

An Investigation into the Field of Social Entrepreneurship: A Preliminary Study

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Abstract: *Social entrepreneurship, as both a practical field and an academic discipline, provides a unique opportunity to examine, critique, and reassess concepts and assumptions from several areas of management and business research. This article introduces a theory of social entrepreneurship as a means of addressing important societal needs, without placing primary emphasis on the immediate financial benefits for the entrepreneurs. When compared to other forms of entrepreneurship, social entrepreneurship prioritizes the advancement of social value and development over maximizing financial profit. The authors propose the concept of embeddedness as a connection point between different theoretical approaches in the study of social entrepreneurship, with the aim of stimulating additional research in this field*

Keywords: Social, entrepreneurship, financial, development

I. INTRODUCTION

Social entrepreneurship, which involves the creation of both economic and social value, has a rich historical background and is widely practiced. The various endeavors undertaken by Grameen Bank, founded by Professor Muhammad Yunus in 1976 with the aim of eradicating poverty and empowering women in Bangladesh; the utilization of artistic endeavors to foster community programs in Pittsburgh by the Manchester Craftsmen's Guild, established by Bill Strickland in 1968; and the worldwide initiatives of Ashoka, established by Bill Drayton in 1980, all exemplify modern manifestations of a long-standing phenomenon.

Recently, researchers have developed an interest in entrepreneurship as a means to promote social progress, even if there has been a significant focus on entrepreneurial activities aimed at economic development in academic circles. Social entrepreneurship research remains primarily focused on studying phenomena, similar to the early days of entrepreneurship research. Most contemporary research frequently relies on case studies or anecdotal evidence, employing diverse study methods and procedures, while also integrating knowledge from other disciplines. The term "social entrepreneurship" has been subject to several interpretations, similar to entrepreneurship, which still lacks a cohesive structure even in the present day.

The precise concept of social entrepreneurship is incomplete, and its intersection with other academic disciplines remains ambiguous. Although some may perceive this as a negative, we view it as a unique chance for scholars from other fields, such as entrepreneurship, sociology, and organizational theory, to critically examine and reassess fundamental concepts and assumptions. This essay aims to elucidate the fundamental nature of social entrepreneurship in order to guide future research.

The underlying principle of our argument is that for social entrepreneurship to evolve into a structured discipline, it is imperative to make a deliberate attempt to establish clear and precise definitions of key concepts. With the aim of achieving this objective, we emphasize and elaborate on the crucial components by utilizing concrete examples of social entrepreneurship in practice. We consider this article's analysis of social entrepreneurship to be a crucial initial stage in enhancing our theoretical understanding of the phenomena and enabling further research, despite its incomplete coverage of the topic. We concur with Weick (1995) in asserting that a superior theory is characterized by its ability to elucidate, forecast, and provide satisfaction. The purpose of this article is to promote research that goes beyond descriptive studies in order to fully realize the potential of social entrepreneurship as a means of justification, prognosis, and delight.

The article is organized in the following structure. Firstly, the notions of "social" and "entrepreneurship" that form the core of these phenomena are defined. We provide a concise and operational definition of social entrepreneurship and elaborate on its distinct characteristics. Next, we demonstrate how social entrepreneurship serves as an intriguing arena for a wide range of ideas and literatures. Our focus is on utilizing structuration theory, concepts of institutional entrepreneurs, social capital, and social movements to enhance our understanding of social entrepreneurship. We draw upon sociology and organizational theory to do this. We conclude with many research areas that could aid in determining the future trajectory of social entrepreneurship as an academic discipline.

II. THE NOTION OF SOCIAL ENTREPRENEURSHIP

Diverse individuals and academics hold contrasting perspectives regarding the meaning of the phrase "social entrepreneurship." According to a group of experts, social entrepreneurship pertains to non-profit initiatives that seek innovative funding sources or management structures in order to create social impact. According to another group of experts, it refers to the socially responsible business practice of collaborating across different sectors. Another faction perceives social entrepreneurship as a means to address societal problems and ignite social transformation. It is important to acknowledge the conceptual differences among definitions. Definitions of social entrepreneurship typically pertain to a certain approach or undertaking. In contrast, definitions of social entrepreneurs tend to focus more on the individual who initiated the initiative. Definitions of social businesses, on the other hand, center around the tangible outcome of social entrepreneurship. Despite the existence of several definitions, there is a lack of systematic efforts to map out actions and definitions. Despite the presence of multiple definitions focusing on different aspects of the phenomenon, a comprehensive explanation of the phenomena and a precise framework for studying social entrepreneurship are still required. The existence of these varied definitions does not necessarily impede the search for a theoretical understanding.

This article aims to elucidate the concept of social entrepreneurship in order to facilitate future study. We provide a precise definition of the term, which is derived from up-to-date research on social entrepreneurship and well-established research in entrepreneurship. Social entrepreneurship is the practice of creatively utilizing and combining resources to identify opportunities for promoting social change and addressing social issues. Defining entrepreneurial phenomena comprehensively is a challenging task. The purpose of this essay is to propose a definition that reflects our basic assumptions. Firstly, social entrepreneurship is perceived as a strategy for effectively combining resources in innovative ways to generate value. Furthermore, the main objective of these resource combinations is to recognize and exploit opportunities to enhance societal value by stimulating social transformation or resolving social need. Additionally, social entrepreneurship encompasses both the establishment of new organizations and the delivery of services and goods, viewed as a dynamic process. It is worth mentioning that social entrepreneurship, as defined in this article, can occur in both new and established organizations, where it may be called "social intrapreneurship." Similar to intrapreneurship in the business world, social intrapreneurship can involve either creating new businesses or introducing innovative approaches to the entrepreneurial process. Social entrepreneurship distinguishes itself from other more loosely organized initiatives aimed at social change, such as activist movements, by operating within newly established or existing organizations.

In the following paragraphs, we will systematically analyze the two key concepts that define the concept, specifically, "social" and "entrepreneurship," to enhance the definition provided in this article. By employing this approach, we may examine potential differences between social entrepreneurship and entrepreneurialism in the business domain, as well as delve into the fundamental nature of social entrepreneurship.

2.1. The aspect of social interaction within the definition:

The most significant challenge in comprehending social entrepreneurship lies in defining the parameters of the concept of "social". Upon initial observation, it may seem that social entrepreneurship differs from entrepreneurship in the commercial sector due to the fact that the latter is associated with the desire for profit, whilst the former is an embodiment of compassion. We question the dichotomous manner of thinking for two specific reasons. Although social entrepreneurship is often motivated by moral values and ethical considerations, it can also be pursued for personal fulfillment, regardless of altruistic intentions. Furthermore, there is a significant social aspect associated with

entrepreneurship within the corporate sphere. According to Venkataraman (1997: 133), entrepreneurship is highly beneficial for society when entrepreneurs, while pursuing their own interests, also contribute to the creation of new markets, industries, technology, institutional forms, jobs, and overall increase in productivity. While the profit motive may play a significant role in driving entrepreneurship, it does not exclude the presence of other factors. Shane, Locke, and Collins (2003) demonstrate the importance of motivation in the field of entrepreneurship.

What is the distinct social sphere of social entrepreneurship? The Grameen Bank in Bangladesh, the Aravind Eye Hospital in India, and Sekem in Egypt are three exemplary instances of global social entrepreneurship that warrant analysis. All three entities effectively utilize external resources to solve social issues and bring about changes in existing social systems. Founded in 1976 by Professor Muhammad Yunus, the Grameen Bank has had a significant influence on the lives of countless individuals. Offering financial services to marginalized individuals, particularly women, empowers them to initiate prosperous ventures and alleviate poverty (Yunus, 1999). Established in 1976 by Dr. Venkataswamy, the Aravind Eye Hospital in India has been offering affordable eyecare services, such as cataract surgery, to combat blindness for the last two decades. These treatments are far less expensive compared to similar procedures in wealthy countries. Sekem, established by Dr. Ibrahim Abouleish in 1977 as a social enterprise, has now evolved into a diverse conglomerate. Furthermore, other than contributing to the economic, social, and cultural aspects, it has exerted a significant impact on Egyptian society. It significantly decreased pesticide usage in Egyptian cotton fields by 90% and developed many institutions such as schools, universities, adult education centers, and hospitals (Seelos & Mair, 2005a). These examples illustrate how social entrepreneurship stimulates societal transformation by addressing social needs. Value creation encompasses both social and economic dimensions in all three cases. Ensuring financial sustainability necessitates the cultivation of economic value, however the primary focus lies on fostering social value.

It is important to note that social entrepreneurship is also present and extensively studied in rich countries, although the examples provided earlier focused on disadvantaged nations to demonstrate the broad nature of the notion. Community development has been extensively studied in the United States, Canada, and the United Kingdom.

2.2. The aspect of entrepreneurship within the given definition:

The prevailing consensus presently is that the focal point of entrepreneurship research should be the entrepreneurial process or behavior, as opposed to earlier studies that primarily examined how an entrepreneur's personality or history impacts entrepreneurial behavior. An increasing number of scholars are conducting study on the societal influence of entrepreneurship and entrepreneurial processes beyond the realm of business. Opportunities are widely recognized as a defining characteristic of entrepreneurship, even though the field is still influenced by several ideologies.

Research on social entrepreneurship has mirrored the empirical and theoretical advancements made in the field of entrepreneurship. To emphasize the entrepreneurial aspect of social entrepreneurship and differentiate it from other phenomena, scholars have focused on the personality of the social entrepreneur, the particular behavior or process involved, or the social opportunity. The investigation into the character of the social entrepreneur has been a prominent area of study. Research on this technique has discovered that social entrepreneurs possess distinct characteristics (Drayton, 2002), exceptional leadership skills (Thompson, Alvy, & Lees, 2000), a strong will to accomplish their objectives (Bornstein, 1998), and a firm ethical base (Drayton, 2002). We have reservations about the effectiveness of this technique in highlighting significant differences between social entrepreneurs and other individuals, despite the ongoing efforts in research to identify unique entrepreneurial characteristics. It is inappropriate to inquire about the identity of the entrepreneur, as previously stated multiple times (Gartner, 1988). We suggest that a more efficient approach may involve examining the range of behaviors that form the basis of social entrepreneurship as a process, while building upon a preexisting behavioural foundation in entrepreneurship. Researchers have differentiated between social endeavors and social "entrepreneurial" activities by focusing on the entrepreneurial process, or the manner in which entrepreneurs conduct themselves (Dees, 1998). To distinguish social entrepreneurship from other forms of entrepreneurship, recent research has focused on the issue of creating social value that entrepreneurs explore and utilize.

2.3. Key characteristics of social entrepreneurship:

Several authors have emphasized the non-profit nature of social entrepreneurial activities as a defining characteristic of social entrepreneurship. We argue that social entrepreneurship can thrive equally effectively in the realm of profit-making enterprises. Based on our examination of multiple for-profit and not-for-profit initiatives, we have found that the selection of an organizational structure is generally influenced by the specific social needs being targeted, the amount of resources needed, the ability to raise funds, and the potential to generate economic value. The subsequent examples illustrate this pattern.

Dr. Victoria Hale founded the Institute for One World Health (IOWH) in 2000, making it the first non-profit pharmaceutical company in the world. The primary objective of IOWH is to develop medicines for diseases that are not adequately addressed. It has challenged established assumptions in the field that seemed contradictory to providing essential pharmaceuticals to individuals in impoverished countries. The entire process of pharmaceutical research and delivery has been completely overhauled. Due to its non-profit status, IOWH successfully obtained the necessary financing to initiate the business, as well as crucial resources such as buildings and expert assistance. A not-for-profit operating model is highly suitable for the specific business model chosen by Dr. Hale for IOWH and the specific social concerns that the organization wants to tackle.

Conversely, the business model implemented by Dr. Abouleish for Sekem and the one designed by Muhammad Yunus for the Grameen Bank are effectively aligned with a profit-oriented strategy. Both the Grameen Bank and Sekem utilize the profits generated by their main operations to initiate supplementary social initiatives. Grameen has achieved this through the establishment of enterprises such as Grameen Telecom and Grameen Energy, whereas Sekem has accomplished it through the creation of several endeavors, including a university and a hospital. Ultimately, the choice between a not-for-profit or a for-profit vehicle for social entrepreneurs is often influenced by the specific business model and the distinct social problems they aim to solve.

The main differentiating factor between social entrepreneurship and entrepreneurship in the business sector lies in the relative emphasis placed on generating social wealth versus economic prosperity, rather than the divide between profit and not-for-profit endeavors. Venkataraman (1997) posits that social wealth is an incidental outcome of the economic value created in commercial entrepreneurship, but social entrepreneurship focuses primarily on the creation of social value. Nevertheless, the aforementioned examples clearly demonstrate that social entrepreneurship businesses can nevertheless utilize a "earned income" model. For the Grameen Bank to sustain its purpose of uplifting the lives of the most impoverished individuals through loans, it is crucial to generate economic value. Similarly, Sekem aims to further enhance Egypt, the Aravind Eye Hospital strives to continuously offer eye care and cataract surgery to the less fortunate, and IOWH is dedicated to ongoing research for developing treatments to tackle neglected diseases in undeveloped countries. The primary objective of social entrepreneurship is to create social wealth, while simultaneously generating economic value through generated revenue to guarantee the long-term viability and financial autonomy of the initiative.

Another defining feature of social entrepreneurship is the limited capacity to gather the generated value. Essential social needs such as food, shelter, and education are often tackled by social entrepreneurs. However, they often have difficulties in generating economic value because their "clients" are sometimes reluctant or unable to pay even a small fraction of the cost for the goods and services provided.

Undoubtedly, previous studies on entrepreneurship have had a significant impact on and yielded advantages for research on social entrepreneurship. The early efforts to conceptualize social entrepreneurship were influenced by methodologies and frameworks taken from research on entrepreneurship in the business domain. Social entrepreneurship has emerged as both a practical and theoretical pursuit, providing the field of entrepreneurship with a unique chance to challenge, examine, and reconsider important concepts and assumptions in its search for a unified framework. It is our belief that it is now appropriate to take a further step.

III. CONCLUSION

Social entrepreneurship is a multifaceted field that encompasses a wide range of forms, making it an intriguing arena for different perspectives and literary creations. Emerging fields of study sometimes lack well-defined theoretical boundaries and require the integration of ideas from other academic disciplines. Busenitz et al. (2003) argue that social

entrepreneurship may not achieve the desired consensus and legitimacy among academics, and may be seen merely as a platform for exploring different disciplinary ideas. However, we believe that a better understanding of social entrepreneurship can be achieved by integrating diverse theoretical frameworks and research methodologies. Social entrepreneurship has several characteristics and varies according on the socioeconomic and cultural context, rather than providing an exhaustive set of perspectives. Our theoretical understanding of social entrepreneurship is enhanced by incorporating information from sociology, political science, and organization theory. We view social entrepreneurship as a dynamic process that evolves through continuous interaction between social entrepreneurs and their operating environment.

This paper emphasise that economic environments are intricately connected to social and structural connections that modify the neoclassical forecasts of individualistic economic conduct. Similar to entrepreneurship in the business sector, we believe that social entrepreneurship should be examined within the framework of society and the local surroundings, rather than solely in terms of economics. Hence, we consider the notion of embeddedness as the common link among the concepts and theoretical perspectives discussed in the subsequent sections, namely structuration theory, institutional entrepreneurship, social capital, and social movements.

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