

THE ASPECTS OF COOPERATION OF SOCIAL BUSINESS ORGANIZATIONS IN LOCAL COMMUNITIES: CASE STUDY ANALYSIS

Audronė Urmanavičienė

Mykolas Romeris University, Lithuania
aurmanaviciene@stud.mruni.eu

Abstract

Purpose – Social entrepreneurship is recognized as one of the ways to solve social problems in rural areas. It is also known that social entrepreneurship plays an important role in local communities as it increases the welfare of the local community, the social capital and solves the issues of exclusion. In addition, it helps to raise the employment rates by offering jobs to those who are experiencing difficulties in the labor market. Communities have been increasingly taking initiatives to solve these issues by themselves. However, there is a lack of research on how social business works and what social impact it has on the development of local communities, thus, it is important to reveal the aspects of social business organization cooperation and to identify the social impact on local community.

Design/methodology/approach – analysis of scientific literature, interview with organization leaders, analysis and interpretation of the research results.

Findings – Although scientists point out that the social enterprises, operating in rural areas, are able to innovate and address social problems, it should be noted that they face greater challenges than urban social entrepreneurs: lack of infrastructure, lack of financial resources, lack of human resources, etc. The study revealed that the cooperation of social business with local community organizations, operating in the same field, is very close. Furthermore, they share common goals: education, events, celebrations, joint projects; The cooperation of social business with local community organizations is characterized by mutual trust, open communication, determination for joint actions, sharing ideas, resources. These organizations cooperate to create a positive social impact on the local community. The following social impact was identified: increased community activity, increased employment of local children; increased visibility of a town name; revived local traditions, customs; increased number of visitors in the area.

Research limitations/implications – This paper focuses on a case study of community-based social business in Lithuania. Sasnava community is examined as an example of cooperation of social business with local community in rural region of Lithuania. The research is limited to Sasnava community, therefore, it should be extended to include other Lithuanian communities in the future.

Practical implications – It should be emphasized that the cooperation of social business with local authorities and business organizations is insufficient despite the fact that it could help raise financial resources, gain better understanding of the needs of customers and communities, thus, increasing the social impact of social business on the community. Therefore, more attention is needed to develop the cross-sectoral cooperation in the local area. These insights reflect the practical implication of the study.

Originality/Value – The study confirmed the importance of social business cooperation with local community organizations to achieve the common social goals in the local community.

Keywords: social impact, social enterprises, cooperation

Research type: case study.