/Default.aspx?tabid=955>

The project called “Bué de Escolhas” is designed to work with children and youth at risk from 6 to 24 years. It is the first time that this municipality, near Porto, has this kind of social intervention in the scope of a larger public program. The promotor established a consortium for this program, comprising 14 companies and institutions, to ensure the continuity of the project. These organizations also have an interest in maintaining this cooperation by the visibility that is provided by the project, representing one profitable

marketing operation that fits perfectly in the concept of social economy. It started in January 2013, after 10 months of preparation, and it is in the initial phase.

The coordinator of the project considers that is important to use the consortium resources because he does not have funds to cover most of the costs. Some of these costs, not being financial, are particularly important in terms of management, like lending of spaces, vehicles, technical know-how, transport, etc. The greater the involvement of partners, the better and more rational will be the management of all resources (including human) and so the better the odds to continue with the project.

This business model is essentially based in *sharing* resources with partners, and is *creating* in the way it produces multiple value.

The project's team works daily to emancipate young people, to improve their employability and their training, to prevent dropout from school, to promote entrepreneurship, self-employment, and other support for artistic creativity and so on. They further can finance any innovative business until 5,000 euros. They create new services, including pedagogical monitoring work, so as to prevent school failure, and social activities like sports practice, dancing, and theatrical acting.

Thus, they produce economic value to all stakeholders, as well as psychological value to children and youngsters, and social value to society in general. They have already notice changes in behavior, in particular improved ability and responsibility.

Case 10 – Coração da Cidade [Heart of the City]

Coração da Cidade – <http://ccidade.no.sapo.pt/>

This is a rare institution wherein all work is done on a volunteer basis. Its activities extend to several areas of the Great Porto. There is a new project since 2012 called “TAKE”, which is intended to supply food to pensioners, unemployed, and people who still have economic difficulties even while working (ashamed poor). The organizational process begins with a diagnostic evaluation, inscription proceedings and data confirmation after which the user is provided with an access card to the take-away store. The user is required to inform the take-away store, the day before, of the desired number of meals in order to avoid waste and it is mandated to bring properly cleaned containers for transporting the food. He/she pays only 50 cents, and the meal consists of a main course (meat or fish), soup and dessert (sweet, fruit or yogurt). One of the concerns of the institution is the personalized service (one person at a time) to assure privacy to the user.

This institution has financial problems because it doesn't have support from the State and has to manage an annual budget of 700,000 euros, which is fully supported by civil society through private and enterprise donations, and sales from the social shops they own.

It only used to help homeless, but with the economic crisis and increasing unemployment and taxes, it has noticed that many people had started to have difficulties to survive. Thus, it took a month to create a NBM serving food privately to those people to take home. Their partners offer them the food, and volunteers do all the work in this project. The coordinator considers financial sustainability and partnerships as the main characteristics to take care in a mature NBM in this intervention area. He classify the NMB as *creating* a new social response to new users, victims of the crisis.

It has good results generating economic value, providing meals and promoting the partners (Continente, Pingo Doce, Intermarché, Lidl, etc.), and social value by lessening family crisis and increasing corporate social responsibility. In terms of psychological value, it changes the way that ashamed poor act, because it provides food discreetly.

Case 11 – Projeto Rios [Project Rivers]

Projeto Rios – <https://www.facebook.com/pages/Projeto-Rios/133403460063312>

ProjetoRios has a business model that acts at the level of environmental intervention, and intend to implement business and social entrepreneurship. It wants to use the rivers as a factor for societal change to improve quality of life. At business level, it promotes activities that create economic value through efficiency (efficient water use, monitoring of rivers), safety (reduction of losses in the floods), and added value (rehabilitation of rivers, new uses, soil valorization); social value through changes in behaviors

(relationships, interpersonal communication, collective activities); psychological value through education (attitudes and actions, the river as a multidisciplinary natural laboratory, respect and appreciation for environmental heritage), and health (with walks and advice on food, the river as a school and a source of healthy behaviors); and environmental value through ecology (ecological integrity), freedom (clear margins) and conservation (biodiversity).

The existence of a large number of heavily degraded water lines and the lack, at national level, of a public participation tool for the rehabilitation of rivers where the local community could be actively involved, was the motivation to create this project. There was a need for technical and professional solutions with a multidisciplinary approach that led to engagement and involvement of users in the selected solutions.

They started in 2006, after two years of project development and a doctoral dissertation.

The coordinator defends that the institutionalization of a solution is needed to seek for economic, social, and ecological sustainability, and the accomplishment of the proposed objectives. He considers the project as *creating*, because is a new solution to this kind of problem involving the community and other stakeholders; as *sharing* of resources and knowledge with partners, like municipalities, schools, other ONG's, companies, associations, groups of fishermen and hunters, owners of the land in the river banks, researchers, etc.; and as *trading*, since there are exchange of services between partners and creation of value other than profit.

The project is already recognized by the Portuguese Environment Agency and has the Honorable Mention awarded by the Green Project Award. The Entrepreneurship Institute ranked Projeto Rios as a project of high potential for Social Entrepreneurship, thus contributing to ecological, economic and social sustainability.

Case 12 – ColorAdd

ColorAdd – <http://www.coloradd.net>

ColorAdd created a new product to help colorblind people to “see” colors. This social innovation (inclusive design) meant to enhance quality of life of 350M people, contributing to economic and social sustainability. It consists of five simple symbols, representing the primary colors (blue-cyan; yellow, and red-magenta, plus black and white). The combination of these symbols allows new composed symbols that represent the secondary colors (green, orange, and purple). Adding a primary and a secondary symbol enables once more new composed symbols performing tertiary colors, and so on.

It is based on I & D project that was developed between 2000 and 2008 and was presented publicly through a master's thesis. Afterwards, it was developed to become a social business model that could secure the main objective: to be sustainable, independent, and available to all, allowing its utilization without conditions, avoiding the stigma of segregation and, at the same time, without any payment.

The creator and president of ColorAdd defends that self-sustainability must be achieved to avoid being subsidy-dependent. Hence, they use two types of licensing the use: temporary (renewable) and permanent to ensure revenue from property rights. To strengthen the social component, the value of the use of licenses is indexed to the size and reality of the company, organization, municipality, etc. (turnover, the municipality population, social impact, etc.). The license is cheap and there is no exclusivity. They are also thinking to adapt this project to the blind and autistic people.

The main characteristics of a NBM should be transversality, independence, self-sustainability, differentiation, social concern, and process optimization.

He considers his social business as *creating*, because it innovates in an area without any solution till now. So, beyond economic value, this business generates psychological and social value to millions of colorblind that have problems of social inclusion.

He established collaboration with the Portuguese Education Ministry, so that students' exams can use the ColorAdd when the color is relevant to the correct interpretation of statements. Other collaborations are with EIDD (Design for All), Ageuk (England), Conade (Brazil) and, in Portugal, with AICEP (Foreigner Commerce), various State Departments, Portuguese Olympic Committee, Porto City Council, Equal Rights

Commission, Institute for Social Entrepreneurship, St. John's Hospital (Manchester Triage), Hospital dos Capuchinhos, etc. and more than 200 companies and organizations.

Case 13 – Ajudaris

Ajudaris – <http://www.ajudaris.org>

Ajudaris is a project of educational and citizenship nature that started in 2009, after two months of developing the idea. It wants to promote reading, writing, creativity, social sensitivity, and solidarity among children.

The innovative aspect is to provide every child with the possibility to be a coauthor of a collective book, which can mark his/her development. Each year Ajudaris indicates a theme of social context for schools (primary and pre-school) with which they establish cooperative protocols. This topic will be the subject of work in the classroom for all students, and the best texts are selected by Ajudaris. Teachers from The Faculty of Arts and Humanities of Porto University do the revision of texts. Artists and illustrators (volunteers) also contribute to the making of the book. The company Bichinho da Conta, partner in the program, makes the graphical arrangements. The presentation of the book is done during a ceremony involving hundreds of people (teachers, students, families), where children are recognized as Authors.

The books are sold in the school community, having the students as their ambassadors. The result of this sale allows the economic sustainability of Ajudaris. They offer an economic value with the production and sale of the book, which has a positive psychological impact on children, in terms of learning and behavior, with positive social consequences in the community of families and in school.

The NBM must be proactive, innovative, and meet the current needs of society.

The president characterizes their business model as *sharing* all kind of resources, and *creating* because they do an innovative and successful activity.

DISCUSSION AND CONCLUSIONS

All the organizations present a strategic market orientation as a necessary condition to be successful serving the customers/users (Carvalho, 2005, 2009). After identifying a social need, each entrepreneur creates a solution to each problem through the launch of a startup or a new project. Therefore, they become social entrepreneurs because they aim, first of all, to respond to a social need or problem without distribution of profit. Their products or solutions (good, service, process or idea) become social innovations because they had success in the market or in the organization (table 1).

Table 1. Social needs and social innovations

Organizations	Social needs	Social innovations
Socialis	Support to teenage mothers.	Life Support Center: improving household and maternal skills, professional orientation, and working with teenagers' families.
CrescerSer	Shelter to children and youngsters with family problems.	Temporary shelters with small population, avoiding traditional institutionalization.
Nomeiodonada	Support to children, who are in intensive care, and their parents.	Providing facilities, housing, food, and financial and counselling support.
SAOM	Social reintegration of adults in situations of extreme vulnerability, in particular homeless.	Promoting social reintegration through providing training in hospitality domains.

CVP Matosinhos	Emergency foster home for victims of domestic violence.	Providing temporary support to the victim in terms of shelter, psychological, legal, and social support.
SCMPorto	Better and more efficient management of social responses.	New management rules that allow the centralization of services, called Back-Office, which are spread over several areas within the organization.
Mundos de Vida	Better and more foster families to increase foster care in social intervention with vulnerable children and youngsters.	New private family recruitment model.
Percurso das Memórias	Lack of tourist projects involving the communities in the city of Porto, and the need to combat desertification of city center.	Promoting tourist activities with communities' collaboration.
SCMMaia	Children and youth at risk from 6 to 24 years in Maia.	Improving employability through training; preventing dropout and school failure; promoting entrepreneurship and self-employment; supporting artistic creativity and social activities like sports practice, dancing, and theatrical acting.
Coração da Cidade	Food support to pensioners, unemployed, and people who still have economic difficulties even while working (poor ashamed).	Supplying food with personalized attendance to take away.
Projeto Rios	Degradation of water lines and the lack of a public participation tool for the rehabilitation of rivers where the local community could be actively involved.	Promoting activities that allows efficient water use, monitoring of rivers, reduction of losses in the floods, rehabilitation of rivers, new uses, soil valorization, relationships, interpersonal communication, collective activities, education, respect and appreciation for environmental heritage, walks and advice on food, ecological integrity, clear margins, and biodiversity.
ColorAdd	How to make colorblind people "sees" colors?	Creation of 5 simple symbols that in themselves and by their combinations represent all the colors.
Ajudaris	Promotion of reading, writing, creativity, social sensitivity, and solidarity among children.	Providing a process that allows children to be coauthors of a book.

In this context and aligned with the literature (e.g. Carvalho & Jonker, 2015; Elkington, 1997; Jonker, 2012), a new product value proposition must have four intentions: economic, to enable the offer and the transaction; social, related to the impact on the community; environmental, related to ecological issues; and psychological, related to the contribution to a new state of mind that contributes to fight illness and poverty, as well as to enhance a new way of seeing the main issues that influence our style and quality of life (increased awareness of the subject, attitudinal change, knowledge creation, learning new skills).

Therefore, the success of these social entrepreneurs is related with the promotion of NBM based on having *creating* behavior by proposing new solutions, producing multiple values, namely, to individuals (psychological value), to planet (ecological value), to economy (economic value) and to society (social value); on *sharing* resources (people, ideas, knowledge, skills, networks, equipment, property, data, time, transport) among partners; and, in fewer cases, on *trading*, mainly with services exchange, and the generation of value other than profit. In table 2 is presented a resume of those organizational behavior patterns: 10 organizations are considered as *sharing*; all (13) as *creating*; and 4 as *trading*.

The analysis of these examples of social innovation in Porto region led to verify that all cases present the creation of multiple value, collective value, and shared value, reinforcing the theory of Jonker (2012) about the organization of NBM.

In terms of the types of value created by these organizations, all of them produce economic value (new products, services, ideas or processes with economic impact), psychological value (transformation in individual's mindset, new knowledge, skills and experiences), and social value (impact on society, relationships, quality of life). Ecological value only concerns four institutions (CrescerSer, SAOM, SCMP, and Projeto Rios), because they have activities of recycling and education for ecology and, in case of SCMP, because they have health care activities, managing hospitals.

It is possible to verify a difference between for-profit sector and nonprofit sector, because NBM in the former appears to have less incidence of psychological value and more of ecological value (Carvalho, Sousa, Ferreira, Silva, & Novo, 2013). The products in the for-profit sector serve human needs and, to be successful, must satisfy the customers, however not always present a mindset or psychological value. In the other hand, current societies are more eager about environment, thus it is more frequent to see for-profit organizations proposing products with ecological value.

Table 2. Organizational behavior pattern

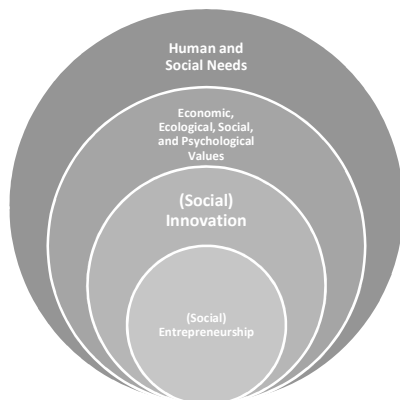
Organizations	Organizational behavior pattern
Socialis	Sharing and Creating
CrescerSer	Sharing, Creating, and Trading
Nomeiodonada	Sharing and Creating
SAOM	Sharing, Creating, and Trading
CVP Matosinhos	Sharing and Creating
SCMPorto	Sharing, Creating, and Trading
Mundos de Vida	Sharing and Creating
Percurso das Memórias	Creating
SCMMAia	Sharing and Creating
Coração da Cidade	Creating
Projeto Rios	Sharing, Creating, and Trading
ColorAdd	Creating
Ajudaris	Sharing and Creating

This new approach to a complex value proposition and to new organizational behavior patterns is conceptually related to a wider concept of sustainability. All the leaders of the organizations and projects interviewed mentioned, in one way or another, the importance to be economic (financial) sustainable, and to have a positive impact on what we call psychological sustainability. Some of them have ecological sustainability in mind, but all believe in their contribution to social sustainability.

Thus, it is possible to construct a model that represents the path to (social) entrepreneurship (Graphic 1). Starting with social or human needs, the (social) entrepreneur sees an opportunity of (social) business. To be successful, he/she needs to be market oriented, creating a product (good, service, idea) or (social) innovation that satisfies better the customer/user. In all situations, it is preferable to have a value proposition

with the all package of values: economic, ecological, social, and psychological. This means that new products and NBM contribute to a new and better state of mind, considering social and ecological aspects, to obtain economic gains in the for-profit sector; and, otherwise, in nonprofit sectors, to obtain social gains through a new mindset, considering ecological and economic issues. An innovative product or a social innovation happens when through an (social) entrepreneurial action, the novelty has success in the market. If this occurs, then the new product or social innovation contributes to economic and social sustainability and, in many cases, also to ecological and psychological sustainability.

Graphic 1. (Social) entrepreneurship path



There is a significant and positive impact on regional and national development caused by entrepreneurship (e.g. Bianchi, 2010; Praag & Versloot, 2008; Wong, Ho, & Autio, 2009), and social innovation and social entrepreneurship (e.g. Chell, Karatas-Ozkan, & Nicolopoulou 2007; Edwards-Schachter, Matti, & Alcántara, 2012; European Commission, 2013; Haugh 2007). The thirteen cases in Porto region presented in this chapter, demonstrate and reinforce the idea that social innovation and entrepreneurship are crucial to human and social development, and so, their promotion can be a key factor to regional and national development policies.

FUTURE RESEARCH DIRECTIONS

As in all sciences, it is needed a deeper research in the organizational domain, improving methodological approaches and experimental designs, in order to conceptualize and theorize what is happening in society, and what could be the better policies to enhance sustainability and development.

We need more research about what are the trigger factors to the success of social innovation (educational system, cultural values, political economy, economic development, support from the state and civil society, partnerships between sectors), besides the obvious ones like the presence of unmet needs, social problems, and entrepreneurial people. Also more longitudinal and experimental research is needed to validate causal-effect processes, and their relations with the increase of quality of life. More, which is the role of these factors? Are they antecedents, mediators or moderators of success? Are the Gupta's proposed creative ways to foster grassroots innovation (Gupta, 2013) really operative and promoters of social sustainability?

Social innovation is needed to fight all kind of discriminations in the domains of gender, age, religion, disability, sexual orientation, and ethnics. Social and individual problems related with ageing, urban life, education accessibility, multi-ethnic societies, chronic diseases, addictive behaviors, non-healthy alimentation, adulthood transition, criminal behaviors, rehabilitation of prisoners, compatibility between work and personal lives, quality of life, happiness, climate influence, etc. are still on today's agenda.

In Europe 2020 agenda there is a strategy that aims at a smart, sustainable and inclusive economy. Thus, there will be a long strand of research in order to access all the means used to achieve those goals, and to evaluate the outcomes of Europe's policies and programs, in particular those related with social innovation against poverty. European Commission (2013) propose some areas where it is important to support social innovation at regional level: preparation of a plan linked to the region's smart specialization strategy; supporting new organizations and adapting existing organizations; strengthening the market for social innovations and encouraging cross sectorial collaborations; supporting the innovators to get started and to grow and encouraging workplace innovation; investing in new financing models based in results (e.g. social impact bonds: Joy & Shields, 2013; NCVO, 2011); setting up better structures for measuring the results of social innovation; and promoting exchange and learning on approaches to social innovation across Europe. In the United States, social problems remain the same, despite the programs designed to address each one, which are never enough and have a high rate of failure, reducing economic growth (Liebman, 2013). Liebman (2013) proposes a direct funding to increase social innovation made by government or philanthropic grant competitions and innovation funds. Governments should offer prizes for the development of social innovations, measure their effectiveness, and guarantee their acquisition. It is also important to measure the efficiency of the innovation process at regional and national level (Matei & Spircu, 2012). Thus, it is needed more research on effectiveness and efficiency of all social innovations in order to invest public and private funds wisely. Finally, this research can also be developed in several scientific areas, such as Economics, Management, Sociology, Psychology, Marketing, Social Education, and Entrepreneurship.

REFERENCES

- Abernathy, W. J. (1978). *The productivity dilemma: Roadblock to innovation in the automobile industry*. Baltimore, MD: Johns Hopkins University Press.
- Afuah, A., & Tucci, C. (2001). *Internet Business Models and Strategies: Text and Cases*. New York: Irwin/McGraw-Hill.
- Amorós, J. E., & Bosma, N. (2014). *Global Entrepreneurship Monitor 2013 – Global Report*. Retrieved December 13, 2014, from <http://www.gemconsortium.org/docs/download/3106>.
- Assefa, G., & Frostell, B., (2007). Social Sustainability and Social Acceptance in Technology Assessment: A Case Study of Energy Technologies. *Technologies in Society*, 29, 63-78.
- Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: Same, different, or both? *Entrepreneurship Theory and Practice*, 30(1), 1–22.
- Austin, J. E., & Seitanidi, M. M. (2012a). Collaborative value creation: a review of partnering between nonprofits and businesses: Part I. Value creation spectrum and collaboration stages. *Nonprofit and Voluntary Sector Quarterly*, 41(5), 726–758.
- Austin, J. E., & Seitanidi, M. M. (2012b). Collaborative value creation: a review of partnering between nonprofits and businesses: Part II. Partnership processes and outcomes. *Nonprofit and Voluntary Sector Quarterly*, 41(6), 929–968.
- Aydalot, P. H. (1986). *Milieux innovateurs en Europe* [Innovative 'Milieux' in Europe]. Groupe de Recherche Europe' en sur les Milieux Innovateurs (GREMI), Paris.
- Balta, M. E., Darlington, C., Smith, S. L., & Cornelius, N. (2012). *Entrepreneurial Orientation and Social Innovation Practices in Social Enterprises: The Rhetoric and Reality*. *International Journal of Business and Social Science*, 3(17), 24-32.

- Baregheh, A., Rowley, J., & Sambrook, S. (2009). Towards a multidisciplinary definition of innovation. *Management Decision*, 47(8), 1323–1339.
- Bartholomew, S. (1997). National systems of biotechnology innovation: Complex interdependence in the global system. *Journal of International Business Studies*, 28(2), 241–266.
- Becattini, G. (1987). *Mercato e forze locali: il distretto industriale*. Bologna: Il Mulino.
- Bianchi, M. (2010). Credit constraints, entrepreneurial talent, and economic development. *Small Business Economics*, 34, 93–104.
- Bureau of European Policy Advisers (BEPA) (2010). *Social Innovation as Part of the Europe 2020 Strategy. Executive Summary*. Brussels: European Commission.
- Carvalho, J. M. S. (2005). *Organizações Não Lucrativas – Aprendizagem Organizacional, Orientação de Mercado, Planeamento Estratégico e Desempenho* [Nonprofit Organizations: Organizational learning, Market orientation, Strategic planning, and Performance]. Lisboa: Edições Sílabo.
- Carvalho, J. M. S. (2009). *Gestão e Marketing. Para devolver as organizações ao Homem* [Management and Marketing. To return organizations to Mankind]. Lisboa: Edições Sílabo.
- Carvalho, J. M. S. (2013) *Planeamento Estratégico – O seu guia para o sucesso* [Strategic Planning – Your guide to success] (2nd ed.). Porto: Grupo Editorial Vida Económica.
- Carvalho, J. M. S., & Jonker, J. (2015, in press). Creating a Balanced Value Proposition Exploring the Advanced Business Creation Model. *Journal of Applied Management and Entrepreneurship*, 20(2).
- Carvalho, J. M. S., Sousa, C., Ferreira, A., Silva, N., & Novo, E. (2013) Portuguese Cases of New Business Models. *New Business Models across Europe Conference*. 14th June, Nijmegen – Radboud University Nijmegen – Holand.
- Caulier-Grice, J., Kahn, L., Mulgan, G., Pulford, L., & Vasconcelos, D. (2010). *Study on Social Innovation*. Paper Prepared by the Social Innovation Exchange (SIX) and the Young Foundation for the Bureau of European Policy Advisors. Sine Loco: European Union/The Young Foundation. Retrieved December 13, 2014, from <http://socialinnovationexchange.org/>
- Chatterjee, S. (2013). Simple rules for designing business models. *California Management Review*, 55(2), 97–124.
- Chell, E. (2007). Social enterprise and entrepreneurship: Towards a Convergent Theory of the Entrepreneurial Process. *International Small Business Journal*, 25(1), 5-26.
- Chell, E. (2008). *The entrepreneurial personality: A social construction model*. London: Routledge.
- Chell, E., Karataş-Özkan, M., & Nicolopoulou, K. (2007). Social entrepreneurship education: Policy, core themes and developmental competencies. *International Journal of Entrepreneurship Education*, 5, 143-162.
- Chell, E., Nicolopoulou, K., & Karataş-Özkan, M. (2010). Social entrepreneurship and enterprise: International and innovation perspectives. *Entrepreneurship & Regional Development: An International Journal*, 22(6), 485-493.
- Chesbrough, H. W. (2006). *Open business models: how to thrive in the new innovation landscape*. Boston, MA: Harvard Business Press.

- Cohen, B., & Winn, M. I. (2007). Market imperfections, opportunity and sustainable entrepreneurship.. *Journal of Business Venturing*, 22, 29-49.
- Christensen, C. M. (1997). *The innovator's dilemma: When new technologies cause great firms to fail*. Boston: Harvard Business School Press.
- Christensen, C. M., & Raynor, M. E. (2003). *The innovator's solution: creating and sustaining successful growth*. Boston: Harvard Business School Press.
- Cooke, P., Uranga, M. G., & Etxebarria, G. (1997). Regional innovation systems: Institutional and organizational dimensions. *Research Policy*, 26(4-5), 475-491.
- Covin, J., & Slevin, D. (1988). The influence of organisational structure on the utility of an entrepreneurial top management style. *Journal of Management Studies*, 25, 217-237.
- Crane, A., & Matten, D. (2007). *Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization* (Rev. ed.). Oxford, UK: Oxford University Press.
- Dart, R. (2004). The legitimacy of social enterprise. *Nonprofit Management and Leadership*, 14, 411-424.
- Dean, T. J., & McMullen, J. S. (2010). Toward a theory of sustainable entrepreneurship: Reducing environmental degradation through entrepreneurial action. *Journal of Business Venturing*, 22, 50-76.
- Dees, J. G. (1998). Enterprising non-profits. *Harvard Business Review*, 76, January-February, 55-67.
- Dees, J. G. (2012). A Tale of Two Cultures: Charity, Problem Solving, and the Future of Social Entrepreneurship. *Journal of Business Ethics*, 111, 321-334.
- Dees, J. G., & Anderson, B. B. (2003). For-profit social ventures. *International Journal of Entrepreneurship Education*, 2, 1-26.
- Doh, S., & Acs, Z. J. (2010). Innovation and Social Capital: A Cross-Country Investigation. *Industry and Innovation*, 17(3), 241-262.
- Drucker, P. F. (1987). Social innovation—Management—New dimension. *Long Range Planning*, 20(6), 29-34.
- Edgeman, R., & Eskildsen, J. (2013). Socio-Ecological Innovation: Strategic Integration of Innovation for Sustainability and Sustainable Innovation. In *Proceedings of the 10th International Conference on Intellectual Capital, Knowledge Management & Organizational Learning* (pp. 114-122). The George Washington University, Washington, DC, USA.
- Edquist, C. H. (Ed.) (1997). *Systems of Innovation: Technologies, Institutions and Organizations*. London: Pinter.
- Edwards-Schachter, M. E., Matti, C. E., & Alcántara, E. (2012). Fostering Quality of Life through Social Innovation: A Living Lab Methodology Study Case. *Review of Policy Research*, 29(6), 672-692.
- Elkington, J. (1997). *Cannibals with Forks: The Triple Bottom Line of Twenty-First Century Business*. Capstone, Oxford.
- Engelen, A., Heinemann, F., & Brettel, M. (2009). Cross-cultural entrepreneurship research: Current status and framework for future studies. *Journal of International Entrepreneurship*, 7, 163-189.

- Escobar, J. J., & Gutiérrez, A. C. M. (2011). Social economy and the fourth sector, base and protagonist of social innovation. *Ciriec-España, Revista de Economía Pública, Social y Cooperativa*, 73 (Special Issue), 33-60.
- European Commission (2010a). Europe 2020. *A Strategy for Smart, Sustainable and Inclusive Growth*. Brussels: European Commission.
- European Commission (2010b). Europe 2020 *Flagship Initiative Innovation Union*. Brussels: European Commission.
- European Commission (2010c). *A Rationale for Action. Accompanying Document to 'Europe 2020 Flagship Initiative Innovation Union'*. Brussels: European Commission.
- European Commission (2013). *Guide to Social Innovation*. Brussels: European Commission.
- European Union (2011). Mental Well-Being: For a Smart, Inclusive and Sustainable Europe. A paper to present first outcomes of the implementation of the 'European Pact for Mental Health and Well-being'. Retrieved January 15, 2015, from http://ec.europa.eu/health/mental_health/docs/outcomes_pact_en.pdf
- Fairlie, R., & Holleran, W. (2012). Entrepreneurship training, risk aversion and other personality traits: Evidence from a random experiment. *Journal of Economic Psychology*, 33, 366-378.
- Filion, L. J. (1999). Empreendedorismo: empreendedores e proprietários-gerentes de pequenos negócios. *Revista de Administração*, 34(2), 5-28.
- Fiorentini, G. (2006). *Impresa sociale e sussidiarietà*. Milano: Franco Angeli.
- Freeman, C. (1995). The 'national system of innovation' in historical perspective. *Cambridge Journal of Economics*, 19(1), 5-24.
- Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Boston: Pitman/Ballinger.
- Gartner, W. B. (1985). A conceptual framework for describing the phenomenon of new venture creation. *Academy of Management Review*, 10, 696-706.
- Germak, A. J., & Singh, K. K. (2009). Social Entrepreneurship: Changing the Way Social Workers Do Business. *Administration in Social Work*, 34(1), 79-95.
- Goodland, R. (1995). The Concept of Environmental Sustainability. *Annual Review of Ecology and Systematics*, 26, 1-24.
- Grimes, M. G., McMullen, J. S., Vogus, T. J., & Miller, T. L. (2013). Studying the Origins of Social Entrepreneurship: Compassion and the Role of Embedded Agency. *Academy of Management Review*, 38(3), 460-463.
- Grudinschi, D., Kaljunen, L., Hokkanen, T., Hallikas, J., Sintonen, S., & Puustinen, A. (2013). Management Challenges in Cross-Sector Collaboration: Elderly Care Case Study. *The Innovation Journal: The Public Sector Innovation Journal*, 18(2), article 7.
- Gupta, A. K. (2013). Tapping the Entrepreneurial Potential of Grassroots Innovation. *Stanford Social Innovation Review, Sponsored Supplement*, 18-20.
- Hall, J. K., Daneke, G. A., & Lenox, M. J. (2010). Sustainable development and entrepreneurship: Past contributions and future directions. *Journal of Business Venturing*, 25, 439-448.

- Hall, J., Matos, S., Sheehan, L., & Silvestre, B. (2012). Entrepreneurship and Innovation at the Base of the Pyramid: A Recipe for Inclusive Growth or Social Exclusion? *Journal of Management Studies* 49(4), 785-812.
- Harding, R. (2004). Social enterprise: The new economic engine. *Business Strategy Review*, 15(4), 39-43.
- Haugh, H. (2007). Community-led social venture creation. *Entrepreneurship Theory and Practice*, 31, 161-182.
- Holt, K. (1971). Social Innovations in Organizations. *International Studies of Management & Organization*, 1(3), 235-252.
- Hornaday, R. W. (1992). Thinking about entrepreneurship: A fuzzy set approach. *Journal of Small Business Management*, 30(4), 12-23.
- Hurley, R. F., & Hult, T. M. (1998). Innovation, Market Orientation, and Organizational Learning: An Integration and Empirical Examination. *Journal of Marketing*, 62, July, 42-54.
- Jonker, J. (2012). New Business Models – *An exploratory study of changing transactions creating multiple value(s)*. Working Paper. Nijmegen School of Management Radboud University Nijmegen – The Netherlands. ISBN: 978-90-8119-793-9.
- Joy, M., & Shields, J. (2013). Social Impact Bonds: The Next Phase of Third Sector Marketization? *Canadian Journal of Nonprofit and Social Economy Research*, 4(2), 39-55.
- Jupp, B. (2000). *Working Together: Creating a Better Environment for Cross-Sector Partnership*. London, UK: Demos, Panton House.
- Khavul, S., & Bruton, G. D. (2013). Harnessing Innovation for Change: Sustainability and Poverty in Developing Countries. *Journal of Management Studies*, 50(2), 285-306.
- Klein, J-L., Fontan, J-M., Harrisson, D., & Lévesque, B. (2012). The Quebec System of Social Innovation. A focused analysis of the local development field. *Finisterra*, XLVII, 94, 9-28.
- Kostetska, I., & Berezyak, I. (2014) Social Entrepreneurship as an Innovative Solution Mechanism of Social problems of Society. *Management Theory and Studies for Rural Business and Infrastructure Development*, 36(3), 569-577.
- Kramer, M. R. (2005). *Measuring Innovation: Evaluation in the Field of Social Entrepreneurship*. Skoll Foundation.
- Kuckertz, A., & Wagner, M. (2010). The influence of sustainability orientation on entrepreneurial intentions — Investigating the role of business experience. *Journal of Business Venturing*, 25, 524-539.
- Law 5/2011, de 29 de marzo, de Economía Social. *Boletín Oficial del Estado*, 76, Miércoles 30 de marzo de 2011, Sec. I., 33023-33033.
- Law 30/2013, de 8 de maio, de Bases da Economia Social. *Diário da República*, 1.^a série, 88, 2727-2728.
- Le Ber, M. J., & Branzei, O. (2010). (Re)Forming Strategic Cross-Sector Partnerships: Relational Processes of Social Innovation. *Business & Society*, 49, 140-175.
- Liebman, J. B. (2013). Advancing Evidence-Based Policymaking to Solve Social Problems. *Issues in Science and Technology*, Fall, 47-55.

- Light, P. C. (2006). Reshaping social entrepreneurship. *Stanford Social Innovation Review*, 4(3), 47–51.
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21, 135–173.
- Lundström, A., & Zhou, C. (2011). Promoting innovation based on social sciences and technologies: the prospect of a social innovation park. *Innovation: The European Journal of Social Science Research*, 24(1-2), 133-149.
- Mair, J., & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41, 36-44.
- Manning, S., & Roessler, D. (2014). The Formation of Cross-Sector Development Partnerships: How Bridging Agents Shape Project Agendas and Longer-Term Alliances. *Journal of Business Ethics*, 123, 527–547.
- Matei, M. M., & Spircu, L. (2012). Ranking Regional Innovation Systems According to their Technical Efficiency – A Nonparametric Approach. *Economic Computation & Economic Cybernetics Studies & Research*, 46(4), 31-47.
- Michelini, L. (2012). *Social Innovation and New Business Models – Creating Shared Value in Low-Income Markets*. Springer.
- Morris, M. H., Kuratko, D. F., & Covin, J. G. (2008). *Corporate entrepreneurship and innovation*, 2nd ed. Thomson Higher Education, Mason.
- Moulaert, F., & Mehmood, A. (2010). Analysing Regional Development and Policy: A Structural–Realist Approach. *Regional Studies*, 44(1), 103-118.
- Moulaert, F., & Sekia, F. (2003). Territorial innovation models: a critical survey. *Regional studies*, 37(3), 289-302.
- Mulgan, G. (2006). The Process of Social Innovation. *Innovations: Technology, Governance, Globalization*, 1(2), 145–162.
- Mulgan, G., Tucker, S., Ali, R., & Sanders, B. (2007). *Social innovation: What it is, why it matters and how it can be accelerated*. Skoll Centre for Social Entrepreneurship. Working Paper, The Young Foundation, Said Business School, Oxford University.
- Murray, R., Caulier-Grice, J., & Mulgan, G. (2010). *The Open Book of Social Innovation*. The Young Foundation.
- Muscat, E., & Whitty, M. (2009). Social Entrepreneurship: Values-Based Leadership to Transform Business Education and Society. *The Business Renaissance Quarterly*, 4, 31-44.
- Mutis, J., & Ricart, J. (2008). Innovación en modelos de negocio: la base de la pirámide como campo de experimentación [Innovation in Business Models. The Base of the Pyramid a new field of experimentation]. *Universia Business Review*, 18(1), 10-27.
- National Council for Voluntary Organizations (NCVO). (2011). *Payment by Results* (Discussion Paper). London, U.K.: National Council for Voluntary Organizations.

- Nasution, H. N., Mavondo, F. T., Matanda, M. J., & Ndubisi, N. O. (2011). Entrepreneurship: Its relationship with market orientation and learning orientation and as antecedents to innovation and customer value. *Industrial Marketing Management*, 40, 336–345.
- Nidumolu, R., Prahalad, C. K., & Rangaswami, M. R. (2009). Why Sustainability is now the Key Driver of Innovation. *Harvard Business Review*, September, 57-64.
- Organisation for Economic Co-operation and Development (OECD) (2010). SMEs, *Entrepreneurship and Innovation. OECD 2010. Chapter 5. Social Entrepreneurship and Social Innovation*. Retrieved December 13, 2014, from http://ec.europa.eu/internal_market/social_business/docs/conference/oecd_en.pdf
- Olsson, P., & Galaz, V. (2011). Social-Ecological Innovation and Transformation. In A. Nicholls and A. Murdoch (Eds.), *Social innovation: Blurring Boundaries to Reconfigure Markets* (pp. 223-247). Palgrave MacMillan, London.
- Osterwalder A., Pigneur, Y., & Tucci, C. L. (2005). Clarifying Business models: origins, present, and future of the concept. *Community American Indian Studies*, 1, 1-25.
- Peredo, A. M., & McLean, M. (2006). Social Entrepreneurship: A Critical Review of the Concept. *Journal of World Business*, 41(1), 56-65.
- Perrini, F., Vurro, C. & Costanzo, L. A. (2010). A process-based view of social entrepreneurship: From opportunity identification to scaling-up social change in the case of San Patrignano. *Entrepreneurship & Regional Development: An International Journal*, 22(6), 515-534.
- Phills, J., Deiglmeier, K., & Miller, D. (2008). Rediscovering Social Innovation. *Stanford Social Innovation Review*, 6(4), 34-43.
- Pitelis, C. N. (2009). The co-evolution of organizational value capture, value creation, and sustainable advantage. *Organization Studies*, 30(10), 1115–1139.
- Porter, M., & Kramer, M. R. (2011). Creating Shared Value. *Harvard Business Review*, 89(1), 62-77.
- Praag, C., & Versloot, P. (2008). *The Economic Benefits and Costs of Entrepreneurship: A Review of the Research. Foundations and Trends in Entrepreneurship*, 4(2), 65-154.
- Prahalad, C. K., & Hart, S. L. (2002). The fortune at the bottom of the pyramid. *Strategy + Business*, 26, 54-67.
- Prahalad, C. K., & Krishnan, M. S. (2008). *The new age of innovation: Driving co-created value through global networks*. New York: McGraw-Hill.
- Prahalad, C. K., McCracken, P., & McCracken, R. (2009). *The new nature of innovation*. Report for OECD. Copenhagen: FORA.
- Raab, G., Stedham, Y., & Neuner, M. (2005). Entrepreneurial Potential: An Exploratory Study of Business Students in the U.S. and Germany. *Journal of Business and Management*, 11(2), 71-88.
- Rathna, K. G., & Vijaya, T. G. (2009). Competencies of Entrepreneurs and Intrapreneurs: A Comparative Study. *South Asian Journal of Management*, 16(2), 28-60.
- Reynolds, P. D. (1991). Sociology and entrepreneurship: concepts and contributions. *Entrepreneurship Theory Practice*, 16(2), 47-70.

- Ridley-Duff, R., & Bull, M. (2013). *Understanding Social Enterprise: Theory and Practice*. SAGE Publications Ltd.
- Roberts, D., & Woods, C. (2005). Changing the world on a shoestring: The concept of social entrepreneurship. *University of Auckland Business Review*, 7(1), 45–51.
- Sahlman, W. A., Stevenson, H. E., Roberts, M. J., & Bhidé, A. (1999). *The Entrepreneurial Venture*, 2nd ed. Boston: HBS Press.
- Santos, F. M. (2012). A Positive Theory of Social Entrepreneurship. *Journal of Business Ethics*, 111(3), 335-351.
- Saxenian, A. (1994). *Regional Advantage. Culture and Competition in Silicon Valley and Route 128*. MA, Cambridge: Harvard University Press.
- Schumpeter, J. A. (1934). *The Theory of Economic Development*. Cambridge: Harvard Economic Studies.
- Shane, S. (2012). Reflections on the 2010 AMR Decade Award: Delivering on the Promise of Entrepreneurship as a Field of Research. *Academy of Management Review*, 37(1), 10-20.
- Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25, 217–226.
- Shapiro, A., & Sokol, L. (1982). The Social Dimensions of Entrepreneurship. In C. Kent, D. Sexton, & K. H. Vesper (Eds.), *The Encyclopedia of Entrepreneurship* (pp. 72-90). Englewood Cliffs, NJ: Prentice-Hall.
- Shaw, E. & Carter, S. (2007). Social entrepreneurship: theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes. *Journal of Small Business and Enterprise Development*, 14(3), 418-434.
- Short, J. C, Moss, T., & Lumpkin, G. (2009). Research in social entrepreneurship: Past contributions and future opportunities. *Strategic Entrepreneurship Journal*, 3, 161-194.
- Smith, I. H., & Woodworth, W. P. (2012). Developing Social Entrepreneurs and Social Innovators: A Social Identity and Self-Efficacy Approach. *Academy of Management Learning & Education*, 11(3), 390-407.
- Stevenson, H. H., & Jarillo-Mossi, J. C. (1986). Preserving entrepreneurship as businesses grow. *Journal of Business Strategy*, 7(1), 10–23.
- Steyaert, C., & Katz, J. (2004). Reclaiming the space of entrepreneurship in society: Geographical, discursive and social dimensions. *Entrepreneurship and Regional Development*, 16, 176–196.
- Storper, M., & Scott, A. J. (1988). The geographical foundations and social regulation of flexible production complexes. In J. Wolch & M. Dear (Eds.), *The Power of Geography* (pp. 21–40). London: Allen & Unwin.
- Sullivan-Mort, G., Weerawardena, J., & Carnegie, K. (2003). Social entrepreneurship: Towards conceptualization. *International Journal of Nonprofit and Voluntary Sector Marketing*, 8, 76–88.
- Tapsell P., & Woods, C. (2010). Social entrepreneurship and innovation: Self-organization in an indigenous context. *Entrepreneurship & Regional Development: An International Journal*, 22(6), 535-556.
- Taylor, J. B. (1970). Introducing social innovation. *Journal of Applied Behavioral Science*, 6(1), 69–77.
- Thomke, S., & von Hippel, E. (2002). Customers as innovators. A new way to create value. *Harvard Business Review*, 80(4), 74–81.

- Thompson, V. A. (1965). Bureaucracy and Innovation. *Administrative Science Quarterly*, 10(1): 1-20.
- Thornton, P. H. (1999). The Sociology of Entrepreneurship. *Annual Review Sociology*, 25, 19-46.
- Timmons, J. A. (1994). *New Venture Creation*, 4th ed. Homewood, IL: Irwin.
- Van Looy, B., Landoni, P., Callaert, J., Van Pottelsberghe, B., Sapsalis, E., & Debackere, K. (2011). Entrepreneurial effectiveness of European universities: An empirical assessment of antecedents and trade-offs. *Research Policy*, 40, 553-564.
- Vázquez, J. L., Lanero, A., Gutiérrez, P., & García, M. P. (2011). Fostering Entrepreneurship at the University: A Spanish empirical study. *Transylvanian Review of Administrative Sciences*, 32, 252-276.
- Venkataraman, S. (1997). The distinctive domain of entrepreneurship research: an editor's perspective. In J. Katz, & J. Brockhaus (Eds.), *Advances in Entrepreneurship Firm Emergence, and Growth* (pp. 119-138). JAI Press, Greenwich, CT.
- Von Hippel, E. (1985). *The sources of innovation*. Oxford: Oxford University Press.
- Von Hippel, E. (2005). *Democratizing innovation*. Cambridge, MA: MIT Press.
- World Commission on Environment and Development (WCED) (1987). *Our Common Future*. UK, Oxford: Oxford University Press.
- Witkamp, M. J., Raven, R. P. J. M., & Royakkers, L. M. M. (2011). Strategic niche management of social innovations: the case of social entrepreneurship. *Technology Analysis & Strategic Management*, 23(6), 667-681.
- Wong, P., Ho, Y., & Autio, E. (2005). Entrepreneurship, innovation and economic growth: evidence from GEM Data. *Small Business Economics*, 24(3), 335-350.
- Yokura, Y., Matsubara, H., & Sternberg, R. (2013). R&D networks and regional innovation: a social network analysis of joint research projects in Japan. *Area*, 45(4), 493-503.
- Zahra, S. A., Gedajlovic, E., Neubaum, D. O., & Shulman, J. M. (2009). A typology of social entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business Venturing*, 24, 519-532.
- Zott, C., Amit, R., & Massa, L. (2011). The business model: recent developments and future research. *Journal of Management*, 37(4), 1019-1042.

ADDITIONAL READING

- Acs, Z. J. (2008). Foundations of High Impact. *Entrepreneurship Foundations and Trends in Entrepreneurship*, 4(6), 535-620.
- Akehurst, G., Comeche, J. M., & Galindo, M.-A. (2009). Job satisfaction and commitment in the entrepreneurial SME. *Small Business Economy*, 32, 277-289.
- Alzugaray, S., Mederos, L., & Sutz, J. (2012). Building Bridges: Social Inclusion Problems as Research and Innovation Issues. *Policy Research*, 29(6), 776-796.

- Ayestarán, I. (2011). The Epistemology of Social Innovation and Creative Destruction. *Utopía y Praxis Latinoamericana*, 54, 67–91.
- Bridgstock, R., Lettice, F., Özbilgin, M. F., & Tatli, A. (2010). Diversity management for innovation in social enterprises in the UK. *Entrepreneurship & Regional Development: An International Journal*, 22(6), 557–574.
- Carree, M. A., & Thurik, A. R. (2008). The Lag Structure of the Impact of Business Ownership on Economic Performance in OECD Countries. *Small Business Economics*, 30, 101–110.
- Charabaghi, K. (2013). Social Innovation and Entrepreneurship: Implications for the Field of Child and Youth Care Practice. *Relational Child and Youth Care Practice*, 26(3), 42–51.
- Chegini, M. G., & Khoshtinat, B. (2011). Study of Relationship between Entrepreneurial Skills and Organizational Entrepreneurship. *Australian Journal of Basic and Applied Sciences*, 5(4), 165–172.
- Cooper, A. C., & Dunkelberg, W. C. (1987). Entrepreneurial Research: Old Questions, New Answers and Methodological Issues. *American Journal of Small Business*, 11(3), 11–23.
- Cornelius, N., Todres, M., Janjuha-Jivraj, S., Woods, A., & Wallace, J. (2008). Corporate Social Responsibility and the Social Enterprise. *Journal of Business Ethics*, 81, 355–370.
- Descubes, I., Timsit, J.-P., & Truong, Y. (2013). Social Innovation in Emerging Economies: A Resource-Based View Perspective. *Strategic Change*, 22, 503–510.
- Etzkowitz, H. (ed.) (2008). *The triple helix: university–industry–government innovation in action*. London: Routledge.
- Fayolle, A., & Matlay, H. (Eds.) (2010). *Handbook of Research on Social Entrepreneurship*. Edward Elgar Publishing.
- Felício, J. A., Couto, E., & Caiado, J. (2012). Human capital and social capital in entrepreneurs and managers of small and medium enterprises. *Journal of Business Economics and Management*, 13(3), 395–420.
- Garcia, A. L., & Satrústegui, A. U. (2012). Social Innovation and the Process of Urban Revitalization of the Metropolitan Area of Bilbao. *The International Journal of Technology, Knowledge and Society*, 7(6), 161–175.
- Goodale, J. C., Kuratko, D. F., Hornsby, J. S., & Covin, J. G. (2011). Operations management and corporate entrepreneurship: The moderating effect of operations control on the antecedents of corporate entrepreneurial activity in relation to innovation performance. *Journal of Operations Management*, 29, 116–127.
- Greene, F. J., & Saridakis, G. (2008). The role of higher education skills and support in graduate self-employment. *Studies in Higher Education*, 33(6), 653–672.
- Howorth, C., Smith, S. M., & Parkinson, C. (2012). Social Learning and Social Entrepreneurship Education. *Academy of Management Learning & Education*, 11(3), 371–389.
- Jones, B., & Iredale, N. (2006). Developing an entrepreneurial life skills summer school. *Innovations in Education and Teaching International*, 43(3), 233–244.

- Kraus, S., Pohjola, M., & Koponen, A. (2012). Innovation in family firms: an empirical analysis linking organizational and managerial innovation to corporate success. *Review of Management Science*, 6, 265–286.
- Kraus, S., Rigtering, J. P. C., Hughes, M., & Hosman, V. (2012). Entrepreneurial orientation and the business performance of SMEs: a quantitative study from the Netherlands. *Review of Management Science*, 6, 161–182.
- Lee, C., Lee, K., & Pennings, J. M. (2001). Internal capabilities, external networks, and performance: A study on technology based ventures. *Strategic Management Journal*, 22, 615–640.
- Li, Y., Sun, Y., & Lin, K. (2012). Social Innovation, Local Governance and Social Quality: The Case of Intersectoral Collaboration in Hangzhou City. *International Journal of Social Quality*, 2(1), 56–73.
- Loewer, O. J. (2011). Leadership and Sustainability in the Emerging Chaos: Understanding the Linkages among Technology, Economics and Societal Values. *The International Journal of Science in Society*, 2(3), 111–134.
- Maak, T., & Stoetter, N. (2012). Social Entrepreneurs as Responsible Leaders: ‘Fundación Paraguaya’ and the Case of Martin Burt. *Journal of Business Ethics*, 111, 413–430.
- Mayer, H., Hackler, D., & McFarland, C. (2007). Skills, Capital and Connections, Too: A Regional Social Environment Perspective of Women Entrepreneurs. *Canadian Journal of Regional Science*, 30(3), 411–432.
- Munshi, N. V. (2010). Value Creation, Social Innovation, and Entrepreneurship in Global Economies. *Journal of Asia-Pacific Business*, 11(3), 160–165.
- O’Byrne, L., Miller, M., Douse, C., Venkatesh, R., & Kapucu, N. (2014). Social Innovation in the Public Sector: The Case of Seoul Metropolitan Government. *Journal of Economic and Social Studies*, 4(1), 53–71.
- Oeij, P. R. A., Dhondt, S., & Korver, T. (2011). Workplace Innovation, Social Innovation, and Social Quality. *International Journal of Social Quality*, 1(2), 31–49.
- Osterwalder, A., & Pigneur, Y. (2010). *Business model generation*. Hoboken: Wiley.
- Palacios, D., Gil, I., & Garrigos, F. (2009). The impact of knowledge management on innovation and entrepreneurship in the biotechnology and telecommunications industries. *Small Business Economy*, 32, 291–301.
- Rhee, K. S., & White, R. J. (2007). The Emotional Intelligence of Entrepreneurs. *Journal of Small Business and Entrepreneurship*, 20(4), 409–426.
- Robson, P. J. A., Akuetteh, C. K., Westhead, P., & Wright, M. (2012). Innovative opportunity pursuit, human capital and business ownership experience in an emerging region: evidence from Ghana. *Small Business Economics*, 39, 603–625.
- Ronstadt, R., Hornaday, J., Peterson, R., & Vesper, K. (eds.) (1986). *Frontiers of Entrepreneurship Research*. Wellesley, MA: Babson College.
- Sexton, D. L., & Bowman, N. B. (1990). Female and Male Entrepreneurs: Psychological Characteristics and Their Role in Gender-related Discrimination. *Journal of Business Venturing*, 5, 29–36.
- Sexton, D. L., & Bowman, N. B. (1991). *Entrepreneurship: Creativity and Growth*. New York: Macmillan.

- Sluis, J., Praag, M., & Vijverberg, W. (2008). Education and entrepreneurship selection and performance: A review of the empirical literature. *Journal of Economic Surveys*, 22(5), 795–841.
- Sundaramurthy, C., Musteen, M., & Randel, A. E. (2013). Social value creation: A Qualitative study of Indian social entrepreneurs. *Journal of Developmental Entrepreneurship*, 18(2), 20 pages.
- Tang, J. (2010). How entrepreneurs discover opportunities in China: An institutional view. *Asia Pacific Journal of Management*, 27, 461–479.
- Varadarajan, R. (2014). Toward Sustainability: Public Policy, Global Social Innovations for Base-of-the-Pyramid Markets, and Demarketing for a Better World. *Journal of International Marketing*, 22(2), 1–20.
- White, R. E., Thornhill, S., & Hampson, E. (2007). A biosocial model of entrepreneurship: the combined effects of nurture and nature. *Journal of Organizational Behavior*, 28, 451–466.
- Witkamp, M. J., Lambèr, M. M., Royakkers, R. P., & Raven, J. M. (2011). From Cowboys to Diplomats: Challenges for Social Entrepreneurship in The Netherlands. *Voluntas*, 22, 283–310.
- Woodcraft, S. (2012). Social Sustainability and New Communities: Moving from concept to practice in the UK. *Procedia - Social and Behavioral Sciences*, 68, 29–42.
- York, J. G., & Venkataraman, S. (2010). The entrepreneur–environment nexus: Uncertainty, innovation, and allocation. *Journal of Business Venturing*, 25, 449–463.
- Yunus, M. (2008). *A world without poverty: social business and the future of capitalism*. New York: Public Affairs.
- Yunus, M. (2010). *Building social business*. New York: PublicAffairs.

KEY TERMS AND DEFINITIONS

Business model – conceptual and operational tool that describes the value proposition (economic, social, ecological and psychological value) offered to the stakeholders through a product (good, service or idea), the organization and coordination of key activities (team and partners), and the design of a marketing plan, to deliver those values and achieve economic, social, ecological, and psychological sustainability.

Ecological sustainability – conservation of natural resources, environment and biodiversity.

Economic sustainability – financial equilibrium through an efficient use of resources, producing the products (goods, services, ideas) that satisfy the customers/clients/users and other stakeholders.

Entrepreneurial partnerships – collaboration between sectors (non-profit, business, government, academia) in order to promote innovation and new ventures.

Entrepreneurship – creation of something (company, product, project), most of the times through an organization, in order to serve and satisfy human wants and needs.

Innovation – generation of new ideas, processes, products or services that are successful in the market.

Psychological sustainability – mental well-being manifested by healthy behaviors and feelings of fulfilment and happiness.

Social entrepreneurship – creation of something (company, product, project), most of the times through an organization, in order to serve and satisfy human needs (social and psychological), where the promoter has the main purpose to contribute to the resolution of a social problem.

Social innovation – generation of new ideas, processes, products or services that are successful in the resolution of social issues.

Social sustainability – preservation of social cohesion in terms of social well-being, nutrition, shelter, health, education, justice, social equity, quality of life, etc.

Value proposition – the set of economic (economic value to the firm, to the customer and other stakeholders, and to society), social (economic externalities, health, security, quality of life, etc.), ecological (environmental concerns), and psychological (mental transformation, increased awareness of the subject, attitudinal change, knowledge creation, learning new skills) values that are provided by the product (good, service, idea) to the customer/client/user and other stakeholders.

AUTHOR BIOGRAPHY

João Manuel da Silva Carvalho is a Researcher at CICS.NOVA (Interdisciplinary Centre of Social Sciences) and Professor at University Institute of Maia – Portugal. He has a degree in Business Management, a post-graduation in Social Gerontology, an MSc in Economics, and a PhD in Business Sciences. He worked for 15 years at pharmaceutical companies on several management positions. He lectures several Bachelor and Masters' courses on Strategic Management, Marketing, Economics, Statistics, Innovation and Entrepreneurship. He has also been working as consultant and professional trainer for dozen of organizations, and has published several books, book chapters and articles in international scientific journals.