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History of social entrepreneurship

Social entrepreneurship is a relatively new term. It gained popularity just a few decades ago. But its usage can be found throughout history. In fact, there were several entrepreneurs who established social enterprises to eliminate social problems or bring positive change in society from the 19th century onwards.

Among the pioneers of social entrepreneurship one can distinguish figures such as Vinoba Bhave, the founder of India's Land Gift Movement that helped relocate land to untouchables, Florence Nightingale who laid the foundation for the first school of nurses and worked to improve hospital conditions, Maria Montessori, who developed the Montessori approach to early education in children, the prominent American civil rights leader for women's' rights Susan B Anthony and many others.

The term was popularized after the 1960s by the establishment of Grameen Bank by Muhammad Yunus. The bank tried to address the issue of people living below poverty line providing microcredit and gradually has evolved as a strong identity. Soon after organisations like Ashoka: The Innovators for the Public, Youth United, Rand, SKS Microfinance and Roozi.com further popularized the term. In the past few years social entrepreneurship has witnessed a significant boom, there are more than 2,000.000 social enterprises (SEs) in Europe, the subject is included as a separate branch of management courses, many world class graduates opt to give up lucrative jobs to work and contribute in meaningful ways towards the society and social ventures are now thought by some as the most viable answer to a plethora of social problems faced by countries.

We could say that its appeal initially grew along with the gradual emergence of the private sector as a likely alternative to government welfare programs after the 1980s, and continued to gain momentum along with the rise of sustainability as a global challenge and a primary concern for all. In the 1980s, just as the withdrawal of state funds in the United States caused social actors to step forward with ideas for revenue generating enterprises that met social needs, so the tight budgets of European governments led to the privatization of social services (Kerlin, 2006) with many early social enterprises of Europe addressed pressing unemployment needs.

Today, with the debate on sustainability dominating public debate, Dacin, Dacin and Tracy observe that current discussions of social entrepreneurship appear consistent with, and form part of, a broader movement gaining momentum in contemporary market economies, one demanding a more ethical and socially inclusive capitalism. For example, consumers increasingly look for more ethically sourced and produced goods (Nicholls and Opal 2005), expectations are increasing for corporations to behave in socially responsible ways (Friedman and Miles 2001), and politicians are under pressure to develop and implement policies that promote social equality and mitigate the effects of business on the environment (Bernauer and Caduff 2004).[1] During the last two decades the term has entered the academic world with many influential organisations promoting social entrepreneurship by providing anecdotal evidence of successful social enterprises (Bornstein 2004) and researchers publishing research findings related to the efficacy of social entrepreneurship in dealing with social problems (Cardella et al 2021, Short et al 2009). Social entrepreneurship has been identified as a powerful mechanism to confront poverty (Bloom, 2009; Ghauri, Tasavori, and Zaefarian 2014), empower women (Datta and Gailey 2012), catalyze social transformation (Alvord, Brown, and Letts 2004), foster inclusive growth in subsistence marketplaces (Ansari, Munir, and Gregg 2012; Azmat, Ferdous and Couchman 2015), and bring about institutional change (Nicholls 2008).