What do We Know about Social Entrepreneurship: 
an Analysis of Empirical Research

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Abstract: Despite the growing attention for social entrepreneurship, as a scholarly field of research it is still at a stage of infancy. Academic research in the past two decades was primarily dedicated to establish a conceptual foundation which resulted in a considerable stream of conceptual papers. Empirical articles are gradually appearing since the turn of the century. Although they are still by far outnumbered by conceptual articles, they are of great significance for social entrepreneurship to evolve as a field of scientific inquiry. This paper reviews 14 empirical research studies on social entrepreneurship, classifies them along four dimensions and summarizes research findings for each of these dimensions. Preliminary to the analysis of the empirical researches, an overview of four schools of thought is presented that serves as a background to which to interpret the empirical inquiries.

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0. Introduction

‘The idea of ‘social entrepreneurship’ has struck a responsive chord’, wrote Dees in 1998 (Dees, 1998). One may conclude that ten years from then the ‘responsive chord’ has only become more responsive given the growing attention from business, government and educational fields. New social ventures appeared and disappeared. Support organizations for social entrepreneurs have been founded such as The Skoll Foundation, the Institute for Social Entrepreneurs and The Schwab Foundation. Special university centers and teaching programs for future social entrepreneurs are raised by universities such as Harvard and Said Business School. Scholarly journals have published articles and special issues have appeared in Journal of World Business and International Journal of Entrepreneurial Behaviour and Research. Policies to enable regulation and business support have been developed.

Despite the growing attention for social entrepreneurship no consensus exists on what it is or what it is not. It is a multi-interpretable concept and although the use of the label is widespread, the meaning attached to it is often very different. Not surprisingly, a considerable amount of scholarly effort is devoted to defining what social entrepreneurship is (Dees, 1998; Mair & Martí, 2006; Peredo & McLean, 2006; Perrini & Virro, 2006; Sullivan Mort, Weerawardena, & Carnegie, 2003) and what the commonalities and distinctions are with closely related fields such as commercial entrepreneurship (Austin, Stevenson, & Wei-Skillern, 2006; Dorado, 2006; Mair & Martí, 2006; Roberts & Woods, 2005), non-profit enterprises (Boschee & McClurg, 2003), social activism and social service provision (Martin & Osberg, 2007).

At first glance, social entrepreneurship appears to be a mixture of related but different phenomena. Several authors approach social entrepreneurship from a non-profit perspective and define the term as bringing business expertise and market-based skills to the non-profit sector (Boschee & McClurg, 2003; Fowler, 2000; Reis & Clohesy, 2001; Sullivan Mort et al., 2003). This includes an emphasis on earning income independent from subsidies and grants and might includes non-profits running small for-profit businesses like gift shops or service centres to help offset organisations’ costs. In addition, these non-profits adopt private sector management techniques in order to become more efficient in providing and delivering their social services. Others focus more on bringing about social change and view social entrepreneurship as a intersectorial domain where legal structure and sectoral belonging are less important and social change prevails (Mair & Martí, 2006; Nicholls, 2006; Peredo & McLean, 2006). Within this view ‘Social entrepreneurship, represents an umbrella term for a considerable range of innovative and dynamic international praxis and discourse in the social and environmental sector’ (Nicholls, 2006).

In spite of the contributions so far, the scholarly field of social entrepreneurship is still at a stage of infancy (Dees & Battle Anderson, 2006; Dorado, 2006). Like the entrepreneurial field in its early days, it is mainly phenomenon-driven, its boundaries to other fields of research are fuzzy, and it lacks a unifying paradigm (Mair & Martí, 2006, p.36). As a result most publications comprise of conceptual articles based on existent literature, common sense, and experience. Nevertheless, articles on social entrepreneurship based on empirical research are slowly appearing, although they are still by far outnumbered by conceptual articles. Although small in number, empirical research is of great significance for social entrepreneurship as a field of scientific inquiry. Research connected to empirical reality allows for the development of testable and valid theory (Eisenhardt, 1989) and is herewith of great significance for any field of research to evolve.

The purpose of this paper is twofold. The first purpose is to give an answer to the question what we know about social entrepreneurship from empirical research beyond anecdotes and illustrations. This is done by reviewing articles on social entrepreneurship based on empirical
research. This analysis allows simultaneously for an inventory of research gaps. Therefore the second purpose is to identify research omissions and generate suggestions for future research both from a content point of view as well as from a methodological point of view.

The first part of this paper is an overview of various schools of thought on social entrepreneurship. The aim of this part is to unveil the concept and demonstrate different perspectives on the phenomenon that gave rise to definitional ambiguities. Commonalities and differences between the schools of thought are summarized. It is against this background that we are to interpret the results from the empirical researches included in this paper. The second part of this paper gives a general description of the identified empirical researches. It equally explains the selection criteria for the included articles. The third part consists of the analysis of the content of the articles. The articles are classified along four dimensions of Gartner’s framework for new venture creation; individual, process, organization and environment (Gartner, 1985). The articles are analyzed and the results are summarized along emerging themes for each of the four dimensions of the framework. The paper finishes with a discussion of the analysis and an inventory of future research opportunities is the subject of the fourth part.

1. Social entrepreneurship unraveled

The label ‘social entrepreneur’ has only a short history, the practice of social entrepreneurship is far from being new. Florence Nightingale, who revolutionized the theory of hospital conditions in the late 1900s (Bornstein, 2007) and John Durand who started working with mentally retarded people in the early 60s (Alter, 2007) are just two examples of exceptional persons bringing about social change whom we may label social entrepreneurs today. According to Nicholls, the term ‘social entrepreneur’ was first introduced in 1972 by Banks who noted that social problems could also be deployed by managerial practices (Nicholls, 2006). Even though social entrepreneurship, be it under different headings, gained practical relevance during the 1970s and 1980s, it has been until the 1990s that the subject attracted attention both from governments and the academia. The Italian government created the first social firm model by adopting a specific legal form for ‘social co-operatives’ in 1991. The UK government followed in 2004 by introducing the ‘Community Interest Company’, a second juridical form for social enterprise within Europe (Nyssens, 2006). In that same period a stream of research on the subject slowly appeared in the academic work field (Boschee, 1995; Dees, 1998; Leadbeater 1997; Schuyler, 1998). From the turn of the century onwards the stream of publications became more substantial.

The growing attention for social entrepreneurship both from a practitioners and academic point of view can be explained by several general developments in recent decennia. These developments are the subject to the next paragraph. It will turn out that more specific developments in different contexts gave rise to dissimilar approaches in the United States and Western Europe resulting in various schools of thoughts.

1.1. Growing interest in social entrepreneurship

The growing attention for social entrepreneurship on a global scale can be explained by several mutually reinforcing economic, social, and political changes in recent decennia. Two types of developments can be distinguished: firstly, persisting problems that call for innovative approaches (i.e. demand side) and secondly, developments that increase the chances for those problems to be solved (i.e. supply side)(Nicholls, 2006). These general developments contextualize the rise of social entrepreneurship.

On the demand side the awareness of the ever growing inequality in wealth distribution and concern for the environment are two important drivers. At the same time, governments have been
retreating their funding in face of free market ideology. A more neoliberal approach by governments worldwide with an emphasis on market forces as primary mechanisms for the distribution and redistribution of resources have led to shrinking funds resulting in fewer interventions by the public sector. In addition, the number of non-profit organizations has grown exponentially which resulted in competition with other non-profits for funding (Johnson, 2000). Finally there is an increasing demand for improved effectiveness and efficiency for both the social sector and non-profit institutions. In this light non-profit organizations are severely challenged to demonstrate organizational effectiveness. (Johnson, 2000). In more popular terms, Boschee summarizes the demand side as follows: ‘Operating costs have soared, resources available from traditional sources have flattened, the number of non-profits competing for grants and subsidies has more than tripled, and the number of people in need has escalated beyond our most troubling nightmares.’ (Boschee & McClurg, 2003).

On the supply side there are chances and circumstances in favor of alternative approaches in dealing with societal, economical and environmental problems. First the increasing concentration of wealth in the private sector is promoting calls for increased corporate social responsibility and more proactive responses to complex social problems (Johnson, 2000). Secondly, people are earning fortunes at younger ages than the previous generation. Many of them are devoting their time and resources to philanthropy earlier in life (Reis & Clohesy, 2001). Thirdly a growing sense of uneasiness with an increasingly powerful market sector and ineffective and inefficient sector institutions and non-profit-organizations makes some people more proactive. ‘Smart non-profit managers and board members realize they must increasingly depend on themselves to insure their survival . . . and that has led them naturally to the world of entrepreneurship.’ (Boschee & McClurg, 2003). Fourthly, a new group of philanthropists is emerging; a young group of innovators from diverse backgrounds who are challenging old assumptions about charitable giving. In particular, they argue that traditional philanthropy has focussed too much on donor satisfaction and not enough on producing measurable results (Reis & Clohesy, 2001). Finally, organizations are rethinking the assumption that doing social good and making a profit are mutually exclusive (Johnson, 2000). This rethinking is nourished by the attention for successful classical cases like Ben and Jerry’s and The Body Shop. Having a social conscience is also good for business.

1.2. American and European traditions

The general developments described in the previous paragraph help to explain an increasing consideration of social entrepreneurship mainly from a practitioner’s point of view in the last three decades. Two more specific geographical traditions can be distinguished: an American and a European tradition. Both traditions evolved against their own particular background and resulted in several approaches or schools of thought. Before explaining the schools of thought, a brief introduction of the two traditions is appropriate while definitional ambiguities stem from these different contexts.

American approach. The economic downturn in the late 1970s and the 1980s brought large cutbacks in federal funding confronting non-profits operating in poverty programs, education, health care, the environment, and community services with a severe financing problem. Expanding or introducing commercial activity was a popular way to deal with these cutbacks attempting to guarantee continuity of services already provided. The term social enterprise was used to describe these activities. This background explains why in the American context revenue generating activities are emphasized. (Kerlin, 2006) Hence, within the American approach social entrepreneurship is above all referring to market-oriented economic activities serving a social goal irrespective of legal structure and sector (Nyssens, 2006, p.4). Social

1 The description of the American and European approach is based on Kerlin (2006) and Nyssens (2006).
entrepreneurship is considered a sub-field of entrepreneurship resulting in scholarly attention from both business schools and social sciences. Strategic development such as the promotion of social entrepreneurship and the creation and improvement of sector infrastructure is orchestrated by private foundations of which Ashoka, Echoing Green and de Skoll Foundation are probably the most well known. The American approach resulted in two separate schools of thought: Social Enterprise School and the Social Innovation school.

**European approach.** Like the American social enterprises, the European social enterprises arose against the background of the crises of the 1980s. In contrast to the American approach, the European approach is rooted in the third sector or the social economy and addresses services where the welfare state has retreated from or where no adequate public services were provided at that time. This resulted in new social enterprises founded by civil society actors addressing services such as housing for increasingly marginalized groups, childcare, urban regeneration and employment programs for long-term unemployed (Kerlin, 2006). Within the European approach, social enterprises are generally of the non-profit or co-operative type and are dedicated to the creation of social impact for the community and combine revenue generating with work or participatory activity of program beneficiaries. (Nyssens, 2006) Strategic development is initiated by government institutions both on a regional, national as well as on the level of the European Union rather than by private foundations. Although considerable national differences exist within Europe in terms of services provided by social enterprises, welfare states and legal structures, two main distinct approaches emerged within the European tradition; the EMES approach and the UK approach.

1.3. **Four distinct approaches to social entrepreneurship**

In the next paragraph the two American schools of thought and two European approaches are reviewed. Although the approaches are often mixed in popular discourse, they reveal different perspectives and research preferences as will be clear after reading this paragraph. In order to compare the school of thought the main distinctions and commonalities are summarized in the final part of this paragraph.

**The Innovation School of thought.** The Innovation School of thought focuses on the social entrepreneur, individuals who tackle social problems and meet social needs in an innovative manner. They can do this by either establishing a non-profit enterprise or a for profit enterprise. Bill Drayton, founder of Ashoka is to be considered one of the leading figures at the basis of this particular school. This school of thought on social entrepreneurship is rooted in the body of knowledge of commercial entrepreneurship on the discovery, evaluation and exploitation of opportunities with Shane and Venkataraman as leading thinkers. In the case of social entrepreneurship these opportunities are found in social needs exploited by innovative means to satisfy those needs.

**The Social Enterprise School of thought.** Within the Social Enterprise School of thought the main subject of study is the enterprise described as a non-profit venture serving a social mission. In order to guarantee continuity of service provision this school focuses on generating income streams independent from subsidies and grants. In addition to the theme of funding, this school also promotes the idea that business methods are an effective manner to improve non-profit organizations. Like the Social Innovation School, the Social Enterprise School of thought also has a commercial knowledgebase equivalent. The Social Enterprise School is embedded in the commercial entrepreneurship tradition that defines entrepreneurship as the process of creating new organizations.

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2 This paragraph is based on Bacq (2008), Dees (2006), Degroote (2008), and Kerlin (2006).
**The EMES approach.** The Emergence of Social Enterprise in Europe (EMES) Research Network begun in 1996 and consists of scholars cooperating in order to investigate the social enterprise phenomenon and establish a broad definition that allows for the national differences within the European Union. The ‘ideal typical’ definition used by the EMES Network defines the characteristics of the social enterprise within this approach. Like the Social Enterprise School, the unit of observation is the enterprise. In the case of the EMES approach it is a enterprise with the explicit aim to benefit the community, launched by a group of citizens that enjoys a high degree of autonomy, where decision-making power is not based on capital ownership, and that is participatory in nature. In general, the organizations within this approach consists of the following types: associations, cooperatives, mutual organizations and foundations. In contrast to the Social Enterprise School that applies a non-distribution constraint to profits, the EMES approach allows for some profit distribution due to the inclusion of cooperatives. Although the cooperatives exist within the United States they are not subject to the social enterprise discourse.

**UK approach.** Despite the broadness of the definition applied by the EMES Research Network, the UK approach to social entrepreneurship is fairly distinct from the EMES approach and the American tradition, therefore permits for a separate approach. When the Labour Party came to power in the UK in the late 1990s they proactively tried to stimulate partnerships between civil society, the public sector and the private sector. In order to promote the establishment of social enterprises throughout the country, the Blair government launched the ‘Social Enterprise Coalition’ and created the ‘Social Enterprise Unit’ within the Department of Trade and Industry (DTI). The social enterprise definition put forward by the DTI: businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or the community, rather than being driven by the need to maximize profits for shareholders and owners”. In 2004 a new legal from was introduced, the ‘Community Interest Company’. Since 2006, all social enterprise affairs are accommodated by a new established ministry of the Third Sector dedicated to improve the professionalism of the sector, to ameliorate access to financial sources, and refine the legal framework in favor of sector growth. The UK social enterprises are subject to limited distribution of profits, can be initiated by individuals, groups citizens as well as by a legal entity. In contrast to the EMES approach the goods and services provided can be equally related, unrelated or central to the venture’s mission. In addition, the social enterprises in the UK are trading within the market.

In fact there are no strict boundaries between the different approaches and any attempt to classify articles along the different approaches is partly arbitrary. Despite the blurring boundaries, exploring the distinctions and commonalities contributes to understand conceptual differences, to interpret emphasis on or the absence of certain research topics, and to translate research findings into recommendations. The approaches as described above share one main commonality: their emphasis on the social mission. Their distinctions are described along seven lines and summarized in table 1. Taken together, the distinction and the social mission focus make up a broad overview of the main research subjects within the field.

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3 See www.socialenterprise.org.uk
Table 1. Distinctions between school of thought on social entrepreneurship

<table>
<thead>
<tr>
<th>Distinctions</th>
<th>Social Innovation School</th>
<th>Social Enterprise School</th>
<th>EMES approach</th>
<th>UK Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit of observation</td>
<td>Individual</td>
<td>Enterprise</td>
<td>Enterprise</td>
<td>Enterprise</td>
</tr>
<tr>
<td>Link mission - services</td>
<td>Direct</td>
<td>Direct / indirect</td>
<td>Direct</td>
<td>Direct / indirect</td>
</tr>
<tr>
<td>Legal structure</td>
<td>No constraints</td>
<td>Non-profit</td>
<td>Some constraints</td>
<td>No constraints</td>
</tr>
<tr>
<td>Innovation</td>
<td>Prerequisite</td>
<td>Not emphasized</td>
<td>Not emphasized</td>
<td>Not emphasized</td>
</tr>
<tr>
<td>Profit distribution</td>
<td>No constraint</td>
<td>Constraint</td>
<td>Limited constraint</td>
<td>Limited constraint</td>
</tr>
<tr>
<td>Earned income</td>
<td>Not emphasized</td>
<td>Prerequisite</td>
<td>Not emphasized</td>
<td>Important</td>
</tr>
<tr>
<td>Governance</td>
<td>Not emphasized</td>
<td>Not emphasized</td>
<td>Multiple stakeholder involved</td>
<td>Multiple stakeholder recommended</td>
</tr>
</tbody>
</table>

**Unit of observation.** Within the Social Innovation School the social entrepreneur is assigned an important role. Illustrative is the following citation Bill Drayton, “People understand this field by anecdote rather than theory, so a fellow we decide to elect becomes a walking anecdote of what we mean by a social entrepreneur,” (Bornstein, 1998) For the other approaches the enterprise is the central unit of observation and attention shifts from the individual to teams of entrepreneurs. In addition, the initiator of the social enterprise is differs between the various approaches. The initiator within the Innovation School is clearly an individual whereas the initiator is a group of citizens within the EMES approach. Both other approaches are less and the establishment of a social enterprise can either be initiated by individuals, groups of citizens or a legal entity.

**Relatedness between mission and products and services.** A second dissimilarity is the connection between the mission and the products and services provided. Within the Social Enterprise School and the UK approach a direct link between mission and activities is not a necessity. Goods and services provided can equally be related, unrelated or central to the venture’s mission. This allows for more flexibility in running for profit ventures aiming to generate an independent income stream. In both other approaches the connection is either central or related.

**Legal structure.** The Social Innovation School and the UK approach put no limitation on the legal structure. The Social Enterprise School is exclusively considering non-profits. Within the EMES approach it is the degree of autonomy of the venture that is important which puts certain restrictions on the juridical form. Social enterprises are not to be managed directly or indirectly by public authorities or other organizations.

**Innovation.** Innovation is clearly one of the defining features within the Innovation School. The level of innovativeness is one of the main criteria for Ashoka in the decision process of supporting a social entrepreneur. “Ashoka cannot elect someone to the Fellowship unless he or she is possessed by a new idea—a new solution or approach to a social problem—that will
change the pattern in a field, be it human rights, the environment, or any other. Although ‘pattern breaking’ and fundamental change is not a prerequisite for all involved in this school of thought, innovation is clearly stressed. The other approaches are aware of the importance of creativity and innovativeness but it is not one of the fundamental principles on which these approaches are based.

**Profit distribution.** The Social Innovation School leaves the entrepreneur free to choose whatever is necessary to achieve his goals; this means no constraints on the distribution of profits. This is not the case for the Social Enterprise School where a non-distribution constraint is one of the fundamental principles. Social enterprises within the EMES approach and the UK approach encompass enterprises types that are subject to a total non-distribution constraint as well enterprises such as co-operatives that may distribute profits to a limited extent as long as profit maximizing behavior is avoided (Nyssens, 2006)

**Earned income.** The Social Enterprise School emphasizes the importance of raising commercial income independent of grants and subsidies to secure sustainability and financial viability. Within the EMES approach ‘financial viability depends on the effort of its members to secure adequate resources to support the enterprise’s mission’ (Nyssens, 2006, p.12). The viability is herewith irrespective of the amount of income generated by the enterprise. Herewith, income generating is not an important issue within this approach.

**Governance.** Governance is an important subject within the EMES approach. Multiple stakeholder involvement, democratic management and the participative nature of the ventures are fundamental to this approach. Within the UK approach the direct or indirect involvement of stakeholders is considered and depends from the legal structure of the organization. It is by no means as fundamental as for the EMES approach. The Social Innovation School is in favor of involving stakeholders by creating partnership and networks through which ideas, knowledge and expertise can flow all aimed to achieve the social objective. Democratic management is not considered an issue. The Social Enterprise School is in favor of leaving the founders of the enterprise complete freedom to achieve their goals. From this perspective, multiple stakeholder involvement is rather to be discouraged.

It is clear from this discussion that the various approaches are distinct from each other and, when not made explicit, can cause conceptual fuzziness and misty discussions. With this remark in mind we move to the next part concerning the empirical research on social entrepreneurship. Part three gives a general description of the researches included in the analysis. The fourth part contains the analysis of the results of the reviewed articles.

### 2. Research on social entrepreneurship

For the analysis of empirical research on social entrepreneurship articles were identified by reviewing academic journals, books and book chapters on social entrepreneurship, social entrepreneur and social enterprise. Subsequently, three selection criteria were applied: availability of a description of the applied research design, a description of the sample used, and published before 2009. Theoretical papers as well as conceptual papers based on experience and illustrations were omitted. A total of 14 articles was selected and reviewed for this discussion. Table 2 lists these articles and summarizes the definitions of social entrepreneurship as applied

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4 See www.ashoka.org
5 Although the article published by Harding is neither published in any academic journal nor as a chapter of a book, it is still included in this analysis due to the richness of the study and the embeddedness in the GEM consortium.
6 From this point onwards when referred to articles this includes chapters as well.
by the authors. The last column of table 2 classifies the articles according to the different schools of thought. The classification is based on the definition used and the purpose of the articles though the fundamental characteristics of the different schools were not always clearly identifiable for each single paper.

The limited number of empirical researches is in line with what might be expected from an emerging field of scientific inquiry. Where theoretical and conceptual papers on social entrepreneurship appeared from the early nineties onwards with a strong increase at the end of the decennium, the same holds true for empirical researches in this analysis taking a ten year time lag into account. With regard to the publication outlets table 2 shows that 6 out of 14 articles entail books and chapters of books. The remaining 8 articles where published in academic journals including 4 in special issues. Despite the use of the entrepreneurial body of knowledge on which current social entrepreneurship research is mainly based, it is apparent that only two entrepreneurial journals have published empirical research on the subject. This might be due to the quality of the submitted papers or an undervaluation of social entrepreneurship as a separate field of research. Both explanations might change in the near future. In this respect, a hopeful sign is the announcement of one of the leading entrepreneurial journal (Entrepreneurship Theory & Practice) to devote a special issue on the topic of social entrepreneurship.

2.1. Methodology applied

With regard to methodology, table 3 summarizes some basic aspects of the analyzed articles. Three characteristics of these empirical studies, besides the limited number, confirm the emerging stage of social entrepreneurship as a field of research. Firstly, a single glance on table 3 shows the dominance of a qualitative research approach as opposed to a quantitative one (12 compared to 2). Secondly, the supremacy of the amount of exploratory papers indicates a scientific field in its early days since, apparently, a theoretical base is lacking. Out of the 14 articles only one is theory building (Weerawardena & Sullivan Mort, 2006) and a second is of a hypothesis testing nature (Nyssens, 2006). All the others articles have an exploratory character including 3 proposition generating ones. Thirdly, the analyzed articles heavily rely on primary data and use of secondary data sources is with 2 out of 14 papers exceptional.

As for the research design of the analyzed qualitative studies, a case study approach is by far the most common accounting for 9 out of 12 studies. Both quantitative papers applied a survey design. In terms of the samples used for these studies, some remarks are worthwhile mentioning. In the first place, the sample size of the qualitative researches is rather small with 7 out of 12 samples having a size smaller than 10. Secondly, the samples used are very diverse in terms of scope. Some of the samples comprise of broadly defined social enterprises while others are more narrowly defined such as community enterprises and work integrated social enterprises. Some focus on social enterprises in their early stage of development, others focus more on established and successful enterprises. Some are located in developing countries while others originate in developed countries. As a consequence, comparing the results of these researches is a risky pursuit and each similarity should be interpreted with great caution.
### Table 2. Selected articles (chronological order)

<table>
<thead>
<tr>
<th>Authors</th>
<th>Publication</th>
<th>Definition of social entrepreneurship / enterprise</th>
<th>School of thought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borzaga and Defourny (2001)</td>
<td>Book</td>
<td>…organizations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits, they place a high value on their autonomy and on economic risk taking related to ongoing socio-economic activity.</td>
<td>EMES approach</td>
</tr>
<tr>
<td>Desa and Kotha (2006)</td>
<td>Book chapter</td>
<td>…a venture that develops and deploys technological driven solutions to address social needs in a financially sustainable manner. The authors are not explicit in their definition on social entrepreneurship instead they give a definition of a technological social venture.</td>
<td>Social Enterprise School</td>
</tr>
<tr>
<td>Harding (2006)</td>
<td>GEM UK</td>
<td>… is any attempt at new social enterprise activity or new enterprise creation, such as self-employment, a new enterprise, or the expansion of an existing social enterprise by an individual, teams of individuals or established social enterprise, with social or community goals as its base and where the profit is invested in the activity or venture itself rather than returned to investors.” (Harding, 2006, p.5)</td>
<td>UK approach</td>
</tr>
<tr>
<td>Haugh (2006)</td>
<td>Book chapter</td>
<td>… is a collective term for a range of organizations that trade for a social purpose. They adopt one of a variety of different legal formats but have in common the principles of pursuing business-led solutions to achieve social aims, and the reinvestment of surplus for community benefit. Their objectives focus on socially desired, nonfinancial goals and their outcomes are the nonfinancial measures of the implied demand for and supply of services. (Haugh, 2006, p.184)</td>
<td>UK approach</td>
</tr>
</tbody>
</table>

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7 This is the short version of the definition from Nyssens (2006) who uses an identical definition. The extended definition can be found from page 16 onwards Borzaga (2001).

8 The authors are not explicit in their definition on social entrepreneurship instead they give a definition of a technological social venture.
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Source</th>
<th>Definition</th>
<th>Citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robinson (2006)</td>
<td>Book chapter</td>
<td>… is a process that includes: the identification of a specific social problem and a specific solution (or a set of solutions) to address it; the evaluation of the social impact, the business model and the sustainability of the venture; and the creation of social mission-oriented for-profit or a business-oriented non-profit entity that pursues the double (or triple) bottom line. (Robinson, 2006, p. 95)</td>
<td>Social Innovation</td>
</tr>
<tr>
<td>Seelos et al. (2006)</td>
<td>Book chapter</td>
<td>A successful social enterprise demonstrates innovation, reach and scope, replicability, sustainability, direct positive social impact, and value added. (Seelos et al., 2006, p. 241)9</td>
<td>Social Innovation</td>
</tr>
<tr>
<td>Sharir and Lerner (2006)</td>
<td>Journal of World Business (special issue)</td>
<td>… is acting as a change agent to create and sustain social value without being limited by the resources at hand</td>
<td>Social Innovation</td>
</tr>
<tr>
<td>Mair and Schoen (2007)</td>
<td>International Journal of Emerging Markets</td>
<td>… is an initiative that addresses social needs and/or catalyzes social transformation. The creation of social value is the primary objective of the venture, while economic value creation represents a necessary but not sufficient condition. (Mair and Schoen, 2007, p. 55)</td>
<td>Social Innovation</td>
</tr>
<tr>
<td>Shaw and Carter (2007)</td>
<td>Journal of Small Business and Enterprise Development</td>
<td>Social enterprise has been identified as vital to the development and the delivery of innovative approaches to social problems that persist, despite the efforts of traditional public, voluntary or community mechanisms. (Shaw and Carter, 2007, p. 419)</td>
<td>Social Innovation</td>
</tr>
<tr>
<td>Jones et al. (2008)</td>
<td>International Journal of Entrepreneurial Behaviour and Research (special issue)</td>
<td>… can be individual citizens, community activists, or civil servants, stretching across the continuum from Mahatma Gandhi to Ben Cohen of Ben and Jerry’s Ice Cream. (Jones et al., 2008, p. 332)</td>
<td>Social Innovation</td>
</tr>
<tr>
<td>Urban (2008)</td>
<td>Idem</td>
<td>… can be viewed as a process that serves as catalyst for social change, and varies according to socio-economic and cultural environments.’ (Urban, 2008, p. 349)</td>
<td>Social Innovation</td>
</tr>
</tbody>
</table>

9 Seelos et al. (2006) use the definition from the Schwab Foundation.
<table>
<thead>
<tr>
<th>Authors</th>
<th>Research Design</th>
<th>Sample description</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borzaga and</td>
<td>Comparative case study</td>
<td>Established social enterprises within EU countries</td>
<td>15 countries</td>
</tr>
<tr>
<td>Defourny (2001)</td>
<td>analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alvord et al. (2004)</td>
<td>Comparative case study</td>
<td>Successful social entrepreneurs from many diverse regions including Asia, Africa and America who are potential catalysts for societal change</td>
<td>7 cases</td>
</tr>
<tr>
<td></td>
<td>analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Desa and Kotha (2006)</td>
<td>Case study analysis</td>
<td>One technology incubator running multiple projects in various stages of venture creation.</td>
<td>1 case</td>
</tr>
<tr>
<td>Harding (2006)</td>
<td>Survey</td>
<td>Random adult UK population age 18-64</td>
<td>27,296 respondents</td>
</tr>
<tr>
<td>Haugh (2006)</td>
<td>Comparative case study</td>
<td>Community enterprises (as a special case of social enterprises) in the rural economy located in two administrative regions in north-east Scotland</td>
<td>6 cases</td>
</tr>
<tr>
<td></td>
<td>analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nyssens (2006)</td>
<td>Comparative case study</td>
<td>15 Work integration social enterprises (WISE’s) in 11 EU countries</td>
<td>162 cases</td>
</tr>
<tr>
<td></td>
<td>analysis (longitudinal)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robinson (2006)</td>
<td>Comparative case study</td>
<td>Early stage social ventures</td>
<td>6 cases</td>
</tr>
<tr>
<td></td>
<td>analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seelos and Mair (2006)</td>
<td>Comparative case study</td>
<td>Successful social enterprises from the Schwab</td>
<td>74 cases</td>
</tr>
<tr>
<td></td>
<td>analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharir and Lerner (2006)</td>
<td>Exploratory</td>
<td>Established social enterprises in Israel</td>
<td>33 cases</td>
</tr>
<tr>
<td>Weerawardena and Sullivan</td>
<td>Grounded Theory Methodology</td>
<td>Successful Australian NFP social enterprises</td>
<td>9 cases</td>
</tr>
<tr>
<td>Mort (2007)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mair and Schoen (2007)</td>
<td>Comparative case study</td>
<td>Established and successful social entrepreneurial organizations operating in emerging economies</td>
<td>3 cases</td>
</tr>
<tr>
<td></td>
<td>analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shaw and Carter (2007)</td>
<td>Phenomenological research approach</td>
<td>Established and successful social enterprises predominantly located in the North-East of England and central Scotland</td>
<td>80 interviews</td>
</tr>
<tr>
<td>Jones et al. (2008)</td>
<td>Case study analysis</td>
<td>Australian established social enterprise</td>
<td>1 case</td>
</tr>
<tr>
<td>Urban (2008)</td>
<td>Survey</td>
<td>South African student population in a classroom setting</td>
<td>287 respondents</td>
</tr>
</tbody>
</table>
2.2. Researches classified

The articles are classified along the four components of Gartner’s framework for new venture creation: individual, process, organization and environment (Gartner, 1985). This framework is widely accepted in entrepreneurship and endorses the multidisciplinary character of entrepreneurship. Several fields of research such as economics, personality psychology, and strategy have proven to be useful in describing and explaining the various components in the framework (Mitchell et al., 2002, p.94). “The four dimensional conceptual framework can be seen as a kaleidoscope, as an instrument through which to view the enormous varying patterns of new venture creation (Gartner, 1985, p.701). Put differently, the four components of the Gartner framework represent four basic questions for any process: Who-the entrepreneur or individual-, what-the enterprise or organization, how-the entrepreneurial process-, and where-the environment-. While these components are basic to all processes, it is also applicable to the process of social entrepreneurship.

The classification was based on the purpose and the major themes of the articles. Articles classified under more than one heading are contributing to multiple topic of the framework. Table 4 summarizes the classification.

Table 4 Research on social entrepreneurship classified by the components of Gartner’s framework on new venture creation.

<table>
<thead>
<tr>
<th>Individual</th>
<th>Process</th>
<th>Organization</th>
<th>Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Alvord et al., 2004)</td>
<td>(Alvord et al., 2004)</td>
<td>(Alvord et al., 2004)</td>
<td>(Borzaga &amp; Defourny, 2001)</td>
</tr>
</tbody>
</table>

3. What do we know from research on social entrepreneurship

This part gives an overview of the main findings of the selected articles along the perspectives of the Gartner framework. Although the findings are clustered to emerging themes and subjects, no general conclusions can be drawn because of the diversity of the samples and definitions used throughout the studies.

3.1. Individual; social entrepreneur

The idea that entrepreneurs are, in some way, different form non-entrepreneurs is commonly held and explains the body of literature that evolved from exploring and explaining these differences. This is no different for social entrepreneurship. Especially within the tradition of the Social Innovation School, the social entrepreneur is assigned a role of great importance. Six of the empirical researches concern individual characteristics of the social entrepreneur.
Several themes that emerged throughout these studies are dealt with below: motivation, experience, attitude, skills, and demographics.

**Motivation.** The motivations of the social entrepreneur to engage in a social venture are the subject to two studies. Like commercial entrepreneurs, social entrepreneurs are driven by combination of different motives. Some of these motives are comparable to those of their commercial counterparts (i.e. self-fulfillment, achievement and occupational independence) while others motives are more unique for the case of the social entrepreneur (i.e. personal rehabilitation, search for solutions to individual distress, and obligations to one’s community by meeting local needs or addressing social issues) (Sharir & Lerner, 2006). Sharir and Lerner only mention the existence of common and unique motives while Shaw and Carter have asked their respondents to rank the factors that influenced their decision to start their venture. They conclude from their sample that the occupational independence (‘to become your own boss or be independent’) and personal financial gain (‘to create personal financial security’) are ranked by only few respondents while factors related to social aims are more prominent. These factors include: ‘belief in the work of the enterprise’, ‘to affect change and make a difference’, ‘to meet local needs’, and to tackle a social issue’.

**Experience.** The same researches that include motivational factors also considered previous experience of the entrepreneurs. Sharir and Lerner look at previous managerial experience and conclude from their research that having experience in managing a venture is one of the success-related variables for social ventures. Shaw and Carter consider previous professional experience in more detail. Their research findings based on exploratory data analysis show that prior experience was predominantly within the third sector, one third had established a social venture before and one third had previously worked for a social enterprise. In addition, and in common with for-profit habitual entrepreneurs, a significant number of respondents operated a portfolio of social enterprises or could be classified as serial social entrepreneurs.

**Attitude.** Harding explored the attitudinal characteristics of social entrepreneurs and compared them to those of mainstream entrepreneurs and the general population. No significant differences emerge from her data among the three different groups of respondents concerning attitudes towards starting a business in general. Differences do appear on the perceptual responses implying that social entrepreneurs are less confident about their own skills to start a business, see fewer opportunities, and fear failure more than their mainstream counterparts. A further analysis of the attitudes and perceptions of social entrepreneurs reveals a disillusionment with entrepreneurship among the more established social entrepreneurs. As the experience of social entrepreneurs increases so does the fear of failure while the perception of entrepreneurship as a good career choice drops and fewer opportunities are seen. Harding speaks of a rather “fragile attitudinal base” (Harding & Cowling, 2006, p.18). Shaw and Carter focused on the attitudes of social entrepreneurs towards risk and financial rewards. In contrast to commercial entrepreneurs, social entrepreneurs seldom use personal and family resources for funding. This implies that social entrepreneurs experience significantly less personal financial risk. Instead they face a personal risk of a non-financial kind (i.e. the risk of losing local credibility and their network of personal relationships). Concerning the attitude towards financial rewards and profitability, Shaw and Carter conclude that profitability and financial wealth in the long and the short term are less important to the social entrepreneur than to their commercial equivalent. Instead, personal satisfaction and successfully addressing a social issue are considered key benefits to the social entrepreneur (Shaw & Carter, 2007).

**Skills.** Four researches touch upon the skills necessary to run a social enterprise. Urban includes a wide variety of skills in his study (Urban, 2008). He concludes that fund raising, administering the project and visionary leadership are the core skills needed to operate a social venture. Other necessary skills comprise of a set of entrepreneurial skills (i.e. being innovative, focus and dedication, networking and taking risks) and managerial skills (i.e. managing finances,
managing people and stressing customer services). In contrast to Urban’s conclusion that networking skills are not core to social entrepreneurs’ abilities, Sharir and Lerner consider networking as a necessary condition for success (Sharir & Lerner, 2006) and Shaw and Carter distinguish networking necessary for building credibility for the social venture (Shaw & Carter, 2007). The reasons for the importance of networks and networking are similar to the reason for commercial entrepreneurs (Shaw & Carter, 2007). In addition, Alvord et al. mention the wide variety of stakeholders which stresses the importance of strong networking abilities even more (Alvord et al., 2004).

**Demographics.** Due to the small sample size of most of the studies in this analysis quantitative demographics are scarce. The research conducted by Harding (Harding & Cowling, 2006) and to a lesser extent that of Shaw and Carter (Shaw & Carter, 2007) are exceptions. It appears from the Shaw and Carter sample which comprises of established social enterprises that the largest proportion of people running a social enterprise is to be found in age group 40 – 49 (30% of the sample). Although the Harding research focuses on more levels of social entrepreneurial activity, it also concludes that people over 45 are the most likely to be engaged in an established social enterprise. Interestingly Harding concludes that people in the age group 35 – 44 are the most likely to start a mainstream enterprise, while it are the youngest people in the sample, aged 18 – 24, who are the most likely to start a social enterprise. In the Shaw and Carter sample 88 percent held educational degrees such as postgraduate and undergraduate degrees, and vocational awards. Harding concludes that educational attainment is a strong predictor of social entrepreneurial activity. The group holding Master level of qualifications is most likely to be running a social enterprise. From a gender perspective, it appears from the Harding study that women are proportionately more likely to become social entrepreneurs than man if they become entrepreneur at all. To conclude this section on demographics one other finding from the Harding study is worthwhile mentioning. From her UK sample it appears that all ethnic groupings besides people from Indian origins, are more likely to be involved in social entrepreneurial activity than White people. Black Africans are even three times more likely as Whites to be social entrepreneur (10.9% compared to 3.0%).

### 3.2. Process: social entrepreneurship

The process dimension describes how entrepreneurship is undertaken. Equally to the individual perspective, research on the process dimension is rooted in existing entrepreneurship literature. Therefore, the subjects to which the findings are clustered are also subjects to be found in traditional entrepreneurship literature. The process findings are clustered by themes that emerged from early stage development (i.e. opportunity identification and evaluation) and established stage development of social enterprises (i.e. innovation and scaling).

#### 3.2.1. Process elements from an early stage of development

**Opportunity identification.** According to Robinson, a social entrepreneurial opportunity is distinct from other opportunities because it is rooted in a social sector market which is characterized by its significant impact on greater society and which is highly influenced by social and institutional factors. Because of the complex nature of these markets, only entrepreneurs with relevant experience and a deep and longstanding interest in a particular field are likely to recognize opportunities where others only see problems (Robinson, 2006). In the same vein, Desa and Kotha conclude from their research on technological social ventures that the entrepreneur’s social network and past experience will predict the sources of opportunities (Desa & Kotha, 2006). The identification of an unmet social need, specifically at a local level, is the basis of opportunity identification (Shaw & Carter, 2007).
**Evaluating opportunities.** Social entrepreneurs explicitly take social and institutional aspects of the opportunity into consideration besides economic and technological considerations (Robinson, 2006). According to Robinson this is in contrast with mainstream entrepreneurs who do not address social and institutional aspects in the opportunity evaluation phase. The social aspects or entry barriers taken into consideration by the social entrepreneur are described by Robinson as the social network of relationships that exist within a market devided into categories of social networks such as business organizations, civic organizations, and political infrastructure (Robinson, 2006, p.101). Institutional aspects are described as rules, norms and values that contribute to the culture, order and practices of the market in which opportunities arise (Robinson, 2006, p.102). According to the study of Weerawardana and Sullivan Mort opportunity evaluation is simultaneously influenced by the social mission of the venture and organizational sustainability (Weerwardena & Sullivan Mort, 2006).

Shifting focus from the processes of early stage social enterprises to the processes of more established and already successful ventures, leads to four additional themes: innovation, scaling, resources and networking.

3.2.2. **Process elements from an established stage of development**

**Innovation.** Innovation is acknowledged as an important issue and has been subject to several empirical researches. According to Weerawardena and Sullivan Mort, not for profits are forced to be innovative in all their social value creating activities due to increasing competiveness. In addition, they found that the majority of interviewees perceived their organizations as innovative (Weerawardena & Sullivan Mort, 2006). Where Weerawardena and Sullivan Mort stressed the importance of innovation, Alvord et al. categorized three types of innovations emerging from their comparative analysis. Three types of innovation emerged from their investigation: (1) increasing the capacities of local actors in solving their own problems, (2) disseminating a package of innovations to serve a widely distributed need, and (3) building a movement to challenge the structural causes of social problems (Alvord et al., 2004).

**Scaling.** In order to increase the impact of a social venture, Alvord et al. found three scaling patterns that correlated with the above mentioned innovation types. Organizations that apply the first type of innovation (i.e capacity building) are increasing impact by expanding coverage to provide services and benefits to more people. The second type of innovation, the package disseminating programs, is expanding functions and services to their target groups. Finally, movement-building initiatives tend to scale impact indirectly by initiating activities that change the behavior of other actors with wide impact (Alvord et al., 2004, p.275). Like Alvord et al., Mair and Schoen explored common patterns in scaling impact of successful social enterprises. Their study identified common approaches in resource strategies, building and making use of networks and customer interface. The first two common approaches were also addressed by other studies. Concerning the resource strategies applied by social entrepreneurs, two interesting finding emerged. Firstly, instead of using outside resources, social entrepreneurs tend to mobilize local available assets to improve the situation of their clients (Alvord et al., 2004). Secondly, critical resource needs are met by innovative solutions that solve the resource problem and expand the reach of social value creation at the same time (Mair & Schoen, 2007). One of the examples from the Mair and Schoen study that illustrate this phenomenon is the group lending system of the Grameen Bank. Yunus, the founder of the Grameen Bank solved a lack of human resources by avoiding hiring expensive staff members by creating groups of lenders who selected and monitored themselves. The second commonality as identified by Mair and Schoen concerns the necessity of networking skills, which has also been identified at the individual level. Mair and Schoen conclude from their cases that successful social entrepreneurs proactively create networks at an early stage in their lifecycle. Networks and long term cooperation are created and exploited both on the supply side (i.e. offering complementary goods and services through the network) and on the demand side (i.e. positive network effects among consumers) (Mair & Schoen, 2007).
Slightly different from the findings of Mair and Schoen are some findings of Shairir and Lerner in this respect. They found that entrepreneurs depend on the network they belong to in the start-up phase of the venture and create new networks in later stages (Sharir & Lerner, 2006). The third commonality explaining how social ventures achieve scaling identified by Mair and Schoen is customer or target group interfacing. In contrast to commercial entrepreneurs and development organizations, social entrepreneurs integrated their clients in their networks or even in their value creating processes. Clients are attributed an active role whereas the role of clients or customers in mainstream enterprises have a passive role. According to Mair and Schoen this stems from the underlying assumption of the social enterprise’s philosophy that every individual is capable of and even responsible for helping themselves.

3.3. Organization: social enterprise

The social enterprise can be considered as the outcome of entrepreneurial behavior, it encompasses what is being created. This component of the Gartner’s framework entails the characteristics of social enterprises. The findings of the researches that have the organization component as one of their major research themes are presented along two lines; (1) strategy elements (i.e. mission, goals, activities, and outcomes), (2) internal organizational characteristics (i.e. governance, structure, resources, and sources of finance).

3.3.1. Strategy elements.

Social mission. Despite the differences between the various schools of thought within the field of social entrepreneurship, there is agreement on the emphasis on the social mission as the *raison d’être* of a social enterprise. In contrast with the belief that the social mission is sacred, two studies reveal a different view. Weerawardena and Sullivan Mort conclude that the entrepreneurial process is responsive to and bounded by the social mission but must be understood in the context of a competitive environment and the drive for a sustainable enterprise (Weerawardena & Sullivan Mort, 2006). Desa an Kotha focusing on technological social ventures concluded that the mission of a social venture gets continuously adapted as new funds and stakeholder are involved particularly in a resource constraint environment (Desa & Kotha, 2006).

Goals. In changing our focus from mission to goals, the EMES study on work integrated social enterprises described by Nyssens and work by Seelos and Mair are both addressing goals. Both studies confirm the long held belief that social enterprises serve multiple goals simultaneously. Seelos and Mair found a distinction between enterprises that target one specific goal in depth and enterprises that are addressing a wide range of interconnected issues for one specific group of clients (Seelos et al., 2006). Nyssens pays attention to the type of goals and the specific mixture and relative importance of the different goals. The research confirms the hypothesis that work integrating social enterprises’ mission include at least three different kind of goals: economic, social and socio-political. The social goals are clearly at the core of the mission of the investigated social enterprises. The economic goals are in support of the social goals. Both goals are strongly interwoven. An important subset of the cases in the sample provided not only value by the integration of disadvantaged people but also by the provision of public or quasi-public goods. In addition, aiming to achieve socio-political goals such as advocacy and lobbying is often included (Nyssens, 2006).

Activities. Skimming through the cases used in the analyzed articles clearly displays the breadth of activities in which social enterprises are involved. Although most researches in this analysis give a brief description of the activities conducted by their cases, only two researches from the European school make a categorization of the activities. Borzaga and Defourny divided the activities of European social enterprises into two main fields: work integration and community care services provision (Borzaga & Defourny, 2001). Nyssens, who extended the
research of her EMES colleagues discovered fourteen types of production activities for the category of work integration social enterprise with offering social services (19%), recycling (18%) and services for enterprises (12%) as the most frequently provided activities. (Nyssens, 2006, p.18)

Impact. Not surprisingly, the impact of social enterprises has also attracted attention within research on social entrepreneurship. The Alvord et al. study explored the primary areas of impact, which she calls transformation leverage. The most common areas of social transformational impact for the target groups are the economic and cultural arena’s while impact in the political arena is less common (Alvord et al., 2004). Interesting in this respect is the distinction between enterprise level impact and sector level impact regarding the socio-political goals: “at the level of the enterprise, socio-political goals appear to be significantly less important than social and economic goals, networks of WISE’s have over time played a crucial role in raising awareness regarding, marginalized groups in society, in showing the value of this kind of enterprise, and in the design of public policies supporting their activities” (Nyssens, 2006, p.316). The Borzaga and Defourny study reveals five areas where social enterprises contribute: ongoing transformation of the welfare systems, employment creation, social cohesion, local development, and the evolution of the third sector as a whole. The authors annotate that not all contributions visible quantitative impact (Borzaga & Defourny, 2001, p.357). Seelos and Mair investigate the impact of social enterprises on the Millenium Development Goals (MDG’s) set by the United Nations. This study demonstrates that two third of the cases in their sample have a direct impact on the MDG’s and the majority is doing this in the countries where the most benefit can be gained (Seelos et al., 2006). A second positive conclusion is drawn by Haugh with respect to community social enterprises. She states that, taking direct and indirect economic, social and environmental impact into account, this special case of social enterprises can indeed contribute to the regeneration of a rural economy. And, although difficult to measure, community social enterprises are capable of creating wealth beyond economic wealth. (Haugh, 2006)

3.3.2. Internal organizational characteristics

The internal organizational characteristics explored in the different articles are clustered by four subject: governance, structure, resources, and sources of finance.

Governance. One of the hypothesis investigated in the EMES research project by Nyssens and her colleagues is whether multiple stakeholder ownership and representation in the board is a good way to efficiently manage the multiple goal character of the social enterprises in their sample. The results reveal that the representation of numerous stakeholders on the board is indeed a way to manage several aims simultaneously yet this is not the only way since single stakeholder boards are equally able to manage several goals. This might be explained, according to Nyssens, by the shared vision, mission, and values of stakeholders on which the enterprise is founded. (Nyssens, 2006) Sharir and Lerner are less positive about the governance of social enterprises and conclude that governing board performance is poor. Governance was measured by the involvement of board members planning, decision making, personal financial investment, and expanding the social network. Poor governance board performance is even one of the weak points that characterizes the lion’s share of enterprises in their sample and caused by attempts of the social entrepreneur to retain implementative power. (Sharir & Lerner, 2006) When it comes to governance Borzaga and Defourny deduce an additional weak point: multiple stakeholder involvement is a source of inefficiency in the case of conflicting interests since it limits the ability to react to a changing environment. (Borzaga & Defourny, 2001)

Structure. One of the findings of Harding on ownership structure entails a wide variety of ownership structures in the early stage of development. In a more established phase two dominant ownership structures prevail: charity (54.7 %) and not for profit (32.7) followed by the
cooperative from (2.3%). (Harding & Cowling, 2006) By definition, social enterprises tend to use only two legal forms according to the European school: the co-operative and the association. Still differences in these legal structures occur across different countries in incorporating these forms within the different legal systems. According to Borzaga and Defourny, “the main differences lie in the level of autonomy and capacity to carry out productive activity…” (Borzaga & Defourny, 2001, p.356)

**Resources.** Two studies analyze the revenue pattern of the social enterprises. The research of Nyssens and her colleagues provides a detailed picture of the resource mix of the work integrated social enterprises. Some general conclusions will be presented here concerning the total mix of resources which is divided into monetary resources (i.e. sales, subsidies, and gifts) accounting for 88% of the resources and non-monetary resources (i.e. indirect subsidies and voluntary work) accounting for the remaining 12%. Most resources are generated by the sale of goods and services (on average 53%) and direct and indirect subsidies (on average 38.5%). Furthermore, the mix of resources is related to the variety of goals pursued by the social enterprise and differs from country to country. For example, resources generated from sales account for three-quarters in Finnish enterprises as compared to 30% in Germany and Ireland. (Nyssens, 2006) The second study examines the resources from a broader category of social enterprises and although their numbers are less detailed, on a general level they are more or less of the same magnitude. This study concludes that 46.4% established firms have more than 50% of their revenues from sales and 37.5% from public sources. In addition, as enterprises become older and more established, the dependence on public sources tend to decrease. (Harding & Cowling, 2006)

**Sources of finance.** The pattern of accessing finance, using sources such as friends and family, bank overdrafts, venture capital, and government sources is similar to that of traditional entrepreneurs with an emphasis on bank overdrafts (25.5% for established social enterprises). Sharir and Lerner confirm the belief that social enterprises are hindered during their start-up stage by lack of access to capital (Sharir & Lerner, 2006). Harding explored the reasons for failing to get finance in the UK context and deduced that unwillingness to share ownership and cost of finance are the main reasons for failing to get finance. In addition, social entrepreneurs are proportionately more likely than their mainstream counterparts to have failed to gain access to their finance because of the nature of their business. (Harding & Cowling, 2006. p.25)

### 3.4. Environment

The fourth and last component of the Gartner framework is the environment in which a social enterprise is embedded and potential social entrepreneurs are attempting to establish new ventures. In commercial and strategy literature two perspectives on the relationship between environment and organization exist; environmental determinism and strategic choice. Given the emphasis of the Social Innovation School of thought on structural social change, questioning and changing the patterns and structures that caused social problems in the first place, one might expect that the strategic choice perspective prevails. From our analysis it shows though that none of the studies that originate from this particular school of thought are taking the environment as one of their themes. In the same line of reasoning, one might expect to find a more deterministic view evolving from the other schools of thought. This seems indeed the case and is illustrated by one of the propositions generated by Weerawardena and Sullivan Mort; “social entrepreneurship is responsive to and constrained by environmental dynamics” (Weerawardena & Sullivan Mort, 2006). Two themes emerged from the studies that concern the correlation between social enterprises and their environment; environmental factors influencing the emergence of social enterprises and external barriers.
**Development of social enterprises.** Borzaga and Defourny investigated factors that might explain differences in the spread of social enterprises between countries. The first factor is the level of development of the economic and social systems. They conclude that in less developed countries social enterprises are not widespread since social services are to a large extend provided by informal sources such as families. Conversely, in more developed countries the demand for social services is higher and hence social enterprises are more widespread. Differences in the welfare state and the traditional third sector are the second factor of influence on the supply of social enterprises at a macro level. The final factor mentioned in this study is the legal system where the level of autonomy and the capacity to carry out productive activities that the different legal forms allow for, are of influence. (Borzaga & Defourny, 2001, p.355)

**External barriers.** Borzaga and Defourny found four external barriers to start a social venture. The first one they mention concerns the underestimation of the potential role of social enterprises which results in a negative attitude towards social enterprises and turns into an entry barriers. In the same vein but on an organizational level of analysis, Sharir and Lerner found that acceptance of the idea of the social venture in the public discourse is one of the vocal variables that influences success. Lack of acceptance would imply a serious hurdle for a social enterprise to get started. A second barrier is a confused contractual relationship and unclear funding rules in the situation where financing responsibility from the public sector is separated from service provision by social enterprises. Due to this separation an unclear mix of direct subsidies and contracting occurred. A third difficulty is the lack of suitable legal forms for social enterprises which limits for example the possibility of taking part in tenders, entering contractual partnerships, and scaling. The last barrier is a lack of access to industrial policies and public funding. Since social enterprises in several countries are not regarded as proper enterprises they cannot benefit from certain subsidies. In addition to these barriers, Sharir and Lerner found that “…social entrepreneurship, as opposed to business entrepreneurship, still lacks an infrastructure providing access to capital during the venture’s start-up stage” (Sharir & Lerner, 2006, p.16). Interestingly, four out of five barriers can be classified as institutional barriers according to the classification made by Robinson and none of the barriers is to be considered an economic barrier (Robinson, 2006).

**4. Discussion and conclusions**

The primary objective of this paper has been to find an answer to the question what we know about social entrepreneurship from empirical research studies. We reviewed 14 studies and made an analysis on a general methodological level and on a content level. Preliminary to this analysis, we explored four schools of thought on social entrepreneurship in order to unveil definitional ambiguities and to provide a background against which to interpret the analyzed articles. The second objective has been to identify research omissions and generate suggestions for future research. This final part of the paper jointly presents conclusions (i.e. what do we know) and discusses future research opportunities (i.e. what we would like to know).

The general analysis of these studies confirms the stage of infancy of social entrepreneurship as a field of scientific inquiry. The findings at this level can be summarized as follows; a limited number of available studies with a dominant qualitative research approach mainly of an exploratory type using primary data based on relatively small sample sizes. For an underexplored research field such as social entrepreneurship it is surprising to see that only one of the studies applied a grounded theory methodology. Applying more grounded theory methodology could divulge unique aspects of social entrepreneurship. Instead, most of the studies reckon entrepreneurship as their knowledge foundation. Approaching social entrepreneurship from an entrepreneurial perspective may restrict the research domain and makes that what we
observe is limited to what we already know. Employing a grounded theory methodology is herewith a first opportunity for future research.

In order to make an analysis from a content point of view, articles were classified along four dimensions (i.e. individual, process, organization and environment) and themes that emerged from the articles were discussed. The findings demonstrate that there are considerable empirical results on each of the four dimensions. It is remarkable to ascertain that almost all of the articles attend to several dimensions simultaneously which implies a preference for a broad research perspective. It is important to stress that due to the diverse samples, variety in research purposes and different perspectives, comparing and interpreting results from the articles is a risky pursuit. For the sake of this discussion we will not summarize the findings for each of the dimensions. Alternatively, we choose to compare the findings of the reviewed research studies with the characteristics of the different schools of thought.

The defining characteristics of the Innovation School of thought are twofold: (1) the individual social entrepreneur who is assigned a series of exceptional qualities and (2) innovation in order to bring about structural social change. The empirical results on the individual level seem to indicate that social entrepreneurs are indeed different from commercial entrepreneurs in particular from a motivational and attitudinal point of view. On the contrary, the results do not confirm the exceptional qualities that the Social Innovation School tends to assign to social entrepreneurs. More research is appropriate. Furthermore, besides one exception, all researches use established social entrepreneurs as their subject of inquiry. This leaves potential social entrepreneurs and entrepreneurs who tried to start a social enterprise but gave up, underexplored. Including these categories in empirical research would enrich our knowledge of the individual and could be very valuable when social entrepreneurship is to be stimulated. With regard to innovation from the perspective from the Social Innovation School of thought, extensive empirical research on this subject is lacking.

When it comes to the Social Enterprise School of thought, again two defining characteristics are interesting to compare to our research findings: (1) earned income and (2) non-distribution constraint. Earning a commercial income in the market and becoming or staying independent from grants and subsidies is one of the fundamentals to the Social Enterprise School of thought. Surprisingly, earned income and income strategies seems to be completely absent from the reviewed articles apart from some statistics on the proportions of earned incomes as compared to grants and subsidies. Another blank seems to appear as far as profit distribution is concerned and this is the case for all three approaches that put at least some limitations on the distribution of profit. None of the empirical researches pay attention to this subject while the effects of the constraints on otherwise presumed profit maximizing behavior are interesting, especially in the light of the current discussions on malversations of profit maximizing behavior by commercial enterprises.

As for the EMES approach governance and multi-stakeholder involvement is a defining characteristic. Somewhat contrasting results create future research opportunities. Is involving multiple stakeholders in the board an efficient way to achieve multiple goals (Nyssens, 2006) or is it a source of inefficiency (Borzaga, 2001) or should it even be avoided as assumed by the Social Enterprise School of thought?

The discussion so far in this final part was held on an individual and on an organizational level of analysis. It is interesting to turn to a macro level analysis with regard to the UK approach. Apparently, the UK has been able to put ‘social entrepreneurship’ successfully on top of the agenda which resulted in an increasing number of social enterprises. What could we learn from the UK approach in stimulating social entrepreneurship on a country level? What is UK specific and what could be replicated? Actually, the macro level of analysis opens a new field of
unexplored research opportunities concerning subjects such as employment, investments, policy formation and service provision.

Obviously, a young field of study like social entrepreneurship offers an abundance of research opportunities. The limited number of currently published empirical studies on social entrepreneurship indicates a research opportunity in itself. If social entrepreneurship is to be considered a separate field of scientific inquiry, it is a prerequisite to increase the empirical body of knowledge. After two decades of conceptual exploration which resulted in valuable contributions and distinguishable schools of thought, we have enough input to construct an unambiguous definition that can serve as a foundation for future empirical research. An undeveloped domain that has the potential for this research field to advance is quantitative research. Since ‘conceptualization stands prior to quantification’ (Sartori, 1970) the time seems ripe for a next stage in the development of social entrepreneurship.
5. References


