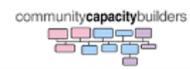


Explaining the Tension Between the Schools

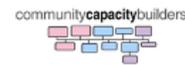


In this lecture we are going explain why there is a tension between the social enterprise and social innovation schools of social entrepreneurship.

Explaining the Tension

- Narrow definitions
 - refer to applying business expertise and market based skills to the social sector, such as when non-profit organisations run revenue-generating enterprises
 - minimalist approach defines an entrepreneur as someone who starts or organises a commercial enterprise
- General definitions
 - refer to innovative activity directed at achieving a social objective in either the private or non-profit sector, or across both sectors
 - scholarly approach draws heavily on the scholarly literature on entrepreneurship

Wei-Skillern et al., 2007, p. 4; Peredo and McLean, 2006



The reason for the tension is that social entrepreneurship is considered to range from relatively narrow definitions to more general definitions of social entrepreneurship (Wei-Skillern et al., 2007, p. 4).

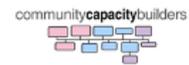
Narrow definitions typically refer to applying business expertise and market based skills to the social sector, such as when non-profit organisations run revenue-generating enterprises. More general definitions refer to innovative activity directed at achieving a social objective in either the private or non-profit sector, or across both sectors.

The existence of a narrow and broad meaning of social entrepreneurship is due to one approach taking a minimalist and the other approach taking a more scholarly approach to entrepreneurship. The minimalist approach defines an entrepreneur as someone who starts or organises a commercial enterprise. Whereas the more scholarly approach draws heavily on the scholarly literature on entrepreneurship (Peredo and McLean, 2006).

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



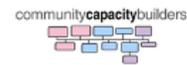
This social innovation school definition of social entrepreneurship, formulated by Dees (1998, p. 4), extensively draws on the scholarly literature on entrepreneurship, incorporating the:

- notion of value creation from Say,
- innovation and change agents from Schumpeter,
- pursuit of opportunity from Drucker, and
- resourcefulness from Stevenson

Key Difference Between Two Schools

- The Social Enterprise School
 - based on the minimalist definition of social entrepreneurship
 - considers social entrepreneurs to be individuals that focus on the generation of earned income to serve a social mission by starting or organising a social enterprise
- The Social Innovation School
 - considers social entrepreneurs to be *'individuals who reform or revolutionize the patterns of producing social value, shifting resources into areas of higher yield for society'*

Dees and Anderson, 2006, p. 44



The key difference between the social enterprise and social innovation schools of thought is that the Social Enterprise School is based on the minimalist definition of social entrepreneurship. It considers social entrepreneurs to be individuals that focus on the generation of earned income to serve a social mission by starting or organising a social enterprise.

In contrast, the Social Innovation School focuses on the best way to systemically address a social problem. It considers social entrepreneurs to be 'individuals who reform or revolutionize the patterns of producing social value, shifting resources into areas of higher yield for society' (Dees and Anderson, 2006, p. 44).

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