

# Social entrepreneurship: concept clarification

Sawssan Saadaoui<sup>#1</sup>, Rym Belgaroui<sup>\*2</sup>,

<sup>#</sup>*Faculty of Economic Sciences and Management  
Sfax, Tunisia*

<sup>1</sup>sawssansaadaoui@yahoo.fr

<sup>\*</sup>*Faculty of Economic Sciences and Mangement  
Sfax, Tunisia*

<sup>2</sup>rimbelgaroui@hotmail.fr

**Abstract**— Social entrepreneurship has been, for twenty years, a subject of university research. It witnesses an international rise and arouses passion. It is a concept that is gaining popularity. Its significance differs from one person to another. This could explain its ambiguity. It is the scope of our intervention. Thus, the goal of the paper, based on the literary revue, is to present the social entrepreneurship concept in order to better understand its positioning compared to connected concepts and to classical entrepreneurship. In particular, this article defines social entrepreneurship and the connected notions of social and solidary economy, social enterprise and social entrepreneur, and finally presents a comparative vision between social and economic aspects.

**Keywords**—entrepreneurship, social entrepreneurship, social entrepreneur, social enterprise, social and solidary economy.

## I. INTRODUCTION

Entrepreneurship is an important field of research (Shane and Venkataramen, 2000). It plays an important role in the economic development (Davis, 2002; Haugh, 2007) notably in jobs creation. It was applied, then, in the context of affairs and economic enterprises.

Social entrepreneurship became fashionable at the end of the nineties, mainly; with the Anglo-Saxon cultures. It witnessed a considerable expansion in the private sectors, public sectors and non-lucrative sectors. The interest to this notion continues to grow (Johnson, 2000; Nicholls, 2008). This new form of entrepreneurship has become an interesting phenomenon having widespread effects on society mainly in the measure that it applies innovative approaches to solve social problem (Robinson & al. 2009). Mostly illustrated with “success stories” coming from the four corners of the world in different sectors (health, education, finance, culture, etc.), the concept progressively reigns in the world of enterprise as well as in the academic and political spheres (Boschee 2006; Light 2008; Nicholls 2006b; Nyssens 2006).

If entrepreneurship researches are still not substantial enough to be unanimous, the studies on social entrepreneurship, as a theme in itself, underline the proliferation of definitions and conceptions, and corroborate the absence of a unifying paradigm (Dess 1998). Within the same logic, Mair & Marti (2006) underline that social entrepreneurship remains in a state of emergence since few

managers and less researchers in entrepreneurship are interested in this phenomenon (Boncler & Hlady-Rispal, 2004, p. 21). It remains misunderstood by people and causes a great confusion in literature and practice (Zahra & al, 2008).

In this way, the objective of the present communication, based on a literary revue, is to present the concept of social entrepreneurship in order to better understand its positioning in comparison to concepts closely related to classical entrepreneurship. In particular, this article defines the concept and the notions related to social and solidary economy, social enterprise and social entrepreneur. It presents, at the end, a comparative vision of the social aspect and the classical one, also known as economic.

## II. SOCIAL ENTREPRENEURSHIP: DEFINING AND SETTING THE DIFFERENT RELATED CONCEPTS IN PERSPECTIVE

### A. Conceptual Framework of social entrepreneurship

Social entrepreneurship has, in addition to creating enterprise, to answer social needs, not still satisfied with the state or the market (Thompson, 2002; Alvold & al. 2004). Social entrepreneurship is present in an interdependent logic, having in priority social cohesion against capitalist market economy having as objective the achievement of purely financial goals.

Many attempted to define the term social entrepreneurship. Brouard and Larivet, (2009), Bacq and Janssen (2008a, 288b) and Zahra, Gadajlovic, Neubaum and Shulman (2006) stipulate that in diverse literatures, there are definitions of social entrepreneurship. Social entrepreneurship may represent, for the actors of the civil society, the driving force behind a systematic social change (Nicholls 2006b), a space for new hybrid partnerships (Austin & al, 2006a) or a model of a political transformation (Alvold & al. 2004). For the government, social entrepreneurship may be one of the solutions to the state deficiencies in social protection (Leadbeater 1996; Nyssens 2006). Finally, for the enterprises, social entrepreneurship can offer new economy niches (Karamchandani & al. 2009) or a natural investment development, which is socially responsible (Freireich & Fulton 2009).

More recently, researches have concentrated on social entrepreneurship process. According to Mort and al. (2003),

social entrepreneurship is seen as “multidimensional concept that implies an entrepreneurial behavior to reach a social mission. It also implies coherence in the goals and actions to face moral complexity and the faculty of knowing value-creating opportunities, and key characteristics for decision-making in terms of innovation, pro-activity and risk-taking”. Mair & Marti (2006) define social entrepreneurship as “a process embedding an innovative and combined use of resources to explore and exploit opportunities that target social change by satisfying the basic human needs in a bearable way”. Austin & al. (2006b) define social entrepreneurship as “an innovative activity and as a social value creator emerging in public sectors, private lucrative, private non-lucrative or in-between”. Finally, Zahra & al. (2006) present social entrepreneurship as a set of process related to the discovery of opportunities in order to create social richness and the organizational processes developed and used to satisfy the needs”. They add in 2009, that social entrepreneurship includes “activities and processes undertaken to discover, determine and exploit opportunities in a way to generate social value with the creation of new organizations or in managing existing organizations with innovating ways”.

On the other hand, social entrepreneurship is seen as an innovator activity where the goal is social, whether in the benefit sector (Dees & Anderson, 2003; Emerson & Twersky, 1996), or still in the non-lucrative sectors or through sectors with hybrid structural forms and that mix lucrative and non-lucrative approaches (Dees, 1998). There appeared as a new etiquette to describe community work, volunteering a public organization; as well as private companies that opted for social work rather than lucrative companies. In this perspective, Johnson (2000) sees that social entrepreneurship appears like “an entrepreneurial activity with a social orientation and intention”, and, “an activity that deals with social questions in innovative and creative ways” Nicholls (2006). Finally, Borza & al. (2009) add that social entrepreneurship is “the process that can suggest practical solutions in order to ameliorate the access to social services, hygiene and the local exploitation of jobs, reducing, as a result, all sort of discrimination by providing jobs to people who need them”.

Having, therefore, defined social entrepreneurship, literature about the subject, from the first look, employs three different terms that many seem interrelated in a very simple way : “social entrepreneurship” is the dynamic process with which some individuals called “social entrepreneurs” create and develop organizations that can be called “social enterprises” (Defourny & Nyssens 2008b; Mair & Marti; 2006). But, the use of one term or the other is often linked to a different viewpoint and/or a divergent understanding of the phenomenon. From this, the idea will be further dealt with in the following section.

#### B. *Panorama of the different terms linked to social entrepreneurship*

Brouard (2007) underlines that the social entrepreneur has a very big importance in the social enterprise which is, itself, placed in the set of social and solidary economy. From this fact, it is very important to make the distinction between its different terms.

##### - *Social and solidary economy : the sector where social entrepreneurship is carried out*

This notion unifies organizations that are, according to Frémaux (2012), alternatives whether by what they are (their status produces other social relationships), whether by what they do (their goal is to have a particular social utility). Social and solidary economy is linked to enterprises created on a basis of solidarity and participation principles, which produce goods and services following socio-economic targets. Finally, social and solidary economy designates “a set of economic initiatives with social finality that participate in building a new way of living and thinking. It places the human-being at the very centre of the socio-economic development. Solidarity, in economy is based on a project, at the same time, economic, political and social, that leads to a new way of doing politics and establishing human relationships on the basis of consensus and citizen actions”.

To conclude, where we talk about social and solidary economy, we designate organizations that look for social or environmental amelioration rather than financial profit, and that respect the guidelines of democratic management, collective or social project utility, mixing of resources, and non-individual lucrativity.

The distinction between social and solidary economy, a one hand, and social entrepreneurship, on the other, is presented by the collectif for the Development of Social Entrepreneurship (CODES) (January 2007). It precises that “the notion of social entrepreneurship is not to replace, compete with or threaten that of social and solidary economy”, in the contrary, it represents “an opportunity for the sector development”. It insists on the complementarity of the two concepts in the measure that they have in common to think and live the economy differently. The differences are that Social and Solidary Economy (ESS) have historical vision, political and institutional whereas social entrepreneurship is more empirical, pragmatic, and quite centred the projects and those who hold them.

##### - *The social entrepreneur : who will change the world*

Many definitions of the social entrepreneur have been proposed. Some authors think that the entrepreneur is a fortune-teller. In fact, Bornstein (1998) presents the social entrepreneur as a fortune-teller who finds solutions to today's problems by creating a new and strong idea. As well, Catford (1998) underlines that the social entrepreneur is like someone who combines “activism, professional competences, vision and pragmatism, ethics and tactical confidence”.

In another perspective, some authors concentrate their definition on opportunities seizing. For example, according to

the Canadian Center for Social Entrepreneurship, social entrepreneurs are leaders in the field of social change and can be found, at the same time, in the private, public and non-lucrative sectors. Catford (1998) shares the same idea and affirms, in this sense, that the social entrepreneur has the ability to convince and to engrain responsibility to others to encourage them to see their dreams come true. Schuyler (1998), in another attempt to define the social entrepreneur, highlights that the social entrepreneur is a visionary of social change in a way he has financial resources allowing him to sustain his ideas and having all the competences of a businessman who truly believes in social change. Other definitions about the social entrepreneur were added. Blair (1997), for example, pinpoints that the social entrepreneur is seen as “individuals who bring enterprise and imagination both to social problems as well as to businesses of big profit”. Equally, social entrepreneur is someone who is motivated by adopting innovative approaches and creative utilization of resources, generally people, to satisfy the needs that the governmental social system is not able to satisfy. (Thompson & al, 2000).

- *Social Enterprise*

In 2006, Defourny & Nyssens define social enterprise as “an organization with an explicit service to the community, initiated by a group of citizens and in which the material benefit of investors should be limited. The social enterprises highly value their autonomy and stand the economic risks linked to their socio-economic activity”. It is also defined as “an organization which is independent from social and economic objectives that aim to play a social role and to reach a financial durability through commerce” (DTI, 2001). Another definition by the British government in 2002 and in the context of a document turned to be public in July 2002 and entitled “Social Enterprise: a strategy for success”, the Commerce and Industry Secretary P. Hewitt (2002) defines it as: “a commercial activity having essentially social objectives where the surplus is principally reinvested according to its goals within the activity itself or the community more than being guided by profit maximization of shareholders or proprietors”.

Generally speaking, social enterprise can be seen simply as an activity with a purely social mission (Olsen, 2004) as noted by Morrin & al. (2004) “ Social enterprise means not just being able to operate a sustainable business, but also having a layer of governance that is more inclusive and accountable than private companies”.

**III. COMPARISON BETWEEN THE SOCIAL AND ECONOMIC ASPECTS**

*A. Social entrepreneurship VS classical entrepreneurship*

Before going further, it is convenient to make a comparison between classic entrepreneurship and the social one.

Therefore, entrepreneurship is a disciplinary field. It knew an important development and an increasing interest since the 80's and 90's with a multiplicity of research and academic articles. The study of this field is at the heart of many debates in many countries. Its multiple components are observed and analysed by economists, sociologists, historians, psychologists, behaviorists, and specialists in the management as a science (Filion 1997). From that onwards, many authors consider it as a fundamental element of economic growth and job opportunities creation of one country. A particular form of entrepreneurship presents an interesting pathway: social entrepreneurship (Henton, Melville & Walesh, 1997). In fact, though not new, social entrepreneurship is an emerging concept that is getting more and more popular all over the world (Barendsen & Gardner, 2004; Christie & Honig, 2006). The following table allows us to sort out the distinct characteristics of both social entrepreneurship and the classic entrepreneurship as presented by Brossard (2010).

**TABLE I**  
**COMPARISON BETWEEN SOCIAL AND CLASSIC ENTREPRENEURSHIP**

	<b>Classic entrepreneurship</b>	<b>Social entrepreneurship</b>
Social mission	There many exist a conscience about the social and environmental stakes and a willingness to be socially responsible, but it is not the central mission of the enterprise. The enterprise's social responsibility “that understands durable development stakes taking into account the different social, ecological, economic and organizations” running , is to be distinguished from social entrepreneurship.	The social mission is central: it is the raison d'être of the organization.
Creation of economic value	From the start of theorizing about entrepreneurship (Say), the creation of an economic value is central. This value is created when someone sells goods in a price that is much higher than the production price. The entrepreneur looks for making profit and even to maximize it.	The quest for revenues and profit is a means of financing the social mission of the enterprise or assuring its durability by building up a viable model and an autonomous financing. The goal is never to maximize profits.
Factor of change	The entrepreneur is a factor of change: in the Schumpeterian approach, he reforms	The social entrepreneur is also a factor of change who invents new ideas, mobilizes resources innovatively but to give durable

	or revolutionizes the production modes by combining new resources. He is an actor of economic development.	and profound answers to major problems of society. He is an actor of social change.
Identification and exploration of an opportunity	The entrepreneur identifies and runs a business opportunity, a need still not satisfied due to market. Running this opportunity is profitable.	The social entrepreneur identifies and runs a social progress opportunity; he answers a social need that is dissatisfied with the public powers or by the classic market economy.
Profile and behaviour of the entrepreneur	<ul style="list-style-type: none"> <li>• Calculated risk-taking, incertitude</li> <li>• Innovation</li> <li>• Engagement of the entrepreneur in this project</li> <li>• Motivation: self-fulfilment and financial gain.</li> </ul>	<ul style="list-style-type: none"> <li>• Calculated risk-taking, incertitude</li> <li>• Innovation</li> <li>• Engagement of the entrepreneur in this project</li> <li>• Motivation : self-fulfilment and a desire to cause a social progress, to have a social impact</li> </ul>

If we examine this table, we will notice that social entrepreneurship highly advocates the social role compared to the commercial role which is seen as a setting. In fact, it is clear the principal goal of social entrepreneurship, whose mission is to create social change, is to create social and economic values contrary to classic entrepreneurship where the mission is to maximize the shareholders profits basing on creating an economic value. It is characterized by the explicit primary of the social mission. The social enterprise has, as a purpose, to answer social needs whether general or collective (like cooperatives or mutual funds) which cannot be satisfied by the private or the public sectors. It can equally aim at revitalizing marginalized economic territories. So, the distinction between social and commercial entrepreneurship resides in the predominant concentration and value creation rather than value appropriation. On another hand, commercial enterprises can develop social activities in the context of their social responsibility whether by dealing with certain social projects or by the different aids to social organizations. In the social enterprises, innovation is mainly social and lies in finding possible new combinations of resources to serve society. It is not a matter of introducing new types of production or explores new markets, but to satisfy new needs, not covered by the market. Social innovations are supposed to reinforce the local development through life quality and human resources. Social entrepreneurs do not have as an objective to protect these new solutions but to facilitate their expansion by means of other groups of citizens in other territories. Whereas, in the commercial enterprise, technological innovation aims to compete with rivals.

*B. Social entrepreneur VS economic entrepreneur*

The main distinction between the social entrepreneur and the economic entrepreneur is that; “social entrepreneurs have a vision of something they like to solve socially or a social and moral motivation in their entrepreneurial ambitions”. (Nicholls, 2008). Whereas commercial entrepreneurs examine the problem from a purely economic viewpoint (Dearlove, 2004). Like traditional entrepreneurs, social entrepreneurs, according to CCSE (2001) are energetic people endowed with higher tolerance to incertitude. They privilege participative spirit and are willing to carry on even the presence of obstacles or the lack of resources. Therefore, the social entrepreneur reacts as catalyst of the social enterprise by putting all his competence at the service of the social enterprise, to make it thrive. This entrepreneur takes risks that someone else would not take because he believes in the ability of everyone to contribute in the development and prefers to invent new solutions rather than to rely on monotonous and idle bureaucratic measures that show down social changes. He is characterized by his vision and ambition. He dares to combine the economic with the social. He tries to change the world around him to make it fit in with his optimistic convictions. (Bornstein, 2007; Elkington & Hartigan, 2008).

Consequently, the following table sums up the main differences between the two types of entrepreneurs on the basis of variables dealt with by the National Center For Social Entrepreneurs (2001).

TABLE II

RECAPITULATIVE COMPARISON OF THE SOCIAL ENTREPRENEUR AND THE ECONOMIC ENTREPRENEUR

	Social Entrepreneurs	Economic Entrepreneurs
Strength	Collective experience	Personal competence and energy
Scope	Abilities development	Financial profit
Temporal perspective	Long- term	Short- term
Products and services extent	Limited by vision	No-limits
Benefits	The profile is a tool reinvestment	The profile is an end Distributing to shareholders
risks	Assets of the organization, the image and confidence	Personal assets and investor's assets
Autonomy	Making the organization independent firm donators	autonomous

To conclude, the entrepreneurial dynamic specific of the social entrepreneur resides in the answers he brings: these are new solutions to defy our époque. It implies numerous partners; it trains benevolent, users, organisms, public powers... He resorts to competence, a new production factor and develops a collective approach. So, a social entrepreneur has a quality of reasoning and fineness of perception. He shows a great ability, masters his environment and breaks the isolation among disciplines and organizations.

#### IV. CONCLUSION

Social entrepreneurship concepts, social enterprise or social economy look often connected. Social solidary and economy stress historically the non-lucrative aspect of the activity, through specific judicial stata, whereas the social entrepreneur's movement favors the social impact of the activity independently from the status. It is therefore important to better understand and clarify these concepts. It is what we liked to deal with in our article. Wishing that this contribution will allow a better understanding of the social entrepreneurship concept as well as the different concepts.

#### REFERENCES

- [1] Alvord.S.H, Brown.L.D and Letts.C.W, "Social entrepreneurship and societal transformation: An exploratory study," *The Journal of Applied Behavioral Science*, Vol.40, N°3, 2004, pp.260-283.
- [2] Austin, J., Stevenson, H, Wei-Skillern, J. "Social and commercial entrepreneurship: Same, different, or both?", *Entrepreneurship: Theory & Practice*, 30(1), 1-22. Automne / Fall 2010, pp.46 – 64.
- [3] Borza, A ; Mitra, S, " Social entrepreneurship and social responsibility : comparative study", *Management & Marketing, Challenges for the Knowledge Society (2011)* Vol. 6, N°2, pp. 243-254.
- [4] Brazael, D.V, T. Herbert, "The Genesis of Entrepreneurship", *Entrepreneurship Theory and Practice*, Vol. 23, N°3, 1999, pp. 29-45.
- [5] Brouard, F. Larivet, S, "Social entrepreneurship: Definitions and boundaries", *Conférence 2009 ANSER-ARES, 27-29 mai, Ottawa, Canada*.
- [6] Christie,M.J. and B. Honig, "Social entrepreneurship: New research findings", *Journal of World Business*, Vol. 41, N°1, 2006, pp. 1-5.
- [7] Dees Gregory, "The Meaning of Social Entrepreneurship", *Comments and suggestions contributed from the Social Entrepreneurship Funders Working Group*, 1998, October 31.
- [8] Dey, P; Steyaert, C, "The politics of narrating social Entrepreneurship", *Journal of Enterprising Communities: People and Places in the Global Economy* Vol. 4, N°1, 2010, pp. 85-108.
- [9] Hervieux, C; Gedajlovic, E; Turcotte, M-F, "The legitimization of social Entrepreneurship", *Journal of Enterprising Communities: People and Places in the Global Economy*, Vol. 4, N°1, 2010, pp. 37-67.
- [10] Jeremy C. Short, Todd W. Moss, G. T. Lumpikin, "Research in social entrepreneurship: past contributions and future opportunities", *Strategic Entrepreneurship Journal*, 3, 2009, pp.161-194.
- [11] Jiao, H, "A conceptual model for social entrepreneurship directed toward social impact on society", *Social Enterprise Journal* Vol. 7 N°2, 201, 2011, pp. 130-149.
- [12] Johnson.S, "Literature review on Social Entrepreneurship", *Working Paper, Canadian Center For Social Entrepreneurship*, 2000, pp. 1-16.
- [13] Korsgaard, S, "Opportunity formation in social entrepreneurship", *Journal of Enterprising Communities: People and Places in the Global Economy* Vol. 5, N°4, 201, 2011, pp. 265-285.
- [14] Mair, J, I. Marti, "Social entrepreneurship research: A source of explanation, prediction and delight", *Journal of World Business*, Vol. 41, N°1, 2006, pp. 36-44.
- [15] Makhoulf, H-H, "Social Entrepreneurship: Generating Solutions to Global Challenges", *International Journal of Management and Information Systems; First Quarter 2011*; 15, 1.
- [16] Mort.G, Weerawardena.J, Carnegie.K, "Social entrepreneurship: towards conceptualization and measurement", *American Marketing Association Conference Proceedings*, Vol.13, N°5, 2002.
- [17] Mort, G-S; Weerawardena, J, "Investigating social entrepreneurship: A multidimensional model", *Journal of World Business* 41 (2006), pp. 21-35.
- [18] Noruzi, M-R; Westover, J-H; Rahimi, G-R, "An Exploration of Social Entrepreneurship in the Entrepreneurship Era", *Asian Social Science*, Vol. 6, N°6; June 2010.
- [19] Nyssens and Defourny, "The EMES approach of Social enterprise in a comparative perspective", *WP no. 12/03, EMES*, 2012.
- [20] Overall, J; Tapsell, P; Woods, C, "Governance and indigenous social entrepreneurship: when context counts", *Social Enterprise Journal* Vol. 6 N°2, 2010, pp. 146-161.
- [21] Peredo, A.M, McLean, M, "Social entrepreneurship: A critical review of the concept". *Journal of World Business*, 41(1), 2006, pp. 56-65.
- [22] Salarzahi, H; Armesh, H; Nikbin, D, "Waqf as a Social Entrepreneurship Model in Islam", *International Journal of Business and Management*, Vol. 5, N°7; July 2010.
- [23] Sarah H. Alvord, L. David Brown and Christine W. Letts, "Social Entrepreneurship and Societal Transformation: An Exploratory Study", *Journal of Applied Behavioral Science* 2004; 40.
- [24] Spear, R, "Social entrepreneurship: a different model?", *International Journal of Social Economics* Vol. 33 N°5/6, 2006, pp. 399-410.
- [25] Teresa C. Smith and Patricia L. Nemetz, "Social entrepreneurship compared to government foreign aid Perceptions in an East African village", *Journal of Research in Marketing and Entrepreneurship* Vol.11 N°1, 2009, pp. 49-65.
- [26] Thompson.J, "The world of the social entrepreneur", *The International Journal of Public Sector Management*, Vol.15, N°4-5, 2002, pp. 412-431.