SOCIAL ENTREPRENEURSHIP: DEFINITIONAL ISSUES

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ABSTRACT

This article contributes to the current discussion on social entrepreneurship by analyzing its complexity and obstacles to its definition. Social entrepreneurship could be an interesting starting point for new academic research. However, studies in this field are still restricted and fragmented due to the inherent characteristics of social entrepreneurship. Providing a clear definition of this important concept is vital in order to advance in this new area of research and to better understand the phenomenon.

Keywords: Social Entrepreneurship, Social Entrepreneur, Development.

INTRODUCTION

For a long time, people are most interested in the success stories of new ventures creation and their owners. Entrepreneurship scholars have established three essential components underlying entrepreneurship process, which are the individual (entrepreneur), opportunity, and resources (Mahto & McDowell, 2018). Among these, entrepreneur and their characteristics have received great recognition since the public believes that entrepreneurs are made, not born. In this stream, many researchers have focused specifically on entrepreneurial motivation. Individuals who are involved in entrepreneurial activities are motivated by many different reasons. Some are pushed into entrepreneurship because they are unemployed, unhappy with available jobs, or unsatisfied with current circumstances (Schjoedt & Shaver,
2007; Zoltan J. Acs et al., 2005). Others choose to start their own business to exploit an opportunity (Zoltan J. Acs et al., 2005), or for personal gains such as status, power, recognition, wealth, independence, and so on (Brush & Gatewood, 2008; Choo & Wong, 2006). In this light, entrepreneurs are more or less self-interested individuals in pursuit of personal objectives.

In the past few years, a new type of entrepreneurship has emerged with a more social focus and attracted growing amounts of attention from both academic and nonacademic circles: social entrepreneurship. As the name suggests, this concept adds new values to the traditional understanding of entrepreneurship but are also quite distinct from existing concept of entrepreneurship. Along the way, a new form of business arises: social enterprise. In 2015, when the United Nation launched the Sustainable Development Goals (SDGs), social enterprises compel more public attention due to the movement of engaging the business sector to address societal problems.

There have been a number of works that attempt to clarify what is social entrepreneurship. Even so, social entrepreneurship is still a sophisticated concept as it is difficult to delineate clear boundaries between what constitutes social entrepreneurship and what does not (Peredo & McLean, 2006). The multidimensional facets of the concept have lead to ambiguity rather than consensus. Thus, it is difficult for organizations, researchers and policy makers to agree on a common understanding regarding social entrepreneurship. This research will explore the various aspects of social entrepreneurship and discuss how it can be defined in different contexts.

SOCIAL ENTREPRENEURSHIP

Development of the Concept

The concept of "social entrepreneurship" is said to have first appeared in Joseph Banks' "The Sociology of Social Movements" in 1972, in which he used the phrase to refer to management skills in solving social problems (El Ebrashi, 2013). The concept was realized in the 1980s, when Bill Drayton founded Ashoka, an organization that supported social entrepreneurs and their solutions to social challenges in the US, and it gradually became popular in the 1990s (El Ebrashi, 2013; Welsh & Krueger, 2012).

The innovation factor inherently plays an important role in the concept of "start-up", so it is easy to understand why the concept of "social entrepreneurship" is also closely related to Peter Drucker’s concept of "social innovation". According to him, social innovation focuses on management activities that improve the efficiency and effectiveness of social wealth creation (Peter Drucker, 1990). After the 2008 crisis, social innovation concept once again captures the attention of people in the US and Europe as a solution to the problem of previous forms of innovation (e.g. technology), in aspects such as community participation and innovation benefit sharing (Petrella & Richez-Battesti, 2014). In many countries around the world, there are organizations that support and encourage social innovation activities and social entrepreneurship. These include Center for Social Innovation in the US, Centre de recherche sur les innovations sociales (CRISES) in Canada, Social Entrepreneurship Network Germany (SEND), and Institute for Social Innovation in Spain.

Basic Aspects

Entrepreneurship consists of three main elements: vision, people with leadership ability (to carry out the vision), and the will (to build something that will grow and last) (Thompson et
al., 2000). The concept of social entrepreneurship is often built on the foundation of the concept of entrepreneurship. Social entrepreneurship is essentially a type of entrepreneurship; a social entrepreneur is a type of entrepreneur (Dees, 1998). On that basis, the concept of social entrepreneurship is often viewed from two angles: the entrepreneurial aspect and the social aspect (Peredo & McLean, 2006). Accordingly, the entrepreneurial aspect of social entrepreneurship manifests itself in three aspects: (1) recognition and relentless pursuit of new opportunities to continue the mission of creating social value, (2) engagement in innovation, and (3) acting boldly despite resource constraints (Dees, 1998; Peredo & McLean, 2006). Social entrepreneurship should include an entrepreneurial spirit to recognize and leverage innovative solutions to social challenges.

Social entrepreneurship goes beyond the traditional concept of entrepreneurship when it comes to social aspects. Even though, one could argue that it is not easy to distinguish social entrepreneurship from business one based only on the social aspect. Enterprises could undertake social value creation in the forms of corporate social responsibility (Moon & Parc, 2019), and social entrepreneurs may be after profit to promote the growth of the venture and encourage investments from the public (Douglas & Prentice, 2019). However, for social entrepreneurship, social value is the central impetus. The fundamental difference between social entrepreneurship and commercial entrepreneurship is that the former pursues social change and social well-being while the latter seeks profits (Makhlouf, 2011a). In other words, the most important measure of value for social-entrepreneurship-oriented is social impact while that of business enterprise is revenue, profit or other equivalent values (El Ebrashi, 2013). On the other hand, financial profits from social entrepreneurship activities will be reinvested to realize social goals, while business profits will be distributed to shareholders or reinvested in commercial activities (Bacq & Janssen, 2011).

However, from another perspective, all forms of entrepreneurship create some type of social impact, because businesses create jobs, thereby affecting economic growth, which is an important factor in a market economy (Shane & Venkataraman, 2000; Thompson et al., 2000). Therefore, the difference between entrepreneurship and social entrepreneurship lies in the input, not the output; that is, it is necessary to look at the opportunities and mission of the business (Neck et al., 2009). Opportunities include social issues (people) and environmental issues (earth). The solution to these problems, along with new technology and innovation, is what Neck et al. (2009) call “opportunity space”. Entrepreneurial organizations recognize and act in this space, and their founding mission is tied to solutions that tackle people and the earth challenges. Therefore, social entrepreneurship can become a sustainable economic model, creating a driving force for social development (El Ebrashi, 2013).

Thus, another concept that has many similarities with social entrepreneurship is sustainability entrepreneurship. Both of these concepts are geared towards sustainable solutions that protect the environment. However, social entrepreneurship pursues a social mission, while sustainable enterprises are business and economic enterprises that pursue profit goals and do business in a manner that is socially and environmentally responsible (Makhlouf, 2011b). Thus, to distinguish social entrepreneurship from other social activities, it is necessary to emphasize the entrepreneurial aspect of the concept, and to distinguish social entrepreneurship from other forms of business start-ups, one should look at the basic foundation and mission of the organization.
Defining Social Entrepreneurship

Although the definition of social entrepreneurship only requires two basic aspects mentioned above, defining the concept of social entrepreneurship is not that straightforward. The multidimensionality and current studies perspectives on social entrepreneurs have been the subject of numerous studies. The definitions of social entrepreneurship are generally varied in scope and approach, frequently highlighting one of two facets (Neck et al., 2009; Peredo & McLean, 2006). Academic research is fragmented and disorganized as a result of the ongoing debate over an acceptable definition of social entrepreneurship (Dacin et al., 2011). These available definitions are overly broad and do not encompass all aspects of social entrepreneurship.

For example, social entrepreneurship can be understood as creating and/or managing a social enterprise, while recognizing its risks (Peredo & McLean, 2006). OECD defines social entrepreneurship simply as “the process through which specific types of actors – the social entrepreneurs – create and develop organizations that may be either social enterprises or other types of organizations. It also designates a field including a broad set of initiatives with a social impact dimension in a spectrum ranging from for-profit to non-profits.” (Social Entrepreneurship & Social Enterprises, n.d.). A common weakness in this approach is that in addition to the idea of social entrepreneurship, researchers need to expand on what they mean by "social" such as social enterprise.

Defining social entrepreneur is another way to establish what comprises social entrepreneurship. The definition of entrepreneurship has a logical relationship with that of entrepreneur because entrepreneurship is what entrepreneurs do when they enter the entrepreneurial process. Thus, defining one term will clarify the other (Peredo & McLean, 2006). In this sense, the definitions of social entrepreneurship and social entrepreneur are equivalent. As summarized by Dacin et al., social entrepreneurship are defined through building the image of a social entrepreneur, focusing on four main factors: characteristics of social entrepreneurs, their field of activity, the processes and resources used by social entrepreneurs, and the social entrepreneur's mission (Dacin et al., 2011).

Social entrepreneurs are individuals who approach societal issues in a creative and novel way without waiting for governmental or non-governmental organizations to adopt their ideas (Santos, 2012). Ashoka, one of the first organizations promoting social entrepreneurship, defines a social entrepreneur as an individual who come up with creative answers to the most pressing social, cultural, and environmental issues facing society. They persistently pursue new ideas that aim to solve social problems on a large scale by changing the underlying systems of the problem. Overall, according to the organization, social entrepreneurs are change makers. Clearly, these definitions could not delineate clear boundaries between what constitutes social entrepreneurship and differentiating it from other forms of social organizations such as non-profit organizations.

CONCLUSION AND RECOMMENDATION

In today's global economy, economic growth is no longer enough to sustain a healthy and prosperous society. It is necessary to ensure that economic growth is accompanied by other factors such as job creation, poverty reduction, and income equality. Thus, it is necessary to look beyond traditional economic measures. Social enterprise is an approach to business that takes into account the impact it has on society and the environment. This means focusing on
creating value for all stakeholders, not just shareholders, and using profits to benefit the wider community. By investing in social enterprises, we can create a more sustainable and equitable economy that benefits everyone.

This article contributes to the current discussion on social entrepreneurship by analyzing its complexity and obstacles to its definition. Social entrepreneurship could be an interesting starting point for new academic research. However, studies in this field are still restricted and fragmented due to the inherent characteristics of social entrepreneurship. The ability of social entrepreneurship to mix business and social components is its most intriguing feature, but also presents many difficulties differentiating it from other forms of social organizations such as non-profit organizations (Macke et al., 2018). Therefore, providing a clear definition of this important concept is vital in order to advance in this new area of research and to better understand the phenomenon. Further research in this area is needed.

References


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**Conflict of Interest Statement**

No conflict of interest has been declared by the authors.