WORKING PAPER

THE ROLE OF SOCIAL ENTREPRENEURSHIP IN POST-DISASTER RECOVERY

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The Role of Social Entrepreneurship in Post-Disaster Recovery[*]

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Introduction

This paper explores the role of social entrepreneurship in post-Katrina community recovery. Hurricane Katrina devastated the Greater New Orleans region. The storm and the flooding that followed it displaced over half a million people and caused over a hundred billion dollars in damage. Sadly, almost three years after Katrina, some of these devastated communities are still not firmly on the path to recovery. Some communities, however, have proved to be quite resilient and are well on their way to recovery. Much of the diverse scholarly literature that has emerged since the storm has focused on the government's response to Katrina and its "central role" in disaster prevention and recovery efforts (Burby, 2006; Pipa, 2006). And, though to a lesser extent, there have been discussions of the significance of commercial entrepreneurship to community rebound (Zolin and Kropp, 2007). But, unfortunately, not much attention in the academic literature has been paid to the critical role that social entrepreneurship is playing in the communities that are moving toward recovery (see, for instance, Kaufman, Avgar & Mirsky, 2007) and, there is almost no discussion of the barriers that are inhibiting social entrepreneurs from bringing about improvement in the communities that are still reeling from Katrina.

This relative silence is somewhat surprising given how well social entrepreneurs reportedly performed key relief functions (particularly when compared to government) in the immediate aftermath of Katrina (Pipa, 2006). There are, of course, some important exceptions. Lacho, Bradley, and Cusack (2006), for instance, describe how several business nonprofits and trade associations assisted small businesses in the aftermath of Katrina and discuss both their role in promoting business recovery post-Katrina and the obstacles that they must overcome as they work towards restoring the community to "economic health." Their claim is that it is local people through non-profit organizations and associations who will ultimately rebuild New Orleans. Similarly, Holcombe (2007) looked at the response of community-based organizations in Houston, especially religious congregations, to Katrina evacuees. These organizations extended their existing community services and created new ones to meet some of the particular needs of evacuees (i.e. food, clothing, shelter, and emotional and spiritual support). Also, Avdeyeva, Burgetova, and Welch (2006) examined the importance of individual helping behavior in the wake of Katrina and the factors that determined helping responses to disaster victims. Others, while not focusing on the role of nonprofits, volunteers, activists, and other activities by individuals or groups that might be defined as social ventures, have, nonetheless, noted the importance of social entrepreneurs to the post-Katrina recovery process (Vale, 2006).

Still, only a few studies that focus on the role of social entrepreneurs in post-Katrina community rebound currently exist. And, no study of the role of social entrepreneurship in post-disaster recovery that builds on the insights of the now burgeoning social entrepreneurship literature exists to date. This article is an effort to fill this gap in the literature. In the next section we review the theoretical literature on social entrepreneurship highlighting some key differences between social and commercial entrepreneurship. Then, using examples from the post-Katrina context, we will examine the important role that social entrepreneurs play in community recovery. The next section explores the policy challenges that social entrepreneurs must surmount in post-disaster contexts. Special attention will be paid to the ways that social entrepreneurs have been frustrated by government action and inaction post-Katrina. The article, then, concludes with a brief discussion of the implications of this study for social entrepreneurship and disaster-response research as well as, more specifically, the burgeoning Katrina literature.

Theoretical Considerations

Schumpter's formulation of the concept of the entrepreneur is frequently referenced in the entrepreneurship literature. For him, the entrepreneur plays an essential role in economic development by "carrying out new combinations," that is, by introducing new products or services, utilizing new methods of production or delivery, exploiting new or untapped markets, employing new sources or kinds of raw materials, or developing new organizational forms (Schumpeter, 1934, p. 65). Drucker (1985, p. 28) has, similarly, described the entrepreneur as someone who "*always searches for change, responds to it, and exploits it as an opportunity*." Changes in demographics, technological changes, and public perceptions create opportunities for entrepreneurial innovation. Although Drucker does not employ Kirzner's theory of entrepreneurship, his focus on entrepreneurial opportunities has a lot in common with Kirzner's formulation. Kirzner (1973) has described entrepreneurship as being alert to profit opportunities that already exist and are waiting to be exploited. Although both Drucker and Kirzner focus primarily on commercial entrepreneurship, both acknowledge that entrepreneurship can occur in non-commercial spheres. As Drucker (1985, p. 27) writes, "entrepreneurship is by no means limited to the economic sphere . . . the entrepreneur in education and the entrepreneur in health care . . . do very much the same things, use very much the same tools, and encounter very much the same problems as the entrepreneur in a business or a labor union." Similarly, Kirzner (1973, p. 31) sees entrepreneurship as an element of all human action, be it economic, political, or social action. The theories of entrepreneurship advanced by Schumpeter, Drucker, and Kirzner can, thus, be used to discuss social entrepreneurship.

Although "social entrepreneurship" has become a popular concept in recent years, the range of activities that the concept describes predated the popularity of the term. Think of individuals or organizations motivated by religious or secular social aims who have worked over the years to give food, shelter and clothing to the very poor. Think of the social activists and community organizers who have championed some particular social cause and are trying through their lobbying, and their protests, and their advocacy to convince others of their views and win others to their cause. Think of the abolitionists, who pushed for an end to slavery in the UK and the US. Think of the civil and women's rights activists. Think of the alms houses and orphanages that operate independently of the government. Think of charitable organizations like the Red Cross and social enterprises like the Grameen Bank. What these individuals, activities and organizations have in common is that their chief aim is social transformation not monetary profits or political power. Though they may sometimes engage in business and political action, they have (short- or long-term) social change agendas.

Multiple definitions of social entrepreneurship appear in the literature but they all agree that a focus on social aims is essential for characterizing an activity as a social entrepreneurship (Mair, Robinson, and Hockerts, 2006; Wei-Skillern, Austin, Leonard, and Stevenson, 2007; Elkington and Hartigan, 2008). Beyond this common motivation, social entrepreneurs are often described as being constantly innovating and attempting to find new and creative ways to serve their mission. Dees (1998, p. 2) has, for instance, described social entrepreneurs as "one species in the genus entrepreneur" and as "entrepreneurs with a social mission." Alvord, Brown, and Letts (2004) have similarly described social entrepreneurship as "a catalyst for social transformation." Also, Mort, Weerawardena, and Carnegie (2003) have stressed that social entrepreneurs establish new "social enterprises" and promote innovation in existing ones. The goal of social entrepreneurship, they explain, is to solve social problems. Social entrepreneurs attempt to bring about social change by developing "innovative solutions" and mobilizing "the ideas, capacities, resources, and social arrangements required for sustainable social transformation" (Alvord, Brown, and Letts, 2004, p. 262).

Austin, Stevenson, and Wei-Skillern (2006) highlight several key aspects of social entrepreneurship and then, using Salhman's (1996) PCDO domains, point out some important similarities and differences between social and commercial entrepreneurship. Following Dees (1998), Thompson (2002) and others, Austin, Stevenson, and Wei-Skillern (2006, p. 2) define social entrepreneurship as "innovative, social-

value-creating activity that can occur within or across the nonprofit, business, or government sectors." Austin, Stevenson, and Wei-Skillern (2006) note that enterprises fall on a continuum between purely social and purely commercial entrepreneurship. And, that "even at the extremes . . . there are still elements of both. That is, charitable activity must still reflect economic realities, while economic activity must still generate social value" (Austin, Stevenson, and Wei-Skillern, 2006, p. 3).

It also worth noting that commercial and social entrepreneurship can complement one another. Often, commercial entrepreneurs engage in social-purpose ventures. Similarly, social entrepreneurs often engage in commercial ventures. The successful businessman, for instance, who uses the wealth that he has accumulated to finance purely social endeavors is a familiar figure. Social entrepreneurs may need the capital accumulation from their commercial enterprises to finance their social ventures. Likewise, commercial entrepreneurs often believe that engaging in social ventures is necessary if they are to be socially responsible corporate citizens. Additionally, market activity itself can often serve as an essential tool in carrying out the social entrepreneur's mission, such as "Operation Fresh Start" in Madison, WI which provides contractor services to area residents and businesses but hires and trains "at risk" youth who need vocational skills and the strong mentoring the crew managers provide. Social and commercial entrepreneurship are often intertwined.

Still, it is meaningful to draw some distinctions. First, social entrepreneurship, Austin, Stevenson, and Wei-Skillern (2006) contend, occurs when there is a social need that is not being met by commercial entrepreneurs. Additionally, social entrepreneurs pick up where commercial entrepreneurs fall short.[1] Social and commercial entrepreneurs create social value in different ways. Commercial entrepreneurs do so in the form of "new and valuable goods, services, and jobs, and can have transformative social impacts" but social transformation is a side effect not their chief aim, which is necessarily "creating profitable operations resulting in private gain" (Austin, Stevenson, and Wei-Skillern, 2006, p. 3). Social entrepreneurs, on the other hand, aim at "creating social value for the public good" (Austin, Stevenson, and Wei-Skillern, 2006, p. 3). Compared to commercial entrepreneurs, social entrepreneurs, Austin, Stevenson, and Wei-Skillern note, also have difficulty attracting human and financial capital and measuring social impact. These two challenges are, of course, related. Because it is difficult to show success, it is difficult to attract resources and, so, to compensate staff.

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[1] Although they do not mention it, government failure in addition to market failure is surely also an opportunity for social entrepreneurs.

This last difference, concerning the difficulty of showing success, is a special problem for social entrepreneurs. Commercial entrepreneurs can rely on profit and loss to guide their operations. When they are behaving in socially useful ways, they earn monetary profits. These profits not only encourage them to continue doing what they had been doing but their success also encourages other entrepreneurs (and would be entrepreneurs) to emulate them. Likewise, losses discourage entrepreneurs from doing what they had been doing before.

Social entrepreneurs, on the other hand, do not have access to such a clear-cut feedback mechanism. Earning monetary profits and incurring monetary losses cannot be viewed as meaningful signals for social-purpose enterprises. If a social need could be met profitably, there would be no need for social entrepreneurs; commercial entrepreneurs would work to fill that need. Still, there is a feedback mechanism, akin to profit and loss, that guides social entrepreneurs. In order to function, social entrepreneurs must enjoy high status and a good reputation (Chamlee-Wright and Myers, 2008). Stated another way, they must rely on community support. Social entrepreneurs who behave in socially undesirable ways lose the support of their stakeholders and constituents in the same way that for-profit entrepreneurs lose the support of their stockholders and customers. If they are not pursuing socially desirable ends or if they are not achieving their stated goals, community members will stop volunteering, attending meetings, and contributing resources.

Admittedly, these signals are fraught with ambiguity. And, evaluating success is also complicated by the fact that in social-purpose enterprises the beneficiaries of the enterprise are often different people from the supporters of the enterprises. In a restaurant, for instance, the people paying for the food are generally the same people who are consuming the food. The restaurant that does not satisfy its customers, that does not deliver value for price in a cost effective way, will incur losses and will not remain in business. The soup kitchen that does not deliver satisfying meals in cost-effective ways to its beneficiaries, on the other hand, might still attract donations and volunteers. The need to attract donations and volunteers does, nonetheless, play a disciplining role. At least somebody wants and is willing to commit their own resources (either time or money) to support the social enterprise.[2]

Social Entrepreneurship and Post-Disaster Community Recovery

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[2] Government-sponsored programs, however, are not as responsive because they can continue to function long after community support has eroded. Their continued funding and staffing are not dependent on its ability to get local buy-in or the willingness of stakeholders to pay.

Social entrepreneurs perform important social functions before, during, and after a disaster. Before a disaster, they are an important source of information to residents in their communities about the impending danger and how to prepare for it. They also organize evacuations, ensuring that community members leave vulnerable areas and are able to make it to nearby shelters. In the immediate aftermath of a disaster, social entrepreneurs organize community members to search for their missing neighbors, to advocate for government resources and the restoration of public services, and to pool their resources to feed, shelter, and otherwise care for their neighbors who have suffered during the disaster. In the months and years following a disaster, they help to coordinate recovery efforts, lobby for essential government assistance, and provide key information and services to help displaced residents return and rebuild their communities.

Using qualitative data collected over the last three years, this article examines the role of social entrepreneurship in post-Katrina recovery in the Greater New Orleans region. The interviews were conducted as a part of an ongoing investigation of community redevelopment in the wake of Hurricane Katrina. To date, the research team has conducted and recorded 238 interviews in Orleans and St. Bernard Parishes, LA and in Harrison and Hancock Counties, MS. A wide variety of stakeholders, including residents, business owners and managers, church pastors, non-profit directors and employees, and rental property owners were interviewed. As part of our standard interview structure, we asked residents about their interactions with social entrepreneurs and the role that social entrepreneurs have played in their recovery efforts. When interviewing social entrepreneurs, we asked about the communities that they served and the services that they offer. Much of the analysis we have presented from these field studies[3] provides detailed descriptions of particular cases so that we can examine up close the redevelopment process one neighborhood at a time. Occasionally, though, it is useful to pull the lens back so that more general lessons might be drawn. Some of those lessons refer directly to the various roles that social entrepreneurs can play in the process of community rebound, and some of the frustrations government action creates for these social entrepreneurs.

According to our interview subjects, after Katrina, social entrepreneurs (a) helped to solve the collective action problem associated with deciding to return and rebuild, (b) organized and engaged in outreach, activism, and advocacy on behalf of their communities, and (c) directly assisted in rebuilding efforts and provided essential services. This list is, of course, not exhaustive and certainly does not cover the full range of activities that (even the social entrepreneurs highlighted below) engaged in to facilitate the

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[3] See, for example, Chamlee-Wright and Storr (2007, 2008)

rebuilding of their communities after Katrina. Additionally, this list certainly does not cover the complete set of activities that social entrepreneurs engage in after disasters of different types, scales, and scopes than Katrina. Nonetheless, we contend that these are key post-disaster roles for social entrepreneurs.

Helping to Solve the Collective Action Problem

Depending on the scale and scope of a disaster, family members, friends, and neighbors can be forced to evacuate to different locations. Contact between them in possibly far-flung "places of exile" in the days, weeks, and months after a disaster can be difficult, if not impossible. Disasters can thus both destroy homes and disrupt social networks. The decision to return is, therefore, not just about repairing and rebuilding damaged and destroyed homes but is also about rejoining disrupted social networks. If family members, friends, and neighbors decide to return, then it might make sense for you to return. If, however, members of key social networks decide to start anew elsewhere then it might make sense for you do to the same, since the community that you would be returning to would lack much of the important characteristics of the community that you were forced to leave. You (and your family members, friends, and neighbors) thus face a dilemma; there is a collective action problem which complicates your decision about whether or not to return. Social entrepreneurs can help to solve the collection action problem that evacuees face in deciding if and when to return and rebuild by collecting information on evacuees and their intentions, connecting evacuees with one another during their "exile," and signaling to evacuees that the community is likely to rebound by acting as first movers.

The role that Fr. Vien, the pastor of Mary Queen of Vietnam Catholic Church (MQVN) has played in spurring the return of his parishioners to their New Orleans East Vietnamese community is quite illustrative. MQVN is at the spiritual, social, commercial, and geographic heart of the New Orleans East Vietnamese community. Before Katrina, 3,800 of MQVN's parishioners lived within a mile of the church and church members owned most of the seventy-five businesses which surrounded the church. The church was also an important social space for parishioners; it is an important site for both worship and fellowship.

In the days and weeks after the storm had passed, Fr. Vien visited evacuation sites in Louisiana, Texas, Georgia, and Arkansas to check on his parishioners and to share information about others who had been displaced. He also began holding services six weeks after Katrina and issued calls to return to congregants who were still displaced. These efforts sent a powerful signal to those who had not yet

returned that the community would indeed rebound; thereby mitigating the collective action problem that typically faces evacuees. The early, well-attended services also sent a powerful signal to government officials, making it clear that the members of this community intended to return and rebuild. Fr. Vien's efforts proved to be quite effective. Less than two years after Katrina, the overwhelming majority of his parishioners had returned, most of the businesses that they owned had reopened, and the neighborhood was well on its way to being rebuilt.[4]

Recall that social entrepreneurship can occur across a range of sectors including government (Austin, Stevenson, and Wei-Skillern, 2006). Superintendent of the St. Bernard Parish Unified School District Doris Voitier's efforts after the storm is also illustrative of the key role that social entrepreneurs can play in helping to overcome the collective action problem facing returning residents. Recognizing the importance of a functioning school system to long term community recovery—both as a key feature of any vibrant community and an important signal to displaced residents that the community would, indeed, come back—Voitier pledged in mid-October that the district would have a place for every student who signed up for classes at the November 1, 2005 registration. Although Voitier is a government official, she had to work (as a social entrepreneur) outside the government sector in order to honor her commitment. She, for instance, worked with a local contractor to find portable classrooms that could be shipped right away rather than waiting on the Army Corps of Engineers who would not have been able to complete their efforts until the next academic year.

Given the level of devastation in St. Bernard Parish, Voitier had only expected 50 or so students to register for school. After all, the parish, which is surrounded by water on three sides, was underneath up to eight feet of water for weeks following the storm. Instead of the 50 students that were expected to register, 703 students said they would come back to school sometime between the start of classes on November 14 and the start of the new semester in January. By the end of the January, over 1,500 students had returned, and by April 2006, over 2,000 children (one quarter of the pre-Katrina enrollment) were attending classes. Many of our interviewees noted that they could not contemplate returning to New Orleans until the schools reopened. It can be difficult, however, for officials to commit scarce resources to schools that do not have students yet. By committing to reopen the schools on a particular date, Voitier signaled to displaced residents that the community recovery would, indeed, occur and allowed residents to make clear decisions about if and when to return.

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[4] By the summer of 2007, the MQVN community was 90 percent back while the repopulation rate in New Orleans overall was 45 percent.

LaToya Cantrell's efforts to help mitigate the collective action problem facing displaced Broadmoor residents as President of the Broadmoor Improvement Association (BIA) are, similarly, worth noting. In Broadmoor, the post-disaster situation was further complicated by the mixed signals concerning the future of the Broadmoor community that resulted from the Bring New Orleans Back Commission (BNOB) planning process. It seemed from the urban planning report that BNOB issued that Broadmoor was under threat; much of it seemed slated to become green space. In response, BIA used internet communication and mass mailings to mobilize residents, business owners, and other stakeholders to signal their commitment to return. BIA also established a revitalization committee and strategically used the media to overcome the reports concerning Broadmoor's likelihood to return found in the popular press.

Social entrepreneurs can help displaced residents overcome the collective action problem that confronts them. By making clear and credible commitments to work to rebuild the community, social entrepreneurs can serve as a focal point for residents who are hoping to return. When deciding to return and rebuild, residents can be comforted by the fact that they are not alone, that someone else is working to bring the community back. Social entrepreneurs can also work to mitigate some of the uncertainty surrounding the decision to return and rebuild by sharing information about the intentions of others and making sure displaced residents are kept informed of rebuilding efforts underway in the community. This greater certainty increases the likelihood that displaced residents will orient their actions in the direction of returning home; thereby avoiding the problems of path dependence, i.e., the costs of changing course after people displaced by disaster make financial and social investments in their "exile" location. Related to (and perhaps a necessary part of) the efforts of social entrepreneurs to signal to displaced members of the community and to government officials that the community will rebound is their advocacy and activism on behalf of residents in affected communities.

Organization, Outreach, Advocacy, and Activism

After a disaster, communities face a number of challenges. Overcoming the collective action problem is one. Another is making sure that their interests are represented when officials are discussing the government's potential responses to the disaster. Decisions regarding where to provide public services like police protection and garbage collection and when to turn on public utilities like water and electricity can dramatically affect the speed of community recovery. Decisions regarding which communities will be permitted to recover and when residents will be permitted to return to their homes and begin the rebuilding process can affect the likelihood of community recovery. Particularly at a time when residents

have not yet returned to their devastated communities or are under the daily pressures of post-disaster survival and the early stages of getting back on their feet (i.e. finding food and shelter, figuring out the scope of the damage, salvaging whatever might still be useful), social entrepreneurs can play a critical role. Keeping community members (especially displaced community members) informed about political developments, organizing residents for collective responses to potentially harmful decisions by officials, and lobbying for particular outcomes on behalf of community members are among these key functions.

Fr. Vien and the Mary Queen of Vietnam Development Corp. (MQVNDC) have worked to gain a more favorable outcome for their community from the New Orleans redevelopment planning process. In early post-Katrina redevelopment plans, the New Orleans East community was not listed amongst those that were to be rebuilt. MQVNDC, however, made sure that they had a voice in the planning process by organizing community members, keeping them informed of developments, and making sure that they were always represented at planning committee meetings. Fr. Vien also negotiated directly with Entergy, the local power company, to get electricity for his neighborhood. Entergy was reluctant to restore electricity to the community around MQVN without having a clear indication that there would be residents there to use it. Fr. Vien supplied both photographic evidence and the names of his church members who had returned; 800 parishioners were at MQVN celebrating mass within weeks of Katrina. By early November, at a time when much of New Orleans was still without electricity, his community had power.

As noted above, BIA, which has existed since 1930, has also performed many of these key functions after Katrina. Hal Roark, the co-chair of BIA's revitalization committee, for instance, organized community meetings to inform residents about the BNOB report, which had designated much of Broadmoor as a potential green space and catchment area for floodwaters, and to discuss possible responses. BIA also encouraged residents to become actively involved in the BNOB urban planning process. And, BIA members worked to develop their own revitalization plan. As a result, 66 percent of the properties in Broadmoor were either livable or under repair just two years after Katrina. Residents from Broadmoor also successfully petitioned to bring a charter school to their area. Other neighborhood organizations, like the Lower 9th Wards' Neighborhood Empowerment Network Association (NENA) which was established after Katrina by Tricia Jones, are playing similar post-disaster roles.

Efforts to reopen the Dr. Martin Luther King, Jr. Charter School for Science and Technology in the Lower 9th Ward are amongst the most dramatic acts of social entrepreneurship post-Katrina.[5] The school suffered severe flooding and storm damage during Katrina. After the storm, state and local officials had suggested that it would take several years to repair the school and offered the school's principal Doris Hicks several what she felt were unacceptable locations to temporarily house the school while its original home was being rebuilt. Insisting that she would reopen her school whether officials wanted her to or not, Hicks, who was raised in the Lower 9th Ward, enlisted the aid of Common Ground, a grassroots organization that has worked to organize volunteers after Katrina. On March 16th, 2006, residents and volunteers defied arrest and broke into the school to begin cleaning it up. A day later the New Orleans Police Department shut down the cleanup effort. Over the weekend, however, Robin Jarvis, the Recovery School District (RSD) superintendent, was contacted and they were allowed them to clean up the school. Through persistent activism Hicks and volunteers helped the community overcome the additional hurdles erected by RSD and other government agencies.

After Katrina, some social entrepreneurs expended a great deal of effort to convince officials that their communities would in fact rebound and to win critical concessions from government officials for themselves and their communities (e.g. the right to return to their homes and rebuild). Social entrepreneurs have also spurred return by directly assisting community members in their rebuilding efforts and by providing essential services (like healthcare) to returnees.

Directly Assisting in Rebuilding & Providing Critical Services After a Disaster

After a disaster, social entrepreneurs directly assist in rebuilding communities by organizing teams to gut damaged houses and demolish unrecoverable houses and actually repair and rebuild damaged and destroyed homes. Gutting a house can cost thousands of dollars. Building a house can cost tens of thousands of dollars. Residents in many of the hardest hit areas in New Orleans were amongst the poorest (and the most likely to be underinsured) in the region. The volunteers and donors who work through these social ventures to give their time and money to individuals affected by Katrina are bringing about a physical transformation of the city (albeit a small one) that might not be possible otherwise. Social entrepreneurs, by organizing and facilitating volunteers and funneling resources to those who need them, thus, play a significant role in post-disaster recovery efforts. Social entrepreneurs also supply critical services to returning residents. If communities are to rebound from disaster, residents

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[5] See Waldman (2007) and Toppo (2006) for a discussion of the events described below.

will need access to essential services like basic health care and day care, as well as advice and information to help individuals navigate the bureaucratic and insurance hurdles that can slow rebuilding.

Within weeks of Katrina, volunteers from all over the U.S. descended on New Orleans to help residents clean up debris. These groups, many of which were affiliated with religious or student organizations, performed an essential (and potentially costly) service for displaced residents. Reports note that thousands of volunteers cleared several hundred thousand tons of debris and trash from roadways and homes in the months after Katrina. The Katrina Krewe, a non-profit started by stay-at-home mom Becky Zaheri, is one of the largest of these non-profit groups.[6] The Krewe has worked with 25,000 volunteers and has cleared over 250,000 tons of debris. They focused their cleanup efforts on roadsides and within a year of operations they ceased their manual cleanup efforts, switching to advocacy, because they had been so successful. Similarly, Habitat for Humanity has organized thousands of volunteers to gut homes throughout the Greater New Orleans region. Common Ground also provided house gutting and clean-up through their volunteer network. And, the Christian Contractors Association provided free demolition services to Saint Barnard Parish residents after Katrina.

In addition to the indirect but critical support for rebuilding activities provided by social entrepreneurs (like clearing debris), several groups are actually working to rebuild these communities. Habitat for Humanity's Musicians Village project, for instance, calls for teams of volunteers to build seventy plus homes in the Upper Ninth Ward for multiple generations of musicians displaced by Katrina.[7] The project was conceived of by New Orleans musicians Harry Connick Jr. and Brandford Marsalis as a way to help preserve the distinctive musical tradition. Similarly, Crossroads Missions, which was established by Rob Minton to work with churches across America to organize and facilitate short term missions, has worked with over 7,500 volunteers who have gutted five hundred homes and begun rebuilding and renovating homes in the Chalmette and Central City area.

Paige Ellison-Smith established Project K.I.D. within a week of Katrina to provide emergency child care services to residents in regions affected by the storm.[8] Project K.I.D. set up disaster child-care sites that gave children a place to play away from the potentially contaminated flood waters and dangerous debris and gave parents an opportunity to focus on the full-time task of recovery and rebuilding rather than supervising their children. The Lower Ninth Ward Health Clinic is also an important case. Trauma

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[6] See Ritea (2006).

[7] See http://www.habitat-nola.org/index.php.

[8] See http://www.project-kid.org/.

nurse Alice Craft-Kerney saw providing access to basic health care to returning residents in one of the poorest communities in New Orleans as being essential to that community rebounding. Craft-Kerney's old friend and fellow nurse Patricia Berryhill offered to donate her former Ninth Ward home to house the clinic. Volunteers, contractors and tradesman, attracted by Craft-Kerney's sense of passion and her vision, donated their labor. The medical community donated both equipment and advice. Joe O'Shea, a Florida State student, took a semester off from his studies to raise money for the clinic. Organizations like Leaders Creating Change through Contribution raised $30,000 to renovate the facility. The clinic began serving patients in the early part of 2007.

As Craft-Kerney remarked, "[I]n neighborhoods you need certain things in order to survive, for sustainability. You need schools. You need churches. You need medical care. You need places to shop." If she is right, then, social entrepreneurs have an important role to play post-disaster. While commercial entrepreneurs can and must provide the places to shop, at least in the weeks and months following a disaster, social entrepreneurs must step in to help provide some of these essential services. Because of the scale and scope of some disasters, social entrepreneurs may also have a critical role to play alongside commercial contractors in gutting, repairing and rebuilding damaged homes after a disaster. Unfortunately, some public policies make it difficult for social (and commercial) entrepreneurs to be as effective as they could be after a disaster.

Frustrating Social Entrepreneurship

The kinds of social entrepreneurship described above can and have been frustrated in a number of post-disaster contexts. Several policies that restrict and regulate entrepreneurial activities during regular times simply become too costly to defend after a disaster. Regulations like licensing requirements or zoning laws may be justifiable on a number of grounds pre-disaster but after a disaster they are arguably unnecessarily burdensome and can slow recovery. And, if these rules are overly rigid and cannot be easily overturned in post-disaster contexts then they leave less room for nimble on the fly responses from social entrepreneurs.

Project K.I.D., for instance, had to contend with regulations that insisted on the ratio of teachers to children. The alternative to kids attending Project K.I.D.'s emergency day care centers, however, was not their attending a better-staffed day care center elsewhere but their playing in potentially toxic environments and amongst dangerous debris. Similarly, zoning restrictions and building code violations delayed Craft-Kerney's efforts to open her much needed free health clinic for almost six months.

Building inspectors did not permit the Lower Ninth Ward Health Clinic to open even though the facilities were completed because the clinic was "a commercial entity" located on a block that was zoned as residential. That many of the homes in the neighborhood where the clinic was located had been destroyed and the fact that not many residents had returned post-Katrina did not impact this decision. Additionally, inspectors cited the clinic for various other violations, such as the handicap ramp only having a hand railing on one side. This was at a time when Lower 9th Ward residents had very few health care alternatives.

Bureaucratization and top-down oversight of government relief can also stifle social entrepreneurship. As Sobel and Leeson (2006) point out, government agencies tasked with responding to Katrina committed the same sorts of type-two errors that affect other government agencies. While type-one errors result from being insufficiently cautious and can be readily discovered when they occur, type-two errors result from being too cautious and often go undiscovered. Because type-one errors are much easier to detect than type-two errors, risk adverse government officials tend to have a type-two error bias, or in other words, they tend to be too cautious. Doris Voitier certainly suffered from this bias when she was attempting to use the resources at her disposal to reopen her school. According to Voitier, FEMA seemed more intent on reigning in local decision makers than actually providing relief. Although Voitier had secured permission to repurpose one of the FEMA trailers that she had been allotted so that the teachers living in the school's parking lot could have a place to wash their closes, she was charged with "misuse of federal property" when the FEMA agent she had been dealing with was replaced.

In addition to hampering social entrepreneurship, government policies can also divert entrepreneurial efforts away from socially productive activities. Rather than focusing on attempts to promote social transformation, social entrepreneurs in some policy environments are forced to expend their energies figuring out new and creative ways to navigate the regulatory and bureaucratic hurdles in their way. Kirzner (1985) described these discoveries of new ways to negotiate the rules as "superfluous discoveries" (i.e. "entirely new and not necessarily desirable opportunities for entrepreneurial discovery" that occur only because of distortions in the private sphere by the presence of public interventions like regulations). Arguably, much of the activism and advocacy described above are "superfluous discoveries." Voitier, for instance, became an expert on the Stafford Act, the rules which governed her relationship with FEMA. Rather than focusing his attention on catering to the spiritual and physical needs of his parishioners, Fr. Vien necessarily became adept at media and public relationships in order to keep his parishioners from being locked out of the planning process. Moreover, BIA and NENA and the

other neighborhood associations aimed at promoting community recovery engage in a great deal of rent seeking (albeit well meaning rent seeking) instead of actually assisting in the rebuilding of homes or the delivery of essential services.

Arguably, regime uncertainty does more harm to post-disaster social entrepreneurship than any of the problems described above. When the rules are unclear or constantly changing it is almost impossible to effectively play the game. Figuring out what to do after a disaster is a difficult task that is further complicated if government officials send mixed signals to social entrepreneurs or they distort the signals that social entrepreneurs necessarily rely on. After Katrina, however, government officials created a great deal of regime uncertainty (Chamlee-Wright 2007). Officials, for instance, made conflicting statements about the prospects or desirability of this or that community recovering. Similarly, residents in some New Orleans communities were not permitted to return to their residences for months after the storm. Additionally, during the city's redevelopment planning process, officials proposed a moratorium on rebuilding for the four months it would take to conduct "viability studies." This suggestion came at a critical moment when people were trying to decide whether it was worth incurring the financial and emotional costs of rebuilding. Residents and entrepreneurs alike could not be certain if their neighborhoods would be permitted to rebound even if people were committed to returning and rebuilding.

The uncertainty generated from the redevelopment planning process blunted the positive effects of social entrepreneurship discussed above. The critical signals that social entrepreneurs generate, which otherwise help a community overcome the collective action problem, get drowned out if regime uncertainty persists. The return of church services or a functioning school or a medical clinic can send a clear signal that coordinates behavior in the direction of community rebound, but threats of widespread use of eminent domain can, with a pen stroke, eliminate this clarity. Further, in order for social entrepreneurs to provide direct rebuilding assistance to residents, they need to develop collaborative working relationships with property owners. But the uncertainties generated in the redevelopment planning process kept many displaced homeowners waiting on the sidelines. Social entrepreneurs have thus been inhibited in their ability to provide direct rebuilding assistance in some of the least advantaged and hardest hit communities. Finally, to the extent that post-disaster planning threatens the basic rules of the social order (e.g., private property rights) and stands in the way of a community's ability to rebound, the social entrepreneur is understandably inclined to divert more time and resources toward the political

process and less time and resources solving the collective action problem and providing rebuilding assistance and essential services.

If regulatory and bureaucratic hurdles are burdensome in pre-disaster contexts, they are arguably way too costly after a disaster. If the goal is bringing about a swift recovery, then social entrepreneurs must be allowed to figure out how best to respond to the disaster without having to overcome artificial hurdles created by government policies. Policy makers must also be aware that regulations redirect entrepreneurial alertness away from socially transformative discoveries and toward superfluous discoveries. Social entrepreneurs can only play an important role in post-disaster community recovery if their efforts are not frustrated by officials. That they have played such an important role post-Katrina, despite the obstacles, speaks to the potential of social entrepreneurship to help transform communities devastated by disasters.

Discussion

There is now quite an extensive literature on social entrepreneurship. Still, little attention has paid to the role of social entrepreneurship in post-disaster recovery which builds on the insights from that now burgeoning literature. This is unfortunate because, as we argue above, social entrepreneurs perform important functions in post-disaster contexts. After Katrina, for instance, social entrepreneurs (a) helped to solve the collective action problem associated with deciding to return and rebuild, (b) organized and engaged in outreach, activism, and advocacy on behalf of their communities, and (c) directly assisted in rebuilding efforts and provided essential services. Interestingly, the growing "Katrina literature" has not paid much attention to the role of social entrepreneurship in community recovery. Instead, most of this literature focuses on the role of the government and, to a lesser extent, on the role of commercial entrepreneurs in rebuilding efforts. This article, thus, fills an important gap in both literatures (i.e. entrepreneurship and Katrina studies).

None of what is argued above should be read as an effort to elevate the role of social entrepreneurs above the role of commercial entrepreneurs in post-disaster contexts. On the contrary, we see social and commercial entrepreneurship as being linked. As noted above, social entrepreneurs often rely on their commercial ventures to provide needed resources and market activities can also be an important part of social ventures. Social entrepreneurs may, however, be especially well positioned to respond in post-disaster contexts where residents have lost almost everything. That social entrepreneurs do not have to turn a profit to stay in business limits their ability to be certain that they are behaving in socially desirable

ways but also frees them to respond in socially useful ways that might not be commercially viable. That social entrepreneurs have to find willing donors and volunteers to stay in business limits their ability to expand their operations in ways that are potentially socially beneficial but also forces them (unlike government agencies) to attract stakeholders who are willing to pay for them to stay in business. This limitation also means that social entrepreneurs are less likely (relative to government relief agencies) to overstay their welcome, i.e., crowd out a private commercial response from for-profit entrepreneurs.

In addition to being linked, social entrepreneurship and commercial entrepreneurship also have much in common. Much of the learning about what makes for a policy environment that promotes commercial entrepreneurship, for instance, can be transferred to the realm of social entrepreneurship. The same sorts of policies that frustrate entrepreneurship post-disaster can hamper the ability of social entrepreneurs to respond to disasters. By removing artificial barriers to entry, reducing regulatory and bureaucratic hurdles, and reducing government interventions so as not to crowd out entrepreneurial experimentation and creativity, social entrepreneurs (along with commercial entrepreneurs) can and will play key roles in community recovery.

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