

Paper proposal for Session 2 (Leadership in Collaboration)

## **Entrepreneurs, Inter-organizational Collaboration, and modes for Social Problem-solving**

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This paper looks at a new mode of the solving of social problems particularly emphasizing the roles of entrepreneurial people who lead inter-organizational collaboration to solve complex social problems.

The solving of *complex* social problems, such as poverty, the decline of existing industries, inner city problems, unemployment, environmental problems and so on, have been gaining growing attentions recently (Bornstein, 2004 etc). Here *complex* implies that those problems cannot be solved by single entities (an individual or an organization), and therefore some social coordination or collaboration is needed to solve such problems. Particularly social innovation, that is defined as newly developed ways or tools of social problem-solving carried out by organizations (eg. firms and NPOs) in this paper, has been widely recognized as a tool to overcome these problems (Inaba, 2006).

First, in this paper, I review three basic arrangements to solve complex social problems: the market, the government, and the charity. By comparing each other, I clarify basic logics of these three arrangements, advantages and disadvantages. Then I discuss a new mode of problem-solving (ie inter-organizational collaboration organized by entrepreneurial leaders) based on a regional regeneration case study.

The case is about inter-organizational collaboration which emerged from local entrepreneurs' intention to regenerate a derelict town centre, by creating a new business, which had never existed in the region and none of them had ever committed themselves

to it or other related businesses. The town centre of a rural city in Japan, Nagahama, which had been a wealthy commercial town for about 400 years, faced severe competition with major super stores and large national chain stores in suburban area, and declined through 1970s and 1980s. This project originally started with just a simple mission to preserve the town's historical landmark building by gathering necessary human and financial resources from local people. But soon, this project that was coordinated by reciprocal exchange relationship evolved to that of joint problem solving for new local industry creation. This paper describes a history of the project, and the structure of collaboration focusing on entrepreneurs, the core organization of the project (Kurokabe), participant organizations, and their inter-organizational relations for business creation.

Through the analysis of this case study, this paper proposes a new mode of inter-organizational relations as a tool to solve complex social problems particularly focusing on the role of entrepreneurial people (project leaders) in the collaboration, and explains the nature of relationship by comparing with traditional three arrangements of the solving of complex social problems. Also I discuss how these four modes of problem-solving (market, government, charity, and project-based inter-organizational collaboration) can coexist and inter-act with each other.

#### References

Bornstein, David, 2004. *How to Change the World: Social entrepreneurs and the power of new Ideas*. Oxford: Oxford University Press.

Yushi, Inaba, 2006. Social Innovation: Some recent movements. *Soshiki Kagaku (Organizational Science)*, Vol. 40, No. 2, pp. 90-1 (in Japanese).