

Tension Between Social Enterprise and Social Innovation Schools



In this lecture we are going to explore the tension between the social enterprise and social innovation schools of social entrepreneurship.

Social Innovation School Definition

- '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)
 - Recognising 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 in hand; and
 - Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created'

Dees, 1998



In the Social Innovation School Lecture we looked at this Social Innovation School definition of social entrepreneurship:

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Criticism of Dees Definition

- *'The most commonly quoted definition of "social entrepreneurship" today was formulated by Dees.....He never mentions earned income. We think that is not only conceptually flawed, but also psychologically crippling. It lets nonprofits off the hook. It allows them to congratulate themselves for being "entrepreneurial" without ever seriously pursuing sustainability or self-sufficiency. They still return, year after year, to the same individual donors, foundations and government agencies.'*

Boschee and McClurg, 2003, p. 1



That definition of social entrepreneurship has been criticised for not mentioning the need for earned income by key proponents of the Social Enterprise School. This is the criticism:

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Social Innovation School Response

- *'But isn't generating earned income what social entrepreneurship is all about? No!! It is not. Social entrepreneurship is about finding new and better ways to create and sustain social value. It is about serving your mission, first and foremost. Funding strategies are a means to that end. Earned income should be pursued only when the net effect is an improvement in your social impact now or in the future.'*

Anderson and Dees (2002, p. 192)



And this was the response to that criticism from key proponents of the Social Innovation School:

'But isn't generating earned income what social entrepreneurship is all about? No!! It is not. Social entrepreneurship is about finding new and better ways to create and sustain social value. It is about serving your mission, first and foremost. Funding strategies are a means to that end. Earned income should be pursued only when the net effect is an improvement in your social impact now or in the future.'

References:

- Anderson, B.B., and Dees G.J (2002) 'Developing Viable Earned Income Strategies' In Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit, Dees, G.J., Emerson, J. and Economy, P. eds. Wiley, New York. pp. 191-234.
- Boschee, J and McClurg, J. (2003) Towards a Better Understanding of Social Entrepreneurship, viewed 3 May 2008, <<http://www.caledonia.org.uk/papers/Social-Entrepreneurship.pdf>>
- Dees, J.G. (1998), 'The Meaning of 'Social Entrepreneurship'', Stanford University, Draft Report for the Kauffman Centre for Entrepreneurial Leadership, 6pp.