

# Social Entrepreneurship

Entrepreneurship & Small Firms: Lecture 6

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# Learning objectives and overview

To understand:

- what social entrepreneurship is and what social entrepreneurs do
- key drivers of social entrepreneurship
- the complex challenges that social entrepreneurs face and one social innovation model as a potential solution, illustrated through the use of a case example (REAL project, Inverness)

# Learning objectives and overview

To consider:

- some critiques of social entrepreneurship
- some research implications
- social entrepreneurship as a career option

# Course booklet

- The growth of social enterprises. Small enterprises until recently were seen purely as profit motivated organisations with an owner manager or owner managed team. It has been realised that **entrepreneurship can also be important in the public sector or non-profit charity sector**. There are many small social enterprises emerging, encouraged by Government as **a useful complement to Government activities to improve social welfare and wellbeing**.

# What is Social Entrepreneurship and what do social entrepreneurs do?



- In your groups discuss the examples of the Edinburgh-based social enterprises you have discovered

# Some local examples

- Social Enterprise Edinburgh <http://www.go4see.info/>
- Social Entrepreneur Network Scotland (Senscot):  
<http://www.senscot.net>
- First Port: <http://www.firstport.org.uk/>
- Forth Sector: <http://www.forthsector.org.uk/>
- Local People Leading: <http://www.localpeopleleading.co.uk/>
- Greener Leith: <http://www.greenerleith.org/>

# Some local examples

- Melting Pot: [www.themeltingpotedinburgh.org.uk](http://www.themeltingpotedinburgh.org.uk)
- Scottish Music Group: <http://www.scotsmusic.org/>
- Waste Innovations Portal:  
<http://www.wasteinnovations.com/portal.php>
- **Real Education Active Lives (REAL):**  
<http://www.glinet.org/inspiredetail.asp?id=2887&Catl>

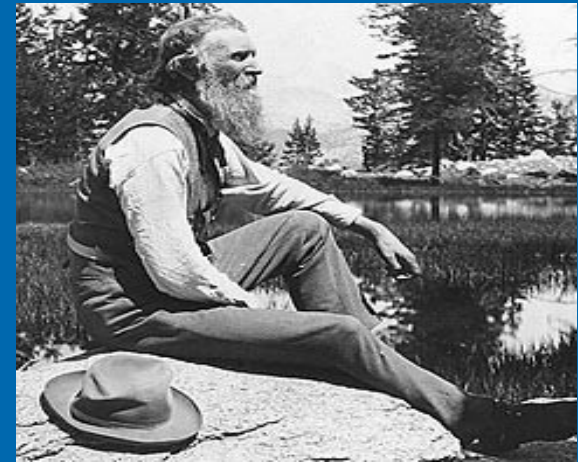
# Social entrepreneurship videos

- <http://video.google.co.uk/videoplay?docid=3436222252046327&hl=en>
- [http://www.youtube.com/watch?v=wu\\_K9T](http://www.youtube.com/watch?v=wu_K9T)



# More examples of Social Entrepreneurs

- Not new – many historical examples of people who have acted to change economic and social systems dramatically
- Also many modern examples:  
[www.pbs.org/opb/thenewheroes/meet](http://www.pbs.org/opb/thenewheroes/meet)



# More examples of Social Entrepreneurs



- Muhammed Yunus:  
Project: Grameen Bank ('village' bank: micro credit system)  
Location: Bangladesh



- Dr. Govindappa Venkataswamy ("Dr. V.") & David Green  
Project: Aravind Eye Hospital and Aurolab  
Location: Madurai, India, Nepal and United States

# More examples of Social Entrepreneurs



- Dina Abdel Wahab:  
Project: The Baby Academy  
(Early Childhood Education)  
Location: Cairo, Egypt



- Albina Ruiz:  
Project: Ciudad Saludable  
(Community waste  
collection)  
Location: Peru

# International organisational examples: Ashoka



- <http://www.ashoka.org/>
- **Ashoka is the global association of the world's leading social entrepreneurs**—men and women with system changing solutions for the world's most urgent social problems
- Since 1981, Ashoka has elected over 1,800 leading social entrepreneurs as **Ashoka Fellows**, providing them with living stipends, professional support, and access to a global network of peers in more than 60 countries



# International organisational examples: Social Enterprise World Forum

- Aim: 'to advance social enterprise development throughout the world'

Delivered in Sept. 2008 in partnership with:

- The Scottish Government
- The Social Enterprise Alliance (USA), Highlands and Islands Enterprise
- Social Ventures Australia
- Scottish Enterprise
- The Social Enterprise Coalition
- Office of the Third Sector (UK)
- Enterprising Non-Profits (Canada)
- Department for International Development, Social Investment Scotland

<http://www.ceis.org.uk/index.php?render&p=42>





# International organisational examples: Net Impact


- Net Impact is a global network of leaders who are changing the world through business
- <http://www.netimpact.org/>



# What is social entrepreneurship and what do social entrepreneurs do?

- Entrepreneurship is usually discussed in a business context
- Creative pursuit of private profit and gain underpins entrepreneurship
- Since early 1990s there has been recognition that entrepreneurs can operate for non private gain
- Such individuals are called **social entrepreneurs** and what they practice is called **social entrepreneurship**

# What is social entrepreneurship and what do social entrepreneurs do?

- Not just philanthropy / good works / basic altruism
  - Mobilisation of **sound entrepreneurial principles**
  - Targeted at making **long-term sustainable change**
  - **Double or triple bottom line objectives**
- 



# What is social entrepreneurship and what do social entrepreneurs do?

- Usual problems of definition ....
- ...there are many definitions of:
  - social entrepreneurship
  - social entrepreneurs
  - social enterprises

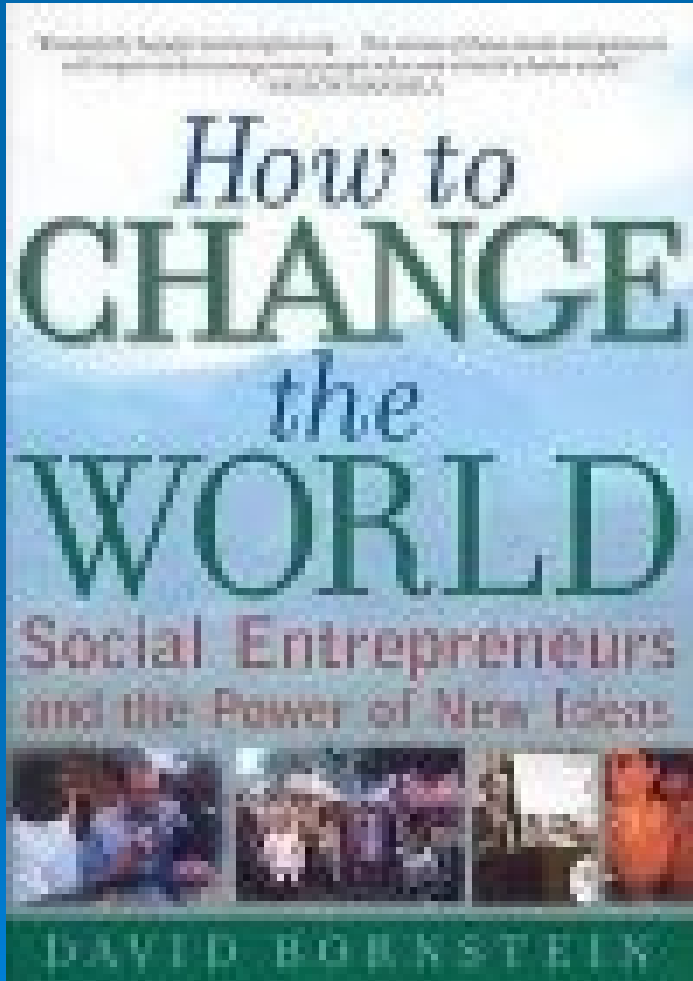
# What is social entrepreneurship and what do social entrepreneurs do?

*‘Social entrepreneurs are not content to just give a fish or teach how to fish. They will not rest until they have revolutionised the fishing industry.’*

Bill Drayton, CEO, Chair and founder of Ashoka



# What is social entrepreneurship and what do social entrepreneurs do?



*'Social entrepreneurs identify resources where people only see problems. They view the villagers as the solution, not the passive beneficiary. They begin with the assumption of competence and unleash resources in the communities they're serving.'*

David Bornstein, author of  
How to Change the World:  
Social Entrepreneurs and the  
Power of New Ideas

# What is social entrepreneurship and what do social entrepreneurs do?

*“Social entrepreneurship is the process of recognizing and resourcefully pursuing opportunities to create social value. Social entrepreneurs are innovative, resourceful, and results oriented. They draw upon the best thinking in both the business and non-profit worlds to develop strategies that maximize their social impact.”*

*These entrepreneurial leaders operate in all kinds of organizations: large and small; new and old; religious and secular; non-profit, for-profit, and hybrid. These organizations comprise the ‘social sector’.”*

<http://www.fuqua.duke.edu/centers/case/about/whatisocialentrepreneurship/>

# What is social entrepreneurship and what do social entrepreneurs do?

*“Social entrepreneurs are unreasonable people. They are the **mavericks** who refuse to accept the status quo. They look at the world, are dissatisfied with what they see, and resolve to change it. They are **both dreamers and doers**; imagining a brighter future and setting about making that dream into a reality. They are **true entrepreneurs**; **innovators** who are **passionate and resourceful**, who are prepared to **take risks** and who **apply their energy, drive and ambition to effecting social change in Ireland.**”*

<http://www.socialentrepreneurs.ie/pages/social-entrepreneurs.php>



# What is social entrepreneurship and what do social entrepreneurs do?

- “A social entrepreneur identifies and solves social problems on a large scale. Just as business entrepreneurs create and transform whole industries, social entrepreneurs act as the change agents for society, seizing opportunities others miss in order to improve systems, invent and disseminate new approaches and advance sustainable solutions that create social value.”

<http://www.pbs.org/opb/thenewheroes/whatis/>

# DRIVERS OF SOCIAL ENTREPRENEURSHIP



# Key social entrepreneurship drivers

- **Social issues** inadequately addressed by government
- Need to raise **funds for charities**
- **Changing public sector**
  - budget cuts require new revenue streams
  - change rather than good stewardship leads to promotion
- Growing demand for **corporate social responsibility** and **ethical entrepreneurship**



# SOCIAL ENTREPRENEURSHIP CHALLENGES

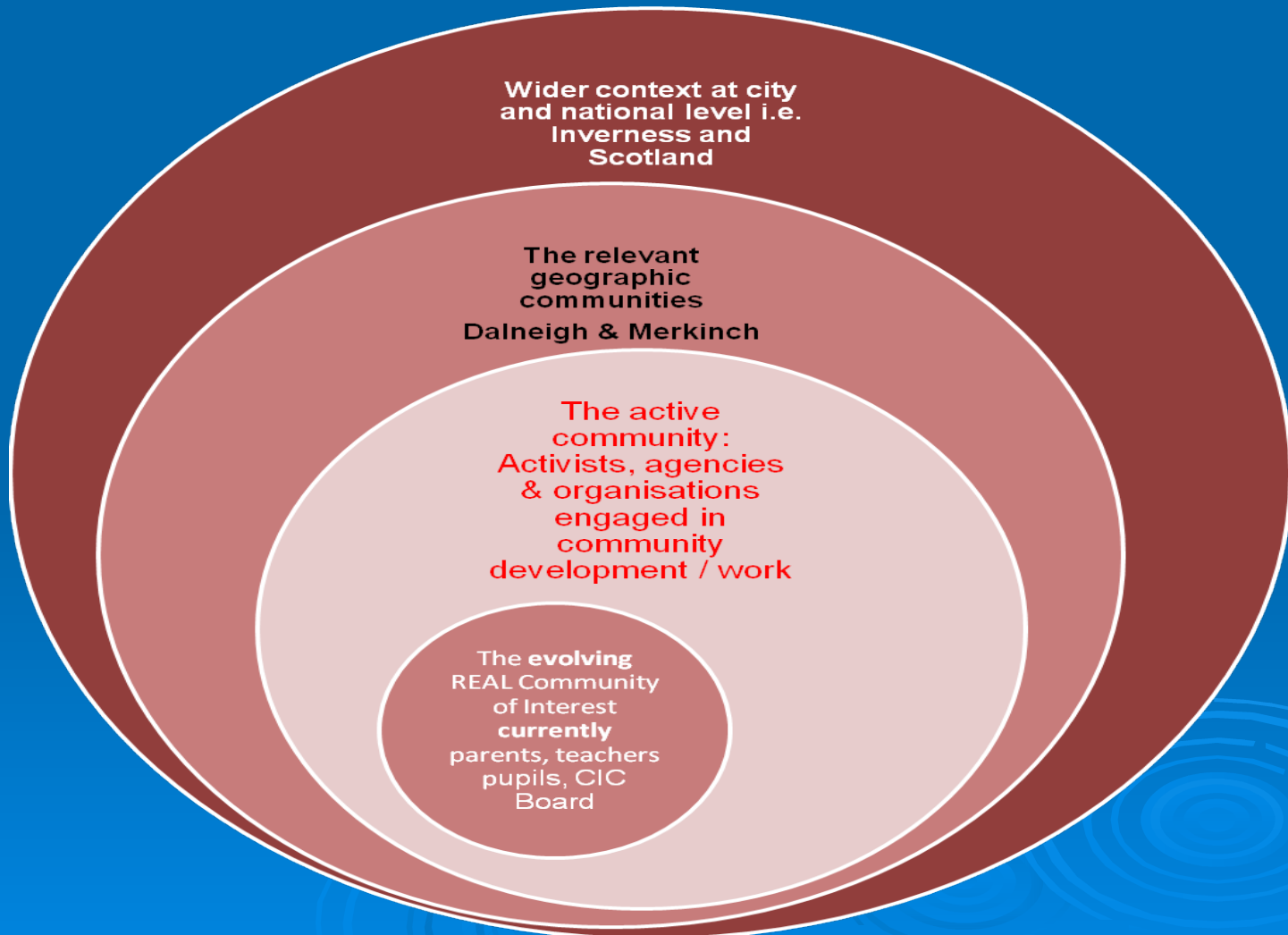


# Case Example: REAL project

- Real Education Active Lives (REAL)
- Inverness High School
- Real Food
- REAL Place:  
multi-purpose community building with a focus on developing employment and life skills for young people



# REAL Community

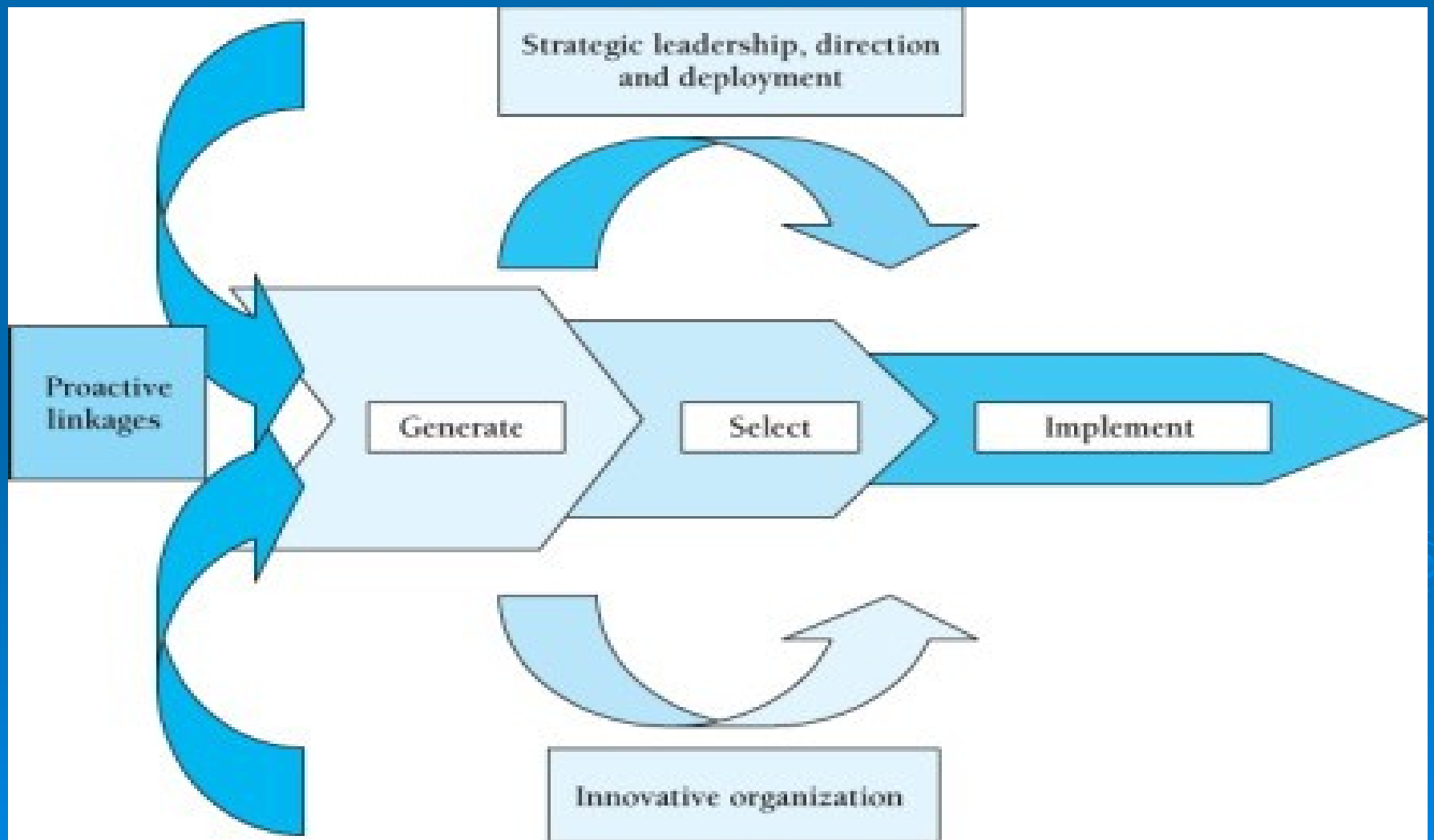


# Case Example: REAL

## Key challenges


- strong encouragement of pupil, parent and wider **community ownership**
- ongoing development and strengthening of REAL's position as an **innovative organisation** within an innovative school that can provide effective outreach to the wider community
- the formation of **rich networks** and strategic partnerships
- **strategic leadership**, direction and deployment
- the further development and launch of an effective **marketing & communication strategy**

# A model for managing innovation (Bessant & Tidd, 2007, p.20)




# Social enterprise challenges


(Bessant & Tidd, 2007)

- Search for opportunities
  - Strategic selection
  - Implementation
  - Innovation strategy
  - Innovative organisation
  - Rich linkages
- 

# “How to” guide for Social Entrepreneurs (Bessant & Tidd, 2007)

- Spot a **gap in the market** and try to fill it
  - **Be clear** why you want to do it
  - Develop **networking abilities**
- 
- The background of the slide features several decorative elements consisting of concentric circles in a lighter shade of blue, resembling ripples in water. These circles are positioned in the lower right and bottom center areas of the slide.

# “How to” guide for Social Entrepreneurs (Bessant & Tidd, 2007)

- Be good at **spotting and reusing resources** that are underused or abandoned (e.g. buildings and open spaces)
  - **Make mistakes and learn from them**
  - **Manage the cash flow**
- 
- The background of the slide is a solid blue color. In the lower right quadrant, there are several sets of concentric circles, resembling ripples in water, rendered in a lighter shade of blue. These circles are of varying sizes and are arranged in a way that suggests movement or a series of events.



# “How to” guide for Social Entrepreneurs (Bessant & Tidd, 2007)

- Use ‘viral’ marketing i.e. word of mouth via the Internet and mobile technologies
- Identify your skill needs and map your existing and required network:
  - Management
  - Financial
  - Sales and marketing
  - Production
  - Distribution
  - Service
- Get an expert to review your plan

# CRITIQUES OF SOCIAL ENTREPRENEURSHIP



# Critiques of social entrepreneurship

- The idea of people spotting and pursuing opportunities within public and social contexts, and making a significant impact on society, is a powerful one, but **how useful is it?**
- **Almost any form of human achievement** could be labelled as **social entrepreneurship**
- Social entrepreneurship and **social engineering** are closely related?
- **Sinister motives** can underlie apparent philanthropy

(Professor Peter Rosa lecture notes, The University of Edinburgh, 2008)

# Critiques of social entrepreneurship

## ➤ Inherent tensions within the social entrepreneurship model:


- Social entrepreneur as hero can ignore vital community involvement
- Depoliticalisation of social problems – effective social entrepreneurs can let governments ‘off the hook’
- ‘Selling out’ if social action = business processes
- Constant strategic focus on innovation and change can lead to overvaluation of potentially short-term objectives
- Tendency to seek high-impact interventions can lead to unsustainable project-based approach

(Carter & Jones-Evans, 2006)

# SOME RESEARCH IMPLICATIONS



# Some research implications

- **New organisational models** and ways of working are developing
  - Thus, potential contribution of social entrepreneurship to **organizational theory and practice**
  - **Scope for interdisciplinary research** e.g. Entrepreneurship, Innovation, Community Development, Urban and Rural Regeneration, Regional Development, Leadership, Change Management etc.
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# Future career path?



# Future career path?

*“The idea of social entrepreneurship has struck a responsive chord. It is a phrase well suited to our times. It combines the passion of a social mission with an image of business-like discipline, innovation, and determination commonly associated with, for instance, the high-tech pioneers of Silicon Valley. The time is certainly ripe for entrepreneurial approaches to social problems. Many governmental and philanthropic efforts have fallen far short of our expectations. Major social sector institutions are often viewed as inefficient, ineffective, and unresponsive. Social entrepreneurs are needed to develop new models for a new century.”*

<http://www.fuqua.duke.edu/centers/case/about/whatisocialentrepreneurship/>



# SUMMARY



# Summary

- Social entrepreneurship =
  - New paradigm of social value creation
  - Reflects a dynamic revolution in the social sector and its importance is being increasingly recognised in the corporate sector
- ‘Social entrepreneurs’ recognise social problems and use traditional entrepreneurial principles
- Complex challenges e.g. triple bottom line objectives

# Summary

- Requires learning and absorbing a **new set of skills for managing innovation** along with current management thinking:
  - Identify and engage a wide range of stakeholders
  - Understand and meet their very diverse expectations
  - Mobilise resources across networks
  - Build coalition of support for socially valuable ideas

# Summary

- Various critiques of social entrepreneurship
- Nevertheless, social entrepreneurship appears to be pioneering extraordinary changes in the social fabric of many communities worldwide
- Generates benefits through the creation of
  - social capital
  - improved and more efficient provision of public goods
  - Establishment of new 'hybrid' business forms

# Reading



# Key Reading

- Bessant, J. and Tidd, J. (2007) *Innovation and Entrepreneurship*, **Chapter 9**, Wiley
- Carter, S. and Jones-Evans, D. (2006) *Enterprise and Small Business: Principles, Practice and Policy*, 2<sup>nd</sup> edition, **Chapter 12**, FT Prentice Hall

# Further reading

- Andresen, K. (2006) *Robin Hood Marketing: Stealing Corporate Savvy to Sell Just Causes*, Jossey-Bass
- Bornstein, D. (2004) *How to Change the World: Social Entrepreneurs and the Power of New Ideas*. Oxford University Press
- DH (2006) *Welcoming social enterprise into health and social care – a resource pack for social enterprise providers and commissioners*

<http://www.library.nhs.uk/healthmanagement/ViewResource.aspx?re>

- Mair, J., Robinson, J. & Hockerts, K. (eds.) (2006) *Social Entrepreneurship*, Palgrave
- McLaughlin, K. *et al.* (eds.) (2006) *New Public Management*, Routledge

# Further reading

- Sachs, J. (2005) *The End of Poverty: How we can make it happen in our lifetime*. Penguin
- Schumacher, E.F. (1993) *Small is Beautiful*, Vintage
- Schumpeter, J. (1950) *Capitalism, Socialism and Democracy*. Harper & Row, New York
- Sirolli, E. (2006) *Ripples from the Zambezi*, New Society Publishers
- Thake, S. (1995) *Staying the Course: The Role and Structures of Community Regeneration Organisations*, Joseph Rowntree Foundation, York
- Thompson & Doherty (2006) The diverse world of social enterprise: A collection of social enterprise stories, *International Journal of Social Economics*, 33(5/6):361-375



# Online resources

- Centre for Social Innovation: <http://socialinnovation.ca/>
- Community Action Network: [www.can-online.org.uk/](http://www.can-online.org.uk/)
- Dublin City Enterprise Board:  
<http://www.dceb.ie/knowledge-centre/general-business-issues/entrepreneurs>
- How to change the world: [www.howtochangetheworld.org](http://www.howtochangetheworld.org)
- Grameen Bank: [www.grameen-info.org](http://www.grameen-info.org)
- Harvard University Social Enterprise Initiative:  
<http://www.hbs.edu/socialenterprise/>
- Institute for Social Entrepreneurs: [www.socialent.org](http://www.socialent.org)
- Net Impact: <http://www.netimpact.org/>
- REAL: <http://real-ihs.blogspot.com/>
- Rural Social Enterprise:  
<http://www.socialenterprisemag.co.uk/upload/documents/document11.pdf>
- Said Business School Skoll Centre for Social Entrepreneurship:  
<http://www.sbs.ox.ac.uk/skoll/>
- School for Social Entrepreneurs: <http://www.sse.org.uk/>
- Skoll Foundation: [www.skollfoundation.com](http://www.skollfoundation.com)
- Social Enterprise Coalition: [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)

# Online resources

- Social Entrepreneurs Ireland: <http://www.socialentrepreneurs.ie>
- Social Enterprise Magazine: <http://www.socialenterprisemag.co.uk>
- Social Enterprise Magazine (2008) Corporate leaders make waves with social entrepreneurs. Retrieved November 2008 from:  
<http://www.socialenterprisemag.co.uk/sem/news/detail/index.asp?id=697>
- Social Entrepreneur Network Scotland (Senscot): <http://www.senscot.net>
- Stanford University Centre for Social Innovation:  
<http://www.gsb.stanford.edu/csi/>
- Stanford University's Entrepreneurs website: <http://edcorner.stanford.edu>
- Stanford Social Innovation Review: [www.ssireview.org/](http://www.ssireview.org/)
- Stanford University's Entrepreneurs website: <http://edcorner.stanford.edu>  
(has video links of social entrepreneurs discussing their projects)
- Times Online article:  
[http://business.timesonline.co.uk/tol/business/related\\_reports/social\\_entrepre](http://business.timesonline.co.uk/tol/business/related_reports/social_entrepre)
- The New Heroes: <http://www.pbs.org/opb/thenewheroes>
- The Trinity College Dublin Centre for Nonprofit Management:  
<http://www.cnm.tcd.ie/>
- UnLtd: <http://www.unltd.org.uk/>
- Wind up radio: [www.freeplayenergy.com](http://www.freeplayenergy.com)