

Social Entrepreneurship in the Digital Age (XBR302)

WEEK 1, LECTURE 2





Defining key concepts

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Why is defining key terms important?

- Rapidly growing inter-disciplinary fields of research and practice
- Links between the terms social entrepreneurship, social enterprise and social innovation
- Lack of overarching conceptual frameworks combined with limited empirical research = a problem in defining terms and developing shared understandings



- This situation is analytically problematic for an emerging field you can't think or act with clarity unless you are clear in what you mean
- We'll explore this jigsaw puzzle and make sense of the current state of the field

Social entrepreneurship: a concept with many definitions

- "...a process consisting of the innovative use and combination of resources to explore and exploit opportunities, that aims at catalysing social change by catering to basic human needs in a sustainable manner" (Mair & Martí 2006, p. 3)
- "...innovative, social value creating activity that can occur within or across the nonprofit, business, or government sectors" (Austin et al. 2006, p. 2)
- "By pursuing their regard for others and addressing opportunities for value creation in a distributed way, social entrepreneurs drive the economy closer to an efficient outcome by systematically identifying neglected problems with positive externalities and developing mechanisms to incorporate these externalities into the economic system" (Santos 2012, p. 350)

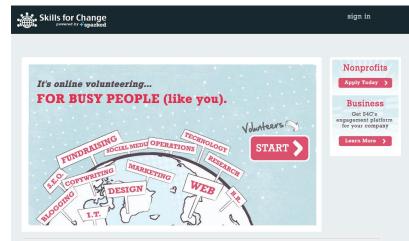




Some important characteristics of social entrepreneurship

There is broad agreement about some key characteristics that set the boundaries of socially entrepreneurial action, including:

- a central focus on social or environmental outcomes that has primacy over profit maximization or other strategic considerations
- presence of innovation as a defining feature
- 3. scaling up of initiatives in other contexts through alliances and partnerships, with the idea of reaching broader and more sustainable outcomes





Defining social enterprise

According to the Australia-wide study, FASES, the term 'social enterprise' can be defined as an organisation that:

- is led by an economic, social, cultural, or environmental mission consistent with a public or community benefit;
- trades to fulfil its mission;
- derives a substantial portion of its income from trade; and
- reinvests the majority of its profit/surplus in the fulfilment of its mission

(Barraket et al 2010, p. 16)

Social enterprises often blur the boundaries between different organizational forms as they are positioned at the intersection of the private, public and non-profit sectors











The shortlisted finalist for Social Enterprise of in the 2016 Social Awards (SEA) socialenterpriseawards.

Defining social innovation

The most-cited definition is: "a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals" (Phills et al. 2008, p. 39)

By focusing on *innovation*, rather than on the person or the organisation, we gain a clearer understanding of the *mechanisms* that result in positive social change

Innovation can be pursued through new organisational models and processes, through new products and services, or through new thinking about, and framing of, societal challenges



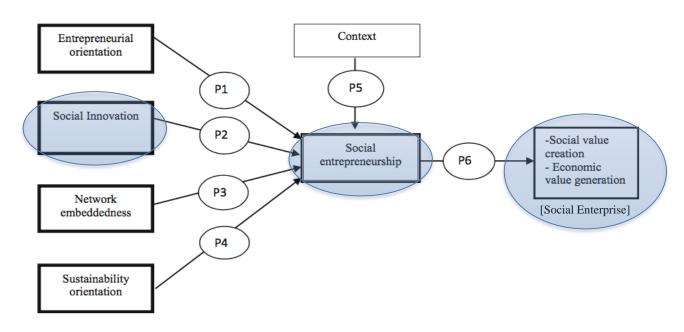


Linking the concepts (theoretically speaking)

Understanding the conceptual links between:

social innovation → social entrepreneurship → social enterprise

Conceptual framework put forward by Hossain et al. (2016):





Linking the concepts (practically speaking)

innovative + socially entrepreneurial = social entrepreneur / social enterprise startup

Leadbeater (1997, p. 8) argues that while it is possible to be a successful entrepreneur without being innovative, social entrepreneurs almost always use innovative methods:

"Social entrepreneurs will be one of the most important sources of innovation. Social entrepreneurs identify under-utilised resources – people, buildings, equipment – and find ways of putting them to use to satisfy unmet social needs. They innovate new welfare services and new ways of delivering existing services."

Dees (2001, p. 4) describes social entrepreneurs as taking the role of 'change agents' in the social sector.



JORDAN

Founder & CEO

Jordan is a thinkerer. That is to say, he tinkers with ideas. He questions and wonders about how an idea can be better and then how it can be real, which, incidentally, is how we all ended up here. Jordan and his sister, Laura, cofounded Hireup in late 2014. True to form, Jordan describes his ideal Hireup client catch-up as working with someone to bring their own ideas to life. He'd research, plan and prototype lemonade stands given half a chance.

As CEO, Jordan leads the team at Hireup, with a specific focus on growing our network of users. If you'd like to be in touch, contact Jordan via hello@hireup.com.au.

Website bio of Jordan O'Reilly, founder & CEO of Hireup

The distinctiveness and complexity of social entrepreneurship

Both academics and practitioners in the field agree that we must recognise the distinctions between mainstream commercial entrepreneurship and the unique challenges of social entrepreneurship due to:

- the juggling act inherent in a social entrepreneur's aim to create both social and economic value and to achieve sustainable and scalable social impact
- the 'nuts and bolts' of business model choices and legal forms that are distinct to this field
- the intangible skills that social entrepreneurs need in order to excel and generate impact
- the 'art of social change' and the complexity and uncertainty inherent in the ecosystems in which social entrepreneurs work





Take home messages

- There remains a lack of consensus in terms of the definitional meanings of social entrepreneurship, social enterprise and social innovation
- There is, however, agreement that these are emerging fields that are increasingly gaining prominence and legitimacy as a way of addressing social problems
- These concepts are distinct, yet they are also understood to be interlinked, with one explanation put forward in the conceptual model of Hossain et al. (2016) which is: (1) social innovation forms a component of (2) social entrepreneurship, which may lead to (3) hybrid social/economic value creation in the form of social enterprise
- Social entrepreneurship is distinct from commercial entrepreneurship due to the complexity of social ('wicked') problems and the in-built need for socially innovative and boundary-blurring behaviours



References from this lecture

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