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Defining social entrepreneurship

Agreeing on a widely accepted definition of social enterprises and social entrepreneurship remains an elusive task for academics and policymakers alike. This is problematic as it hinders the formation of a distinct academic field that can yield meaningful empirical results on the scope, output and impact of social enterprises. At the same time, states, and notably European states define SEs differently. Social enterprises may take a variety of legal forms, such as Social Purpose Company in Belgium, Community Interest Company in United Kingdom, Social Cooperatives in France, Poland, and Hungary, and Low-Profit Limited Liability Companies (L3Cs) and benefit corporations in the United States (European Commission, 2016). This variation obstructs the formation of a uniform regional policy that would promote and facilitate the operation and interstate development of SEs.

A generic and simple explanation of the term would be the following: Social entrepreneurship is the venture of starting a business in order to solve a social problem (such as, inequality, poverty, racism, gender issues, climate change, environmental issues, lack of access to education, lack of access to resources like water and electricity, healthcare-related problems and immigration rights) and create positive change. To be more specific we could define it as the process of recognizing and resourcefully pursuing opportunities to create social value, oftentimes by innovating products, providing employment or education, disrupting an industry, or taking a new approach to failing methodologies.

A more sophisticated conceptual definition however would be imperative if we wanted to proceed with meaningful empirical research on the results, contribution and pitfalls of social entrepreneurship. Martin and Osberg argue that any definition of the term "social entrepreneurship" must start with the word "entrepreneurship" and that the word "social" simply modifies entrepreneurship, thus suggesting that such a definition should derive from the juxtaposition of the concepts of traditional and social entrepreneurship.

Entrepreneurship describes the combination of:

- a context in which an opportunity is situated (related to an existing suboptimal equilibrium),
- a set of personal characteristics required to identify and pursue this opportunity (entrepreneurs are inspired by suboptimal equilibria and take action promoting a new product or service with great risk),
- and the creation of a particular outcome (a new high-quality equilibrium after innovation has been replicated by others).

Accordingly, social entrepreneurship may involve a combination of:

- identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own,
- identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stable state's hegemony; and
- forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large (Martin and Osberg 2007).