Social Entrepreneurs:
What do we know about them?

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Assumptions

- Mixed audience
  - Academics
  - Practitioners
  - Government & not-for-profit sectors
  - Urban and rural
  - US and International attendees
- Some know very little about social entrepreneurs
My goals today

- Inform and update
- Change the way you think:
  - About entrepreneurs in general
  - About social entrepreneurs
- Provide some resources
  - Authors, organizations
  - Monographs
Agenda

Who cares?

Sidestep definition debate, provide exemplars
  - Scale and scope
  - Past and present

Award winners

A study of motivation

State of the field

Additional resources
Who cares?

- Academics
  - Emerging field of interest globally
  - Broad interest across disciplines
  - Increasingly being taught in universities

- Practitioners
  - How best to support efforts
  - Intermediaries needed

- NFP and Government
  - Fundamentally change existing services
  - Allies or adversaries
Why broad interest in SE?

- Interesting and appealing (what’s not to like?)
  - They solve seemingly insurmountable problems
  - Why and how they do what they do
  - Combine passion of social mission with business-like innovation
- Called “New Heroes” [www.pbs.org/opb/thenewheroes](http://www.pbs.org/opb/thenewheroes)
- Solve problems despite ‘the system’
- Fill a niche between government, NGOs, NFPs, corporations, and society
Agenda

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Year 1727
Problem/ Opportunity
- Discourse highly valued
- Books too expensive
“Junto” founded
- Group of persons joined for self-improvement
- Free lending library
He was 21 years-old
“Pay it Forward” led to volunteer fire brigades, public hospitals, police
Year 1854
Believed that God called her to be a nurse
She taught military about sunlight, pure water, and clean kitchens
Pioneer in visual statistics: used graphics to present data
Notes on Nursing in 1959 changed nursing
Year 1896
First female doctor in Italy
Problem/ Opportunity
- Education system did not serve disabled children
- Children with developmental needs primed to learn different things
Experiencing, not reciting changed education
Problem/ Opportunity
- Economic development of western US
- Natural beauty of ‘wild’

John Muir combined
- ‘gospel’ of nature
- Eloquent and powerful rhetoric

“America’s Best Idea” (Ken Burns)

“I only went out for a walk, and finally concluded to stay out till sundown, for going out, I found, I was really going in.” (John Muir 1938)
The year was 1976
Cycle of poverty (low income, low saving)
War-torn country
Introduced ‘social collateral’
Expanded to lend to beggars
Awarded Nobel Peace Prize in 2006 for Grameen
“Poverty is threat to peace”
Today, Grameen Bank:
- 96.5% owned by poor women
- 2,562 branches
- $1.49 Billion in deposits
- $10.75 million profits

Grameen now:
- 51 Health clinics
- Cell phone business
Year 1980

Developed concept of social entrepreneurship
- Invest in social change
- Network of activists

Now 2,000 Ashoka fellows in 70 countries

Stipends for early-stage social entrepreneurs
“The most powerful force in the world is a pattern-changing big idea—if it is in the hands of an entrepreneur of equivalent ambition.”

“Social entrepreneurs are not content just to give a fish or to teach how to fish. They will not rest until they have revolutionized the fishing industry.”
“[T]here is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle than to initiate a new order of things. For the reformer has enemies in all those who profit by the old order, and only lukewarm defenders in all those who would profit by the new order.”

1515, Niccolo Machiavelli, *The Prince*
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Schwab Foundation

- Highlight and advance leading models of social innovation
- Identifies select group of social entrepreneurs
- Engages them in shaping industry and governmental objectives through World Economic Forum
- Annually selects 20-25 award winners in competitions
- Social Entrepreneurs of the Year
Innovation
- Transformation of traditional practice
- Innovative product, service or approach

Sustainability
- Self-sustainability through revenues or partnerships
- Business or public sector

Direct social impact
- Directly with poor or marginalized
- Quantifiable results
2012 Outstanding social entrepreneurs

[Map showing distribution of social entrepreneurs across the world with numbers for each region: 16 in North America, 39 in South America, 21 in Europe, 38 in Asia, and 42 in the Middle East. Numbers are color-coded to match the regions.]
2012 Outstanding social entrepreneurs

- Education: 56
- Health: 46
- Enterprise Development: 37
- Children and Youth: 35
- Rural Development: 35
- Environment: 33
- Financial Inclusion: 24
- Labor Conditions and Unemployment: 21
- Technology: 18
- Women: 17
- Homelessness & Housing: 15
- Communication / Media: 13
- Civic Participation: 10
- Disabilities: 10
- Energy: 10
- Agriculture: 9
- Culture / Handicrafts: 9
- Water: 8
- Trade: 7
- Waste Management: 6
- AIDS / HIV: 4
- Consumer Awareness: 4
- Human Rights: 4
- Migration: 4
- Biodiversity: 3
2012 Outstanding social entrepreneurs

- Hybrid Non-Profit: 84
- Social Business: 51
- Leveraged Non-Profit: 39

SCHWAB FOUNDATION FOR SOCIAL ENTREPRENEURSHIP
Product design engineer in sub-Saharan Africa

Problems:
- Continued presence of landmines
- Lack of tools to detect TB

Solution:
- Use trained HeroRats for detection, reducing cost
- Rats as screening tools for TB, increasing rates by 43%

www.apopo.org
Ann Cotton, Camfed Intl.

- Founded in 1993
- Working in sub-Saharan Africa
- Problem/ Opportunity:
  - 24 million girls can’t afford school
  - Educated girls earn 25% more & 3 times less likely HIV
  - Educated girls have smaller, healthier families
- Solution:
  - Training, support, empowerment
  - 1,451,600 children reached
  - www.camfed.org
2012 Outstanding SE

J.B. Schramm, College Summit

- Founded in 1993
- Working in U.S.

Problem/Opportunity:
- US economic growth needs college-educated talent
- Students lose motivation when HS not relevant to career goals

Solution:
- Change high school from destination to launch pad
- Build college-going culture in low income areas thru peer leadership
Envisions a world:
- That responds quickly and effectively to social challenges
- Where each individual has the freedom, confidence and societal support to address any social problem and drive change.

Mission is to:
- Shape a global, entrepreneurial, competitive citizen sector
- One that allows social entrepreneurs to thrive and enables the world’s citizens to think and act as changemakers.

Ashoka Fellows (3,000 working in 70 countries)
Mohhed Bah Abba

- Invented earthenware cooling system
  - Simple and inexpensive
  - Based on principle used in ancient Egypt
  - Pots with different diameters “pot-in-pot” with space filled with wet sand

- Preserves food: reduces disease without use of energy
  - Extended life of eggplants from 3 to 27 days
  - Employed unemployed workforce
Breaking silence of child sex abuse in Spain

- FADA (Fairy Godmother) counseling center
- Supports adults abused during childhood

Estimated 23-25% of girls and 10-15% of boys in EU are victims

Uses media to lead effort to educate and break cultural “circle of silence”

- Family is untouchable institution
- Taboo to openly discuss sex

Focuses on education and counseling
Founded “Welcoming America”
- Addresses fears of US born residents regarding immigration
- Simple and powerful insight – that immigrant integration will never succeed if the focus is solely on immigrants themselves.
- Organizes “Welcoming Events” where fears can be openly discussed & build trust

In 2005, 1 in 8 Americans was an immigrant
Now in 20 states
So far, we know that SE’s...

- Have been around for long time
- Global phenomenon
- Are found in all organizational sectors
- Similar to commercial entrepreneurs
  - Innovation
  - Passion and persistence
  - Change-agents, creatively destroy status-quo
- What about motivation?
Agenda

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- Award winners
- A study in motivation
- State of the field
- Additional resources
Where do we find entrepreneurs?
- Commercial: in small businesses
- Social: in not-for-profits

Caveats:
- Not every small business owner is entrepreneur
- Not every entrepreneur is in small business
- Social entrepreneurs found in other sectors
- Not every NFP has social entrepreneur

Limitations but...
A comparative study...

- We asked: Are Social Entrepreneurs different?
  - From commercial entrepreneurs?
  - From US population as a whole?
  - Does context matter?

- We began with the PSED
  - Nationally representative sample
  - Comparison group
  - Not previously used for comparison
  - 65,000 screened with 5,000 variables
  - 830 nascent, 431 in comparison
The start-up process...

- Adult Population
- Life context, personal background
- Cognitive characteristics
- Firm Population
- Start-up Process
- Firm Birth
- Entrepreneurial Environment

Arrows indicate the flow of processes:
- NE (perhaps New Entrant)
- NI (perhaps New Initiative)
- Growth
- Persist
- Quit
A comparative study...

We looked at career reasons & expectancy:

<table>
<thead>
<tr>
<th>PSED Question #</th>
<th>Question</th>
<th>Motivation Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1a</td>
<td>Gain a higher position for myself</td>
<td>Recognition</td>
</tr>
<tr>
<td>G1b</td>
<td>Get greater flexibility for personal life</td>
<td>Independence</td>
</tr>
<tr>
<td>G1c</td>
<td>Innovative, forefront of technology</td>
<td>Innovation</td>
</tr>
<tr>
<td>G1d</td>
<td>Continue family tradition</td>
<td>Roles</td>
</tr>
<tr>
<td>G1e</td>
<td>To be respected by my friends</td>
<td>Recognition</td>
</tr>
<tr>
<td>G1f</td>
<td>Free to adapt my approach to work</td>
<td>Independence</td>
</tr>
<tr>
<td>G1g</td>
<td>Financial security</td>
<td>Financial Success</td>
</tr>
<tr>
<td>G1h</td>
<td>Grow and learn as a person</td>
<td>Innovation</td>
</tr>
<tr>
<td>G1i</td>
<td>Follow example of person I admire</td>
<td>Roles</td>
</tr>
<tr>
<td>G1j</td>
<td>Build business children can inherit</td>
<td>Financial Success</td>
</tr>
<tr>
<td>G1k</td>
<td>Earn a larger personal income</td>
<td>Financial Success</td>
</tr>
<tr>
<td>G1l</td>
<td>To achieve something, get recognition</td>
<td>Recognition</td>
</tr>
<tr>
<td>G1m</td>
<td>To develop an idea for a product</td>
<td>Innovation</td>
</tr>
<tr>
<td>G1n</td>
<td>Build great wealth, high income</td>
<td>Financial Success</td>
</tr>
<tr>
<td>G1o</td>
<td>To fulfill a personal vision</td>
<td>Self-Realization</td>
</tr>
<tr>
<td>G1p</td>
<td>To lead and motivate others</td>
<td>Self-Realization</td>
</tr>
<tr>
<td>G1q</td>
<td>Power to influence an organization</td>
<td>Self-Realization</td>
</tr>
<tr>
<td>G1r</td>
<td>To challenge myself</td>
<td>Self-Realization</td>
</tr>
</tbody>
</table>
Not-for-profit sample

- South Carolina Association of Non-Profit Organizations (SCANPO) mail survey
  - 501(c)3 organizations in South Carolina
  - 713 members in population
- 195 usable responses (27.3%)
- Mail survey with telephone follow-up (Dillman, 1978)
When compared to traditional entrepreneurs, social entrepreneurs would be:

- Less motivated by financial success
- More motivated by self-realization
- Less motivated by innovation (technology, etc.)
- More motivated by roles (more influence in community)
### Table 5: Rank order of motivation factors by entrepreneur group

<table>
<thead>
<tr>
<th>Rank</th>
<th>Comparison Group</th>
<th>Partially Autonomous</th>
<th>Fully Autonomous</th>
<th>Social Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Independence</td>
<td>Independence</td>
<td>Independence</td>
<td>Self-realization</td>
</tr>
<tr>
<td>2</td>
<td>Self-realization</td>
<td>Self-realization</td>
<td>Self-realization</td>
<td>Independence</td>
</tr>
<tr>
<td>3</td>
<td>Financial success</td>
<td>Financial success</td>
<td>Financial success</td>
<td>Innovation</td>
</tr>
<tr>
<td>4</td>
<td>Recognition</td>
<td>Innovation</td>
<td>Innovation</td>
<td>Recognition</td>
</tr>
<tr>
<td>5</td>
<td>Innovation</td>
<td>Recognition</td>
<td>Recognition</td>
<td>Roles</td>
</tr>
<tr>
<td>6</td>
<td>Roles</td>
<td>Roles</td>
<td>Roles</td>
<td>Financial success</td>
</tr>
</tbody>
</table>
We found that our sample was...

- Less motivated by:
  - Financial success
  - Independence
- More motivated by:
  - Self-realization
  - Innovation
  - Recognition
- Highest achievement motivation.
Agenda

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- Award winners
- Motivation
- State of the field
- Additional resources
What do we know?

- Not much (but more than before)
  - Global interest in topic
  - Most work has been cases
  - Little theory to guide empirical testing
  - We know it when we see it (in retrospect)
- New name for old phenomenon
- No consensus on definition
  - Consistent with *entrepreneurship*
  - Means different things to different people
Scholarly articles...

- Austin, Stevenson, Wei-Skillern (2006), “Social and Commercial Entrepreneurship: Same, Different, or Both?” (ET&P January)

July 2010 ET&P Special Issue on SE
Barendsen & Gardner (2004), “Is the Social Entrepreneur a New Type of Leader?”, Leader to Leader (Fall).


“The time is certainly ripe for entrepreneurial approaches to social problems. Many governmental and philanthropic efforts have fallen far short of our expectations.” (Dees, 2001)

“The academic literature on social entrepreneurship is limited and there is disagreement among scholars on what they even mean by social entrepreneurship.” (Dorado, 2006)

“Whilst many social entrepreneurs do, indeed, demonstrate qualities usually associated with their commercial counterparts—particularly leadership, vision, drive, and opportunism—there is also a crucial difference. For social entrepreneurs there is always a *social-moral motivation* or social mission focus to their entrepreneurial activity and ambition.” (Nicholls, 2006)
SOCIAL ENTREPRENEURSHIP

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It is over twenty years since the first research article on social entrepreneurship was published. The literature has reached the critical mass necessary for reflection and singling out of exemplar pieces, and the exponential growth in research interest in the field now merits identification of foundational and model papers to aid and guide future advancements. In creating this two-volume collection, the editors have successfully brought together the most important and influential social entrepreneurship articles to date. Topics covered include social entrepreneurship opportunities and creation, developing business models and organizational forms, social impact and contextual influences on social entrepreneurship. The collection, with an original introduction by the editors, will be of immense value to students, researchers and scholars interested in the field of social entrepreneurship.

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We do know...

- Coalescing around *entrepreneurship*
  - Value creators and change agents
  - Opportunity exploitation
  - Creative destruction
  - Process...not event

- Not who they are or what they do, but how they think
  - See possibilities in problems
  - “why can’t we” rather than “why don’t they”
  - Passionate and persistent
Where do we find them?

- Social sector
  - Charitable 501(c)(3)
  - Foundations
  - Religious

- Public sector

- Private sector
  - Socially responsible
  - B Corporations (>520 in 60 industries)
  - [www.bcorporation.net](http://www.bcorporation.net)
We need the public sector

- Source of data and standards
  - Quantify needs
  - Set license requirements, etc.
  - Encourage through contracting and incentives
- Catalyst for public-private partnerships
- Enablers by influence on environment
  - Encourage innovative solutions
  - Produce knowledge and reward performance
- Authors and evaluators of grant requests
Public sector can be change agents

- DOD: Meet 25% of energy needs with renewable energy by 2025.
- DOD: call for $7 billion in renewable energy contracts
- SBA: Impact Investing Initiative provides targeted capital
- IRS: New regulations making Program Related Investments by foundations easier.
- Not just “get out of the way”
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