Introduction

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By now, there is little dispute over the concept that entrepreneurship can be a powerful engine of economic growth for a country. Many have viewed it as a way out of poverty in developing countries because it fosters the accumulation of capital with few pre-existing resources. The advent of ubiquitous communications technology now offers an even quicker path for previously isolated communities to reach global financial and demand markets. Since the Nobel Peace Prize was awarded in 2006 to Grameen Bank and its founder, Dr. Mohammed Yunus, popular attention on social entrepreneurship has increased rapidly. Internet search interest in social enterprises more than doubled, as indicated by Google Trends, peaking in late 2009 and remaining high ever since. This interest has fueled policy debate but with little convergence around an understanding of the causes, processes and consequences of social entrepreneurial initiatives. As such, there continues to be policy and regulatory challenges to social entrepreneurial activity. For example, in some countries (such as Ecuador, Columbia, Belgium, and Italy), microcredit is still governed by usury laws, restricting the use of microfinance and confining the provision of such resources to the public or nonprofit domain.

A reason for this situation is that scholarly work has not kept up with the developmental and evolutionary pace of social entrepreneurial practice. The social entrepreneurship literature has gained momentum as an emergent body of knowledge and has grown quickly. Despite being a nascent field just a decade ago, research in social entrepreneurship has demonstrated great enthusiasm for its potential to tackle many unaddressed theoretical and societal issues (Nicholls, 2010). Yet, even though there appears to be widespread scholarly interest as evidenced by the number of conferences, workshops, and seminars on social entrepreneurship and its related fields, published research is still lacking relative to the growth in activity. A cursory search on Google Scholar reports that the volume of published scholarship has been on a downward trend, peaking in 2006, and reaching a low in 2011. While the challenges to doing research in this domain are many – institutions, geography, culture, and practices
are heterogeneous and fast evolving – the most critical appears to be the lack of reliable and comparable large datasets.

While the chapters in this volume report plenty of theorizing in social entrepreneurship, they have occurred in disciplinary stovepipes. Economics, sociology, political science, public health, anthropology, and psychology have approached this phenomenon through their own lenses, with little effort at cross-disciplinary integration. This smorgasbord approach to characterizing the phenomenon could be a natural development of a new field. However, left to continue, social entrepreneurship is likely to remain a sub-field and regulated to the status of a special case within the disciplines. This would thwart robust theory building or meaningful empirical advances.

This volume introduces a wide-ranging conversation by reviewing the state of the art, building theoretical frameworks, and illustrating the type of empirical effort (qualitative and quantitative) that must take place for the field to advance. This is not a handbook of research in social entrepreneurship. Instead, we showcase what we believe are exemplars of new conceptualizations of social entrepreneurship, theoretical and empirical perspectives, policy interventions, and directions for future research. The volume is divided into three parts and eight chapters. Part One consists of a comprehensive review of the latest research in the field. Part Two consists of new ways to conceptualize and assess the role of capital providers, which are key actors in the social entrepreneurial milieu. It turns out that sources and uses of social entrepreneurial funds represent a major topic of research in this domain. While the volume reflects this bias, it offers a more expansive interpretation of their roles as more than just financial and business experts to include advocacy and capacity building. They act as the third arm of the economy. The second part begins with a social exchange theory of the role of nonprofit organizations in social entrepreneurship and goes on to explicate the role of capital providers in this context. Part Three completes the volume by discussing two education driven interventions that foster social entrepreneurship in their regions. The lessons from this part are the types of action research to pursue if we are to gather systematic evidence on the impact of policy interventions. Parts Two and Three taken together offer a range of empirical approaches that future researchers can consider for their own work.

Earlier reviews that provided the theoretical and methodological topography of the field have noted the highly fragmented nature of social entrepreneurship research across many disciplines (Dacin et al., 2011). In consideration of these reviews, Chapter 1 takes a ‘structuration’ approach to inventory the knowledge stock in social entrepreneurship research. It reviews articles retrieved from the top 100 management and business jour-
The review begins with an inventory of the arguments around the definitions and conceptual aspects of social entrepreneurship. The chapter reports over 40 definitions, which may indicate the diverse and heterogeneous characteristics of social entrepreneurship as well as the tautological and lack of critical assessments currently prevailing in the field. In order to further our understanding of social entrepreneurship, the third section in the chapter moves beyond the conceptual discussions to provide a historical perspective that traces the roots and complex patterns of relationships involved in the intellectual development of the field. Here, core discussions, as well as recent perspectives, are included to ensure an inclusive and comprehensive review. The last section of the chapter discusses the research in social entrepreneurship by stages in the process model. Davidsson (2003) inspired this approach, wherein the model, originally with five stages, is adapted to organize the literature into three stages: antecedent, process, and outcomes of social entrepreneurship. Each stage is discussed with respect to the dominant level of analysis emerging from the extant research. The section concludes with a discussion on future research, especially the potential offered by multi-level and cross-disciplinary approaches.

Part Two begins with a theoretical model for how nonprofit organizations (NGOs) can foster and sustain rural entrepreneurship. A review of case studies from around the world reveals a social exchange explanation for the role of NGOs. It discusses the role of NGOs as brokers in the exchange relationships between potential rural entrepreneurs, resource providers, and demand markets to foster value creation and solve enduring socioeconomic problems. Chapter 2 argues that a social exchange perspective, rather than the more common agent–principal perspective, is better suited to explain how resource flows, mediated by nongovernmental intermediaries, can lead to success or failure. In short, NGOs are themselves social entrepreneurs and create value by virtue of the bridging social capital they bring. An implication of this chapter is that no study of social entrepreneurship and regional development is complete without considering the contributions of NGOs to the value creation dynamic. Therefore, we need to extend the standard entrepreneurial production models to noneconomic players such as NGOs, who act as catalysts and enablers in the entrepreneurial process. This perspective sets up the basis for understanding the rest of the volume.

Chapter 3 proposes a comprehensive model of the complex causalities and interdependencies of the factors affecting the scalability of social
enterprises. Given that the success of social entrepreneurial enterprises are defined by their ability to reach their target populations at scale, and that the social problems they are trying to solve are evolving, focusing on scalability allows us to contract dynamic models that speak to a key dimension of the problem. The authors examine the extant literature on scaling social enterprises and nonprofits, and single out 241 key drivers of scalability and 144 scaling strategies. They then cluster the drivers of scalability to derive one antecedent and seven key factors, while sorting the strategies into four types. Finally, a model emerges that responds to previous calls in the literature for a systematic approach to characterizing the challenges and opportunities of social enterprise scaling.

Chapter 4 begins with the premise that it is possible to solve societal problems by applying business techniques with entrepreneurial mind-sets (Zahra et al., 2009). Within the social entrepreneurial milieu, the organization actors most likely to employ such techniques are venture philanthropy funds, such as Ashoka. Globally, there are at least 45 venture philanthropy funds with an exclusive focus on investments in social enterprises (Achleitner et al., 2011). In recent years, the volume of funds has increased significantly, thereby supporting the growth of social enterprises worldwide (see, for example, Milligan and Schöning, 2011; Saltuk et al., 2011). Total venture philanthropy fund investments in Europe have already surpassed the mark of a billion euros (Hehenberger, 2012). They not only provide the needed seed capital to kick-start venture formation, they also contribute to the visible successes of social enterprises by organizationally supporting and actively promoting them. As such, venture philanthropy funds have elevated the importance of social entrepreneurship in policy debates regarding economic development (Cohen, 2011) and therefore play an important role in theory building. Chapter 4 argues that theorizing about success factors has become a focus for venture philanthropy funds (Achleitner et al., forthcoming). The involvement in theory building by such entities has precedent. For example, in the area of financial engineering, the active involvement of practitioners has led to more sophisticated theoretical models and ways of organizing.

Chapter 5 reports on the result of an empirical study using data from the Global Social Benefit program. Because the majority of social entrepreneurship papers rely on case studies or discourse analysis, the empirical work reported by this chapter represents an important attempt at systematic description. Applying exploratory and quantitative methods to examine a data repository of 141 social ventures, the chapter establishes an empirical foundation for constructs, measures, and ideas found in the literature.
Chapter 6 argues that of the many hurdles faced by social entrepreneurs, funding is arguably the most challenging. Government support and individual philanthropy were traditionally the most common sources of capital for social entrepreneurs, but several potential sources of funding for social entrepreneurs have recently emerged with the potential to change the funding landscape for social ventures. This chapter discusses crowdfunding, private foundations, and impact investing. It discusses the conditions associated with each source, provides examples, and includes informational resources to improve the effectiveness of capital search. The chapter demonstrates that each source has different objectives that create opportunities and challenges for social entrepreneurs.

Although most social entrepreneurs are experienced in the technical aspects of their ventures, many existing and potential social entrepreneurs lack the expertise needed to conduct an effective search for capital. Seldom are the potential sources of capital and the social needs being addressed proximate to each other. Hence, the need to raise funds is often an ongoing one, extending beyond the successful launch, as established organizations increase their social impact through expansion and growth. For many social entrepreneurs, the search for capital is not a single event but a process inextricably linked to the achievement of their missions. Therefore, efforts to raise capital often divert these technical resources away from the organization’s mission, jeopardizing achievement of the organization’s short-term objectives.

Part Three consists of two chapters that both present an approach to fostering social entrepreneurship by marrying educational programs with outreach efforts. More importantly, readers should pay attention to the research methods used to report on the results of these interventions. Chapter 7 reports on the Social Entrepreneurial Leadership (SEL) program. Using the theory of bricolage as a lens to describe the social entrepreneur as overcoming limitations by persuading stakeholders to participate in value creation while simultaneously earning an income, the SEL approach was built on five years of action research in rural Bangladesh. The chapter describes the effects of the SEL approach for 26 entrepreneurs who started a business in 2010 and who participate in evaluations in 2011 and 2012. The baseline and evaluative questionnaires were triangulated with in-depth interviews in 2012 with entrepreneurs, husbands of entrepreneurs, and village leaders, and with members of the entrepreneurial networks.

Finally, Chapter 8 reports on the results of a social entrepreneurship competition. Universities are increasingly adding social venture competitions to their cadre of management education tools as interest in social entrepreneurship grows (Dumaine and Pofeldt, 2007). Participating in
these social entrepreneurship initiatives is often viewed as meaningful and socially desirable due to their positive social impact (Aspen Institute for Business Education, 2011). Such competitions are increasingly common and represent opportunities to collect data on emerging entrepreneurial initiatives. These in situ observations are particularly valuable because they do not depend on incomplete recall or self-reports that may be vulnerable to social desirability bias. Nevertheless, little research has provided insight into the value and pedagogical benefits created by these social venture competitions (Kwong et al., 2012). This chapter documents the growth of social venture competitions and discusses how they create value for past-participants, venture development, and society. These outcomes are analyzed through an exploratory survey of two samples of social venture competition past-participants.

In summary, this volume offers something for everyone interested in social entrepreneurship. Because social entrepreneurship as a phenomenon is heterogeneous, there continues to be great difficulty in large-scale, empirical, statistical model testing. The causes and consequences of social entrepreneurship are multi-factorial. At the same time, single case analyses, while useful, do not bring us closer to generalizable conclusions about what works. The result is policy and government spending that does not translate into impact. This book offers examples of research-driven policy interventions, and new approaches to empirical research and policy intervention.

REFERENCES

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