

The Diverse Definitions of Social Entrepreneurship: The Underlying Issues

[¹] Jonathan Mirvis

[¹] The Hebrew University of Jerusalem, Israel.

Abstract— Purpose. *A lack of consensus regarding the definition of social entrepreneurship has caused confusion among students and researchers. The purpose of this paper is to provide a critical lens for theoreticians to make informed choices regarding their operational definition of this concept.*

Design/methodology approach. *The paper traces the evolution of the practical and theoretical fields of social entrepreneurship. Thereafter the occurrence of multiple and often contrasting definitions is highlighted. In order to understand the conceptual underpinnings of the different definitions, the following issues are raised:*

Should definitions be inclusive or exclusive? Is social entrepreneurship a subcategory of commercial entrepreneurship or is it a parallel one? Which facets of entrepreneurship behavior need to be deployed and what is the social mission? To illustrate these issues, the paper draws upon different definitions, with examples from the field of practice. In addition, it relates to the theoretical literature of commercial entrepreneurship. Thereafter follows a discussion that challenges prevailing definitions.

Findings. *The different possible responses can explain the diversity in definitions.*

A key finding is that the differing social enterprise and social innovation orientations may be rooted in alternative understandings of the relationship between social entrepreneurship and commercial entrepreneurship.

Originality /value. *The questions provide theoreticians with a unique and valuable prism to understand theoretical underpinnings of the different definitions of social entrepreneurship and enable them to make informed decisions regarding their operational definitions.*

Keywords: *social entrepreneurship, entrepreneurship, social enterprise, social innovation.*

I. INTRODUCTION

The theoretical field of social entrepreneurship is now well into its third decade and is an established sphere of research. There are academic journals dedicated to this field and various courses on social entrepreneurship are offered by numerous academic institutions worldwide.

However, despite its growth, this field continues to suffer from a lack of consensus regarding the definition of “social entrepreneurship” and its parameters. Students studying social entrepreneurship at one university may encounter courses that differ sharply from those offered by another (Brock and Steiner 2009).[1] A particular program in social entrepreneurship may focus on the establishment of a profitable business with a social mission, while another may focus on the establishment of a cross-sector organization that aspires to provide solutions for populations bereft of quality health care or education.

The lack of consensus has existed since the field’s early beginnings and has troubled researchers

The paper will commence with a brief overview of the evolution of the practical and academic fields of social entrepreneurship. Thereafter, it will focus on the four key issues that lie at the heart of the differences in definitions. It will then proceed to discuss these issues in detail, drawing on the literature for their theoretical underpinnings. For this, the paper will rely on different definitions and provide examples of their manifestations from the field.

The Development of Social Entrepreneurship

The Field of Practice

Social entrepreneurship as a field of practice far preceded its academic counterpart. For many decades, individuals established entities that socially impacted large populations, both locally and beyond. These include Benjamin Franklin, who founded the first public library in the United States in Philadelphia in 1731 (Payne and Newman 2005);[2] Florence Nightingale, who established the first secular nursing school in the world in London in 1860 (Karimi and Masoudi Alavi 2015);[3] and Clara Barton, who founded the Red Cross in Washington DC in 1881 (Evans 2003).[4] A major advance in social entrepreneurship was Bill Drayton’s founding of Ashoka in 1980 in Arlington VA. Ashoka sought high-achieving social entrepreneurs across the globe and provided them with financial and professional support with the expectation that these outstanding individuals would scale up their impact (Bornstein 1998). [5]With an interest in growing the field, prominent networks and organizations were formed, which still continue to impact the field. These include The Schwab Foundation for Social Entrepreneurship, the Skoll Foundation, and the UK School for Social Entrepreneurship, all founded in 1998 (Nicholls 2006). [6] Interest in social entrepreneurship was enhanced by the joint award of the Nobel Prize in 2006 to Muhammad Yunus and Grameen Bank (Hartigan 2006).[7]

The Growth of the Theoretical Field

Academic interest in this field can be traced to the UK sociologist Joseph Banks, who coined the term “social entrepreneurship” in 1972 (Nicholls 2006). [8] He stated that managerial skills could be deployed to address social problems. Over a decade later, Young (1986) [9] discussed the role of entrepreneurs in the non-profit sector. Five years hence, Waddock and Post (1991)[10] analyzed social entrepreneurship to demonstrate that its various expressions entail a synthesis of commercial and social logics. In 1997, Charles Leadbeater, a UK academic, compiled a comprehensive report advocating the promotion and support for social entrepreneurship in the UK (Leadbeater 1997).[11] In 1998, Greg Dees published an article “The Meaning of Social Entrepreneurship,” one of the most cited articles to date. He traced the field’s roots to commercial entrepreneurship, explaining the differences between the two types and outlined the key characteristics of the social entrepreneur (Dees 1998).[12] Two additional publications that attracted academic interest were Bornstein’s articles that featured the previously mentioned establishment of the Grameen Bank by Muhammad Yunus (Bornstein 1995), and Bill Drayton’s establishment of Ashoka (Bornstein 1998).[13]

Dees at Harvard Business School in the mid-1990s offered the first academic course in social entrepreneurship, titled “Entrepreneurship in the Social Sector” (Worsham 2012).[15] This was followed by courses at Stanford, Columbia, and Berkeley (Brock and Steiner 2009).[14] Academic

The following list of definitions highlights their diversity.

Table I. A Selection of Diverse Definitions

Austin, Stephenson and Wei-Skillen (2006 p2)	Social entrepreneurship is an innovative, social value-creating activity that can occur within or across the nonprofit, businesses or government sector.
Boschee and McClurg, (2003 p.3)	Any earned-income business or strategy undertaken by a non-profit distributing organization to generate revenue in support of its charitable mission. “Earned income” consists of payments received in direct exchange for a product, service or a privilege.
Kramer (2005 p. 6)	One who has created and leads an organization, whether for-profit or not, that is aimed at creating large scale, lasting, and systemic change through the introduction of new ideas, methodologies, and changes in attitude
Mair and Marti (2006 p.37)	We view social entrepreneurship broadly, as a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs.
Martin and Osberg (2007 p35)	<p>We define social entrepreneurship as having the following three components:</p> <ul style="list-style-type: none"> (1) Identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own; (2) Identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stable state’s hegemony; and (3) Forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new

institutions were soon adding social entrepreneurship to their course offerings, and by 2011, more than 148 institutions were teaching some aspect of this subject on their campuses (Kim and Leu 2011). [16]

The last three decades have seen a major growth in research on social entrepreneurship. This is reflected by the founding of journals with a primary social entrepreneurship focus, such as the Journal of Social Enterprise in 2005, the Journal of Social Entrepreneurship in 2010, and The International Journal of Social Entrepreneurship in 2011.[17]

Saadi, Foss, and Linder’s (2018) article reflects the growth of research in the field. The authors identified 395 peer-reviewed articles on social entrepreneurship that served as the basis of their analysis.

The Contrasting Definitions of “Social Entrepreneurship”

Since this new field of social entrepreneurship crossed boundaries and required a multi-disciplinary approach, it attracted scholars from numerous branches of knowledge, (Short, Moss, and Lumpkin 2009) [18]creating considerable vigor in this growing field. However, there was a price to pay: scholars studied the field through the prisms of their primary disciplines. This led to the lack of consensus in its definitions, which continues to prevail. Mair, Robinson, and Hockerts (2006) emphasize the diversity of definitions among all 15 contributors to their book on social entrepreneurship. Similarly, Dacin, Dacin, and Matear (2010) [19] list 37 definitions, reflecting the prevailing lack of consensus.

	equilibrium ensuring a better future for the targeted group, and even society at large
Robinson (2006 p95)	I define social entrepreneurship as a process that includes: The identification of a specific social problem and a specific identify and evaluation of an opportunities solution... to address it; the evaluation of the social impact, the business model and the sustainability of the venture; and the creation of a social mission-oriented for-profit or a business-oriented nonprofit entity that pursues the double (or triple) bottom line.

Later in the paper, we will reflect on the different definitions. At this stage, we will limit our analysis to the salient differences between the definitions.

1. While for Boschee and McClurg, the goal of social entrepreneurship is earned income for non-profits; for the other definitions, the goal is social change or the creation of social value.
2. To achieve this goal, Austin et al mention the importance of “an innovative, social value-creating activity.” Mair and Marti require the “innovative use and combination of resources.” Kramer specifies the creation or leading of an organization, Robinson believes in “the creation of a social mission-oriented for-profit or a business-oriented nonprofit entity,” while Martin and Osborne require a forging of a new equilibrium and the “creation of a stable ecosystem around the new equilibrium.”
3. Boschee and McClurg mention social entrepreneurship only in relation to the non-profit sector, while Robinson and Kramer include the for-profit as well. Austin et al. include the government sector and this across-sector approach seems to be shared by Mair and Marti, as well as Osborne and Martin.
4. Boschee and McClurg focus on earned income, and Robinson mentions social mission for profits and business-oriented nonprofits. The other definitions do not relate to earned income at all.
5. Austin et al. and Mair and Marti stress the importance of innovation and Kramer also mentions “new ideas.”
6. Martin and Osberg specify the identification of new opportunities, Martin and Marti mention their pursuit and Robinson mentions their evaluation.
7. Martin and Osberg limit social entrepreneurship to those few outstanding individuals who are able to change the equilibrium. Robinson and Kramer widen the scope to include those who create organizations. Boschee and McClurg, as well as Austin et al, and Mair and Marti are far more inclusive.

Since these definitions are a mere reflection of the wide diversity of the field, rather than focusing on the rationale behind each one it is useful to discuss the questions that all definitions need to address in general terms.

The Underlying Issues that Need to be Addressed

In articulating their definitions, researchers need to address the following issues:

Should a definition be exclusive or inclusive? What is the relationship between commercial entrepreneurship and social entrepreneurship? Is social entrepreneurship a subset of

commercial entrepreneurship? Alternatively, is it a parallel field or “cousin” as Martin and Osborne (2007) [20] call it? Which entrepreneurial behaviors should social entrepreneurship adopt? What should the social mission of social entrepreneurship be?

The following provides a detailed discussion of each of the issues.

The Choice Between an Exclusive or Inclusive Definition

Light (2005, 2006, 2009) [21] [22] raises the question of whether social entrepreneurship should adopt an exclusive or inclusive definition. An exclusive definition would be highly limiting, focusing on exceptional individuals and high-impact endeavors, while an inclusive definition could include multiple creative individuals as well as organizations with impact potential. Similarly, exclusive definitions will limit social entrepreneurship to a particular sector, that is, private or non-profit, while inclusive definitions will relate to initiatives that cover all sectors.

In his critique of an exclusive definition, Light (2005 p.14) cites a prevalent exclusive definition: “The field has mostly defined social entrepreneurs as individuals who launch entirely new social-purpose non-profit ventures.” This definition limits the field to focus on individuals as opposed to organizations, new ventures as opposed to existing ones, and non-profit organizations as opposed to cross-sectoral organizations.

In a second article, Light (2006 p. 50) offers an alternative inclusive definition: “A social entrepreneur is an individual, group, network, organization, or alliance of organizations that seeks sustainable, large-scale change through pattern-breaking ideas regarding how or what governments, nonprofits, and businesses do to address significant social problems.”

The Relationship between Commercial and Social Entrepreneurship

A discussion of this issue requires an understanding of Dees and Andersen’s (2006)[23] differentiation between two schools within social entrepreneurship: the social enterprise school and the social innovation school.

The Social Innovation School

This school of thought focuses on the establishment of new and improved ways to address social problems or meet social needs irrespective of the sources of income.

While Dees and Anderson’s differentiation is based on an analysis of the field of practice, it can also shed some light on

the question of whether social entrepreneurship is a subset of commercial entrepreneurship or a parallel field. The social enterprise school would adopt the former stance, and the social innovation school, the latter.

The implications of this differentiation are that from the social enterprise perspective, commercial entrepreneurship focuses on increasing earned income and accruing profit (Kao 1993), [24] and thus social entrepreneurship too should focus on earned income and profit, establishing profit-based organizations albeit with a social mission. However, the social innovation school could argue that commercial and social entrepreneurship are parallel fields, harnessing entrepreneurial strategies and behaviors to achieve different goals; commercial financial value versus social value.

The Social Enterprise School

According to Dees (2006),[25] two primary motivations explain the embracing of earned income and profit-seeking by social-mission driven organizations, and as such, it is possible to distinguish between two types of social enterprise:

(i). There is a need among non-profit organizations which are highly dependent on philanthropy and government grants, to diversify their resources and increase their sources of funding. They look at earned income as an important resource that could offset a decline in funding from traditional sources during turbulent times. Thus, this type of social enterprise would be a non-profit organization, and for Boschee and McClurg (2003),[26] it is the essence of social entrepreneurship. They define “social entrepreneurship” as “any earned-income business or strategy undertaken by a non-profit distributing organization to generate revenue in support of its charitable mission. ‘Earned income’ consists of payments received in direct exchange for a product, service or a privilege” (Boschee and McClurg 2003, p.3). An example of this type of social enterprise is the Girl Scouts of USA, which was founded by Juliette Gordon Low in 1912. Selling cookies is a major source of income and in 2011, the Girl Scouts generated \$700 million in cookie sales (Lapowsky 2011).[29]

(ii). Another motivation is the idea that the commercial sector could play a major role in the provision of social services for the underprivileged, and the attainment of ecological sustainability. Proponents of this school believe that businesses and commercially oriented nonprofits have the capacity to create both social and financial value, and that this capacity should be utilized. This second type of social enterprise lies at the heart of social entrepreneurship according to Robinson (2006, p. 4):[31]

“I define social entrepreneurship as a process that includes: the identification of a specific social problem and a specific solution... to address it; the evaluation of the social impact, the business model and the sustainability of the venture; and the creation of a social mission-oriented for-profit or a business-oriented non-profit entity that pursues the double (or triple) bottom line.”

The social impact of social enterprises

This type of social enterprise has a significant impact in five areas.

1. Providing goods and services to underprivileged populations at below-market rates. These services include health, educational, legal, and financial services.

A well-known example of this last type is the Grameen Bank, which Muhammad Yunus established in Bangladesh in 1976. This for-profit bank provided loans to millions of citizens that were locked out of the traditional banking system. The bank operated as a for-profit entity and sustained itself through earned income (Bornstein 1995).[27]

2. Providing employment opportunities for populations who cannot find employment in the regular job market.

A first group includes people with the necessary job skills who are sidelined by prejudiced potential employers. This group includes paroled prisoners, individuals with severe physical disabilities, and populations suffering from discrimination. An example is Greyston Bakery, established by Bernie Glassman in Yonkers, New York in 1982. The open hiring policy of Greyston ensured employment for thousands of the chronically unemployed over the past few decades (Michael and Livne-Tarandach 2020).[28]

A second group comprises low-skilled, disadvantaged workers who require skills training and support on the job. One social enterprise that serves this population is Cara, established by Tom Owens in 1991 in Chicago IL. Cara operates a wholly-owned limited liability subsidiary Cleanslate, a maintenance service (litter abatement, landscaping, and snow removal) that employs the homeless. Workers receive a skills training and support program that enables them to withstand the pressures of employment. This social enterprise creates jobs for about 1,000 workers annually who would otherwise have been excluded from the job market (Beaton and Dowin Kennedy 2021).[30]

3. Offering support and training for the commercial endeavors of underprivileged persons in poverty-stricken areas.

Numerous commercial endeavors have the potential to succeed; yet do not realize this potential due to a lack of commercial training, or the lack of access to support networks, funding, and markets. To ensure that these enterprises reach their full potential, some social enterprises access funders and markets, and provide the necessary support. One example is Matr Boomie. Manish Gupta and his wife Ruchi Agrawal founded Matr Boomie, a fair-trade, socially responsible company in 2006 with the mission of revitalizing communities in India. It successfully empowers over 20,000 artisans in 40 communities throughout India by linking them with 1,500 retailers in North America, Europe, Australia, and Asia who sell their unique handcraft products. Without Matr Boomie’s intervention, these artisans and their

families might have remained impoverished (Ames 2019).[32]

4. Protecting and sustaining the environment.

With increased pollution and the ensuing global warming threatening the ecology of the planet, some social enterprises have a mission of protecting the environment with a focus on the use of clean energy and fuels, waste recycling, and the use of decomposable materials in the manufacturing process. Social enterprises that engage in protecting the environment and in addition address social issues are referred to as “triple-bottom-line” organizations (Beaton, Kennedy 2021). [34] An example of a high-impact triple-bottom-line enterprise is Solar Sister, established by Katherine Lucey in 2010. Solar Sister provides clean energy solar lanterns to villages in Uganda, Tanzania, and Nigeria which do not have electricity. The lanterns are sold by female entrepreneurs to the local village populations. Solar Sister has benefited over 700,000 people and provided livelihoods for more than 2,500 entrepreneurs (Gray, Boyle and Yu 2017).[36]

5. Developing a profitable venture that aims to use its profits to support worthy social projects.

An example is Newman’s Own salad dressing company, founded by Paul Newman in 1982. Newman’s Own dedicates all its profits to charity, and since inception, distributed \$550 million to thousands of charitable organizations (Newman’s Own 2020).

The social innovation school

The social innovation school focuses on the deployment of entrepreneurial strategies to solve social problems and to create a social impact. From the social innovation school’s perspective, entrepreneurial strategies and behaviors lie at the heart of social entrepreneurship, and these characteristics differentiate it from other socially motivated organizations that may do “more of the same”. As opposed to the social enterprise school, which focuses on the double or triple-bottom-line, the social innovation school is singularly focused on the achievement of sustainable social impact. This is possible for organizations from any of the three sectors, and could involve cross-sector cooperation as well.

This approach is reflected in the definition of social entrepreneurship by Austin, Stevenson, and Wei-Skillern (2006 p. 2): “Social entrepreneurship is an innovative, social value-creating activity that can occur within or across the non-profit, businesses or government sector.” An example of a social innovation, social entrepreneurship endeavor is the founding of the KIPP (Knowledge is Power Program) charter schools in the USA by Dave Levin and Mike Feinberg in 1994. These Charter schools focus on expanding educational opportunities for underserved low-income students (Gleason, Tuttle, Gill, Nichols-Barrer and Teh 2014).[43] They use innovative strategies devised by Harriet Ball, a Houston Public School teacher, who excelled in motivating students from low-income backgrounds (Levin 2017).[44] The social impact of KIPP is reflected in the growth and success of its schools. While KIPP started initially with one school in

Houston TX; in 2019, there were 242 schools across 20 States educating approximately 100,000 students (Belsha 2019). [35] Given its success, KIPP received an \$88 million federal grant in 2019 to expand its network (Belsha 2019). Operating as Charter Schools, KIPP schools do not charge school fees. Instead, their income is derived from federal funding, state funding, and philanthropic support from the KIPP Foundation, established in 2007 (Wyke and Eager 2007).

Entrepreneurial Behaviors

A third issue that definitions must address is the question of what constitutes “entrepreneurial behaviors.” This question is pertinent to both schools of thought and is informed by theorists of commercial entrepreneurship.

Entrepreneurship theorists that influenced social entrepreneurship

Four economic theorists of commercial entrepreneurship who influenced the definitions of social entrepreneurship are the French economists Richard Cantillon (1680–1734)[38] and Jean-Baptiste Say (1767-1832),[37] the Bavarian economist Joseph Schumpeter (1883-1950),[39] and the American economist Israel Kirzner (b. 1930). [40] Given the focus and limitations of this paper, it will briefly mention a few key ideas and themes that became prevalent in the definitions of social entrepreneurship.

All four theorists agree that the entrepreneur has a significant role in ensuring economic progress and profit; however, they differ in their understanding of economic theory and the entrepreneur’s role. Cantillon was the first to use the concept “entrepreneur” in his posthumously published work in 1755 (Van Praag 1997).[41] He describes an economic sub-system that comprises three categories: land owners (capitalists), entrepreneurs (arbitrators), and hirelings (wage workers). The entrepreneur functions as an arbitrator: “His perception of the market is one of a ‘self-regulating network of reciprocal exchange arrangements’. The entrepreneur has a central role in this system because ‘he is responsible for all the exchange and circulation in the economy’. The class of entrepreneurs brings about an equilibrium of supply and demand” (Van Praag 1999 p. 313). [42] This is accomplished by engaging in exchange, or arbitrage. This process has inherent risks that entail purchasing at a known price and selling at an uncertain price. Thus, for Cantillon, risk-taking and uncertainty are key factors in entrepreneurship. For Say, the pivotal economic role of the entrepreneur is as a coordinator of production and distribution at both the market and company levels (Van Praag 1999).[43] This is comparable with the modern leader and manager within a firm. To be successful, the entrepreneur must have several skills and moral qualities, including “judgment, perseverance, and a knowledge of the world as well as of business ... the art of superintendence and administration” (Van Plaag 1999 p. 315, quoting Say). He creates value by shifting economic resources out of an area of lower productivity into an area of higher productivity (Dees

1998).[50] Schumpeter is the economist most closely associated with the concept “entrepreneurship” (Dees 1998).[47] He views the role of the entrepreneur as a creator of a new equilibrium that reforms the production process via constant innovation and the use of new combinations (Van Praag 1999). This entrepreneur carries out one of the following five tasks:

1. Creating a new good or new quality
2. Creating a new method of production
3. Opening a new market
4. Capturing a new source of supply
5. Creating a new organization or industry (Iversen, Jørgensen, Malchow - Møller, and Schjernin 2008 p. 5).

In following this process, the entrepreneurs create new value not only for themselves but also for all who benefit from the new equilibrium. In Kirzner’s view, the entrepreneur is constantly alert, seeking to discover and exploit profitable opportunities (Van Praag 1999).[48] These opportunities are a byproduct of a dynamic market, such as buying and selling in one area, or selling and buying in another. The assumption is that there is no real equilibrium and as such opportunities for profit will always exist, but they must be sought. As will be shown, risk-taking (Cantillon), the utilization of managerial skills and leadership (Say), innovation and the creation of a new equilibrium (Schumpeter), and alertness and seeking opportunities (Kirzner), are all entrepreneurial qualities prevalent in definitions of social entrepreneurship. These attributes are well reflected in the following two definitions: “Social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities (Kirzner) to enhance social wealth by creating new ventures (Schumpeter) or managing existing organizations in an innovative manner (Say)” (Zahra, Gedajlovic, Neubaum, and Shulman 2009 p. 5).

Similarly, these characteristics are reflected in Peredo and McLean’s (2006 p. 64) definition:

Social entrepreneurship is exercised where some person or group: (1) aim(s) at creating social value, either exclusively or at least in some prominent way; (2) show(s) a capacity to recognize and take advantage of opportunities (Kirzner) to create that value (“envision”); (3) employ(s) innovation, ranging from outright invention (Schumpeter) to adapting someone else’s novelty, in creating and/or distributing social value; (4) is/are willing to accept an above-average degree of risk in creating and disseminating social value; and (Cantillon) (5) is/are unusually resourceful in being relatively undaunted by scarce assets in pursuing their social venture.

The Mission of Social Entrepreneurship

On the mission of social entrepreneurship, most definitions adopt an inclusive stance and do not specify the beneficiaries. For example, they state that the goal is to “yield and sustain social benefits” (Fowler 2000 p. 649), “to address significant

social problems” (Light 2005 p. 50), “pursue opportunities to catalyze social change and/or address social needs” (Marti and Marti 2006 p. 37),[45] and “aim at creating social value” (Peredo and McLean 2006 p. 64).[46] This inclusive approach raises questions about the beneficiaries of social entrepreneurship, and what constitutes social value and social benefits.

The beneficiaries of social entrepreneurship

For the social enterprise school, one can assume that double-bottom-line social entrepreneurship aims to address market failure . Thus, the beneficiaries are those who cannot afford to purchase goods or services on the open market or those who cannot find employment due to discrimination, lack of education, physical or mental disability, or a personal history of misdemeanors. When social entrepreneurship aims to address ecological sustainability, the beneficiaries are all inhabitants of the planet, both current and future.

However, the social innovation school may offer wider latitude. Is social entrepreneurship only interested in serving marginalized and poverty-stricken populations or does it provide solutions for those who can purchase these solutions on the open market as well? Martin and Osberg (2007 p. 35), [55] whose definition reflects the social innovation school, specify that social entrepreneurship focuses specifically on the marginalized and underprivileged populations:

We define social entrepreneurship as having the following three components: (1) identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stable state’s hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large.

However, Kramer (2005 p. 6), another social innovation proponent, takes a different stance, defining a social entrepreneur as “one who has created and leads an organization, whether for-profit or not, that is aimed at creating large-scale, lasting, and systemic change through the introduction of new ideas, methodologies, and changes in attitude.” In articulating this definition, Kramer discusses the SROI (social return on investment) of several social entrepreneurship programs that promote civic engagement. The lack of civic engagement and its importance go far beyond supporting the poor and suffering. As such, one may assume that the beneficiaries of these programs include wider populations.

The social value created by social entrepreneurs

If the beneficiaries of social entrepreneurship are the underprivileged, then social value could be defined as providing these populations with solutions to their problems, answers to their needs, and empowerment to change their equilibrium, as Martin and Osboerg (2007)[56] suggested. However, if the beneficiaries are larger segments of society, which seems to be Kramer's (2005) [57] position, then the content of the desired social value that social entrepreneurs provide warrants clarification. As Young (2006) [58] pointed out, "social value" is subjective and culturally bound and in this situation, the social entrepreneur would be required to provide a rationale for the envisioned value of the endeavor

II. DISCUSSION

In this section we will discuss the four issues detailed previously and add comments to enhance a critical perspective of the different definitions of social entrepreneurship.

Exclusive or Inclusive Definition

While differentiating between inclusive and exclusive definitions, we mentioned that exclusive definitions are limiting, with a possible focus on exceptional individuals and high impact endeavors.

In the event that an exclusive definition is preferred, it is important to question how the proponents of this definition would label entrepreneurial endeavors that lie outside of its parameters.

Martin and Osberg (2007) meet this challenge in their discussion of two types of impactful entrepreneurial activities that lie beyond their exclusive definition. As mentioned, Martin and Osberg limit social entrepreneurship to "forging a new, stable equilibrium" in the wake of Schumpeter. They relate to the endeavors of a high impact local activity that does not forge a new equilibrium. They label this "social service", with an understanding that "service" indicates an activity that is limited in scope. They also discuss a second group of socially motivated change-agents whom they label "social activists". These are people who target the unfortunate and seek to change the equilibrium. They focus on influencing others who will bring about this change. By contrast, social entrepreneurs implement change through their direct action.

A careful analysis of social innovation and social enterprise definitions shows that the social innovation definition is inclusive while the social enterprise definition is exclusive. The social innovation definition includes entrepreneurial organizations from one or all of the three sectors and does not specify a funding model. The social enterprise definition is far more restrictive; the field is limited to for-profit or non-profit organizations that sustain themselves through earned income.

The proponents of this definition need to find a suitable name for entrepreneurial impactful social endeavors that are dependent on government and philanthropic support and

have no earned income. An example of this challenge is the labeling of KIPP, the high impact charter school network mentioned earlier. One option could be to label KIPP as "social innovation", however this term is too minimalistic as it does not reflect KIPP's Schumpeterian change of equilibrium.

A sub-category of commercial entrepreneurship or a parallel field?

The application of "entrepreneurship" to non-commercial spheres

Our differentiation between social entrepreneurship as a sub-category of commercial entrepreneurship or as a parallel category rests on the assumption that "entrepreneurship" is applicable to both the economic and social spheres. However, there is a difference of opinion regarding its applicability. According to Kao, "entrepreneurship" is the process of doing something new and something different for the purpose of creating wealth for the individual and adding value to society" (Kao,1993 p1). Thus, from this stance, entrepreneurship is by definition a wealth-creating activity.

An opposing view is articulated by Drucker (1985) [53] who advocates for the application of entrepreneurship to the public service sector that includes "government agencies, labor unions, churches, universities, and schools, hospitals, community and charitable organizations, professional and trade associations" (Drucker 1985, p.177). Dees (1998) concurs with Drucker, and applies entrepreneurship to the social sector. It is this view that serves as the basis of our differentiation.

Social enterprise

We have specified that those who view social entrepreneurship as a sub-category of commercial entrepreneurship focus on social enterprise. However, social enterprise can also merit attention among those who view social entrepreneurship as a parallel category. In pursuit of a sustainable financial model, a social enterprise may be more advantageous than an organization dependent on philanthropy or government funding. Thus, from both perspectives, the establishment of the Grameen Bank, a social enterprise, is an outstanding example of social entrepreneurship and Yunus's receipt of the Nobel Peace Prize in 2006 provided an impetus for social entrepreneurship from both perspectives.

Facets of entrepreneurial behavior

In the previous section we discussed entrepreneurial behaviors espoused by Cantillon, Say, Schumpeter and Kirzner and their influence on the definition of social entrepreneurship. In the entrepreneurship literature there are other theorists whose work could influence and broaden the definitions of social entrepreneurship and their relationship to entrepreneurial behavior, these include the American Frank Knight (1885-1972) and American born British economist, Edith Penrose (1914-1966)[59]

Knight accentuates the challenge of operating in a climate of uncertainty that Cantillon discussed. According to Knight, the entrepreneur has a pivotal role in the company and is responsible for dealing with uncertainty. Dealing effectively requires the following:

“a high degree of self-confidence, the power to judge your own personal qualities as compared to those of other individuals, a disposition to act on one’s own opinion, a venturesome nature, and foresight” (Van Gaal, 1993 p323). These behaviors in the face of uncertainty could certainly be applicable to social entrepreneurship.

Penrose discusses entrepreneurship within existing firms. The term “entrepreneur” refers to “individuals or groups within the firm providing entrepreneurial services, whatever their position or occupational classification may be” (Penrose 1995, p43). The “entrepreneurial services” refer to the introduction and acceptance of new ideas. In order to be successful, the entrepreneurs need the following attributes:

Entrepreneurial Versatility - comprises imagination and vision that could stretch beyond practicality.

Fund-raising ingenuity - the ability to fundraise is crucial for growth, particularly for small firms.

Entrepreneurial ambition includes an ambition to create an empire.

Entrepreneurial judgment - in addition to this being a personal attribute, judgement relates to the information gathering and consultancy processes within the firm (Penrose 1995).

Penrose highlights two points that are poignant for social entrepreneurship.

- A. She relates to entrepreneurship within organizations
- B. The entrepreneurial virtues of versatility, fundraising ingenuity, ambition, and judgment are behaviors that are pertinent for social entrepreneurship

The social value and beneficiaries.

In this section we listed Martin and Osberg’s (2007) definition that mentions “the alleviation of suffering and release of trapped potential” and Kramer’s (2005) reference to “the introduction of new ideas, methodologies, and changes in attitude”.

These two definitions lay the groundwork for a question that all social entrepreneurs need to address; are the beneficiaries pained and troubled by the problem or are they oblivious? Martin and Osberg seem to limit social entrepreneurship to the first instance, to address the pain felt by those who suffer, while Kramer targets those who are oblivious as well.

The complexity of this question is reflected in social entrepreneurship’s role in combating pollution of the environment. In many countries, pollution is rampant because the citizens are oblivious to the dangers of pollution and are currently not suffering. Kramer who advocates for strategies that lead to a change in attitude would certainly

champion a campaign against pollution. However, the choice of the Martin and Osberg definition may leave a mindset changing campaign against pollution outside of the realm of social entrepreneurship.

III. CONCLUSION

The theoretical field of social entrepreneurship suffers from a lack of consensus regarding the definition of “social entrepreneurship.” This situation has prevailed since the early conception of this field and presents a challenge to researchers and students, particularly to new entrants into this area of study. There may be confusion, for example, about why some definitions may focus on earned income and establishing a new entity, while others may focus on providing an innovative solution to a social problem. The purpose of this paper is to address this challenge and enable researchers and students to make an informed decision in their choice of an operative definition. It aims to do this by providing a brief overview of the development of social entrepreneurship, and an articulation and discussion of the key issues that the various definitions need to address.

REFERENCES

- [1] Abu-Saifan, S. (2012). Social Entrepreneurship: Definition and Boundaries. *Technology Innovation Management Review*; Ottawa. 2:2, pp.22-27.
- [2] Ames, C. (2019) Bridging the Gap: Manish Gupta and Matr Boomie Connect Indian Artisans with Western Consumers. *Grow ensemble*. Retrieved 17 August 2021. <https://grownsemble.com/matr-boomie-manish-gupta/>
- [3] Angrist, Joshua D., Susan M. Dynarski, Thomas J. Kane, Parag A. Pathak, and Christopher R. Walters (2010). “Who Benefits from KIPP?” National Bureau of Economic Research (NBER) working paper 15740.
- [4] Austin, J., Stevenson, H., Wei-Skillern, J., 2006. Social and commercial entrepreneurship: same, different or both? *Entrepreneurship: Theory & Practice* 30 (1), 1–22
- [5] Barak, n., (2021, August 15) Car broke down? Not an issue with these friends nearby. *Israel 21c* <https://www.israel21c.org/car-broke-down-not-an-issue-with-these-friends-nearby> Retrieved 12/12/2022
- [6] Bacq, S. and Janssen, F. (2011) ‘The multiple faces of social entrepreneurship: a review of definitional issues based on geographical and thematic criteria’, *Entrepreneurship and Regional Development*, Vol. 23, Nos. 5–6, pp.373–403
- [7] Beaton, E., and Dowin Kennedy, E. (2021). Responding to Failure: The Promise of Market Mending for Social Enterprise. *Public Management Review* 23 (5): 641–664.
- [8] Belsha, K (2019, July 31) 25 years in, KIPP is planning further expansion and trying to turn its alumni into a political force. *Chalkbeat*. <https://www.chalkbeat.org/2019/7/31/21121010/25-years-in-kipp-is-planning-further-expansion-and-trying-to-turn-its-alumni-into-a-political-force> Retrieved 28/11/2021
- [9] Bornstein D. (1995). *The Barefoot Bank With Cheek*. *The Atlantic*. December Issue . Retrieved 01 December, 2021. <https://www.theatlantic.com/magazine/archive/1995/12/the-barefoot-bank-with-cheek/305324/>
- [10] Bornstein D.(1998). *Changing the World on a Shoestring*. January issue retrieved, 01 December, 2021 <https://www.>

- theatlantic.com/magazine/archive/1998/01/changing-the-world-on-a-shoestring/377042/
- [11] Boschee, J., & McClurg, J. (2003). Toward a better understanding of social entrepreneurship: Some important distinctions (White Paper). Retrieved August 8, 2021, <https://www.termpaperwarehouse.com/essay-on/Towards-A-Better-Understanding-Of-Social/92212>
- [12] Brock, Debbi D. and Steiner, Susan.(2009) Social Entrepreneurship Education: Is it Achieving the Desired Aims? Available at SSRN: <https://ssrn.com/abstract=1344419> or <http://dx.doi.org/10.2139/ssrn.1344419>.(Retrieved 30/10/2021)
- [13] Cho, A. H. (2006). Politics, values and social entrepreneurship: A critical appraisal. In J. Mair, J. Robinson, & K. Hockerts (Eds.), *Social entrepreneurship* (pp 34 –56). Basingstoke, UK: Palgrave Macmillan
- [14] Choi, N., & Majumdar, S. 2014. Social entrepreneurship as an essentially contested concept: Opening a new avenue for systematic future research. *Journal of Business Venturing*, 29: 363-376.
- [15] Dacin PA, Dacin MT, and Matear M (2010) Social entrepreneurship: Why we don't need a new theory and how we move forward from here. *Acad Manag Perspect* 24:37–57
- [16] Dacin, M. Tina, Peter A. Dacin, and Paul Tracey (2011) "Social Entrepreneurship: A Critique and Future Directions," *Organization Science*.
- [17] Dees, J. G. (2001). The meaning of social entrepreneurship (Original draft: 1998, revised 2001) Retrieved 24/11/2021 https://centers.fuqua.duke.edu/case/wp-content/uploads/sites/7/2015/03/Article_Deess_MeaningofSocialEntrepreneurship_2001.pdf
- [18] Dees, J. Gregory and Beth Battle Anderson. 2006. "Framing a Theory of Social Entrepreneurship: Building on Two Schools of Practice and Thought". In Rachel Mosher-Williams (ed.), *Research on Social Entrepreneurship*, ARNOVA Occasional Paper Series 1(3): 39–66.
- [19] Defourny, J., Nyssens, M., (2010), Conceptions of social enterprises and social entrepreneurship in Europe and in the United States; convergences and divergences, *Journal of Social Entrepreneurship*, 1(1), 32-53
- [20] Drucker, P., (1993) *Innovation and Entrepreneurship*. Harper, New York, USA
- [21] Evans, G. D. (2003). Clara barton: Teacher, nurse, civil war heroine, founder of the American Red Cross. *International History of Nursing Journal*, 7(3), 75.
- [22] Fowler, A. (2000). NGOs as a moment in history: Beyond aid to social entrepreneurship or civic innovation? *Third World Quarterly*, 21(4): 637–54
- [23] Gleason PM, Tuttle CC, Gill B, Nichols-Barrer I, Bing-ru T. (2014). Do KIPP schools boost student achievement? *Educ. Finance. Policy* 9(1):36–58
- [24] Gray, L., Boyle, A. Yu V. (2017). Turning on the Lights: Transcending Energy Poverty Through the Power of Women Entrepreneurs. Santa Clara University Miller Center for Social Entrepreneurship.
- [25] Hartigan, P. (2006). It's about people, not profits. *Business Strategy Review*, 17(4), pp.42-45.
- [26] Huybrechts, B., and Nicholls, A. (2012). Social entrepreneurship: definitions, drivers and challenges. In C.K. Volkman, K.O. Tokarski &
- [27] K.Ernst (Eds.), *Social Entrepreneurship and Social Business* (pp. 31– 48). Germany: Gabler Verlag Iversen J, Jorgensen R, Malchow-Moller N (2008) Defining and measuring entrepreneurship. *Found Trends Entrepreneurship* 4(1)
- [28] Kao, R. (1993). Defining entrepreneurship, past and present. *Creativity and Innovation Management*, 2.
- [29] Karimi H, Masoudi Alavi N. (2016) Florence Nightingale: The Mother of Nursing. *Nurs Midwifery Stud.*;4:e29475
- [30] Kim, M., and Leu, J. (2011). The field of social entrepreneurship education: From the second wave of growth to a third wave of innovation. In U. Ashoka and D. Brock, Eds., *Social entrepreneurship education resource handbook: 8 –9*. Washington, DC: Ashoka U.
- [31] Kramer M., (2005)) *Measuring Innovation: Evaluation in the Field of Social Entrepreneurship*. Prepared for The Skoll Foundation by Foundation Strategy Group
- [32] Levin, D. (2016) *A School Founder's History*. YouTube <https://youtu.be/Fqoi-KPOMWM> Retrieved 25/02/2021
- [33] Light, P. C. (2005). Searching for social entrepreneurs: Who they might be, where they might be found, what they do. Presented at the Annual Meetings of the Association for Research on Nonprofit and Voluntary Associations, Washington.
- [34] Light, P. (2006). Reshaping Social Entrepreneurship. *Stanford Social Innovation Review*, 4(3), 47–51. <https://doi.org/10.48558/TX2B-G208>
- [35] Light, P. C. (2009). Social Entrepreneurship Revisited. *Stanford Social Innovation Review*, 7(3), 21–22. <https://doi.org/10.48558/Z8K2-W870>
- [36] Mair, J., and I. Marti. 2004. *Social Entrepreneurship: What Are We Talking About? A Framework for Future Research*. Working paper no. D/546. New York, NY: IESE Business School
- [37] Mair, J. and I. Martí (2006), "Social entrepreneurship research: a source of explanation, prediction, and delight," *Journal of World Business*, 41(1), pp. 36-44.
- [38] Mair, J. & Noboa, E. (2006). Social entrepreneurship: How intentions to create a social venture are formed. In J. Mair, J. Robinson, & K. Hockerts (Eds.), *Social entrepreneurship* (pp. 121–135). London: Palgrave.
- [39] Mair, J., & Martí, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and de- light. *Journal of World Business*, 41(1), 36–44
- [40] Martin, R. and Osberg, S. (2007) *Social Entrepreneurship: The Case for Definition*. *Stanford Social Innovation Review*, 5, 28.
- [41] Newman's Own <https://www.newmansown.com/charity/> Retrieved august 9, 2020
- [42] Nicholls, A. (2006) "introduction" in . A. Nicholls, ed. *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford University Press, Oxford, UK, pp1-35
- [43] Olinsson, S.B. (2017) *Social Entrepreneurship-Committing Theory to Practice*, *Journal of Social Entrepreneurship*, 8:2, 225-247.
- [44] Payne D.G., Newman R.S. (2005) Benjamin Franklin (1706–1790). In: Payne D.G., Newman R.S. (eds) *The Palgrave Environmental Reader*. Palgrave Macmillan, New York. https://doi.org/10.1007/978-1-349-73299-9_4
- [45] Penrose, E. (1995). *The Theory of the Growth of the Firm*. Oxford University Press, New York
- [46] Pirson M. and Livne-Tarandach R. (2020) Restoring Dignity with Open Hiring: Greyston Bakery and the Recognition of Value. *Rutgers Business Review*, Vol. 5, No. 2.
- [47] Peredo, A. M., & McLean, M. (2006). Social entrepreneurship: critical review of the concept. *Journal of World Business*, 41, 56 – 65.
- [48] Robinson, J. (2006). Navigating social and institutional barriers to markets: How social entrepreneurs identify and evaluate opportunities. In J. Mair, J. Robinson, & K. Hockerts

- (Eds.), Social entrepreneurship. Basingstoke, UK: Palgrave Macmillan
- [49] Saebi, T., Foss N.J., and Linder S., (2019). Social entrepreneurship research: Past achievements and future promises *Journal of Management*, 45 (1), pp. 70-95,
- [50] Shockley, G.E. and Frank P.M. (2011) Schumpeter, Kirzner, and the Field of Social Entrepreneurship, *Journal of Social Entrepreneurship*, 2:1, 6-26
- [51] Short, J. C., Moss, T. W., and Lumpkin, G. T. (2009). Research in social entrepreneurship: Recent challenges and future opportunities. *Strategic Entrepreneurship Journal*, 3, 161–194
- [52] Tracey, P., Phillips, N., and Jarvis, O. (2011). Bridging institutional entrepreneurship and the creation of new organizational forms: A multilevel model. *Organization Science*, 22:1, pp. 60–80
- [53] Van Praag, C. M. (1999). Some classic views on entrepreneurship. *Economist*, 147(3), 311-335.
- [54] Waddock, Sandra and James E. Post. (1991). "Social Entrepreneurs and Catalytic Change." *Public Administration Review*, 51:5, 393-401
- [55] Worsham, E.L. (2012), "Reflections and insights on teaching social entrepreneurship: an interview with Greg Dees", *The Academy of Management Learning and Education*, Vol. 11 No. 3, pp. 442-452.
- [56] Wyke, M., and Eager A. (2007, October 4) KIPP schools co-founder sees growth potential. *Tulsa World* . https://tulsa-world.com/archive/kipp-schools-co-founder-sees-growth-potential/article_2ca5a767-0669-5b3c-84ce-76ae4a9dc353.html Retrieved 29/11/2021
- [57] Young, R. (2006). "For What It is Worth: Social Value and the Future of Social Entrepreneurship". In A. Nicholls (Ed.). *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford: Oxford University Press, pp. 56-73.
- [58] Young, Dennis R. (1986). "Entrepreneurship and the Behavior of Nonprofit Organizations: Elements of a Theory." in S. Rose-Ackerman, *The Economics of Nonprofit Institutions: Studies in Structure and Policy*, New York: Oxford University Press
- [59] Zahra, S.E., Gedajlovic, E., Neubaum, D. O., & Shulman, J. M. (2009). A typology of social entrepreneurs: Mo-tives, search processes and ethical challenges. *Journal of Business Venturing*, 24(5), 519 –532.