7. Structuring the field of social entrepreneurship: a transatlantic comparative approach

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INTRODUCTION

During recent years, social entrepreneurship has been receiving greater recognition from the public sector, as well as from scholars (Styrjan, 2006; Weerawardena and Sullivan Mort, 2006). Encouraging social initiatives has been on our governments' agenda for a while. European policy makers claim the importance of social enterprises as 'they not only are significant economic actors, but also play a key role in involving citizens more fully in Society and in the creation and reproduction of social capital, by organizing, for example, opportunities for volunteering' (European Commission, 2003). Consequently, several European states have created specific legal forms for this kind of initiatives. On the other hand, famous business schools all around the world have created centres for research and education programmes in social entrepreneurship. So far, academic research in social entrepreneurship 'has largely been focused on defining what it is and what it does, and does not, have in common with commercial entrepreneurship' (Nicholls, 2008: 7).

No doubt that this growing interest toward social entrepreneurship partly results from its innovativeness in treating social problems that are becoming more and more complex (Johnson, 2000; Thompson et al., 2000). Some academic scholars see it as a way of creating community wealth (Wallace, 1999) while others consider it as a means to relieve our modern society from its illnesses (Thompson et al., 2000), such as unemployment, inequalities in the access to health care and social services (Catford, 1998), squalor, poverty, crime, privation or social exclusion (Blackburn and Ram, 2006). It can also be considered as a means to subcontract public services or as a means to improve these services without increasing the state's intervention (Cornelius et al., 2007). Moreover, this innovative entrepreneurial practice bears the advantage of blurring...
traditional boundaries between private and public sectors, giving birth to hybrid enterprises (Johnson, 2000; Wallace, 1999) guided by strategies of double value creation – social and economic (Alter, 2004).

A consensus has thus emerged according to which understanding social entrepreneurship is important (Weerawardena and Sullivan Mort, 2006; Dees, 1998a). However, this concept has long remained poorly defined and its boundaries with other fields of study remain fuzzy (Mair and Marti, 2006). Therefore, this chapter has three objectives. The first objective is to clarify the three main concepts of the field: 'social entrepreneurship' (seen as a process), 'social entrepreneur' (as an individual) and 'social enterprise' (as an organization), since these three notions have been used interchangeably to express the same idea. To that end, we will review the literature from an analytical and critical perspective. The second objective of this chapter is to determine to what extent these concepts differ from traditional or commercial entrepreneurship/entrepreneur/enterprise. If an organization devotes part of its income to a social cause, we cannot necessarily speak of social entrepreneurship. The same holds for all non-profit organizations that adopt managerial practices (Mair and Marti, 2004). Therefore, a person who is in charge of the management of an organization that acts in the social, voluntary or community fields will rather be called 'social enterprise manager' because a social entrepreneur has to meet the entrepreneurial condition (Brouard, 2007). Finally, several approaches of social entrepreneurship seem to emerge. Their differences could be due to their geographical origin. Because Europe and the United States consider the government's role from different perspectives, we assume that both sides of the Atlantic consider the role of social entrepreneurship differently. Consequently, we presuppose that each side focuses on particular elements, such as the individual features or the collective aspects of the initiative. Therefore, the third objective of this chapter is to identify the different schools of thought and practices on both sides of the Atlantic and to determine whether there is a transatlantic divide in the way of approaching social entrepreneurship.

This chapter is organized as follows. The first section presents the practical and academic background of social entrepreneurship as a field of research. In the second section, our method for reviewing the literature is explained. The third section of this chapter presents and discusses the results of our literature review. Finally, the fourth section examines whether there is a transatlantic divide in the way of approaching and defining social entrepreneurship, the social entrepreneur and the social enterprise.

In the next section, we show how social entrepreneurship can learn from the development of entrepreneurship as a legitimate field of research.

1. FROM SOCIAL ENTREPRENEURSHIP TO A PRACTICAL AND RESEARCH PERSPECTIVE

Social entrepreneurship has a long heritage and attention for a few years, but research on the topic (Weerawardena and Light, 2005), the term, in the late 1990s (Mair et al., 2000; Bornstein, 2007), and social enterprises were used in Europe, especially in the UK (SSE, 2002) and the US, before the social enterprise named EM network, namely EM.

From an academic perspective, it is evident that the emerging field overlaps and is similar to the social entrepreneurship field. First, social entrepreneurship is closer to social entrepreneurship in the field of social entrepreneurship, which has a similar outcome of the debate on what a social enterprise is (2001) and Shane and Kolvereid (2003) refer to it as a lack of a unifying parameter. Second, Gartner (1988) tackles social entrepreneurship just a label of some particular social field, which can be identified with the base and base of Audretsch's (2003) distinctive field of research. Indeed, this lack of a unifying parameter can make the definition of social entrepreneurship a field in itself. In the next section, we show how social entrepreneurship can learn from the development of entrepreneurship as a legitimate field of research.
Structuring the field of social entrepreneurship

1. FROM SOCIAL ENTREPRENEURSHIP AS A PRACTICE TO A LEGITIMATE FIELD OF RESEARCH

Social entrepreneurship practitioners have always existed, everywhere around the world (Roberts and Woods, 2005). Nevertheless, if social entrepreneurship as a practice is far from being new and benefits from a long heritage and a global presence, it has been attracting researchers’ attention for a few years only (Dearlove, 2004). Apart from isolated early research on the topic (Waddock and Post, 1991 and Young, 1986, cited in Light, 2005), the term ‘social entrepreneurship’ emerged, in the academic world, in the late 1990s in the United States (Drayton, 2002; Thompson et al., 2000; Bornstein, 1998; Dees, 1998a; Boschee, 1995) and in the United Kingdom (SSE, 2002; Leadbeater, 1997). In Europe, social enterprises have begun to attract our governments’ attention. The concept of ‘social enterprise’ appeared for the first time in the late 1980s in Italy (Defourny, 2001). Since the mid-1990s, this concept has been more and more widely used in Europe, especially thanks to the works of a European research network, namely EMES.3

From an academic point of view, numerous authors agree on the fact that the emerging field of research in social entrepreneurship shows three similarities with the field of entrepreneurship research in its early days. First, social entrepreneurship research is still phenomenon-driven (Mair and Marti, 2006). As has been the case for the field of entrepreneurship, social entrepreneurship initiatives have first developed among practitioners before attracting researchers’ attention. Second, Bruyat and Julien (2001) and Shane and Venkataraman (2000), among others, regretted the lack of a unifying paradigm in the field of entrepreneurship. In his seminal article, ‘What are we talking about when we talk about entrepreneurship?’, Gartner (1988) tackled important questions such as ‘has entrepreneurship become a label of convenience with little inherent meaning?’ or ‘is entrepreneurship just a buzzword, or does it have particular characteristics that can be identified and studied?’. This fuzziness brought up Acs and Audretsch’s (2003) question of whether entrepreneurship constitutes a distinctive field of research or a discipline-based research. Filion (1997) moderated this lack of consensus in the field of entrepreneurship regarding the definition of the entrepreneur and the parameters that constitute the paradigm. Indeed, from the reverse point of view, entrepreneurship remains one of the rare topics that attract specialists from a lot of diverse disciplines. Consequently, any researcher is influenced by the premises of their own discipline in considering and defining the entrepreneur. Similarly, one can regret that the absence of a unifying paradigm in the
field of social entrepreneurship has led to the proliferation of definitions (Dees, 1998a). 'Is social entrepreneurship a distinctive field of research?', Mair and Marti (2006) ask, or is it based on other disciplines? According to Dees and Battle Anderson (2006), attracting the interest of researchers from other disciplines will be both a source of legitimacy and of new knowledge. Let us stress that interdisciplinarity played a key role in the evolution of entrepreneurship, coming from a marginal field of research to a respected one (Dees and Battle Anderson, 2006). Third, academic research in social entrepreneurship is still at the infancy stage (Dees and Battle Anderson, 2006; Dorado, 2006), as the entrepreneurship field was some years ago (Brazael and Herbert, 1999). Entrepreneurship within the field of management sciences had then been characterized as a pre-paradigmatic field (Verstraete and Fayolle, 2004). Social entrepreneurship does not currently bear the explanatory or prescriptive theories that characterize a more mature field of research (Dees and Battle Anderson, 2006).

One can conclude that social entrepreneurship, considered as a sub-theme of entrepreneurship, shows the same weaknesses as the latter at its beginning. That leads us to think that research in the field of social entrepreneurship could replicate the theoretical evolution of its parent-field, entrepreneurship. Therefore, even if the field of entrepreneurship has suffered from the lack of a federating paradigm, research has progressed and, today, some paradigms exist. Entrepreneurship is now recognized as an academic field (Bruyat and Julien, 2001) and has an important scientific community that has produced a significant body of research (Acs and Audretsch, 2003; McGrath, 2003). Indeed, the entrepreneurship field has managed to go beyond the infancy stage to reach the adolescence stage.

However, one could push the argument further and consider entrepreneurship as a sub-field of social entrepreneurship. Verstraete and Fayolle (2004) suggested that four paradigms can be used to delimit the field of entrepreneurship: the paradigm of business opportunity, the paradigm of venture creation, the paradigm of innovation and the paradigm of value creation. If we focus on the last one, it imports to discuss the definition of value. The value created by the entrepreneurial act is more than monetary since almost all ventures create at least some social value. A simple example is that any entrepreneurial process is at the source of job creation even if it is only the entrepreneur's job. Given this definition, entrepreneurship could be considered as being social by essence.

To progress in a new field of research, a clear definition is one of the key issues (Christie and Honig, 2006). As mentioned above, social entrepreneurship, as a very complex idea that carries around a wide range of beliefs and different meanings attached to it, lacks an agreed-upon definition. Therefore, an in-depth analysis of the literature could be useful to identify convergences, as well as divergences and interpretative frameworks. The next section presents a literature review.

2. LITERATURE REVIEW

Given the various background of scholars in this multidisciplinary topic, it is important to highlight the common points of definition under which 'social entrepreneurship' is taken to discover, develop and create social wealth by creating something new in an innovative manner.

However, this chapter presents the two classification models and a review on social entrepreneurship used by Brush et al. (2001). Social entrepreneurship is the entrepreneurial activity in the entrepreneurs' pursuit of social change that is, socially conscious, and geographical origin, and the processes involved in the understanding of social entrepreneurship.

First, let us look at the different definitions that have emerged and that presents them.

2.1 The Geographical Origin

Attempts to understand the geographical and organizationally concentrated character of social entrepreneurship, and the research publications has been undertaken by many American scholars have provided a map of social entrepreneurship which divide between Europe and the Third Sector tradition.
convergences, as well as divergences, in publications on social entrepreneurship. The next section presents the criteria we used to conduct such a literature review.

2. LITERATURE REVIEW CRITERIA

Given the various backgrounds and the numerous perspectives used by scholars in their study of social entrepreneurship, literature reviews on the topic have begun to flourish in academic journals and book chapters. For instance, Zahra et al. (2009) recently defined the concept. Acknowledging the complexity induced by the 'breadth of the scholarly communities studying the subject', they listed 20 definitions or descriptions of the phenomenon. Their ambition was not to end up with a statement that encompasses all the dimensions covered in the different approaches but to gather the common points of view. Zahra et al. (2009: 522) therefore suggest that 'social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner'.

However, this chapter distinguishes itself from those pieces of work by the two classification criteria we used in order to systematize our literature review on social entrepreneurship. Indeed, following the methodology used by Brush et al. (2008) in their literature review of the outcome variable in entrepreneurship research, we classified research by main themes in the entrepreneurship literature, and looked at the differences in these by geographical origin of the publication. By doing so, we try to deepen the understanding of social entrepreneurship by distinguishing the process of social value creation from the individual or the organization.

First, let us look at the different approaches of social entrepreneurship that have emerged according to their geographical origin. The next section presents them.

2.1 The Geographical Criterion

Attempts to understand social entrepreneurship have been geographically concentrated on both sides of the Atlantic. In Europe the focus of publications has been more on social enterprises and legal forms, whereas American scholars have restricted their study of social entrepreneurship to social entrepreneurs and non-profits' ways of funding. This geographical divide between Europe and the United States can be explained by different Third Sector traditions. Indeed, from a European perspective, the Third
Sector can be viewed as the private, not-for-profit sector and encompasses a large variety of organizations that generally include cooperatives and related enterprises, mutual societies as well as voluntary associations (De Fourny and Nyssens, 2008). On the other hand, the American view of the Third Sector is restricted to the associative, non-profit world, that is all organizations that impose a strict prohibition of profit distribution to all persons who own or work in the organization. All profits must be reinvested in the organization’s social purpose. Hence, cooperatives, in the heart of the European conception of social entrepreneurship, are excluded from the American perspective, as they do distribute profit – even in a limited way.

More precisely, two independent streams of thought have investigated the nature of social entrepreneurship in the United States, according to Dees and Battle Anderson’s (2006) typology. Both schools have emerged in their own particular context and focus on particular aspects of social entrepreneurship. The American Social Innovation School of thought focuses on the establishment of new and better means to tackle social problems or to satisfy social needs. Although many people contributed to the birth of the Social Innovation School, one person and his organization were its driving force: Bill Drayton and Ashoka (Dees and Battle Anderson, 2006). Ashoka was created in 1980 in order to search and bring support to outstanding individuals with ideas for social change. Nevertheless, the term ‘social entrepreneur’ was not used before the mid-1990s as a substitute for the expressions ‘innovator for the public sector’ or ‘public entrepreneur’ which were used before. Since then, many other organizations supporting social entrepreneurs have appeared. These organizations also promote the development of social entrepreneurs’ networks and build structures facilitating their access to funds. On the other hand, the American Social Enterprise School of thought focuses on income generation in conducting a social mission. Among the pioneering initiatives of this movement, New Ventures, a consultancy company specialized in the Third Sector, was founded in 1980. The growing interest of non-profit organizations for new financial sources – the traditional ones being grants and subsidies – motivated its creation. Other important initiatives emerged with the aim of professionalizing social enterprises through sharing best practices.

In Europe all approaches gather around the Third Sector and ‘social enterprises’ even though some national differences remain in terms of field of activities, statutes or modes of governance of social enterprises. Two types of definitions have been established. On the one hand, conceptual definitions have been given by international organizations, such as the OECD and the EMES Network, among others. On the other hand, legal definitions have been established in a specific national context. Moreover, the EMES Network, taking the different European perspectives. From a thematic perspective, from the classical literature, the criteria relative to the 2.2 The Thematic Criteria

First, Peredo and McLean (2005) argue that entrepreneurship is a social concept in the sense that entrepreneurs can become entrepreneurs if they believe in a particular individual and consists in acting on the world. In the literature, entrepreneurship is often defined as an individual act, whereas, according to Peredo and McLean (2005), it can be a way of differentiating social initiatives (Dees and Anderson, 2002).

Second, two dynamic characteristics of entrepreneurship, related to the social entrepreneurship. The first is the identification of social entrepreneurship, as a social phenomenon involving the approaches of social entrepreneurship, the intensity of the social entrepreneurship approach, the intensity of the link between the social and the entrepreneurial income.

Third, following a trend in previous authors, the social entrepreneurship is presented as a concept that has a legal form of the social enterprise. However, it is not of profit or not of profit.
definitions have been set up by national governments in order to establish clear norms. Conceptual definitions bear the advantage of not being rooted in a specific national legislation and, therefore, are more neutral. Moreover, the EMES Network's broad approach bears the advantage of taking the different European national realities into account. We will use this last perspective in our comparison of the European and American perspectives. From a thematic point of view, three main themes have emerged from the classical literature on entrepreneurship. The next section discusses the criteria relative to the individual, the process and the organization.

2.2 The Thematic Criterion

First, Peredo and McLean (2006) make the hypothesis that defining social entrepreneurship is logically linked to the definition of the entrepreneur in the sense that entrepreneurship is 'what entrepreneurs do when they become entrepreneurs'. Therefore, our first criterion focuses on the individual and consists in identifying similarities and differences among scholars, in the way they weight the importance of the social entrepreneur's role in social entrepreneurship. Following an indicative approach (Casson, 1982), some scholars focused on the motivations of the founder of the social initiative, as well as on his/her particular features. As in the entrepreneurship field of research, these scholars have defined entrepreneurship solely in terms of 'Who the entrepreneur is' (Venkataraman, 1997) whereas, according to Gartner (1988), this question is not necessarily the right one to ask. The question of 'how does the entrepreneur act?' could be a way of differentiating the social entrepreneurial initiatives from other social initiatives (Dees, 1998b).

Second, two dynamic dimensions emerged from the literature on entrepreneurship, related to what Gartner (1988) called the 'process' of entrepreneurship. The first dimension refers to the goal at the basis of the social entrepreneurial creation. Convergences and divergences between the approaches of social entrepreneurship are measured here in terms of intensity of the social mission. The second issue regards the required intensity of the link between the social mission and the productive activities of the entrepreneurial initiative.

Third, following a functional approach (Casson, 1982), some researchers became interested in the organizational aspect of social entrepreneurship. From our literature review, three main dimensions emerged regarding the social enterprise: the centrality of the concept of 'enterprise'; the legal form of the social enterprise; and, linked to this dimension, the limitation or not of profit distribution.

Other dimensions could be found in the literature. By instance, numerous
scholars (Gartner, 1985; Miller and Friesen, 1982) found that the environment was an important variable to be taken into account when studying entrepreneurship.

These four dimensions – the individual, the process, the organization and the environment – correspond to Gartner’s (1985) framework for studying entrepreneurship.

However, the three variables chosen – the individual, the process and the organization – cover a large part of the issues in social entrepreneurship. The third section of this chapter classifies the American and European scholarship in social entrepreneurship according to these geographical and thematic criteria.

3. ANALYSIS OF THE LITERATURE

For the purpose of our literature review, we have examined the publications of each geographical school regarding the different thematic criteria. As we have seen, some scholars have followed an indicative approach and focused on the motivations of the founder of the social initiative. Let us first examine the importance attached to the personality and role of the social entrepreneur by the different approaches.

3.1 The Individual: The Social Entrepreneur

The social entrepreneur is more or less central to the different schools of thought. The social entrepreneur can be defined as a person whose main objective is not to make profit but to create social value for which he/she will adopt an entrepreneurial behaviour.

The Social Innovation School clearly distinguishes itself from the two others by the importance attached to the individual in its conception of social entrepreneurship. According to this approach, the concept of social entrepreneurship refers to the qualities of innovation (Austin et al., 2006; Mair and Marti, 2004) and creativity of the social entrepreneur in her or his pursuit of opportunities (Weerawardena and Sullivan Mort, 2006; Roberts and Woods, 2005). The main definitions of the social entrepreneur according to this school of thought are compiled in Appendix B. There seems to be an agreement among the Social Innovation School’s scholars on several features of the social entrepreneur. According to this school, social entrepreneurs:

- Adopt a visionary and innovative approach (Roberts and Woods, 2005; Skoll, cited in Dearlove, 2004; Sullivan Mort et al., 2003; De

- Are characterized by a strong ethical fibre (Catford, 1998; Drayton in Bornstein, 1998).
- Show a particular ability to detect opportunities (Sullivan Mort et al., 2003; Thompson et al., 2000; Catford, 1998; Dees, 1998a).
- Play a key role as ‘Society’s change agents’ (Chell, 2007; Sharir and Lerner, 2006; Skoll in Dearlove, 2004; Thompson et al., 2000; Dees, 1998a; Schuyler, 1998). The Schumpeterian definition of the entrepreneur definitely is at the basis of this school’s conception since social entrepreneurs can be considered as individuals who reform or revolutionize traditional production schemes of social value creation in moving resources towards places which offer superior return for society (Dees and Battie Anderson, 2006).
- Without being limited by resources currently at hand; otherwise, they gather them and use these to ‘make a difference’ (Peredo and McLean, 2006; Sharir and Lerner, 2006; Thompson et al., 2000; Dees, 1998a; Schuyler, 1998).

To sum up, according to this view, the social entrepreneur is a visionary individual who is able to identify and exploit opportunities; to leverage the resources necessary to the achievement of his/her social mission and to find innovative solutions to social problems of his/her community that are not adequately met by the local system.

However, the centrality of the individual figure in the Social Innovation School does not mean that other approaches of social entrepreneurship do not pay any attention at all to the social entrepreneur although for the Social Enterprise School and the EMES Network, social entrepreneurship is a more collective action. For the former, the initiative must come from a non-profit organization or from the state. Here, the social entrepreneur plays a secondary role as the one who organizes and manages social-purpose activities. Nicholls (2008: preface, p. xii) very recently wrote that the focus on ‘hero entrepreneurs’ is ‘effectively the tip of a socially entrepreneurial iceberg [...] most social entrepreneurship is in reality the product of groups, networks, and formal and informal organisations’.

The EMES approach does not exclude the possibility for some leader or charismatic entrepreneur to play a key role in the enterprise, but generally these persons are supported by a group whose members are responsible for the public benefit mission of the social enterprise (Defouny and Nyssens, 2006). But in the European perspective in general, social entrepreneurship
is more a collective action, 'where the social entrepreneur is embedded in a network of support/advice that helps this new way of entrepreneurship succeed' (Hulgard and Spear, 2006: 88–9). Spear (2006) argues that individualistic entrepreneurship in worker cooperatives is rather the exception than the rule. For the EMES Network, the social enterprise is an initiative that comes from a group of citizens – what Hulgard (2008) calls the 'active citizenship' – self-help dynamics, public–associative partnerships, and so on (Defourny, 2004). Moreover, research about community entrepreneurship (Johannisson and Nilsson, 1989; Stöhr, 1990) attests to the collective aspect usually ascribed to entrepreneurship in Europe.

Being of first or second importance depending on the school of thought, the social entrepreneur seems to bear several features. Nevertheless, one could ask whether these features are specific to social entrepreneurs. What defines an element is a set of peculiar characteristics that enable it to be distinguished from other elements, be they commercial entrepreneurship or other non-entrepreneurial social activities. Therefore, a comparative approach is essential in the process of defining a field and its core concepts.

Despite all these attempts to define social entrepreneurs, it seems that they share many characteristics with 'commercial' entrepreneurs: they have the same focus on vision and opportunity and the same ability to convince and empower others to help them turn their ideas into reality (Cafardo, 1998). We agree with Dees (1998a) according to whom social entrepreneurs would be a 'sub-species' of the entrepreneurs' family. However, although there is a lot of overlap between social entrepreneurs and their commercial counterparts – particularly leadership, vision, drive and opportunism – the main difference is that 'social entrepreneurs usually have a vision of something that they would like to solve in the social sector or a socio-moral motivation in their entrepreneurial focus and ambition' (Nicholls, 2008: 20). On the other hand, business entrepreneurs look at a problem from a purely economic point of view (Dearlove, 2004) whereas social entrepreneurs' acts will always be linked to an objective of social value creation (Sharir and Lerner, 2006; Sullivan Mort et al., 2003; Dees, 1998a; Schwab Foundation, 1998). It is possible to compare the two types of entrepreneurs according to several variables. Thalhuber (1998) suggests using four criteria to distinguish between social and commercial entrepreneurs. The former draw their strengths from collective wisdom and experience rather than from personal competences and knowledge; they focus on long-term capacity rather than short-term financial gains; their ideas are limited by their mission; they see profit as a means in people’s service that has to be reinvested in future profit rather than an end to be distributed to shareholders. Finally, Brouard (2006) adds that social entrepreneurs risk

the organization's adventures, leaving their freedom limited and their autonomy reduced.

As in the entrepreneurship literature, the social entrepreneur is not neutral. The next section introduces the subject of the entrepreneurial process.

3.2 The Process: Social Entrepreneurship

First, the mission of social entrepreneurs is expressed in terms of a 'social mission' (Robert, 2006; Scherer et al., 2006; Weerawardena et al., 2006). The social mission is a concept that presents numerous analogies with the American literature on the organizational mission.

For Dees (1998), a social mission is defined as a message, the characteristic of which is that the entrepreneur and the social entrepreneur 'will pursue social goals and values – along with the pursuit of profit and wealth' (Dees, 2001: 17). This means that the organization is guaranteed by the society to the fulfilment of social aims as well as all the social active goals. It is a rather stress the freedom of the entrepreneurial within the Third Sector. The EMES Network, starting from the main objective of services and the social mission objectives, asks questions. In the EMES Network, the social mission is driven by their own and at the level of thought clearly separates the concept of social entrepreneurship.

Second, some types of organizations have a very intense link between the social mission and organizational processes. This approach is developed by Innovation School, which looks at the organizational capacity to implement commercial enterprises, such as the nature of the business and the social mission (Defourny and N. Yvon, 2006).
The social entrepreneur is embedded in this new way of entrepreneurship (Mair and Martí, 2004). Spear (2006) argues that indicators of cooperatives is rather the exception than the rule, the social enterprise is an initiative which what Hulgard (2008) calls the ‘active public–associative partnerships, and so research about community entrepreneurship; Stöhr, 1990) attests to the collective entrepreneurship in Europe.

Depending on the school of thought, there several features. Nevertheless, one characteristic to social entrepreneurs. What do commercial entrepreneurship parallel activities. Therefore, a comparison of defining a field and its core

For Dees (1998a), social entrepreneurship combines the passion of a social mission with an image of business-like discipline. Some authors add the characteristic of sustainability to the social initiative (Weerawardena and Sullivan Mort, 2006; Mair and Martí, 2004). For the Social Innovation School, social value creation and sustainable social improvements prevail on profit and wealth generation. For the Social Enterprise School also, the pursuit of social goals must be the first objective of social entrepreneurship – along with the pursuit of profit motives. The social nature of the initiative is guaranteed by the fact that, according to this approach, it is necessarily structured as a non-profit organization. Hence, any profit is allocated to the fulfillment of a social mission. Here, the social mission embraces all the social activities which non-profits can be involved in. Europeans rather stress the fact that social entrepreneurship most often takes place within the Third Sector (Defourny and Nyssens, 2008). According to the EMES Network, social entrepreneurship initiatives must have an explicit objective of service to community that embraces social and environmental questions. In the European legislations in general, social enterprises must be driven by their social goals. Despite some differences, the three schools of thought clearly agree on the fact that the social mission is at the heart of social entrepreneurship.

Second, some researchers investigated whether there has to be an intense link between the social mission and the productive activities. Two approaches require a direct link between the means and the end: the Social Innovation School and the EMES Network. According to the latter, 'the nature of the economic activity must be linked to the social mission' (Defourny and Nyssens, 2006: 12). In Europe in general, the productive
activity must usually be related to the mission. In contrast, the Social Enterprise School, as well as the British tradition, do not require the link between the organization's social end and its activities to be direct. For the partisans of this school of thought, social entrepreneurship consists in the implementation, by non-profit organizations, of commercial dynamics developed in order to finance their social activities. According to Nicholls (2008: 11), 'social entrepreneurs subsidize their social activities either through exploiting profitable opportunities in the core activities of their not-for-profit venture or via for-profit subsidiary ventures and cross-sector partnerships with commercial corporations'. In other words, according to this approach, profit-generating activities must not necessarily be linked with the social mission of the non-profit organization. For the two other schools, a link between the activity and the mission is a central differentiating element.

Finally, what makes social entrepreneurship different from its commercial form? Whereas some researchers (Mair and Martí, 2004; Dees, 1998a) rather looked at the common points, others compared social entrepreneurship and commercial entrepreneurship. Some of them (Roberts and Woods, 2005; Marc, 1988) stressed its innovating side in terms of collection, use and combination of resources in building, evaluating and pursuing opportunities in a perspective of social transformation. For Austin et al. (2006), the distinction between social and commercial entrepreneurship should not be dichotomous but rather continuous. Therefore, they proposed a systematic approach to compare social and commercial entrepreneurship, based on four differentiating variables: market failure, mission, resource mobilization and performance measurement. Their proposition was four-fold. First, 'market failure will create differing entrepreneurial opportunities for social and commercial entrepreneurship' (Austin et al., 2006: 3). Second, the mission will be a fundamental criterion to distinguish between social and commercial entrepreneurship. Third, there will be prevailing differences between both approaches in the way human and financial resources are mobilized and managed. Fourth, measuring social performance will be a fundamental differentiator since it will make accountability and relationships with stakeholders more complex. Brouard (2006) based his comparison on the social and commercial roles of the entrepreneurial initiatives. For him, the commercial role is represented by two dimensions, namely the presence of commercial exchanges and the repartition of commercial profit. He believes that social entrepreneurship must pay exclusive, or at least majority, attention to the social role, commercial role being accessory. Moreover, he suggests that there can be commercial exchanges but that the entirety or the majority of the commercial profit has to be reinvested in the social mission rather than distributed to shareholders. The difference between for-profit and non-profit social entrepreneurship consists in giving priority to the social role and having only the social mission as we will see in the next section.

3.3 The Organizational Form

American and European approaches differ on the choice of the organizational form. The differences are not always clear-cut, however. The differences stem from the different historical, cultural, and national realities. The American approach, on the one hand, focuses on the mission of the social entrepreneur and/or social enterprise as a significant lever for social transformation. On the other hand, the American approach focuses on the role of the initiatives: profit-oriented initiatives launched by for-profit companies; on capital owners, management, and shareholders; and on stakeholders, which are normative but rather formal and political.

In the United States, the law does not differentiate between for-profit and non-profit activities serving the market, whereas the Social Enterprise School in the United Kingdom focuses on the non-profit character of the social entrepreneurship organization. This organization between moral and commercial entities can articulate a commercial model and commercial processes as being non-profit oriented in order to survive in the face of profit-oriented activities. It is interesting to note that the fact that it combines a social mission and an entrepreneurial model can lead to a dynamics of self-sustainability.
The mission. In contrast, the Social enterprises, do not require the link between the mission and its activities to be direct. For them, social entrepreneurship consists in the creation of non-profit organizations, of commercial dynamics for their social activities. According to Evers, social entrepreneurs subsidize their social activities through opportunities in the core activities of profit or non-profit subsidiary ventures and commercial corporations. In other words, social entrepreneurship activities must not necessarily involve a non-profit organization. For the social entrepreneur, the mission is a central activity and the mission is a central characteristic different from its commercial counterpart. Some of them (Roberts and Martinez, 2004; Dees, 1998a) others compared social entrepreneurship on the innovating side in terms of collaboration on the building, evaluating and pursuing transformation. For Austin et al. (2003), social and commercial entrepreneurship are continuous. Therefore, they propose the following variables: market failure, mission, innovation and measurement. Their proposition will create differing entrepreneurial social entrepreneurship (Austin et al., 2003) and a fundamental criterion to distinguish social entrepreneurship. Third, there are both approaches in the way human and social entrepreneurship. Fourth, measuring social entrepreneurship since it will make shareholders more complex. Brouard and commercial roles of the market are represented by commercial exchanges and the presence that social entrepreneurship requires attention to the social role, commercial entrepreneurship is suggested to be the focus of the commercial mission rather than distributed to shareholders. The main difference between social entrepreneurship and corporate social responsibility lies in the fact that the latter does not give primacy to the social role although it is aware of it. Let us stress that the importance of this difference may vary between the different approaches, as we will see in the next section devoted to the social venture.

3.3 The Organization: The Social Enterprise

American and European conceptions of the social enterprise are slightly different. Appendix D presents the main definitions of the social enterprise from the different geographical perspectives. The different schools mainly differ in the way they approach the enterprise concept, the organizational form and profit distribution.

We define this concept of ‘enterprise’ as an activity marked by an economic risk. In Europe, researchers of the EMES Network elaborated a common definition of the social enterprise in order to analyse the various national realities. Their definition is based on two series of indicators. On the one hand, four criteria reflect the economic and entrepreneurial dimensions of the social initiatives considered: (1) a continuous activity of goods and/services production and sale; (2) a high degree of autonomy; (3) a significant level of economic risk; and (4) a minimum amount of paid work. On the other hand, five indicators encapsulate the social dimensions of the initiatives: (1) an explicit aim to benefit the community; (2) an initiative launched by a group of citizens; (3) a decisional power not based on capital ownership; (4) a participatory nature including all the activity’s stakeholders; and (5) limited profit distribution. This definition is not normative but rather an ideal-type.

In the United States, the social enterprise remains a broad and often quite vague concept referring primarily to market-oriented economic activities serving a social goal (Defourny and Nyssens, 2006). The Social Enterprise School also considers the ‘enterprise’ as central. This approach focuses on the double (sometimes triple) bottom line of social entrepreneurship organizations. Social entrepreneurs are those who balance between moral imperatives and the profit motives (Boschée, 1995) or articulate a compelling social impact theory with a plausible business model and commercial objectives. This approach defines social enterprises as being non-profit organizations that set up profit-generating activities in order to survive financially and become more independent of donations and subsidies they receive. The two main elements that characterize a social enterprise for the partisans of the Social Enterprise School are the fact that it combines a social objective – creating social value – with an entrepreneurial strategy – applying business expertise and market-based
skills to non-profit organizations. This school of thought aims at the sustainability of social enterprises and promotes complete self-sufficiency of non-profits, which can be reached only through income generation and not through dependency on public and private sectors (Boschee and McClurg, 2003). Indeed, according to Boschee (2001), the ‘ideal’ way to tackle a social need is to answer it autonomously without being accountable to stakeholders. In contrast to the European perspective, the Social Enterprise School only stresses the risks associated with market income.

Finally, as mentioned above, the American Social Innovation School focuses on the social entrepreneur and his/her qualities, rather than on the organization and its specificities. According to this approach, the social enterprise is an activity set up by a social entrepreneur and there is no mention of any criterion of economic risk.

Therefore, we conclude that the concept of ‘enterprise’ is central for the EMES network as well as for the Social Enterprise School.

Another important issue that arose from our literature review is the question of the legal organizational form of the social enterprise. Does the social mission of the social enterprise imply that it cannot exist under any other legal organizational form than the non-profit form?

According to the Social Innovation School, the social enterprise can adopt either a non-profit or a for-profit organizational form. For Austin et al. (2006), as well as Mair and Martí (2004), social enterprises should not be limited to any specific legal form. According to these authors, the choice should rather be dictated by the nature of the social needs addressed and the amount of resources needed. To Mair and Martí (2004), the important element is the entrepreneurial spirit that gives the initiatives their social entrepreneurial nature. This perspective has resulted in the emergence of various hybrid organizational forms: independent, they can generate profit, employ people and hire volunteers, as well as adopt innovative strategies in their pursuit of social change. The advantages of these hybrid organizations include, among others, a higher market response rate, higher efficiency and innovation rates, as well as a larger capacity to mobilize resources (Dees and Battle Anderson, 2006; Haugh, 2005).

On the other hand, for the Social Enterprise School, at least at its beginning, social enterprises had to be non-profits that used an earned income strategy in order to generate revenue in support of their charitable mission. Earned income can be defined as ‘income derived from selling products or services’ (Battle Anderson and Dees, 2008: 145) to contrast with the idea of philanthropic donations or government subsidies. However, since the mid-1990s the Social Enterprise School has considered a social enterprise as any business that trades for a social purpose (Austin et al., 2006).

Finally, in some European countries, a specific legal form has been created in order to enable these organizations to grow. This has been the case for France, Spain, Portugal, Italy, and the UK (Defourny and Nyssen, 2002).
This school of thought aims at the end promotes complete self-sufficiency achieved only through income generation from the private sector. Boschee and Boschee (2001), the 'ideal' way to autonomously without being accounted for, the European perspective, the Social Enterprise School and its qualitative and quantitative characteristics, rather than on the other hand, the social entrepreneur and there is no risk of a conceptual change. The concept of 'enterprise' is central for the Social Enterprise School. The idea from our literature review is the transformative nature of the social enterprise. Does the term imply that it cannot exist under any other guise? The American Social Innovation School describes the social enterprise as an organization with a social mission. For Austin and Martí (2004), social enterprises should be profit-oriented. According to these authors, social enterprises are defined as organizations that are run by the nature of the social needs they serve. To Mair and Martí (2004), the social entrepreneur's spirit that gives the initiatives. This perspective has resulted in the development of social enterprises, independent, they can be private companies or volunteers, as well as adopt institutional forms of social enterprises. The advantages of these forms are, for example, a higher market response rate, as well as a larger capacity to scale up. These forms of social enterprises, at least at its beginning stage, in order to encourage and support social enterprises. This approach is intended to attract more social enterprises to the introduction of specific laws. The Italian case has demonstrated how the state may encourage social enterprises' growth. In 1991, Italy saw their number increase significantly. Following the Italian example, other European countries have introduced new legal forms that reflect the entrepreneurial approach adopted by an increasing number of non-profits. In 1995, Belgium introduced the status of 'social purpose company'. In Portugal (1997), we talk of 'social solidarity cooperatives', in France (2002) of 'cooperative societies of collective interest' and in Finland (2003) of 'work insertion social enterprises'. This form represents a hybrid organizational type, part not-for-profit, part equity offering limited company. Despite all these newly created legal forms, most social enterprises across Europe still adopt legal forms that have existed for a long time, namely associations or cooperatives – or traditional business forms. Directly linked to the legal form, profit distribution is also an important issue for social enterprises. The Social Innovation School does not impose any constraint regarding profit distribution. According to this movement, if the social entrepreneur's activity generates benefits, these will preferably be reinvested in the social object, but this is not a strict obligation. Only the final increase of the social added value is important. In contrast, the American Social Enterprise School forbids any profit distribution as, according to the definition of non-profit organizations, social enterprises cannot distribute profit to their directors or members. Profit was therefore entirely dedicated to the social objective. In its later version, the Social Enterprise School considers social enterprises as any business, which, consequently, authorizes some profit distribution to owners or workers. Alter (2004), in her 'Hybrid Spectrum Model', presented the different options of social strategies for hybrid organizations, characterized by the fact that they generate social change as much as economic value. These strategies depend on three criteria: the enterprise's objective, the scope of its responsibility towards shareholders and the ends to which profit is dedicated. Between these two extremes (non-profits and traditional for-profits), Alter (2004) distinguished four types of hybrid organizations. On the one hand,
income generating activities try to have a social impact on society. On the other hand, socially responsible organizations' and practising social responsibility organizations' primary objective is the search for profit. Therefore, in this model, social enterprises are characterized by a social mission, a high responsibility towards stakeholders and the reinvestment or their income in social programmes or operational costs, in contrast with profit distribution to shareholders, totally prohibited by this school.

Finally, the European approach advocates a limit to profit distribution. According to the EMES Network, the social enterprise, in its choice of the way it will distribute benefits, must avoid a behaviour that would lead to profit maximization. Hence, the social enterprise can distribute profit, but in a limited manner.

The next section concludes whether, according to our analysis of the literature, there is a transatlantic divide in the way of approaching social entrepreneurship.

CONCLUSION: A TRANSATLANTIC DIVIDE OR A MORE COMPLEX PICTURE?

Social entrepreneurship can be seen as a source of solutions to certain illnesses of our modern societies. The utility of social enterprises as an instrument for governments has been recognized, for example, in the UK where a lending agency for social enterprises has been set up. Be they as a way to subcontract public services or as a means to improve these services without increasing the state's domain (Cornelius et al., 2007), social entrepreneurship initiatives are growing in number and importance. Unfortunately, from an academic point of view, research in the field of social entrepreneurship has long remained descriptive and, sometimes, partisan.

From our in-depth literature review on social entrepreneurship, we have identified three main schools of thought. Two schools studying the phenomenon of social entrepreneurship from different perspectives have emerged in the United States. The Social Innovation School stresses the importance of the social entrepreneur as an individual and focuses on his/her features. The Social Enterprise School claims that this kind of organization will survive by conducting profit-generating activities in order to finance social value creation. The European tradition approaches social entrepreneurship by creating specific legal forms for social enterprises. On the other hand, three major themes have also emerged from the classical literature in entrepreneurship: the individual, the process and the organization. The review of the definitions of the main concepts of the field enabled us to identify six points and differences between the intensity of the social organization's activities and as an organizational structure and distribution. Crossing the six above-mentioned criteria summarizes the results of each school of thought or criterion.

To sum up, we observe only the Social Innovation profiles, whereas, in European organization and less on the flag of social entrepreneurship, we have observed in different the Social Innovation School, the Social Enterprise the Social Enterprise's mission and income-generating nature. The flag of 'social enterprise' (Hall and Nyssens, 2008). In the European tradition as we can see which social entrepreneur The latter considers not the legal form imposes some linkage to the legal framework on the Social Enterprise approach in order to provide the Social Innovation School does not the legal form and precisely the nature of the social needed.

Before starting this, there have been a clear-cut trend to defining social entrepreneurship. While Europe and the US, consequently, social entrepreneurship European literatures and entrepreneurship must be defined them on basis of the compared to the government, there is no such divide.
have a social impact on society. On the
other side of the OECD, social enterprises are those that pursue social objectives and
have an explicit commitment to keeping their activities in line with their social,
environmental and economic missions. Social enterprises are not profit-seeking,
but they are not non-profit either. They are more like businesses that generate
dividends to their members, to a community or a fund to support a particular
cause.

Crossing the three schools of social entrepreneurship with the six above-mentioned
criteria, we obtain a $6 \times 3$ matrix. Table 7.1 summarizes the results of our
literature review in terms of the position of each school of thought of social
trepreneurship regarding each thematic criterion.

To sum up, we observed that the figure of the entrepreneur is central only to the
Social Innovation School of thought that highlights individual profiles, whereas, in
Europe, the focus is rather on collective modes of organization and less on
individuals. The social mission is clearly acknowledged as the primary objective
of social entrepreneurship, even if it has been expressed in different ways by all the
three approaches. Although the Social Innovation School and the EMES Network
require a direct link between the enterprise’s social mission and its productive
activities, the Social Enterprise School advocates that the link between social
mission and income-generating activities can be more or less strong. The
flag of ‘social enterprise’ is probably the most controversial (Defourny and
Nyssens, 2008). Indeed, the social enterprise is a key element in the
European tradition as well as for the Social Enterprise School according to
which social enterprises are self-financed undertakings with a social aim.
The latter considers non-profit social enterprises whereas the European
tradition imposes some constraints regarding the legal form. Therefore,
linked to the legal framework, profit distribution is almost totally prohibited
by the Social Enterprise School and partially limited in the EMES
approach in order to protect the primacy of the social mission. The Social
Innovation School does not impose any constraint: the choice regarding
the legal form and profit distribution should rather be dictated by the
nature of the social needs addressed and the amount of resources needed.

Before starting this work, one could have thought that there would have been a
clear-cut transatlantic divide in the way of approaching and
defining social entrepreneurship. This assumption could be based on
the way Europe and the United States consider the government’s role and,
consequently, social entrepreneurship’s role. Indeed, if the American
and European literatures agree on the fact that the first goal of social
entrepreneurship must be the creation of social value, one can clearly distinguish
them on basis of the central role played by public policies in Europe
compared to the government-detached American approach. However,
there is no such divide. Even within the United States, there are different
Table 7.1 Classification of geographical schools of thought of social entrepreneurship by thematic criteria

<table>
<thead>
<tr>
<th>Themes</th>
<th>Criteria</th>
<th>AMERICAN TRADITION</th>
<th>EUROPEAN TRADITION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>The Social Innovation School</td>
<td>The EMES Network</td>
</tr>
<tr>
<td>INDIVIDUAL</td>
<td>1. The entrepreneur</td>
<td>Central figure</td>
<td>Secondary importance</td>
</tr>
<tr>
<td>PROCESS</td>
<td>2. The mission</td>
<td>The innovation process is primarily oriented to a social change</td>
<td>These organizations allocate market resources to the fulfilment of a social mission</td>
</tr>
<tr>
<td></td>
<td>3. Link social mission-productive activities</td>
<td>Direct: innovative strategies to tackle social needs are implemented through the provision of goods and services</td>
<td>Direct: the productive activity is related to the social mission of the SE</td>
</tr>
<tr>
<td>ORGANIZATION</td>
<td>4. The enterprise</td>
<td>Secondary importance: activity setup by a social entrepreneur</td>
<td>Central: stress on the risks associated with market income</td>
</tr>
<tr>
<td></td>
<td>5. The legal form</td>
<td>No clear constraint: the choice regarding the legal form should be</td>
<td>Central: significant level of economic risk</td>
</tr>
</tbody>
</table>

Source: Partially adapted from [source]. Conceptions. These conceptions have resulted in various discussions of the concept of social entrepreneurship.

In terms of directional and structural assumptions, this implies that the two objects are not different. A comparative analysis of the differing conceptions as long as definitions clearly announce the phenomenon under consideration.

This work was a first attempt to broaden the field of research and to conduct a comparative analysis of a different set of European publications. However, several persons in the field of social entrepreneurship approaches to entrepreneurship and analysis of the differences. Some key differences could result in different...
### Table 7.1 (continued)

<table>
<thead>
<tr>
<th>Themes</th>
<th>Criteria</th>
<th>AMERICAN TRADITION</th>
<th>EUROPEAN TRADITION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>The Social Innovation School</td>
<td>The Social Enterprise School</td>
</tr>
<tr>
<td></td>
<td></td>
<td>dictated by the nature of the social needs addressed and the amount of resources needed</td>
<td>business that trades for a social purpose: for-profit company, public authority, ...</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. Profit distribution No constraint</td>
<td>1st Early version: non-distribution constraint 2nd Later version: limited</td>
</tr>
</tbody>
</table>

*Source: Partially adapted from Degroote (2008).*

Conceptions. These conceptions are based on strong social convictions and have resulted in various definitions, making it harder to circumvent the concept of social entrepreneurship clearly.

In terms of directions for future research in the field of social entrepreneurship, this implies that social entrepreneurial ventures as a research object are not different on both sides of the Atlantic and that the field of social entrepreneurship can be seen as a global one. However, we have also observed differences within the United States, which could mean that, as long as definitions are not completely reconciled, researchers should clearly announce the perspective from which they study the phenomenon.

This work was a first attempt to advance the structuration of this new broad field of research. It has also raised future research avenues. In our comparative analysis with the United States, we have considered the European publications as approaching the phenomenon with one voice. However, several perspectives actually coexist in Europe. Evidence lies in the fact that Northern and Southern Europe have shown different approaches to entrepreneurship in general. Therefore, a geographical analysis of the different approaches of social entrepreneurship in Europe would be of prime interest. The various geographical European situations could result in different clusters corresponding to national, transnational
or regional areas. Finally, tensions between the social mission and market requirements have been recognized by numerous authors as the central definitional element of social entrepreneurship. However, little research has been conducted so far on the way this can be managed. Therefore, the role of management practices in solving these tensions should be examined more deeply.

NOTES

1. Some parts of this chapter constitute an early version of a manuscript that has been accepted for publication in Entrepreneurship and Regional Development, special issue on Community-based, Social & Societal Entrepreneurship.

2. Florence Nightingale, a British pioneer, fought to improve the hospital conditions during the Crimean War in the nineteenth century, making the mortality rate drop from 40 per cent to 2 per cent. Rashidah Zafar, founder of the Kashif Foundation, has fought for the economic condition of women in Pakistan by opening thousands of micro-credit institutions (Dearlove, 2004). Fundación Social in Colombia was established in 1911 with the aim of generating and devoting resources to social value (Fowler, 2000).

3. In 1996, university research centres and researchers from the fifteen member states of the European Union set up a scientific network whose name, 'EMES', refers to the title of its first research programme on the 'Emergence of social enterprises in Europe'.

4. A ‘not-for-profit’ means any venture whose very first aim is a social purpose rather than profit making. Hence, a not-for-profit can be profitable and distribute profit in a limited way in agreement with its social mission, in contrast with purely ‘non-profit’ enterprises.

5. The reader will find a classification of the main authors of each of these two approaches in Appendix A.


7. The words in boldface in Appendix B represent these features.

8. According to EMES, social enterprises must bear a significant level of economic risk, which means that the financial viability of the social enterprise depends on the efforts of its members to secure adequate resources to support the enterprise’s social mission and that these resources can have a hybrid character and come from trading activities, from public subsidies and from voluntary resources obtained thanks to the mobilization of social capital (Defourny and NysSENS, 2008, 2006).

9. With the exception of the United Kingdom where, according to the CIC legislation, it is commonly admitted that 30 per cent of the total income of a social enterprise must be market-based.

10. This kind of hybrid organization is very close to Fowler’s (2000) idea of ‘complementary social entrepreneurship’.

REFERENCES


in the social mission and market tensions of social entrepreneurs. Hence, numerous authors agree that the social mission and market tensions of social entrepreneurship should be examined. However, little research has been undertaken into how these tensions can be managed. Therefore, the management of social mission and market tensions of social entrepreneurship should be examined in further detail.

...
they need supportive environments too', *Health Promotion International*, 13(2), 95–7.


Structuring the field of social entrepreneurship


APPENDICES

Appendix A: Which Author belongs to which School?

In the United States, two independent streams of practice can explain the interest for social entrepreneurship. These two streams resulted in two schools of thought that investigated the nature of social entrepreneurship: the Social Innovation School of thought, on the one hand, and the Social Enterprise School of thought, on the other hand (Dees and Battle Anderson, 2006). Table 7A.1 presents a classification of the main authors of each of these two approaches.

<table>
<thead>
<tr>
<th>Social Innovation School</th>
<th>Social Enterprise School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drucker (1985)</td>
<td></td>
</tr>
<tr>
<td>Kerlin (2006)</td>
<td></td>
</tr>
<tr>
<td>Kramer (2005)</td>
<td></td>
</tr>
<tr>
<td>Leadbeater (1997)</td>
<td></td>
</tr>
<tr>
<td>Mair and Martí (2004; 2006)</td>
<td></td>
</tr>
<tr>
<td>Mair and Noboa (2006)</td>
<td></td>
</tr>
<tr>
<td>Peredo and McLean (2006)</td>
<td></td>
</tr>
<tr>
<td>Roberts and Woods (2005)</td>
<td></td>
</tr>
<tr>
<td>Robinson (2006)</td>
<td></td>
</tr>
<tr>
<td>Schuyler (1998)</td>
<td></td>
</tr>
<tr>
<td>Schwab (1998)</td>
<td></td>
</tr>
<tr>
<td>Sharir and Lerner (2006)</td>
<td></td>
</tr>
<tr>
<td>Skoll in Dearlove (2004)</td>
<td></td>
</tr>
<tr>
<td>Smallbone et al. (2001)</td>
<td></td>
</tr>
<tr>
<td>Sullivan Mort et al. (2003)</td>
<td></td>
</tr>
<tr>
<td>Thompson et al. (2000)</td>
<td></td>
</tr>
<tr>
<td>Weerawardena and Sullivan Mort (2006)</td>
<td></td>
</tr>
<tr>
<td>Young (2001)</td>
<td></td>
</tr>
</tbody>
</table>

Table 7A.1 Classification of the main authors in the American streams of social entrepreneurship

Appendix B: The Individuals who seek the \textit{unrecognized and unvalued resources} (Catford)

Social Innovation School

Social entrepreneurs combine activism with professional skills, and \textit{visionary insights} with pragmatic ethics, \\textit{ethical fibre} with tactical trust, \textit{opportunities} where others only see \\textit{buildings}, \textit{unemployable people}, and \textit{unvalued resources}. (Catford)

Social entrepreneurs play the role of \textit{change agents in the social sector} by adopting a \textit{mission} to create a \textit{social value} (not just private value) by recognizing and relentlessly pursuing \textit{new opportunities} to serve the public, engaging in a process of continuous \textit{innovation}, adaptation, and \textit{learning} by \textit{resources} currently at hand. (Dees, 1999, 3–4)

Asha-Ka’s social entrepreneur is a \textit{change maker} with a powerful new idea, who combines \textit{visionary} and \textit{realistic problem-solving creativity}, who \textit{possesses} a \textit{strong ethical fiber}, and who \textit{possesses} by his or her \textit{vision} (Drayton, in Bornstein, 1999; 159).

Individuals who have a \textit{vision} for \textit{social change} and who have \textit{resources} to support their ideas and \textit{exhibit all the skills of successful people as well as a powerful social change}. (Schuyler, 1998).
Appendix B: The Individual: Definitions of the Social Entrepreneur

Table 7A.2  Definitions of the 'social entrepreneur' according to the two American schools of thought

<table>
<thead>
<tr>
<th>Social Innovation School</th>
<th>Social Enterprise School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social entrepreneurs combine street activism with professional skills, visionary insights with pragmatism, and ethical fibre with tactical trust. They see opportunities where others only see empty buildings, unemployable people and unvalued resources. (Cain, 1998: 96)</td>
<td>Non-profit executives who pay increased attention to market forces without losing sight of their underlying mission, to somehow balance moral imperatives and the profit motives – and that balancing act is the heart and soul of the movement. (Boschee, 1995: 1)</td>
</tr>
<tr>
<td>Social entrepreneurs play the role of change agents in the social sector, by: adopting a mission to create and sustain social value (not just private value); recognizing and relentlessly pursuing new opportunities to serve that mission; engaging in a process of continuous innovation, adaptation, and learning; acting boldly without being limited by resources currently at hand; and exhibiting heightened accountability to the constituencies served and for the outcomes created. (Dees, 1998a: 3-4)</td>
<td>Social entrepreneurs must be able to articulate a compelling social impact theory and a plausible business model. (Guclu et al., 2002, in Acs and Kallas, 2007: 30)</td>
</tr>
<tr>
<td>Ashoka’s social entrepreneur is a pathbreaker with a powerful new idea, who combines visionary and real-world problem-solving creativity, who has a strong ethical fiber, and who is ‘totally possessed’ by his or her vision of change. (Drayton, in Bornstein, 1998: 37)</td>
<td>Individuals who combine social and commercial objectives by developing economically sustainable solutions to social problems. It requires social entrepreneurs to identify and exploit market opportunities in order to develop products and services that achieve social ends, or to generate surpluses that can be reinvested in a social project. (Tracey and Phillips, 2007: 264)</td>
</tr>
</tbody>
</table>

Individuals who have a vision for social change and who have the financial resources to support their ideas... [who] exhibit all the skills of successful business people as well as a powerful desire for social change. (Schuyler, 1998: 1)
<table>
<thead>
<tr>
<th>Social Innovation School</th>
<th>Social Enterprise School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Someone who identifies and applies practical solutions to social problems... innovates by finding a new product, service or approach... focuses... on social value creation... resists being trapped by the constraints of ideology and discipline; has a vision, but also a well-thought-out roadmap as to how to attain the goal. (Schwab Foundation, 1998)</td>
<td></td>
</tr>
<tr>
<td>Rare individuals with the ability to analyze, to envision, to communicate, to empathize, to enthuse, to advocate, to mediate, to enable and to empower a wide range of disparate individuals and organizations. (De Leuw, 1999: 261)</td>
<td></td>
</tr>
<tr>
<td>People who realize where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather together the necessary resources (generally people, often volunteers, money and premises) and use these to ‘make a difference’. (Thompson et al., 2000: 328)</td>
<td></td>
</tr>
<tr>
<td>Social entrepreneurs are first driven by the social mission of creating better social value than their competitors which results in them exhibiting socially virtuous behavior. Secondly, they exhibit a balanced judgment, a coherent unity of purpose and action in the face of complexity. Thirdly, social entrepreneurs explore and recognize opportunities to create better social value for their clients. Finally, social entrepreneurs display innovativeness, proactiveness and risk-taking propensity in their key decision making. (Sullivan Mort et al., 2003: 82)</td>
<td></td>
</tr>
</tbody>
</table>

Table 7A.2 (continued)

At the Skoll Foundation, the key role of social entrepreneurs who are social innovation agents: the pioneers of the social sector. Social entrepreneurs have a vision of some problem they would like to solve. (Skoll, in Dearlove, 1999: 49)

Visionary, passionate, dedicated, empowering, enabling, and individuals. (Robert, 1999: 49)

Social entrepreneurship is an approach to social change where some person, typically a social entrepreneur, defines and pursues the goals of creating social value. Social entrepreneurs are combining values and social change in a combination of (1) exploiting opportunities for social value, (2) employing social values, tolerating risk, and (3) not accepting limitations in available resources. (Roberts, 1999: 49)

The social entrepreneur is an entrepreneur with a social mission, a social mission to create social value to create social value without resources currently available. (Lerner, 2006: 7)

Note: The chronology of the concept across the spectrum of 'entrepreneurship' as a perspective is not in any way an aspect of the phenomenon.
Table 7A.2 (continued)

<table>
<thead>
<tr>
<th>Social Innovation School</th>
<th>Social Enterprise School</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the Skoll Foundation we call social entrepreneurs ‘society’s change agents’: the pioneers of innovation for the social sector. Social entrepreneurs usually have a vision of something that they would like to solve in the social sector. (Skoll, in Dearlove, 2004: 52)</td>
<td></td>
</tr>
<tr>
<td><strong>Visionary, passionately dedicated</strong> individuals. (Roberts and Woods, 2005: 49)</td>
<td></td>
</tr>
<tr>
<td>Social entrepreneurship is exercised where some person or group aims either exclusively or in some prominent way to create social value of some kind, and pursue that goal through some combination of (1) recognizing and exploiting opportunities to create this value, (2) employing innovation, (3) tolerating risk, and (4) declining to accept limitations in available resources. (Perego and McLean, 2006: 64)</td>
<td></td>
</tr>
<tr>
<td>The social entrepreneur is acting as a change agent to create and sustain social value without being limited to resources currently at hand. (Sharir and Lerner, 2006: 7)</td>
<td></td>
</tr>
</tbody>
</table>

*Note:* The chronological order has been chosen in order to shed light on the evolution of the concept across time. This note is valuable for Table 7A.3 (the concept of ‘social entrepreneurship’) and Table 7A.4 (the concept of ‘social enterprise’). The European perspective is not tackled in Appendix B and C as it mainly focuses on the organizational aspect of the phenomenon of social entrepreneurship.
Appendix C: The Process: Definitions of Social Entrepreneurship

**Table 7A.3 Definitions of 'social entrepreneurship' according to the two American schools of thought**

<table>
<thead>
<tr>
<th>Social Innovation School</th>
<th>Social Enterprise School</th>
</tr>
</thead>
<tbody>
<tr>
<td>A vast array of economic, educational, research, welfare, social and spiritual activities engaged in by various organizations. (Leadbeater, 1997)</td>
<td>Social entrepreneurship is viewed as a category of entrepreneurship that primarily (a) is engaged in by collective actors, and (b) involves, in a central role in the undertaking’s resource mix, socially embedded resources [. . .] and their conversion into (market-) convertible resources, and vice-versa. (Stryjan, 2006: 35)</td>
</tr>
</tbody>
</table>

It combines the passion of a social mission with an image of business-like discipline, innovation and determination. (Dees, 1998a: 1)

A process consisting in the innovative use and combination of resources to explore and exploit opportunities, that aims at catalyzing social change by catering to basic human needs in a sustainable manner. (Mair and Martí, 2004: 3)

Social entrepreneurship encompasses the notions of ‘construction, evaluation and pursuit of opportunities’ as means for a ‘social transformation’ carried out by visionary, passionately dedicated individuals. (Roberts and Woods, 2005: 49)

Innovative, social value creating activity that can occur within or across the nonprofit, business, and/or public government sectors. (Austin et al., 2006: 1)

The innovative use of resource combinations to pursue opportunities aiming at the creation of organizations and/or practices that yield and sustain social benefits. (Mair and Noboa, 2006)

- A behavioural phenomenon, expressed in a NF context aimed at creating value through the perceived opportunity.
- Social entrepreneurship is a multidimensional concept deeply rooted in a social mission, its sustainability and perceived dynamics. Opportunities are embedded in these dynamics. Opportunity requires the display of proactiveness and creative behaviour.
- Social entrepreneurs, in regard to risk are driven by their primary goal of founding a sustainable organization. It does not support the social entrepreneurial lack of initial resource options.

Finally, social entrepreneurs remain competitive with their social mission. (Wekos, Sullivan Mort, 2006)
Social Entrepreneurship

Table 7A.3 (continued)

<table>
<thead>
<tr>
<th>Social Innovation School</th>
<th>Social Enterprise School</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A behavioural phenomenon expressed in a NFP organization context aimed at delivering social value through the exploitation of perceived opportunities.</td>
<td></td>
</tr>
<tr>
<td>• Social entrepreneurship is a bounded multidimensional construct that is deeply rooted in an organization’s social mission, its drive for sustainability and highly influenced and shaped by the environmental dynamics. Opportunity recognition is embedded in these three dimensions.</td>
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</tr>
<tr>
<td>• Social entrepreneurship strives to achieve social value creation and this requires the display of innovativeness, proactiveness and risk management behaviour.</td>
<td></td>
</tr>
<tr>
<td>• Social entrepreneurs’ behaviour in regard to risk is highly constrained by their primary objective of building a sustainable organization and hence does not support Dees’ view that social entrepreneurs do not allow the lack of initial resources to limit their options.</td>
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</tbody>
</table>

Finally, social entrepreneurs can indeed remain competitive whilst fulfilling their social mission. (Weerawardena and Sullivan Mort, 2006: 22, 32)
### Definitions of the 'social enterprise' according to the different schools of thought

<table>
<thead>
<tr>
<th>Social Innovation School</th>
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<th>European Conceptual Approaches</th>
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</thead>
<tbody>
<tr>
<td>Enterprises set up for a social purpose but operating as businesses and in the voluntary or nonprofit sector. However, according to him, the main world of the social entrepreneur is the voluntary (NFP) sector. (Thompson, 2002)</td>
<td>Organizations positioned in two different organizational fields – each necessitating different internal organizational technologies – to elucidate the structural tensions that can emerge inside these new hybrid models. (Cooney, 2006: 143)</td>
<td>Organizations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. (Defourny and Nyssens, 2006)</td>
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Social enterprises enact hybrid non-profit and for-profit activities. (Dart, 2004: 415)

[... a range of organizations that trade for a social purpose. They adopt one of a variety of different legal formats but have in common the principles of pursuing business-led solutions to achieve social aims, and the reinvestment of surplus for community benefit. Their objectives focus on socially desired, non financial goals and their outcomes are the non financial measures of the implied demand for and supply of services. (Haugh, 2005: 3) ]

| | An independent organization that has social and economic objectives which aims to fill a social role as well as reach financial durability through commerce. (DTI, 2001) |

Social entrepreneurs have a social purpose; assets and wealth are used to create community benefit; they pursue this with trade in a market place; profits and surpluses are not distributed to shareholders; 'members' or employees have some role in decision making and/or governance; the enterprise is seen as accountable to both its members and a wider community; there is a double- or triple-bottom-line paradigm: the most effective social enterprises demonstrate healthy financial and social returns. (Thompson and Doherty, 2006: 362)

Social entrepreneurial organizations must clearly address value positioning strategies, and take a proactive posture as well as providing superior service maximizing social value creation. (Weerawardena and Sullivan Mort, 2006: 2)
Table 7A.4 (continued)

<table>
<thead>
<tr>
<th>Social Innovation School</th>
<th>Social Enterprise School</th>
<th>European Conceptual Approaches</th>
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<tbody>
<tr>
<td>Non-profit, for-profit or cross-sector Social Entrepreneurial Ventures are social because they aim to address a problem the private sector has not adequately addressed; they are entrepreneurial because their founders have qualities identified with entrepreneurs. (Dorado, 2006: 327)</td>
<td></td>
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<tr>
<td>Social enterprises have a social purpose; assets and wealth are used to create community benefit; they pursue this with trade in a market place; profits and surpluses are not distributed to shareholders; 'members' or employees have some role in decision making and/or governance; the enterprise is seen as accountable to both its members and a wider community; there is a double- or triple-bottom-line paradigm: the most effective social enterprises demonstrate healthy financial and social returns. (Thompson and Doherty, 2006: 362)</td>
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<tr>
<td>Social entrepreneurial organizations must clearly address value positioning strategies, and take a proactive posture as well as providing superior service maximizing social value creation. (Weerawardena and Sullivan Mort, 2006: 21)</td>
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