

Social Entrepreneurship

by Lidia Varbanova | October 2009

This Research in focus is devoted to the essence and characteristics of social entrepreneurship as a new global phenomenon, the policy objectives behind social entrepreneurship programmes and their impact on long-term policy decisions, including in the cultural sector.

Introduction

“The most powerful source in the world is the big idea, but only if it is in the hands of a good entrepreneur. This can move the world” - Bill Drayton

Is social entrepreneurship a new global panacea - one of the possible responses to the growing uncertainty in the global economy? Is the benefit of social entrepreneurship embedded in its unique nature to operate in area where both the market mechanisms and the government-based support structures for allocating resources and power have failed? Are social entrepreneurs ordinary or extraordinary people, inventors or enthusiasts? How could they pursue social goals, starting with limited resources and supported by the power of global networking and partnership? What models of social entrepreneurship could be applicable for the cultural sector to compensate for fewer resources and the ongoing financial instability?



The interview with Eva Moe, Managers of the Swedish Knowledge Foundation’s programme Societal Entrepreneurship, gives arguments behind the support of societal entrepreneurship and emphasizes that as a new concept it requires increasing awareness and education to get more people involved. We have chosen key definitions and viewpoints on the theme of social entrepreneurship and have selected key figures of social entrepreneurs from the past and the present times.

Research Mapping

The resources mapping on the theme of social entrepreneurship includes important publications, useful online resources (platforms and virtual libraries), active organisations, foundations and supporting institutions, video links and educational institutions and training programmes in the field of social entrepreneurship. We raise open questions related to the benefits of the social entrepreneurship models for the cultural sector and the use of the new technologies for creating innovative social programmes.

This thematic Research in focus on social entrepreneurship was prepared by Lidia Varbanova, Editor of the Resources for Research section of LabforCulture.

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Social entrepreneurship: between market and government failures

Entrepreneurs are individuals often described as curious, risk-taking, visionary, creative and optimistic. They take off in new directions, explore hidden resources, realise innovative ideas, and use creativity to find solutions to diverse problems.



Image: Wyland "Hands Across the Ocean" in Washington, DC.
[woodleywonderworks'](http://www.woodleywonderworks.com)

Social entrepreneurs use innovative tools and market-driven mechanisms to solve key and urgent social problems, making a positive impact on society as a whole. Social entrepreneurship is a relatively new phenomenon that operates in areas where traditional market mechanisms and government-based support structures for allocating resources and power have failed. Social entrepreneurs usually start with limited power and resources, without key hierarchical positions, but they use their innovative thinking, enthusiasm and persuasion to reach their goals.

Social entrepreneurship is established both as a practical and academic subject primarily in the US. In Europe, this concept appeared first in the early 1990s in Italy, in close connection with the cooperative movement and the discussions around the social economy. In 2002 the UK government launched a national strategy for social entrepreneurship. Denmark also started to work on a national strategy for social innovation. The most comprehensive and widely used definition on social entrepreneurship is published by the British government in the document [Social Enterprise: A Strategy for Success](#) (2006):

"A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners".

Characteristics of social entrepreneurship

Social entrepreneurs as “change agents” within a policy framework:
how could culture gain?



Social entrepreneurship overcomes the gap between the business and the public sectors, as it is connected to the “non-profit” or the “third” sector, as well as to the concept of the “social economy”, with emphasis on objectives to serve communities and society rather than generating a company’s profit.

The main characteristics of social entrepreneurship, outlined in diverse theoretical resources, are:

- Explicitly formulated mission to create and sustain social value and to benefit the communities;
- High degree of economic risk and autonomy in activities related to producing goods and/or selling services;
- Pursuit of new opportunities and exploration of hidden resources to serve that mission;
- Quest for sustainable models, based on well elaborated feasibility study;
- Ongoing engagement in innovation, adaptation and learning;
- Decision-making power not based on capital ownership;
- Participatory and collaborative nature involving various stakeholders;
- Limited distribution of profit and minimum amount of paid work;
- Change opportunities lying in the hands of every individual.

Globally, social business enterprises are active mainly in the social, environmental, human rights and gender equality areas. Examples include: street children; children’s health; health insurance for disadvantaged people; housing; educational opportunities; poverty in degraded urban areas; ageing and the elderly; migrants and ethnic minorities; work and employment; climate crisis; pollution problems; clean drinking water; empowerment of women; human rights; gender equality; digital divides.



Policy objectives behind social entrepreneurship programmes



Bill Drayton

Bill Drayton, the founder of [Ashoka](#) emphasises in his numerous presentations and speeches that:

“Everyone is a change maker. Social entrepreneurs are critical in this change - they have a vision, and they have a big impact.”

He also points out that

“97% of people are afraid to see the problem. Once when people love the idea of solving the problem, they would be more willing to see it.”

Social entrepreneurs are visionaries who see beyond the usual. They solve social problems using synergetic approaches where the result is much higher than just the sum of individual ideas. They have an impact because they collaborate globally by investing time and creativity to change policies, legislation and frameworks. The most important policy objectives results of social entrepreneurship programmes and projects are:

- Creating new jobs;
- Improving the living standards;
- Inventing new products and services;
- Activating citizens’ participation in decision-making at all levels;
- Nurturing democratic processes;
- Integrating new comers, marginal groups, immigrants, vulnerable groups of the population;
- Developing intercultural competence;
- Creating wealth: reinvestment and generation of investments;
- Improving the image of local areas;
- Using regional resources in a creative and effective manner;
- Empowering to people to change their lives, to get motivated.

Global debates continue.....

The global debates around the social entrepreneurship phenomenon are orientated towards finding new models for increasing the social effects and the impact on policies. Key questions are:

- What role can social entrepreneurs play in post-conflict states to speed the development of economic and political stability and deliver a new format for peaceful societies?
- How can the unique contribution of women in social entrepreneurship programmes be improved?
- How can social entrepreneurs influence strategic decisions in the most timely, effective and efficient manner?
- To what extent is social entrepreneurship recognised, understood and respected as a profession?



Image: [Skoll World Forum](#)

The [2009 Skoll World Forum](#) facilitated discussions, debates and critical questioning around the theme of *Social Entrepreneurship: Shifting Power Dynamics* - exploring how social entrepreneurs access, navigate and influence power dynamics in their approach to change. Nearly 800 delegates from more than 60 countries convened for this premier gathering of the world's leading social entrepreneurs. Prominent figures from the social, academic, finance, corporate and policy sectors engaged for three days and nights in a series of debates, discussions and work sessions focused on accelerating, innovating and scaling solutions to some of the world's most pressing social issues. The Forum also discussed how the credit crunch has reflected the need for a higher financial viability of projects and has accelerated the process of seeking efficiency within the charitable and social entrepreneurial sectors. Browse the highlights of the [Skoll World Forum](#).

Social entrepreneurship initiatives and the cultural sector

If social entrepreneurs are driven not by money but by content, risk-taking, implementing innovative ideas, fulfilling social missions, could then artists be considered as a type of social entrepreneurs? Painters, actors, musicians, writers and all other cultural professionals always look beyond the usual, they create and take actions, use their imagination to make something new. It is important to outline that entrepreneurs are those who not only invent and implement an innovative idea, but bring it to an economically successful end, considering the market viability and the positive financial impact on community members.



Image: Young players at Ladywood Games, by [Social Enterprise Coalition](#)

Social entrepreneurship models based on cultural and artistic projects and activities are little explored not only in Europe, but globally. There is still a niche to look at hidden opportunities – in all areas where different disciplines meet, for example: art and technology, business and culture, media and business. These crossroads could bring researchers, cultural managers and decision-makers to new sources, new entrepreneurship ideas and new ways to build an infrastructure to support entrepreneurial initiatives within culture and civil society.

The global examples of social entrepreneurship show that it is possible at the same time to successfully run a business and influence public good. Cultural researchers, art managers and artists, equipped with the power of the 21st century's new technologies and technical innovation, and living in culturally diverse societies, still have a lot of key questions to answer. Some of them:

- What forms of social entrepreneurship are taking advantage of the existence of the new technology?
- How are social networking and mobile communications building cross-cultural communities to spread innovative new ideas and drive engagement in social change?
- What forms of social entrepreneurship are addressing the specific problems that arise along with technology and globalization?
- How can institutions and individual artistic expression support and sustain cultural identity and social engagement?
- What is “intercultural innovation” and how does it reflect on economy, business and the cultural field?
- How can communities contribute to creating an entrepreneurial culture as a complex and organic phenomenon?

Interview with Eva Moe, Swedish Knowledge Foundation

Innovative initiatives for a common good, an interview with Eva Moe, Manager of the Swedish Knowledge Foundation's programme Societal Entrepreneurship



Eva Moe

Eva is a recognized leader of change-directed programmes, former manager of the national Swedish project "Learning in the future" and the regional development project "Attractive Region" for the Norrbotten County Council. Her background is in communications, she has worked as a journalist and Head of Communications at Luleå University of Technology and the city of Sundbyberg.

Q: In 2008, the Knowledge Foundation has made a major effort to boost societal entrepreneurship in Sweden. During a nine-year period, about SEK 120 million will be allocated to education and research in this field. Why is the Knowledge Foundation interested in supporting social entrepreneurship? Why is it important?

EM: [The Knowledge Foundation](#) supports research and education in Sweden. Our remit requires us to challenge the established structures, stay one step ahead and operate at the intersection between the business community, the public sector, higher education institutes and research institutions. In that area, our task is to actively establish conditions to stimulate innovation, creativity and personal contacts between organizations and people with a will to develop and drive Sweden forward through knowledge and competence development.

The Knowledge Foundation's [Societal Entrepreneurship Programme](#) has three pillars: research, competence development and creating an understanding of societal entrepreneurship and how it contributes to the development of Sweden. The Knowledge Foundation uses the term *societal entrepreneurship*. The meaning is close to *social entrepreneurship*, but somewhat broader. The main reason for using *societal* instead of *social* is that in Sweden the word *social* connects mainly to problems, not opportunities. Our preliminary definition of societal entrepreneurship is: *Innovative initiatives for a common good*. More information on the Societal Entrepreneurship Programme can be found at www.kks.se/samhallsentreprenorer and at <http://www.samhallsentreprenor.se> which is the virtual meeting place for societal entrepreneurs in Sweden.

The Knowledge Foundation sees societal entrepreneurship as a key to the future. Sweden needs technological development – but we also need new ideas for our housing estates, new ways of producing and consuming that respect the environment and new ways of providing public services and care: in short, we need social innovations. Many of our social solutions were built for the structure of the industrial society, when borders were more important – borders between nations, between the market and the public sector and between work and leisure. The difficult issues that we face today – such as the climate change, migration and segregation, globalization and unequal distribution – cut across borders. Societal entrepreneurs are good at crossing borders and use different logics – both commercial and social.

Q: Social entrepreneurship mainly concerns solving social problems by people who take their own initiative to improve areas that they believe are missing or not working. It is a new concept and requires increasing awareness and education to get more people involved. What in your view are the most effective tools and methods to raise public awareness?

EM: We need to collect and demonstrate the good examples. We need the ambassadors from different fields who talk about societal entrepreneurship as a new way of solving problems. In the Knowledge Foundation's programme we use mainly networking as our communication-strategy – instead of media and launching campaigns we try to involve the right people and let them be the messengers. We have groups on Facebook and we put a lot of efforts into building an online community for social entrepreneurs.

Q: Social entrepreneurs are active in the areas such as: children health, climate crisis, problems with pollution, human rights, literacy in poor areas and others. Arts and culture are rarely mentioned in the literature and world practice on social entrepreneurship. What is the impact of social entrepreneurship on the cultural sector?

EM: In Sweden we have several examples of brilliant societal entrepreneurs from the cultural sector – for example [Hultsfredsfestivalen](#), [Cirkus Cirkör](#) and [Drömmarnas hus](#). They are organizations that have worked for a long time with and in culture, music, new circus, theater, etc. as ways of solving social problems and contributing to the local development.

Q: The power of social networking and mobile communications is widely used to spread innovative new ideas and drive engagement in social change. What forms of social entrepreneurship are taking advantage of the existence of the new technology? Could you give examples of online spaces for social entrepreneurship and comment on their usefulness?

EM: Societal entrepreneurs in general are networkers, and they use all kinds of new technology and social media to communicate and mobilize. There are also a few examples in Sweden of societal entrepreneurs acting through Internet or social medias. A good example is the foundation [A Click for the Forest](#), where you buy trees and save old forests. Or the new search engine [Growyn](#) where for every search you support the environment and a sustainable development projects:

Q: In the current situation of a global financial crisis - does the new phenomena “social entrepreneurship” provide new opportunities and business models for the cultural sector?

I can't comment on the cultural sector – not my area – but I am surely convinced that this is a moment in time for societal entrepreneurship. The current financial crisis forces people, organizations and companies to rethink their ways of doing things, their business-models and their long-time objectives. I think we will see and hear a lot about social and societal entrepreneurship the next years.

Video interview with Bas Ruysenaars - The Beach



Bas Ruysenaars

Bas Ruysenaars has a background in international business development and multimedia publishing. He is one of the founders of [The Beach](#), a network organisation for creative innovation based in Amsterdam.

In these times of financial and cultural crisis, Bas exposes the need for sustainable and socially responsible concepts. He shows that there is a real willingness to think outside the box and beyond an economically-driven logic. He identifies two distinct types of projects: those that are changing the cultural sector from within, and those that are happening outside the cultural sector but involving cultural and creative professionals. He also discusses the use of new technologies by social entrepreneurs - notably [Twitter](#) and the [Google Wave project](#).

View the video interview [here!](#)

Sample projects:

Visual Screener

According to the World Health Organization, over 150 million people around the world suffer from depression. Current scientifically validated (online) tests to detect mental disorders are inaccessible for large groups of people (e.g. people who cannot read). A coalition of creative professionals initiated a project to develop a series of visual screeners, which are verbalised and visualised questionnaires. The first Visual Screener measures common mental disorders and is now going through the scientific validation process. Its aim is to detect relevant mood, anxiety and alcohol-related problems and to guide people to problem-solving measures or Internet-self-help modules appropriate for their problem.



The Visual Screener concept is an initiative of Bas Ruysenaars, Bert Barends and design agency Koeweiden Postma/Because and is a co-development with the [Trimbos Institute](#) in Utrecht (NL).

Pal West Fashion design project



Teenagers between the ages of 14 and 17 living in Amsterdam West are challenged to produce their own fashion label. They design their own label in six months under the guidance of young fashion designers and fashion

professionals. It gives them a chance to experience the entrepreneurial aspects of the fashion business and also to grow as a person. The Pal West Fashion Studio recently had its first business client: designing and producing uniforms for all employees of the Amsterdam-based hotel Casa 400.

Housing corporation Ymere and Young Designers & Industry took the initiative to start Pal West together with a broad coalition of organisations in the private and public domain. Diana Krabbendam (Director of The Beach, and director of the Pal West Foundation) acted as a cultural change agent and coalition builder in the project.

Strategic future design: Holland Casino 2015



With the project Homo Ludens The Beach designed and facilitated a process of strategic future design for Holland Casino in 2015.

Core question: Do we play enough in society? As a source of inspiration, Holland Casino's journey towards 2015 wanted to stress the importance of playing in our culture and society. Play as a 'quality of mind' and a powerful way to create meaning. Play to test who you are, what you can do, what you want and what place you want to take in this world. Play to connect and create.

What is a social entrepreneur?



An array of definitions and concepts around Social Enterprise

The most comprehensive and widely used definition on social entrepreneurship is published by the British government in the document [Social Enterprise: A Strategy for Success](#) (2006):

“A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners”.

Definitions of Social Entrepreneurship found from organisations related to this field

“Social entrepreneurs often seem to be **possessed by their ideas**, committing their lives to changing the direction of their field. They are both visionaries and ultimate realists, concerned with the practical implementation of their vision above all else. Social entrepreneurs are change agents for the social sector. They are mission-driven, determined to achieve results and committed to maintaining accountability to the communities they serve. Social entrepreneurs effect systemic transformation by tackling not only the problem at hand, but also the roots of that problem. What’s more, social entrepreneurs are usually more effective in addressing root causes than are supranational NGOs because they are better integrated into the societies they serve, and know the specific needs of their beneficiaries.”

| [Ashoka](#)

“Social entrepreneurship is the work of social entrepreneurs. We believe that social entrepreneurs are those exceptional individuals who dream up and take responsibility for an innovative and untested idea for positive social change, and usher that idea **from dream to reality**. What enables social entrepreneurs to make lasting impact on the most difficult problems is a special combination of groundbreaking creativity and steadfast execution.”

| [Echoing Green](#)

“Social entrepreneurship is defined here as the practice of responding to market failures with **transformative** and financially sustainable innovations aimed at solving social problems. These three essential components are: 1) response to market failures; 2) transformative innovation; and 3) financial sustainability.”

| [Public Innovators](#)

“A social entrepreneur is a type of entrepreneur who relies on innovation to improve the world through market solutions. Social entrepreneurs use their skills and creativity to try and **solve an urgent social problem**, with the goal being to make a positive impact.

“Social entrepreneurs drive social innovation and transformation in various fields including education, health, environment and enterprise development. They pursue poverty alleviation goals with **entrepreneurial zeal**, business methods and the courage to innovate and overcome traditional practices. A social entrepreneur, similar to a business entrepreneur, builds strong and sustainable organizations, which are either set up as not-for-profits or companies.”

| [Schwab Foundation](#)

Definitions of Social Entrepreneurship from people working in this field

“I think the best social innovators are prepared to pay not just the price of working all the time and not getting rich, but even the price of their convictions in order to truly create the change that they want. In other words, they will change their minds. In my opinion, **the artist as social entrepreneur** is almost as natural an expression of entrepreneurship as it gets. Both social entrepreneurship and artistry embrace common ground in their philosophical roots. Almost like a religion, both desire to spread the “good word” through the integrity, thoughtful reflection and determination that an artist’s intuitive nature, creativity and passion naturally create.”

| [Canning, Lisa](#)

“Social Entrepreneurs are **change friendly**, opportunity-oriented, innovative, resourceful, value creators. They see resources and they find a way to mobilize or move them to areas of higher productivity and yield. They find a way to create value.”

| [Dees, J. Gregory](#)

“Social entrepreneurs see a future in places where others can not. They see the end results globally even before starting. Social entrepreneurship is about **turning problems into opportunities**. It is about not just having great ideas but knowing how to implement them.”

| [Drayton, Bill](#)

“Social innovation is a complex business — these problems are not simple problems. They’re not problems you can solve in deterministic, rational, straightforward ways. So if you enter into that world ... there are certain kinds of rules and drivers in it. But it’s more about **sensing** them and aligning yourself with them, than it is about making them happen or moving the system in a very deliberate way. ...”

| [Westley, Frances](#)

Leading social entrepreneurs

These individuals recognise a social problem and use entrepreneurial principles to organise, create, and manage a venture for social change. They have “managed to translate their visions into practical action for the benefit of millions of people.” - 2006 Nobel peace prize awarded to Muhammad Yunus.

Present day social entrepreneurs



- **Muhammad Yunus**, founder of microcredit and the Grameen Bank. He was awarded the 2006 Nobel Peace Prize.
- **Dr. Verghese Kurien**, founder of the AMUL Dairy Project which has revolutionized the dairy industry through the production chain of milk, small producers, consumer products and health benefits.
- **Bill Drayton**, founder of Ashoka, Youth Venture, and Get America Working.
- **Sebastien Marot**, founder of Friends International.
- **Jody Williams**, founder and chair of the Nobel Women’s Initiative.
- **Matt & Jessica Flannery**, launched Kiva - the online micro-lending venture.
- **Joe Madiath**, founder and Executive Director of Gram Vikas.
- **Sam Goldman**, founder of D.light Design - the social venture that received best honours at the recent Global Social Venture Competition held at Berkeley.
- **Roshaneh Zafar**, founder and Managing Director of Kashf Foundation - Pakistan's third largest microfinance institution.
- **Jordan Kassalov**, founder of VisionSpring - a social enterprise, helping women create businesses to sell eye glasses to those at the bottom of the pyramid who need them the most.
- **Ann Cotton**, founder and Executive Director of CAMFED International - an international organisation dedicated to eradicating poverty in Africa through the education of girls and the empowerment of young women.

Historical examples of social entrepreneurs

Susan B. Anthony (U.S.) - Fought for Women's Rights in the United States, including the right to control property and helped spearhead adoption of the 19th amendment.

David Brower (U.S.) - Environmentalist and conservationist, he served as the Sierra Club's first executive director and built it into a worldwide network for environmental issues. He also founded Friends of the Earth, the League of Conservation Voters and The Earth Island Institute.

Vinoba Bhave (India) - Founder and leader of the Land Gift Movement, he caused the redistribution of more than 7,000,000 acres of land to aid India's untouchables and landless. Mahatma Gandhi described him as his mentor.

Frederick Law Olmstead (U.S.) - Creator of major urban parks, including Rock Creek Park in Washington DC and Central Park in NYC, he is generally considered to have developed the profession of landscape architecture in America.

Mary Montessori (Italy) - Developed the Montessori approach to early childhood education

Gifford Pinchot (U.S.) - Champion of the forest as a multiple use environment, he helped found the Yale School of Forestry and created the U.S. Forest Service, serving as its first chief

Florence Nightingale (U.K.) - Founder of modern nursing, she established the first school for nurses and fought to improve hospital conditions

Margaret Sanger (U.S.) - Founder of the Planned Parenthood Federation of America, she led the movement for family planning efforts around the world

John Muir (U.S.) - Naturalist and conservationist, he established the National Park System and helped found The Sierra Club.

Jean Monnet (France) - Responsible for the reconstruction and modernization of the French economy following World War II, including the establishment of the European Coal and Steel Community (ECSC). The ECSC and the European Common Market were Monnet's mechanisms to integrate Europe and were direct precursors of the European Union, which have shaped the course of European history and global international affairs.

John Woolman (U.S.) - Led U.S. Quakers to voluntarily emancipate all their slaves between 1758 and 1800, his work also influenced the British Society of Friends, a major force behind the British decision to ban slaveholding. Quakers, of course, became a major force in the U.S. abolitionist movement as well as a key part of the infrastructure of the Underground Railroad.