

Public Entrepreneurship

Monograph 10

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Center
for **RURAL**
ENTREPRENEURSHIP
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Abstract. *Public Entrepreneurship is a monograph focusing on the nature and role of public sector entrepreneurs and entrepreneurship. Much is known about private and for-profit entrepreneurs engaged in building businesses. Less is known about public sector entrepreneurs and the roles they play in our society. There are two companion monographs in this series on public entrepreneurship: Entrepreneurial Support Organizations and Social Capital.*

Background & Introduction

Public entrepreneurs play critical roles within Rural America's societies and economies. Public entrepreneurs, like business entrepreneurs, bring innovation and creativity to their work. Emerging field observations strongly suggest that public entrepreneurs build entrepreneurial environments that energize business entrepreneurship. There is a critical need to better understand the nature and role of public entrepreneurship within America's rural landscapes.

Public Entrepreneurship?

Public entrepreneurs and entrepreneurship engage in many of the same activities and exhibit most of the same behaviors as business entrepreneurs. Based on preliminary field observations, public entrepreneurs have many of the same motivations as their for-profit counterparts. They are driven to create. But instead of creating profitable bottomlines, they are pursuing a broad range of public outcomes, ranging from countering poverty to educating our children. Often referred to as "social entrepreneurs", public entrepreneurs not only create entrepreneurial attributes within their home institutions, but passionately pursue multiple bottomlines.

Figure 1 on page 2 provides an overview image of the various types of entrepreneurs and entrepreneurship within Rural America. Public entrepreneurship can be organized many ways. There is not a single accepted typology for public entrepreneurship. We organize public entrepreneurship into at least three groupings -- governmental, non-governmental organizations (NGOs), and civic entrepreneurs. Figure 2 on page 2 provides an initial set of descriptions for these public entrepreneurs.

Government. Government -- federal, state, local and special -- is often seen as the antithesis of entrepreneurship. But as David Osborne and others have demonstrated in their work, government is loaded with public entrepreneurs. These government officials (elected or appointed) and employees passionately seek to make government work for the betterment of community, society and economy. They have evolved entrepreneurial practices within government organizations and programs. Rod Wagner, Director of the Nebraska Library Commission (a governmental agency) qualifies as a public entrepreneur. He and others helped to create Nebraska Online, an innovative public/private partnership that has dramatically increased electronic government activities within Nebraska.

NGOs. Non Governmental Organizations or NGOs are a rapidly growing component of the world's societies and economies. These private organizations with public missions engage in everything from health care to environmental protection, education, and poverty abatement. Many NGOs are very entrepreneurial with innovative entrepreneurial enterprises. Successful NGOs pursue clear and meaningful outcomes adapting appropriate business practices. The Compatible Ventures Group (a community/economic development organization) within The Nature Conservancy (a leading environmental organization) is highly innovative in supporting community based development compatible with environmental stewardship goals.

Civic. Within nearly every community or neighborhood are individuals driven by civic passions. These individuals are committed to improving the civic state (as they see it) of their homes, states and organizations. They are often part of informal networks or are associated with public organizations. Civic entrepreneurs actively engage in and pursue improvement of some aspect of community life. It may be the president of a local Lion's Club collecting eye wear to share in developing countries or it might be a community activist seeking to create a park for a low income neighborhood.

Figure 1 - Types of Entrepreneurs

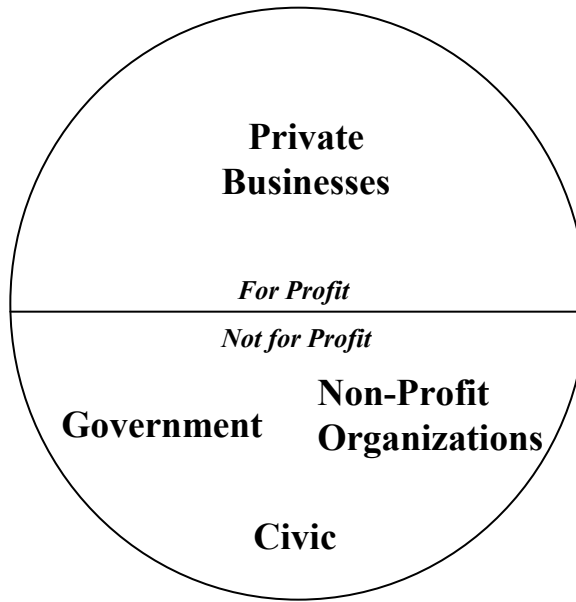


Figure 2 - Types of Entrepreneurs Defined

For Profit Businesses	{ Private Enterprises Profitability Focus Single Bottomline Potential for Give Back
Government	{ Part of the Governmental Sector Employ Entrepreneurial Practices Enterprise or Service Focuses May Focus on Supporting Entrepreneurs
Non-Profits	{ Non-Governmental Organization Employ Entrepreneurial Practices Contain Social Entrepreneurs May Focus on Supporting Entrepreneurs
Civic	{ Often Part of Informal Networks Often Associated with Public Entrepreneurship Organizations Seek Civic Engagement and Improvement May Focus on Supporting Entrepreneurs

Public Entrepreneurship

Public Entrepreneurs' Role

Public entrepreneurs engage in at least four important roles. First, they are front and center in creating the "good life" or high quality of life amenities within rural communities. Second, they often engage in building entrepreneurial environments central to supporting business entrepreneurship. Third, they lead critical public institutions or communities with rural places. Finally, sometimes they directly support business entrepreneurs (more on this topic in the [Entrepreneurial Support Organizations](#) monograph).

Creating the Good Life. Public entrepreneurs generally are committed to creating more effective and efficient government. They seek to create necessary and valued public services ranging from recreational opportunities to public health systems. Issues such as affordable housing, poverty mitigation, recreation, education and justice are all elements of high quality of life places. Emergent field observations and other research strongly suggest that quality of life considerations are critically important to business entrepreneurs. For-profit entrepreneurs seek to live and work in places with strong quality of life amenities.

Building Entrepreneurial Environments.

Much remains to be learned about what constitutes an "entrepreneurial environment". Clearly, quality of life is one component of this E environment. Other elements include conducive business regulations and tax structures, opportunities for networking, capital access, supportive culture, and strong business services. Within communities, regions, and states, public entrepreneurs are often at the center of addressing key entrepreneurial environmental issues. They become advocates building not only favorable climates for business entrepreneurs, but also building entrepreneurial support systems.

Public Institutions. Five public institutions are foundational in most rural communities – schools, health care, local governments, development community and the faith community. These institutions are often the largest and most stable employers, sources of community pride and homes to significant civic capacity. Entrepreneurship within these institutions is central to their ability to respond to community needs and thrive in the ever challenging rural environment. Where we find public entrepreneurs within these institutions – we find stronger entrepreneurial communities as well.

Supporting Entrepreneurs. Some public entrepreneurs are directly focused on supporting business entrepreneurs. They are engaged in building "entrepreneurial support systems" or ESSs. These individuals and the organizations through which they work are seeking to increase enterprise entrepreneurship activity and enterprise success. *For more information on entrepreneurial support organizations or ESOs check out the Center's monograph on this subject – [Entrepreneurial Support Organizations](#).*

*From the book **Enterprising Nonprofits**. . .*

Public "Entrepreneurs are innovative, opportunity-oriented, resourceful, and value-creating change agents." (pg. 4)

"Social entrepreneurs act as change agents in the social sector by behaving in the following ways:

- Adopting a mission to create and sustain social value.
- Recognizing and relentlessly pursuing new opportunities to serve that mission.
- Engaging in a process of continuous innovation, adaptation, and learning.
- Acting boldly without being limited to resources currently in hand.
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created." (pg. 5)

Conclusion

This monograph provides only the most basic of introductions into the important world of public entrepreneurship. A great deal of work is needed to better understand public entrepreneurs and their role within rural societies and economies. The typologies employed in this monograph are our own because of the lack of accepted definitions and characterizations. The study of public entrepreneurs is one of the dual focuses of the newly created Center for Rural Entrepreneurship. More to follow as further work is completed.

Other Monographs in this Series

#1	<i>About the Center & Resource Guide</i>	#8	<i>National Environment for Entrepreneurs</i>
#2	<i>Entrepreneurs & Entrepreneurship</i>	#9	<i>Capital</i>
#3	<i>Why Entrepreneurship?</i>	#10	<i>Public Entrepreneurship</i>
#4	<i>Wealth as the Development Goal</i>	#11	<i>Entrepreneurial Support Organizations</i>
#5	<i>Understanding Rural America</i>	#12	<i>Social Capital</i>
#6	<i>Community Environment for Entrepreneurs</i>	#13	<i>Youth Entrepreneurs*</i>
#7	<i>State Environment for Entrepreneurs</i>	#14	<i>Research & Learning Focus</i>
		#15	<i>Rural America's New Economy</i>

*Under Development

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Founding Partners

The Ewing Marion Kauffman Foundation and its partners look beyond need to identify and develop pivotal opportunities to help create successful businesses and improve the education of children in Kansas City and nationwide. Established in the mid-1960s by the late entrepreneur and philanthropist Ewing Marion Kauffman, the Kauffman Foundation works to advance entrepreneurship by reaching individuals of all ages through the delivery of entrepreneurship education and development, and the promotion of an entrepreneurial environment. For more information about the Kauffman Foundation, visit www.emkf.org.

The Rural Policy Research Institute (RUPRI) is the only national policy institute in the U.S. focusing solely upon the rural implications of public policy. This comprehensive approach to rural policy analysis involves scientists from universities, research institutions, governments, and non-governmental organizations. To date, more than 200 scientists representing 16 different disciplines in 80 universities, 40 states, and three countries have participated in RUPRI projects. Additional information on RUPRI can be found at www.rupri.org. *RUPRI is a core funder and supporter of the Rural Entrepreneurship Initiative.*

Resources

❑ Enterprising Nonprofits, a Toolkit for Social Entrepreneurs by J. Gregory Dees, Jed Emerson and Peter Economy. John Wiley and Sons, Inc. ISBN 0-471-39735-0. 2001.

❑ Entrepreneurship and Community Development by Raymond W. Similor. Kauffman Center for Entrepreneurial leadership. 1997.

❑ Clues to Rural Community Survival by Vicki Luther and Milan Wall. Heartland Center for Leadership Development. ISBN 0-9666699-0-8. 1987 & 1998.

❑ Reinventing Government, How the Entrepreneurial Spirit is Transforming the Public Sector by David Osborne and Ted Gaebler. William Patrick Books. ISBN 0-201-52394-9. 1992.

❑ Selected speeches and presentations by Chuck Fluharty on the topic of public entrepreneurship. For more information on Chuck's work, contact the RUPRI web site at www.rupri.org.

❑ Mapping Community Capacity by John L. McNight and John P. Krezmann. Center for Urban affairs and Policy Research, Northwestern University. 1990.

❑ Measuring Community Capacity Building, Tools for Practice by the Community Capacity Learning Cluster. The Aspen Institute. 1996.

❑ Building Communities from Within, The Entrepreneurial Neighborhoods by the Entrepreneurial Neighborhood Project, Washington, D.C. *No date.*

About the Center

The **Center for Rural Entrepreneurship** is new. It is an outgrowth of the **Rural Entrepreneurship Initiative**. The Center is a RUPRI National Research and Policy Center with founding support from the Kauffman Center for Entrepreneurial Leadership within the Ewing Marion Kauffman Foundation of Kansas City, Missouri.

Our mission is to enable every rural resident to achieve his or her full entrepreneurial potential. This mission will be achieved by collaborating with individuals and organizations engaged in the study, practice and policy of rural entrepreneurship.

The Center supports research, field work, and policy development through collaborations with national, state, and local interests. For more information on the **Center for Rural Entrepreneurship**, check out our web site at www.ruraleship.org or call Taina Radenslaben at 402-323-7336.