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Towards the end of the 1990s a new buzzword made its entry in the entrepreneurship literature: social entrepreneurship. It seemed that by adding the term “social” to the concept of “entrepreneurship” we came to witness the birth of a new phenomenon and, at the same time, the emergence of a new (sub)field in entrepreneurship studies. However, there is no consensus regarding the definition of the concept of “social entrepreneurship”; the term is used very broadly and there are many competing concepts – “societal entrepreneurship,” “community entrepreneurship,” and “sustainable entrepreneurship” – which enhance the confusion. In their seminal article on this alleged new (sub)field, Mair and Martí (2006) took stock of the myriad of partly converging and partly diverging definitions of the concept of social entrepreneurship that had been produced in only a few years of scholarly writing. In an attempt to address the major debates in this subfield, their comprehensive literature review distinguishes three fields on which definitions of social entrepreneurship have been focusing so far the field of:

1. the actor (the entrepreneur);
2. the phenomenon of entrepreneurship; and
3. the enterprise.

First, the field of the entrepreneur has been the focus for scholars in the Schumpeterian tradition, maintaining that it is the risk-taking, innovating individual which makes the difference between “merely” running a business or acting in an entrepreneurial manner. In this vein, it is claimed that even more than a Schumpeterian entrepreneur, the social entrepreneur has to have exceptional abilities, special skills and unrelenting drives to implement their social mission. Consequently, many attempts have been made to identify the personal characteristics that distinguish the social entrepreneur from the regular entrepreneur (Dees, 2001; Vasi, 2009). This actor-oriented approach is understandably echoed in the way in which practitioners prefer to define their distinguishing contribution to both the academic debate and to society as is illustrated by the contributions of a number of recipients of an Ashoka fellowship – a US-based non-profit organization supporting the work of outstanding social entrepreneurs worldwide – to a recently published volume on social entrepreneurship (Ziegler, 2009).

Second, the field of entrepreneurship hosts the debate about the extent to which social entrepreneurship is a profit-making or non-profit based phenomenon. Some authors maintain that social value creation can be realized in a sustainable way only if it is based on economic wealth creation; while many others argue that social value can be created on the basis of all kinds of income, including public subventions, gifts and charity. While the former prefer to exclude non-profit based value creation from social entrepreneurship

and, thereby, firmly position social entrepreneurship in the field of “regular” entrepreneurship (cf. also Boschee and McClurg, 2003), the latter view non-profit activities as the distinguishing characteristic of social entrepreneurship (cf. also Mair and Noboa, 2003). This debate has generated a few variants: Baron (2005) goes as far as arguing that social entrepreneurs – knowing that their enterprise has a lower market value than profit making firms – are willing to create a firm at a financial loss, i.e. at a market value that does not exceed the capital to create this firm. The gain is in the satisfaction of reaching a non-financial goal. While Yunus (2006) – quoting his Grameen Bank as an ideal-type of social entrepreneurship – speaks of a “non-loss-non-dividend” enterprise, Baron proposes the “financial-loss-less-dividend” variant which implies that social enterprises may require shareholders to calculate losses prior to investments. Baron – while failing to acknowledge this – is inventing the phenomenon of the “social shareholder” who is actually practicing charity or philanthropy in the field of business. This hybrid model integrating capitalist wealth and philanthropic sources of investment is widely acclaimed among contributors to the current debate (Gerlach, 2000; Guclu *et al.*, 2002; Horsnell and Pepin, 2002; Nicholls, 2005; Peredo and Mclean, 2006; Roper and Cheney, 2005). The activities that characterize such a hybrid mode of entrepreneurship are in themselves hybrid as they are positioned at the interface of the public and the private sector such as in education, housing, health care, social work and poverty alleviation and thereby crossing the boundaries between regular entrepreneurship and political activism, development aid, and social movements (Vasi, 2009).

Third, the field of the enterprise brings together definitions that focus on the results of entrepreneurial activities instead of the entrepreneur’s distinguishing characteristics or the assets invested in the enterprise. According to enterprise-related definitions, social entrepreneurship distinguishes itself from “regular” entrepreneurship by the way in which the results are redistributed. “Who benefits?” is the crucial question to be asked. And the distinguishing answer should be: “the community” – and not “the shareholders” or those having a stake in the company. Hence, social value creation is the distinguishing characteristic of social entrepreneurship *vis-a-vis* “regular entrepreneurship” and this social value may be based on capitalist profit-making as much as fund-raising activities. Mair and Martí, positioning themselves in this latter domain, argue that social entrepreneurship is indeed a distinct phenomenon because it describes social entrepreneurship as a process that clearly prioritizes social value creation. They also acknowledge that social entrepreneurship cannot be separated from “regular” entrepreneurship as economic wealth creation is an integral part of any form of entrepreneurship. However, in the field of social entrepreneurship wealth creation is a mere means to that end. With this approach, Mair and Martí endorse the influential definition by Dees (1998) who pointed out that social entrepreneurship is an entrepreneurial approach to social problems.

What exactly is social value according to Mair and Martí and many other adherents of this definition of social entrepreneurship? Social value, say Mair and Martí (2006, p. 37), is the outcome created by social change. The ability to alter long established institutions and norms define social entrepreneurs as catalysts of social change. Tracey and Philips (2007, p. 265) call this approach the “social transformation approach” (in contrast to the income earning approach). Rindova *et al.* (2009) take this social change-oriented approach one step further. They speak of “entrepreneurship” as an emancipating process where the economic activities entailed are motivated by an orientation towards social change in the first place, such as the creation of newness and the realization of dreams of making a difference in the world. Or, as Martin and Osberg (2007, pp. 34-5) put it, the outcome of entrepreneurial ventures have to change an established equilibrium and create a new one which benefits society at large. Swedberg, in an attempt to develop a theory of social entrepreneurship based on the work of Schumpeter on regular entrepreneurship, claims that:

[...] social entrepreneurship is the pushing through or the successful introduction of social change, through a combination of elements that make up some way of doing things. Certain values are implied in the notion of “social change”, such as everybody’s right to economic progress, proper health care and the like (Swedberg, 2009, p. 99).

Therefore, argues Swedberg (2009, p. 99) social entrepreneurship is social in that it generates societal change. This “societal change scenario” – acknowledging that social entrepreneurship derives its meaning from its significance for the social environment within which its actors operate – also acknowledges the embeddedness of social entrepreneurs in a social context. As Mair and Martí (2006) argue, following Giddens’ structuration theory, the embeddedness approach makes it impossible to detach the actor from structure or the entrepreneur from the community. As a consequence, the term “social” gains a different meaning than in “social mission” or “non-profit based” entrepreneurship. Here, “social” implies the integration in and interdependence with societal configurations.

It was the economist-turned-sociologist Granovetter (1985) who – following Polanyi’s criticism of *homo economicus*, that is, of the isolated, all-knowing, and maximizing economic agent – pointed out that economists exhibit a rather under-socialized approach to entrepreneurship. Granovetter re-socialized entrepreneurs as agents whose actions are embedded in social relations underlying their economic transactions. The significance of the concept of embeddedness for economic transactions has been elaborated by institutional scholars (Zukin and DiMaggio, 1990) and economic sociologists (Swedberg, 2000) arguing that embedded economic activities such as in business communities or business networks are useful institutional means of implementing co-operative strategies and enhancing “institutional thickness” in any business system. Institutional thickness is generated by the embeddedness of businesses in personal relationships, high levels of social interaction with business partners, professional associations and government institutions. Entrepreneurs accumulate social capital by maintaining membership in a number of partly overlapping networks which comprise of both strong and weak ties (Granovetter, 1973, 1983). The strong ties of kinship (with their many-stranded linkages) may play a role in situations where economic and political insecurity prevails, while weak ties – single-stranded relationships with “acquaintances” (Granovetter, 1983) such as (former) classmates, college friends, co-workers, business and government relations – establish the extended networks which have come to figure as a significant and flexible support system in the global economy. The economic activities of the embedded entrepreneur unfold in this social context and naturally add value to this context in terms of employment, the establishment of spin-offs such as support industries, forward and backward business linkages, the introduction of new technologies, measures to enhance the health, and housing conditions of their employees or pressure on government to improve infrastructure. These results may not be part of an initial “social mission” of the entrepreneur, but they certainly feed back into the community and may generate change in the society at large.

Entrepreneurship viewed as an embedded phenomenon is social by definition. Therefore, the conceptual difference between “regular” entrepreneurship and “social” entrepreneurship can be maintained only as long as regular entrepreneurship is viewed in a narrow economic sense as an isolated activity abiding by strict market rules and implemented by a one-dimensional *homo economicus*. The embeddedness approach to “regular” entrepreneurship, however, shows that social value creation is the result of any entrepreneurial activity as it constitutes an integral part of society and its problems, and hence contributes to social change. In order to generate social value, economic wealth creation is part and parcel of the related entrepreneurial activities or, as Boddice (2009, p. 141) based on a historical assessment of social entrepreneurship contends:

[...] from its beginnings, the combination of entrepreneurial activity with a social mission has been characterized by a combination of altruism and self-interest; the amelioration of local, regional or national ills coupled with the economic drive to personal enrichment [...]

Therefore, it makes no sense to create yet another definition of social entrepreneurship in order to prove either the divergence from or the convergence with regular entrepreneurship. A repositioning of “regular” entrepreneurship in its social context makes the concept of social entrepreneurship redundant. In contrast to Simms and Robinson (2005) who denote social entrepreneurship as an oxymoron as this concept seemingly entails two mutually exclusive identities, we instead suggest that social entrepreneurship is a tautology as entrepreneurship is social by nature.

### **Soci(et)al entrepreneurship**

More and more (entrepreneurship) researchers recognize that entrepreneurship is an embedded phenomenon (the *International Journal of Entrepreneurship Education*, 2004; Steyaert and Katz, 2004; the *Journal of World Business*, 2006; the third “Movement of Entrepreneurship” book *Entrepreneurship as Social Change*, Steyaert and Hjorth, 2006). The purpose of the Soci(et)al Entrepreneurship Conference held at VU University in Amsterdam in April 2008 – which constitutes the basis for this special issue – was to combine the “societal” and the “social” in entrepreneurship as well as to explore the embedded nature of entrepreneurship by including in the analysis the “sites and spaces” (or communities) in which (social) entrepreneurship emerges (Steyaert and Katz, 2004). This special issue brings together a number of the papers presented at this conference as well as two invited papers based on keynotes during the conference.

The ambition of this special issue is first of all to draw attention to the booming literature on the phenomenon denoted as “social entrepreneurship” and the conceptual confusion it entails, with the aim of offering multiple perspectives. In this vein, this special issue reflects the diversity of approaches to soci(et)al entrepreneurship as discussed above. The contributions in this special issue include two

conceptual papers – one of which is unifying in nature (Mats A. Lundqvist and Karen L. Williams Middleton) while the other exerts that the assumed conflicting logics do not have to be conflicting at all (Chantal Hervieux, Eric Gedajlovic and Marie-France B. Turcotte) – one empirical study (Simone J.F.M. Maase and Bart A.G. Bossink), one practical case (Jan Donner) and a critical evaluation of the scholarly concept (Pascal Dey and Chris Steyaert). Second, this special issue explores the specific (societal) nature of the opportunities on which so-called “social” ventures are based. Third, this special issue includes work that sheds light on the particular contexts – the “sites and spaces” – in which such ventures are embedded and illustrates that the ways in which both the practical creation of (economic and social) value and the scholarly reflection on this phenomenon takes shape are closely intertwined with the situationally defined relationship between actors and their social environment. And fourth, this special issue shows that entrepreneurial activities entailing social value creation are widespread and occurring on a regular basis. Social value creation is therefore not only a theoretical and scholarly subfield but also a concrete reality for many entrepreneurs.

### **The contributions to this special issue**

Jan Donner addresses one of the most prominent issues in the debate on social entrepreneurship, i.e. the issue of profit versus non-profit making schemes involving private versus public funds. Relating the experience of the Royal Tropical Institute in Amsterdam – of which Jan Donner is the Director – with entrepreneurship in sustainable development, he shows that his organization practices regular entrepreneurship in developing countries where private investments are involved and development aid where public funding is concerned. While the projects under regular entrepreneurship are operated according to a profit-making scheme, their result is not only financial revenue but also – and equally prominent – social value in terms of a sustainable contribution to the solution of social problems. However, both spheres – the entrepreneurial and the aid-oriented sphere – are managed and administered in strictly separate ways.

Mats A. Lundqvist and Karen L. Williams Middleton attempt to deal with the conceptual confusion in the field of (social) entrepreneurship by proposing an integral approach. Based on an analysis of the current diversity of terms related to entrepreneurship “with a societal purpose” in Sweden, a diversity that has been created throughout a long tradition with and more recent influx of such types of entrepreneurship, the authors try to combine different approaches in search for a more unifying concept of societal entrepreneurship for Sweden (and beyond). The authors conclude that – in the Swedish setting where most established societal needs are taken care of by a tax-based public sector – collective dimensions of entrepreneurship stand out. According to the authors, societal entrepreneurship in such a setting becomes a mechanism for renewal and experimentation that deserves more research and recognition.

The paper by Chantal Hervieux, Eric Gedajlovic and Marie-France B. Turcotte represents another attempt at dealing with the conceptual confusion, not by creating a unifying concept, but by analyzing more in-depth a number of seemingly divergent logics relating to “social entrepreneurship” and related concepts. Their analysis shows that the large variety of definitions is generated by researchers and practitioners who suppose that a different logic is underlying “social” entrepreneurship in contrast to “regular” entrepreneurship. The much discussed difference, then, is a socially constructed difference based on lack of sound empirical research and theoretical analysis of what entrepreneurs actually do, but supported by an academic citation community that recycle such assumptions and, thereby, bestow legitimacy upon the dichotomy of regular versus social entrepreneurship. Such vicious circles of legitimizing unsubstantiated assumptions not only characterize the debate on “social entrepreneurship” as has been shown by Rindova *et al.* (2009), but also established ideas about so-called “regular entrepreneurship” as Granovetter (1985) and Swedberg (2000) convincingly argue.

Simone J.F.M. Maase and Bart A.G. Bossink make an attempt at grounding the concept of social entrepreneurship in empirical data. Starting from the premise that social entrepreneurship indeed distinguishes itself from other forms of entrepreneurship, the authors analyze a number of empirical cases of social enterprises in the startup phase, in particular in the field of public-private partnerships. This analysis emphasizes that the “social” component of their cases is defined in terms of collaboration across sectors. Simone J.F.M. Maase and Bart A.G. Bossink discuss the factors that facilitate or hamper this collaboration.

Finally, Pascal Dey and Chris Steyaert provide a critical reflection on and an attempt at conceptually advancing the notion of social entrepreneurship by showing its political import in the ways in which social entrepreneurship is currently narrated, in particular in relation to development aid. The authors question the grand narrative of social entrepreneurship with its messianistic script of harmonious social change and

bring to the fore a counter-narrative as well as little narratives in order to shed light on the “minor” readings of social entrepreneurship that may advance our understanding of this phenomenon.

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