Citizen Entrepreneurship

RSARNCE Workshop

26 June 2020
One Fine morning.....
(1) What is CE? (Concept and Model)

(2) Where Can We find them? (Cases)

(3) Discussions and Critique

(4) Next Steps

Workshop Agenda

Regional Studies Association Research Network on Citizen Entrepreneurship (RSARNCE)
Workshop Organised by the RSARNCE Project Team in association with the RSA
## Our Big Challenges

<table>
<thead>
<tr>
<th>Issues/ Symptoms</th>
<th>Ecological</th>
<th>Income</th>
<th>Financial</th>
<th>Technology</th>
<th>Leadership</th>
<th>Consumerism</th>
<th>Governance</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surface</strong></td>
<td>1.5 planet</td>
<td>Top1% own &gt; bottom 90%</td>
<td>US 1.5 quadrillion</td>
<td>Quick technological fix syndrome</td>
<td>Creating results no one wants</td>
<td>Burnout, depression, ltd well being</td>
<td>Inability to face challenges at whole system level</td>
<td>Tragedy of commons; overuse of scarce resources</td>
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<td><strong>Secretions</strong></td>
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<tr>
<td><strong>Structural</strong></td>
<td>Unlimited growth &amp; finite resources</td>
<td>Have &amp; have nots; wealth &amp; basic needs</td>
<td>Financial &amp; real economy</td>
<td>Technological solutions &amp; societal needs</td>
<td>Leadership tools &amp; new challenges</td>
<td>GDP &amp; Well-being</td>
<td>Parts &amp; Whole</td>
<td>Current ownership forms &amp; best societal use</td>
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<tr>
<td><strong>Disconnect</strong></td>
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<tr>
<td><strong>Systemic</strong></td>
<td>Limits to growth – cultivating finite resources</td>
<td>Limits to inequality – embodying human rights</td>
<td>Limits to speculation organising around real economy</td>
<td>Limits to symptom fixes – focusing on sustainable solutions</td>
<td>Limits to leadership – direct, distributed, dialogic, self governance</td>
<td>Limits to consumerism – attending to inner relational resources of happiness &amp; well being</td>
<td>Limits to competition – redrawing boundaries of competition &amp; cooperation</td>
<td>Limits to state &amp; private &amp; state property – property rights for the commons</td>
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</table>

- 94% of workers in the world’s supply chains are in low-wage, insecure and often unsafe work.
- 75% of the world has no or inadequate social protection
- US$21 trillion is stashed away in tax havens.
- 85% of the world’s people want the rules of the global economy rewritten,

Impact on Global Citizens

Diagnosis

• “The nationalist/populist challenge in recent years has raised questions

• “Over the sustainability of globalisation

• “demonstrated that many of our existing civic institutions are exclusionary or dysfunctional

• “fail to harness the true potential of communities in which they operate.

Consequences

• Growing feeling of powerlessness among citizens.

• Need for a new relationship between politics, people and societies, designed to furnish citizens with the tools for their civic and economic empowerment, must be invented”

• Higher levels of citizen engagement
Engagement through mediating

• Rights
  • BENEFITS of citizenship

• Duties
  • REQUIREMENTS of citizenship

• Responsibilities
  • EXPECTATIONS of citizenship

Citizen engagement is not new.

• Early work by Robert Chambers, “The Origins and Practice of Participatory Rural Appraisal” and Michael Cernea’s “Putting People First”

• Inspired issues of gathering and acting on citizen feedback.

• But now increasing demand by civil society and citizens

• Desire among many governments to be more inclusive and responsive to citizens’ needs

• Plus the rise of innovations in technology has provided citizens with new and unprecedented opportunities for direct engagement.

• Turning Benefits, Requirements and Expectations into Capabilities
In 2013: Citizen Engagement became a strategic priority for the World Bank.

With corporate goal of achieving 100 percent beneficiary feedback by 2018 in all World Bank Group operations with clearly identifiable beneficiaries.

Resulting in some key World Bank Lessons

But significant deficit in:
- Entrepreneurship Research
- Entrepreneurship Policy
- Entrepreneurship Practice

Inspite of Schumpeterian antecedents
## A Typology of Entrepreneurship

<table>
<thead>
<tr>
<th>Types/Analytical Components</th>
<th>Business</th>
<th>Social</th>
<th>Public</th>
<th>Citizen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit of Study/Practice</td>
<td>The Entrepreneur/Firm/Regions</td>
<td>Enterprise/Entrepreneur/</td>
<td>Government/Public agencies</td>
<td>Citizens/Communities</td>
</tr>
<tr>
<td>Scope</td>
<td>Rival</td>
<td>Rival/Non-Rival (?)</td>
<td>Non-Rival Non-Excludable</td>
<td>Non-Rival Non-Excludable Non-Rejectionable</td>
</tr>
<tr>
<td>Focus of analysis</td>
<td>Firm Creation and Growth</td>
<td>Enterprise Creation and Scalability</td>
<td>Public goods function</td>
<td>Meta projects</td>
</tr>
<tr>
<td>Themes</td>
<td>Start-ups/innovation/Finance/People/Growth/Regional impact/policy</td>
<td>Start-Ups/People/Growth/Funding</td>
<td>Public goods/Efficiency/Policy effectiveness</td>
<td>Citizen engagement/Governance/Spread</td>
</tr>
<tr>
<td>Outcomes</td>
<td>Private Gain/Economic benefit</td>
<td>Private Benefit/Social Benefit</td>
<td>Pre-distributive/Distributive</td>
<td>Wellbeing</td>
</tr>
</tbody>
</table>
Call for Innovative and Capable Theories and Practices

Citizen Entrepreneurship

- The identification and realisation of opportunity
- For new products, new services and new forms of organisational development
- Through the creation of new ventures (firms, projects, networks, etc.)
- Involving citizens as producers, users, members of communities
- By developing capabilities to achieve collective good
- With which to exercise their economic and social rights and responsibilities as individuals citizens and as a collective community of citizens
Contributory
Basic: Users
Of products/services
To Entrepreneurs

Collaborative
Secondary: Users and Producers
With entrepreneurs

Co-creation
With multiple stakeholders

Citizen Economics/ Citizen Science/Citizen Archaeology

Multiple & Calibrated involvement:

Co-Creative
Users, Producers, Decision Makers

But how to meet the challenges?

- Deliberative Democracy

- Developing Capabilities: ability of people (agency) to function according to their hopes and aspirations and having the means to do so

- Through increased literacy, accessibility and awareness of economics, a need to

“The economy, stupid”
James Carville, lead strategist for Bill Clinton’s successful 1992 presidential campaign
In politics, the economy matters. Governments rise and fall on the back of economic success or failure. But does the quality of our political debate about the economy match up to its importance? Are citizens sufficiently informed and engaged to hold policymakers to account for economic policies?

Source: Adapted from Royal Society of Arts, Citizen Economics Council

“This only when the general public displays awareness of these issues will professional economists find it impossible to browbeat them by declaring themselves to be custodians of scientific truths.”
Ha-Joon Chang (Economist)
Exploring citizens’ values

Deliberation and debate

“Deliberation and debate is the way you stir the soul of our democracy.”

Rev. Jesse Jackson (American civil rights activist, Baptist minister and politician)

Some examples of emergent models of deliberative dialogue between citizens and decision-makers in policy in UK

**NHS Citizen**, a deliberative engagement process that has involved citizens in a conversation about the strategic direction of the National Health Service.

**Sciencewise**, an embedded government-funded public engagement programme which has delivered 54 dialogues in partnership with 32 government departments and agencies over a period of 12 years.

Source: Adapted from Royal Society of Arts, Citizen Economics Council
Innovation as a Social Good

(Schumpeterian)

The Commons

(Ostrom)

Developing Capabilities

(Sen)

Entrepreneurship as a Social Movement

Stepped effect above could be regarded as a ‘conceit’ for building blocks, with one block building on another (or one step at a time), reinforcing the ‘rule of three’, a rhetorical trick that reflects the mathematical importance of triplets, which in general suggests that we need at least three items in a sequence to establish a pattern (Kucharski, A. 2020).
Entrepreneurship and Innovation as Social Goods

<table>
<thead>
<tr>
<th>Introduction of new good</th>
<th>New method of production (not necessarily dependent on new scientific discovery)</th>
<th>New market opportunity</th>
<th>Capture of new source of supply</th>
<th>Developing a new organisation</th>
</tr>
</thead>
</table>

Invention may be a personal or a social act (Inventors capture only 4% of total social gains from innovations. Rest spills over to society - William Norhaus)

Requires translation into combinatorial language of utility, beauty, design, form, value

Possible mediation

Through Markets

By Government

In Communities

For private gain but public value for producers, users, suppliers, distributors, consumers and citizens.
Innovation as Knowledge and as a Social Good

Stiglitz (1999): although “research is a central element of knowledge for development,” it is also a “global public good requiring public support at the global level.”

Requires collective action

“The challenge facing the international community is whether we can make our current system of voluntary, cooperative governance work in the collective interests of all.”

Romer, (1986, 1990, 1993, and 1994) Creation of new knowledge by one firm can have positive effect on the production possibilities of other firms because knowledge cannot be perfectly patented or kept secret.

Hence, knowledge, even if generated for private gain, has an important public good characteristic.

Mazzucato (2013, 2018): innovation-led growth “requires public policy to fundamentally change from one that views the goal of government as simply fixing markets to one that views it in terms of actively creating and shaping markets” (p.1).

Lockwood: German Energiewenden experience suggests that opening markets up to different types of actor, including private individuals, community groups and local authorities can be equally, if not more effective in stimulating innovation” (p26)
Innovation for Global Social Value

Contributions indicators
Taxes, Human capital, & R&D technology

Detractions indicators
Distorted product markets
Weak IP protections
Distorted consumer markets

Figure ES-1: Scatterplot of Countries’ Contributions to and Detractions from Global Innovation

Source: ITIF, 2016
The Idea of the Commons

Resources that are shared in some way by different individuals, communities, or groups,

Can be present at local, regional or global scales.

Commons can include shared grazing pasture, forests and their produce, marine resources such as fish, the global atmosphere.

<table>
<thead>
<tr>
<th>Property regime</th>
<th>Private property</th>
<th>Common property</th>
<th>Public property</th>
<th>Absence of property or free access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access entitlement: who holds rights?</td>
<td>One individual: physical or juridical persona</td>
<td>Members of community or defined group</td>
<td>Public power; State or Public Administration</td>
<td>Anyone</td>
</tr>
<tr>
<td>Transfer: how are rights transferred?</td>
<td>Purchase-sale, donation or inheritance</td>
<td>Belonging to community or group (*)</td>
<td>Administrative act or regulation</td>
<td>Inexistent</td>
</tr>
</tbody>
</table>

Ideas adopted from Elinor Ostrom, (1990). Governing the Commons;
A ‘Commons’ E & I as Social Goods Approach

- **Rights- responsibilities** connection necessitates a collective engagement with entrepreneurship (Entrepreneurship as a productive public good) and the development of capabilities (beyond human and social capital)

- **Collective engagement** is enabled by a sense of collective efficacy (aggregation of individual self-efficacy plus synergistic effect from social capital)

- **Collective self-governance** of processes and outcomes of entrepreneurship

- Plus a polycentric, diversity of approach to the support of entrepreneurship development (i.e. citizens embracing and being involved in multiple forms of entrepreneurship

- This infrastructure helps to develop capabilities of people to act collectively and individually for their wellbeing

Adapting Sen’s Capabilities Approach

**Functionings**
- Autonomy
- Environmental Mastery
- Personal Growth
- Purpose of Life
- Self-acceptance
- Positive Relationships
- Positive emotions and feeling of happiness

**Capabilities**
An Evaluative Space

**Achieved Functionings**
- Autonomy
- Environmental Mastery
- Personal Growth
- Purpose of Life
- Self-acceptance
- Positive Relationships
- Positive emotions and feeling of happiness

**Unachieved Functionings**
- Negative emotions and Mental Health Problems (stress, anxiety and depression)

Choice within defined constraints
Agency function is transformational

There are three sets of capabilities that are vital to achieved functions – the individual's own capabilities, the socially created ones of status and networking embedding, and the external capabilities or the abilities to function that depend on direct human relationships (Foster and Handy, 2009).

Image Source: AccessAbility/Phys.org
The Health Sector Case Study

Increased scientific focus
Creating ecosystems
Value integration
Automation
Improvement of operation models
Digitisation
Business Models
Digital therapeutics
Digital wellness
Customer managed relationships

Technical Understanding
Partnerships
Operations and Business Models
Social Modelling

Source: adapted from Health 5.0: the emergence of digital wellness by Chair in Digital Economy | May 12, 2018 | Our Thoughts
Disruptive Finance and Socialising Wealth Creation

The Future of Money
new lenses of wealth

Creation of Value
Open Source Software
Content Creation
Wiki
Crowdfunding
Human Capital Investment
Peer to Peer Lending

Storage of Value
Microfinance
Microfinance
Crowdfunding
Open Innovation
Group Buying Marketplaces
Exchange Platforms

Access to Value
Gift Networks
Barter Networks
Rental Networks

Money as Citizen’s Currency of Value

http://www.emergence.cc/wp-content/files/FOM_infographic_1280x1811.png
Reworking Entrepreneurship as Social Movement Theory and Practice

Preexisting networks -
Preexisting infrastructure

Network density +
relationship density
Social Embeddedness

Mobilisation structures
Legitimacy: from
neighbourhood to
wider social platforms
Rules and Incentives

Financial and information
resources
Diagnostic framing,
prognostic framing
Motivational framing

Adapted from: Cress and Snow (1996: 1990); Jenkins and Perrow, (1977); McCarthy and Zald, (1973, 1977)
An Integrated Model for Citizen Entrepreneurship

Entrepreneurial and Innovation as Social Goods*

- Commons
  - Proximity, social embeddedness, local User-producer-citizen relationships
- Conversion Platforms and Convergent Technologies (crowd sourcing)
- Combinatorial Evaluative Space

- Collective Efficacy

- Citizen Entrepreneurship as Social Movement?

*Social goods as different from public goods
Organises meetings of pro-Europeans across the EU, bringing citizens to the streets in support of a united Europe and in defiance of populism.

mobilises 1 million Europeans on transnational causes, ranging from whistle-blower protection to the safeguarding of Europe’s forests.

The GOOD Lobby

world’s first advocacy skill-sharing community, connecting professionals with civil society organisations to give the latter a louder voice and training a new generation of citizen lobbyists.

Organisations Evolving

Helps activists and grassroots movements build pockets of resistance, through a participatory model of philanthropic giving.

• Polycentric
• Urban
• Convergent
• Combinatoria
Research Questions

Our overview of the combinatorial literature raises four research questions:

**RQ 1:** What evidence can we find about the nature and scope of CE in different urban (or rural) environments

**RQ 2:** What constitutes collective efficacy or collective endeavor and how do citizens develop capabilities to engage entrepreneurially to ubiquitously solve socio-economic problems of global significance but of local import?

**RQ 3** Is CE activity essentially urban in character? If so, what are the peculiar urban characteristics of CE?

**Bonus RQ:** Can SE engender a new social movement?
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Learning Outcomes

The First Ever Accredited Academic Course on Citizen Entrepreneurship

1) Obtain a critical awareness of the meaning, scope, function and essential features of CE and how it could make an effective contribution to sustainable economic and social change;

2) Identify and understand the ways in which CE evolves in alternative contexts while appreciating the benefits and limitations of comparisons;

3) Consider and analyse policy considerations for effective CE deployment with which to inform local and regional government policy;

4) Acquire an integrated set of capabilities with which to deploy their learning for their own working futures as entrepreneurs, business managers, policy makers, consultants and other related economic and social endeavours; and

5) Contribute effectively as key agents of knowledge exchange and the organization of a special event on CE at the end of the course.
“We can't solve problems by using the same kind of thinking we used when we created them.”
Albert Einstein

“...the idea of democracy is a wider and fuller idea than can be exemplified in the state, even in its best. To be realized, it must affect all modes of human association, the family, the school, industry, religion”
John Dewey

“If we want everything to remain as it is, it will be necessary for everything to change.”
Giuseppe Tomasi di Lampedusa
Jay Mitra
Professor of Business Enterprise and Innovation

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