

Institutional Cooperation to Foster Economic Development: Universities and Social Enterprises

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Abstract : In the OECD countries, percentage of adults with higher education degrees has increased by 10 % during 2000-2010. Continuously increasing demand for higher education gives universities a chance of becoming key players in socio-economic development of a territory (region or city) via knowledge creation, knowledge transfer, and knowledge spillovers. During previous decade, universities have tried to support spin-offs and start-ups, introduced courses on sustainability and corporate social responsibility. While much has been done, new trends are starting to emerge in search of better approaches. Recently a number of universities created centers that conduct research in a field social entrepreneurship, which in turn underpin educational programs run at these universities. The list includes but is not limited to the Centre for Social Economy at University of Liège, Institute for Social Innovation at ESADE, Skoll Centre for Social Entrepreneurship at Oxford, Centre for Social Entrepreneurship at Roskilde, Social Entrepreneurship Initiative at INSEAD. Existing literature already examined social entrepreneurship centers in terms of position in the institutional structure, initial and additional funding, teaching initiatives, research achievements, and outreach activities. At the same time, Universities can become social enterprises themselves. Previous research revealed that universities use both business and social entrepreneurship models. Universities which are mainly driven by a social mission are more likely to transform into social entrepreneurial institutions. At the same time, currently, there is no clear understanding of what social entrepreneurship in higher education is about and thus social entrepreneurship in higher education needs to be studied and promoted at the same time. Main roles which socially oriented university can play in city development include: buyer (implementation of socially focused local procurement programs creates partnerships focused on local sustainable growth.); seller (centers created by universities can sell socially oriented goods and services, e.g. in consultancy.); employer (Universities can employ socially vulnerable groups.); business incubator (which will help current student to start their social enterprises). In the paper, we will analyze these in more detail. We will also examine a number of indicators that can be used to assess the impact, both direct and indirect, that universities can have on city's economy. At the same time, originality of this paper mainly lies not in methodological approaches used, but in countries evaluated. Social entrepreneurship is still treated as a relatively new phenomenon in post-transitional countries where social services were provided only by the state for many decades. Paper will provide data and example's both from developed countries (the US and EU), and those located in CIS and CEE region.

Keywords : social enterprise, university, regional economic development, comparative study

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