

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

*“Nobody talks of entrepreneurship as survival,”
but that's exactly what it is.*

Anita Roddick (1942–2007)
Founder of The Body Shop

Social innovation is now considered an important element in the search for solutions to pressing social problems. Inspired by Schumpeter's conceptualization of innovation, "social" entrepreneurship is thought to contribute to "social" innovation in more or less the same way that "normal" entrepreneurship consists of the introduction of "normal" innovations. In the literature as well as in practice, the definition of concepts such as social innovation and social entrepreneurship has led to considerable confusion. We aim to bring clarity to the debate, arguing that every entrepreneurial action results in some measure of intended or unintended social innovation, regardless of whether the entrepreneurs in question are considered or consider themselves "social" or not. We test our insights in an investigation of 20 social enterprises that have a commercial business model.

Introduction

In the European Union, social innovation is currently widely debated and considered an important element in all efforts to meet the "grand challenges" advanced societies are facing today: environmental degradation, climate change, declining birth rates, high levels of immigration, the rising costs of healthcare, the increasing number of elderly people, rising costs of healthcare, poverty and social exclusion, security of the citizenry, protection of critical infrastructures against terrorist attacks, etc. Given the complexity of these problems, no simple and politically uncontroversial solutions are available. Efforts to introduce major changes in the social welfare system, in healthcare and pensions, and in energy and mobility systems become bogged down in political conflict or end up in compromises that satisfy no one.

In contrast to such efforts toward reform undertaken by the public sector, social innovation is seen as a matter of private initiative. All over Europe, private initiatives that aim to tackle social problems and contribute to a more inclusive, more secure, and more sustainable society are flourishing. Social innovation is seen as com-

plementary and sometimes as corrective to changes in public arrangements, but also as a source of inspiration, experimentation, and a catalyst for change, forcing the public as well as private actors to change their behaviour. Against this background, there is also a growing interest in what is called "social entrepreneurship" (Dees, 2001; Peredo & McLean, 2006; Seelos & Mair, 2005; Short et al., 2009). As we demonstrate later, there are many different definitions of social entrepreneurship, but they all concentrate on entrepreneurial action with social intentions.

In this article, we focus on the connection between social entrepreneurship and social innovation. In the first two sections, we discuss the concepts of social innovation and social entrepreneurship in more detail. In the third section, we argue that the distinction between social entrepreneurship and "normal" entrepreneurship is far from clear, especially if the focus lies on actual social impact instead of intentions. In the fourth section, we test our insights by looking at the characteristics of 20 enterprises in The Netherlands that are generally considered to be "social". In a final section, we offer our conclusions and suggestions for further research.

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

Social Innovation

Considerable literature on social innovation has come into existence over the past two decades, recently culminating in *The International Handbook on Social Innovation* (Moulaert et al., 2013). In North America, social innovation is usually associated with initiatives in and by the public sector, sometimes also in the form of public-private partnerships. In the European context, the concept of social innovation usually refers to private initiatives to solve specific problems and fulfil specific needs, originally mainly in the field of social care and security (Leadbeater, 1998). Some of these problems and needs had come to the surface as a consequence of the retreat of the welfare state starting in the 1980s. Others had never been adequately covered or solved by the institutions of the welfare state: loneliness among the elderly, petty crime and violence among high school dropouts, or diminishing social cohesion in multi-cultural neighbourhoods. Social innovation took the form of local initiatives to tackle these problems, often at the level of a single neighbourhood.

The International Handbook on Social Innovation argues that social innovation “means fostering inclusion and wellbeing through improving social relations and empowerment processes: imagining and pursuing a world, a nation, a region, a locality, a community that would grant universal rights and be more socially inclusive” (Moulaert et al., 2013). The European Union, which has recently supported various activities in the area of social innovation, defines social innovations as “new ideas (products, services, and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations” (Dro et al., 2011). This definition is very similar to textbook definitions of innovation with the addition of the adjective “social”. The reference to “new social relationships” brings it close to the definition from the handbook. However, in the handbook approach, social innovation tends to be located in the so-called “third sector”, which consists of non-governmental and non-profit organizations. Texts published by the European Commission, however, show that the meaning of social innovation is expanding in two directions (European Commission, 2010; Dro et al., 2011). On the one hand, it is argued that social innovation can be initiated everywhere in the economy, not just in the non-profit sector, but also in the public and private sectors. On the other hand, social innovation is, in these texts, not limited to issues of welfare and social inclusion, but may also be concerned with issues of environmental protection and sustainable development. Thus,

a program matching students looking for accommodation with older people living on their own in Oporto, Portugal, is considered just as much a social innovation as a cooperative enterprise set up to revive beekeeping in Copenhagen, Denmark (European Commission, 2010). Social innovation is seen to be concerned with “the development of what are currently viewed as assets for sustainable development: environmental, human and social capital” (Dro et al., 2011).

What are measures of success for social innovation? Obviously, an innovation needs to survive for some period of time in order to be recognized as successful and indeed to be recognized as a social innovation in the first place. But is survival enough? Shouldn't there be some kind of diffusion of the innovation, a spreading to other locations and maybe even other countries? And what about funding? What if the social innovation only has survived because it has attracted public funding? Social innovation has attracted interest because it was based on private initiative and promised to supplement and even replace public arrangements. It would become less interesting if it were to depend on public funding. On the other hand, one can argue that an important measure of success for privately initiated social innovation is that it becomes institutionalized. Institutionalization can involve public funding of similar initiatives in other places and communities, outside its original place of invention. But, institutionalization can also take the form of a change in behaviour by a substantial number of people (e.g., refusing plastic bags in supermarkets) or a new code of conduct for multinational corporations (e.g., purchasing textiles in developing economies). Successful social innovation will indeed be characterized by some form of formalization, institutionalization, or by changes in behaviour by a substantial number of people or companies. Differences may arise with regard to questions of scale. How many people should be involved in a local initiative before it can be called social innovation? What share of the population must change their behaviour before we speak of successful social innovation?

Social Entrepreneurship

As noted, social innovation is usually a result of private initiative. The initiative can also come from people working in the public sector, but new social legislation initiated by politicians is usually not seen as social innovation – however innovative it may be. The people engaged in social innovation have an idea – a product, service, or model (Dro et al., 2011) – to meet an unfulfilled need. In line with Schumpeter (1934), who argued

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

that innovation is the essence of entrepreneurship, social innovation is therefore associated with "social entrepreneurship".

There is a considerable literature on social entrepreneurship, which partly overlaps with the literature on social innovation. However, although definitions of social innovation have been relatively uncontroversial, there is considerable debate on the definition of social entrepreneurship (Mair & Marti 2006; Dacin et al., 2010). For some authors, social entrepreneurship is by definition not for profit (Dees et al., 2002; Weerawardena & Mort, 2006), whereas others argue that there is no such thing as entrepreneurship without profit (Acs et al., 2011; Marshall, 2010; Wilson & Post, 2011). Some authors emphasize that the concept should not be constrained by the profit/not-for-profit discussion (Dees & Battle Anderson, 2006; Kramer, 2005; Santos, 2009). Moreover, on closer inspection, the meaning of "non-profit" appears far from clear. Does it imply living off charity and subsidies? Does it include making no profits, but generating income to cover costs? Or making profits, but sharing profits with stakeholders?

Circular definitions abound in the literature, with "social" appearing on both sides of the equation. Social entrepreneurs are, for instance, defined as producers of social value – where social value remains largely undefined. Sometimes, social value is considered purely separate from economic value, but in other cases, economic value is seen as a type of social value, and then there are various options in between (Auerswald, 2009; Lumpkin et al., 2013). Obviously, there is no metric scale for happiness, active aging, social cohesion, or security. Some authors therefore underline that "social entrepreneurs" and "business entrepreneurs" have different ways of measuring performance. Contrary to business entrepreneurs, social entrepreneurs have a "double bottom line" in which social value appears next to financial value (Acs et al., 2013; Lumpkin et al., 2013). Other authors emphasize that social entrepreneurship is also a question of governance: both in the business process and in performance measurement, all stakeholders should play a role. Social entrepreneurship is then closely related to economic democracy.

Because of the lack of clear definitions, the literature is full of examples and case studies that are used to illustrate the authors' understanding of social entrepreneurship (Dees, 2001; Mort et al., 2003). Others criticize this approach (Mair & Marti, 2006; Peredo & McLean, 2007; Seelos & Mair, 2005) because it tends to focus on successful "heroes" and therefore fails to include the

countless initiatives that falter or fail. Central to the discussion is the use of the adjective "social". In practice, people have different ideas of what is social and what is not. The term social appears to be inherently subjective. The meaning can differ between countries, but even between different regions of one country. It is negotiable and stakeholders can agree on what it is and what it is not (Lumpkin et al., 2013; Santos, 2009).

Social Entrepreneurs and "Normal" Entrepreneurship

Here, we focus on social entrepreneurs, who aim to be independent of public funding, charity, or gifts. They may receive some initial public funding or soft loans from a supportive patron, but they have a business model that aims at long-term survival without such support. In fact, we agree with other authors that, only in such cases, it is justifiable and interesting to speak of entrepreneurship. These social entrepreneurs aim to bring about change in society and support movement towards sustainable development by means of activities that raise so much income that all costs are covered and the enterprise remains financially independent. Looking at these social entrepreneurs, two important observations can be made.

First, these entrepreneurs need to be profitable in order to survive. Social entrepreneurs want to meet social needs, stimulate social change, or induce responsible behaviour. Therefore, making a profit may seem less relevant to them (Dees & Battle Anderson, 2006; Kramer, 2005; Santos, 2009). However, just like other entrepreneurs, they must find resources for their business: human capital, money, knowledge, etc. (Austin et al., 2006). Acquiring these resources involves costs. Social entrepreneurs will need to make some sort of profit in order to run a sustainable business, cover their costs, and manage their own risks and the risks of their investors, even while they are constantly led by their social mission. They have indeed a "double bottom line" with social and commercial purposes. Social entrepreneurs may need investors who step in for the long run and support them until they are able to pay the money back – but they do have to pay it back. From this perspective, social entrepreneurs do not differ very much from normal business entrepreneurs. Making profit is not their main aim, but they need to be profitable, or at least cover all relevant costs, in order to survive. In fact, there is a category of "social" enterprises that have been explicitly set up to make maximum profits for the benefit of some specific charity, for example, the commercial activities undertaken by the United Nations Children's Fund (UNICEF).

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

A second observation is that quite a few business entrepreneurs may not see themselves as social entrepreneurs, but are similarly less interested in profits and are more interested in, for instance, selling their invention or maintaining jobs in the business they have built up or inherited from their parents. The adjective "social" suggests that normal "business" entrepreneurs are not social or are even anti-social – something most of them would emphatically deny. And, what to do with "normal" entrepreneurs, who realize innovations with positive social impact? Take the Internet service Skype. A large number of elderly people have been able to be in regular contact with their children and grandchildren and even see them on screen without having to pay expensive telephone bills. For eliminating the isolation of elderly people, Skype could be called a social innovation. However, it is seldom classified as such, because its creators did not have "social" intentions. Unless we want to define social entrepreneurship purely in terms of declared intentions, it turns out to be far from easy to distinguish the social entrepreneur from the normal business entrepreneur.

These two observations lead us to the conclusion that distinguishing social entrepreneurs from business entrepreneurs is not very useful if not impossible, because the two categories show considerable overlap. We also reject the idea that social businesses have a double bottom line, whereas normal businesses do not. Instead, we think it is far more useful to acknowledge that every business has a financial as well as a social bottom line. Every company has some social and environmental impact (positive or negative), regardless of whether it is intended or not. Moreover, many "ordinary" enterprises today want to behave in a "socially responsible" way or, for example, have set themselves targets to reduce their CO₂ footprint or mitigate other negative environmental impacts. If we move away from intentions and towards actual impact, some "normal" enterprises may turn out to be more social than some "social" enterprises. Arguing along similar lines, Pol and Ville (2009) have argued that social innovations and what they call business innovations show considerable overlap. However, they insist on maintaining the distinction. Our point is that it is more useful to consider "social" and "business" as dimensions of all innovations. Some innovations may score low on social and high on business or the other way around and many may score high on both, but any effort to draw a line between the two is arbitrary.

Two important implications can be drawn from this line of reasoning. First, there is no a priori reason why

social entrepreneurs should be less profitable than normal entrepreneurs. Second, if social entrepreneurs want to receive special treatment because of their social goals, it is useful and indeed necessary to judge them on their impact, not their intentions, and to compare their impact with that of normal business entrepreneurs.

Examining Twenty "Social" Enterprises

With these implications in mind, we have taken a closer look at 20 Dutch social enterprises with a business model based on generating revenue through sales to customers. All of them are widely considered as "social" enterprises. The cases were selected from the network of the online community of ASN Bank (asnbank.nl), a medium-sized Dutch bank that focuses on sustainable investments, and the website of the Dutch organisation Social Enterprise NL (social-enterprise.nl). The mission of the consumer bank ASN is to promote sustainability in society. The economic conduct of the bank (i.e., investing the savings entrusted to it by its clients) is guided by that principle and is based on three criteria: i) promoting and defending human rights (people); ii) preventing climate change; and iii) maintaining biodiversity on the planet. The bank does not lend money to enterprises, it only invests in various securities, but it provides social entrepreneurs with network linkages, knowledge, training, and some start-up money through its online community of over 50,000 members and 1,000 projects and startups. We selected enterprises with paying customers and a business-to-consumer strategy from four different areas, which relate to the themes of the online community: i) fashion and design; ii) food; iii) social cohesion; and iv) energy and technology. The enterprises vary in scope and scale from local to national and international.

We are interested in three questions:

1. What is the social impact of these enterprises?
2. Is their social impact considerably higher than that of similar "ordinary" enterprises active in the same market?
3. Are these enterprises financially viable? An enterprise that is financially viable, but has no extraordinary social impact, cannot be called a "social" enterprise; an enterprise that aims to achieve an extraordinary social impact, but fails to survive without permanent financial support, stops being an enterprise.

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

In this article, we focus mainly on questions 1 and 3; question 2 is an area of ongoing research.

We base our analysis primarily on information available on the websites of these enterprises, but we contacted the companies if their website did not include some of the information needed (e.g., figures on turnover and number of sales transactions). Table 1 provides a brief overview of the cases.

All of these enterprises have paying customers. Although some of the companies also engage in business-to-business activities, they all operate in the consumer market. The number of customers varies greatly, as measured by the number of consumers buying the company's product in shops or through other sales channels. Because some of the enterprises did not want precise figures to become public, we distinguish three different ranges: small (up to 5,000 customers); medium (between 5,000 and 25,000); and large (more than 25,000 customers per year). These ranges allow rough, relative comparisons; but of course, it is easier to reach a large number of customers selling chocolate bars than solar lights.

Looking at the aims of the enterprises, we distinguish between "people" (e.g., social cohesion, human rights) and "planet" (e.g., saving energy, recycling, improving biodiversity) on the one hand and between enterprises aiming to change the behaviour of individual consumers and enterprises promoting institutional change

(e.g., influencing large corporations or policy makers). Based on these two dimensions, we have placed the 20 enterprises in a 2x2 matrix (Figure 1) based on their primary focus. Obviously, some of these enterprises aim to help people as well as the planet, and it is not always easy to say where their primary focus lies. However, we use this matrix only as a heuristic device, to see if grouping enterprises along these lines leads to additional insights. The enterprises with a large number of customers (i.e., more than 25,000) or that are operating on an international level are printed in bold and italics.

Fourteen of the enterprises studied aim to influence consumer behaviour as their primary focus and they include several large enterprises with over 25,000 customers a year. Six enterprises focus primarily on influencing institutions, three of which have an international scope. First, note that there are large enterprises in each section of the matrix. Size (i.e., turnover, number of customers, international presence) is obviously a measure of social impact. Apparently, it is possible to be successful regardless of whether the primary focus of the enterprise is on people, the planet, influencing behaviour, or effecting institutional change. A second observation is that there are many more enterprises combining a focus on the planet and influencing behaviour. Of course, this bias may be a result of our selection, and we cannot claim to present a representative sample. Nevertheless, we do not think this finding is a coincidence. It seems to be far easier to convince con-

	People	Planet
Behavioural Change	<ul style="list-style-type: none"> • <i>Waka Waka</i> • <i>Tony Chocolonely</i> • <i>Fair Phone</i> • <i>O My Bag</i> 	<ul style="list-style-type: none"> • <i>Dopper</i> • <i>OAT shoes</i> • Snappcar • <i>Thuisafgehaald</i> • <i>Prof Grunschabel</i> • <i>De Buurtboer</i> • <i>Taxi Electric</i> • <i>Peerby</i> • <i>RESCUED!</i> • <i>Roetz Bikes</i>
Institutional Change	<ul style="list-style-type: none"> • Zorg voor elkaar • <i>A Beautiful Story</i> • De Mantelaar • Granny's Finest 	<ul style="list-style-type: none"> • <i>Studio Jux</i> • <i>Chocolatemakers</i>

Figure 1. Primary focus of the 20 enterprises in this study. (The names of large or international enterprises are printed in bold and italics.)

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

Table 1. Details of the 20 enterprises in this investigation (*continued on next page...*)

Theme	Enterprise	Mission Statement	Type	Customer Base*	Scale
<i>Food</i>	Tony Chocolonely www.tonychocolonely.nl	Crazy about chocolate, serious about people	For profit	Large	National
	Chocolatemakers chocolatemakers.nl	(Not mentioned on the website)	For profit	Large	International
	De Buurtboer debuurtboer.nl	To stimulate the use of biological, local, and seasonal products in company canteens.	For profit	Large	National
	Professor Grunschnabel grunschnabel.nl	Natural vegetable ice cream	For profit	Large	International
<i>Fashion & Design</i>	Studio Jux studiojux.nl	Studio JUX = design + eco + fair (people, planet, profit). Sustainability is in our DNA.	For profit	Large	International
	A Beautiful Story abeautifulstory.nl	A beautiful story improves fair trade by creating opportunities for producers in a difficult economic environment.	For profit	Large	International
	O My Bag omybag.nl	We, at O My Bag make great bags that will not only make you happy, but also the world around you. We aim to harness the power of business to create social change.	For profit	Large	International
	Granny's Finest grannysfinest.nl	Kickstart young designer talent and improve the well being of elderly people.	Non-profit /hybrid	Small	National
	RESCUED! rescued.nl	RESCUED! Stands for the indoor and outdoor products that are made of used materials, with respect for their original beauty.	For profit	Medium	International
	OAT Shoes oatshoes.com	Our future lies in a reconciliation between industry and nature, between mankind and nature. We have to close the loop, come full circle and realize we're an integral part of the whole thing.	For profit	–	International
	Roetz Bikes roetz-bikes.com	Roetz-Bikes makes stylish city bikes with hands and heart, bikes with a history that are ready for a second life.	For profit	Small	International
	Dopper dopper.nl	Dopper stops plastic waste.	For profit	Large	International

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

Table 1. Details of the 20 enterprises in this investigation (...continued from previous page)

Theme	Enterprise	Mission Statement	Type	Customer Base*	Scale
<i>Social Cohesion</i>	Mantelaar demantelaar.nl	Mantelaar is the second-best solution for elderly people in need.	For profit	Small	National
	Zorg voor Elkaar zorgvoorelkaar.com	Zorg voor Elkaar is an online marketplace for volunteers and professionals who want to help others.	Co-operative	Medium	National
	Taxi Electric taxielectric.nl	Our mission is to be the most client oriented and cleanest taxi service in the Netherlands.	For profit	Large	National
	Thuisafgehaald thuisafgehaald.nl	Thuisafgehaald improves the social cohesion in neighbourhoods by making it possible to share food and reduces waste.	Founda-tion	Large	International
	Peerby peerby.nl	80% of the products we own are used only once a month. Why buy if you can borrow for free?	Profit	Large	International
	Snappcar snappcar.nl	Snapp car tries to reduce the number of cars by making it possible to share your car with others and as a by-product meet new people too.	For profit	N/A	National
<i>Energy & Technology</i>	Waka Waka waka-waka.com	Waka Waka makes the world's most efficient lights and chargers on solar energy. High tech, cheap and a solution for people without electricity all over the world.	For profit	Large	International
	Fair Phone fairphone.com	Fairphone is a social enterprise working to create a fairer economy and change how things are made. We open up supply chains, solve problems and use transparency to start debate about what's truly fair.	For profit	Large	International

* Small = up to 5,000; Medium = 5,000 – 25,000; Large = > 25,000 customers

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

sumers to buy products with a positive environmental story than products with a story that focuses on people. For the latter purpose, consumers are more inclined to think in terms of either donations and charity or in terms of state responsibilities. Similarly, there are fewer enterprises having a primary focus on institutional change than on influencing individual behaviour, but it is interesting to note that promoting institutional change can be the focus of profitable entrepreneurial activities and not just of non-governmental organizations and non-profit organizations.

The 20 enterprises clearly differ in their social impact. Apart from the number of customers they reach, they differ in geographical scope and in the breadth of their impact on people, the environment, or both. Waka Waka, for instance, scores high on all of these points. It has distributed 97,209 solar lights and chargers in 25 countries. Its product is environmentally friendly and allows people to (learn to) read in the evening hours in places where no electricity is available. An enterprise such as Granny's Finest has a far more limited scale and scope, but we do not argue here that Waka Waka is more social than Granny's Finest. It would be easy to develop a scale on which Waka Waka could be shown to be more social, but it would probably be as controversial as earlier efforts in that direction. The point we would like to make here, is that such scales should and can be applied to ordinary enterprises just as well as to so-called social enterprises. It should be possible to measure the social impact of normal enterprises with, for instance, an ambitious corporate social responsibility strategy just as easily as measuring the impact of social enterprises.

Conclusions

The main contribution of this article is a clarification of the concept of social entrepreneurship. We propose that "social" should not be used as an adjective to entrepreneurship, which suggests that some entrepreneurs are social and others are not, but as a dimension of the results of entrepreneurial action. Entrepreneurship can have social results, intended (by what are often called social entrepreneurs), but also unintended (when a business idea leads to social change) or maybe half-intended. New ideas, new products, or new services, may turn out to be social innovations regardless of any social impact intended by the inventor. It may well be far easier to define, distinguish, and compare the social impact of enterprises than to come up with a solid criterion to distinguish "social" enterprises from "regular"

enterprises. At the same time, focusing on impact instead of on intentions makes it far easier to treat "social" entrepreneurs as "normal" entrepreneurs, who have to meet certain standards to stay in business.

Our investigation of 20 social enterprises shows that these companies with a variety of social intentions can be successful in terms of their customer base, their turnover, and indeed their profitability. Conversely, we argue that "normal" enterprises can also be successful in terms of their actual impact on human rights, climate, biodiversity, etc. Therefore, social enterprises should allow themselves to be compared with normal businesses with regard to their impact. If they are truly "social", they should perform much higher on various indicators of social impact than ordinary businesses, while at the same time showing a financial performance that guarantees survival. The aim of this article is therefore to put an end to considerable confusion in the literature concerning the definition of social entrepreneurship. At least for the category of social entrepreneurs that do not want to depend on charity or government subsidies, we have shown that it is more fruitful for all stakeholders to consider "social" as a "normal" dimension of all entrepreneurship, regardless of the intentions or self-image of the entrepreneur.

We see several important practical implications arising from our research. First of all, it is important to encourage would-be social entrepreneurs to learn from "normal" entrepreneurs. Instead of thinking of themselves as incomparable, the social entrepreneurs should learn to see themselves as not that much different from ordinary entrepreneurs. This perspective will in all likelihood lead to more attention for the financial aspects of the business and therefore contribute to the viability and success of the social enterprise.

Second, "normal" entrepreneurs should be encouraged to think about possibilities to engage in social innovation instead of thinking that social innovation is something for government, foundations, charity, or non-profit organizations. By uncovering the social dimension of their activities, companies may find ways to increase their impact and at the same time improve their competitive performance.

Third, political actors have been encouraged to think of social change as the result not just of legislative action, but also of social entrepreneurship. It is important for them to realize that social innovation can also be a product of normal business entrepreneurship.

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

Finally, further research is needed to compare avowed social enterprises with normal enterprises. For this purpose, efforts to create valid indicators for the social impact of enterprises need to be intensified. Such efforts can build on the work done in the fields of corporate social responsibility, quality of work, fair trade, and sustainability.

Social innovation is apparently happening in many places: in the public sector, in the non-profit sector, and also in the private sector. It can result from actions undertaken by public authorities and political actors as well as from private initiatives, both profit and non-profit. Thus, the answer to the question raised in the title of this paper should be "no". Social innovation does not require social entrepreneurship, because there are other sources of social innovation. And, if we limit ourselves to the private sector, we have seen that social innovation can also be a product of normal business entrepreneurship. Social innovations should not be considered hugely different and separate from other innovations that are constantly being introduced by businesses. Thus, also in the private sector, social innovation does not require social entrepreneurship, but like any other innovation it does require entrepreneurship.

Acknowledgements

An earlier version of this paper was presented at the first ISPIM Americas Innovation Forum in Montreal, Canada, on October 5–8, 2014. The International Society for Professional Innovation Management (ISPIM; ispim.org) is a network of researchers, industrialists, consultants, and public bodies who share an interest in innovation management. The authors are grateful for comments received at the conference as well as from anonymous reviewers.

About the Authors

Asceline Groot is Senior Communications Officer at ASN Bank, a Dutch consumer bank that focuses on sustainable investments. She is responsible for the online community of ASN Bank "Voor de Wereld van Morgen| (For the World of Tomorrow). She is also a part-time PhD candidate at the Institute of Management Research of the Radboud University Nijmegen, The Netherlands. Her research is concerned with the effects of social entrepreneurs on society. She is the author of the books *Het Nieuwe Groen* (The New Green) and *Dromen voor Altijd* (Dreams for Ever).

Ben Dankbaar is Emeritus Professor of Innovation Management at Radboud University Nijmegen, The Netherlands. He is currently a part-time professor at the Automotive Institute of the HAN University of Applied Sciences in Nijmegen, The Netherlands, and he is partner in InnoTeP (Innovation in Theory and Practice). He studied social sciences and economics at the University of Amsterdam and has a PhD in Economics from the University of Maastricht in The Netherlands. Ben Dankbaar has published widely on issues of technical change, work organization, innovation management, and industrial policy. He is also an expert on developments in the automobile industry.

References

- Acs, Z. J., Boardman, M. C., & McNeely, C. L. 2013. The Social Value of Productive Entrepreneurship. *Small Business Economics*, 40(3): 785–796.
<http://dx.doi.org/10.1007/s11187-011-9396-6>
- Auerswald, P. 2009. Creating Social Value. *Stanford Social Innovation Review*, Spring 2009: 50–55.
- Austin, J., Stevenson, H., & Wei-Skillern, J. 2006. Social and Commercial Entrepreneurship: Same, Different or Both? *Entrepreneurship Theory and Practice*, 30(1): 1–22.
<http://dx.doi.org/10.1111/j.1540-6520.2006.00107.x>
- Dacin, P. A., Dacin, M. T., & Matear, M. 2010. Social Entrepreneurship: Why We Don't Need a New Theory and How We Move Forward from Here. *Academy of Management Perspectives*, 24(3): 37–57.
- Dees, J. G. 2001. *The Meaning of "Social Entrepreneurship"*. Stanford, CA: Stanford Graduate Business School.
- Dees, J. G., Emerson, J., & Economy, P. (Eds). 2002. *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*. New York: John Wiley & Sons, Inc.

Does Social Innovation Require Social Entrepreneurship?

Asceline Groot and Ben Dankbaar

- Dees, J. G., Battle Anderson, B. 2006. Framing a Theory on Social Entrepreneurship: Building on Two Schools of Practice and Thought. *ARNOVA Occasional Paper Series*, 1(3). Aspen, CO: Aspen Institute.
- Dro, I., Therace, A., & Hubert, A. 2011. *Empowering People, Driving Change: Social Innovation in the European Union*. Brussels: European Commission.
<http://dx.doi.org/10.2796/13155>
- European Commission. 2010. *This is European Social Innovation*. Brussels: European Commission.
<http://dx.doi.org/10.2769/825>
- Kramer, M. 2005. *Measuring Innovation: Evaluation in the Field of Social Entrepreneurship*. Boston, MA: Foundation Strategy Group.
- Leadbeater, C. 1999. *Living on Thin Air*. London: Penguin Books.
- Lumpkin, G. T., Moss, T. W., Gras, D. M., Kato, S., & Amezcua, A. S. 2013. Entrepreneurial Processes in Social Contexts: How Are They Different, If at All? *Journal of Small Business Economics*, 40(3): 761–783.
<http://dx.doi.org/10.1007/s11187-011-9399-3>
- Mair, J., & Marti, I. 2006. Social Entrepreneurship Research: A Source of Explanation, Prediction, and Delight. *Journal of World Business*, 41(1): 36–44.
<http://dx.doi.org/10.1016/j.jwb.2005.09.002>
- Marshall, R. S. 2010. Conceptualizing the International For-Profit Social Entrepreneur. *Journal of Business Ethics*, 98(2): 183–198.
<http://dx.doi.org/10.1007/s10551-010-0545-7>
- Mort, G. S., Weerawardena, J., & Carnegie, K. 2003. Social Entrepreneurship: Towards Conceptualisation. *International Journal of Entrepreneurial Behaviour & Research*, 8(1): 76–88.
<http://dx.doi.org/10.1002/nvsm.202>
- Moulaert, F., MacCallum, D., Mehmood, A., & Hamdouch, A. (Eds.). 2013. *The International Handbook on Social Innovation*. Cheltenham: Edward Elgar
- Peredo, A. M., & McLean, M. 2006. Social Entrepreneurship: A Critical Review of the Concept. *Journal of World Business*, 41(1): 56–65.
<http://dx.doi.org/10.1016/j.jwb.2005.10.007>
- Pol, E. & Ville, S. 2009. Social Innovation: Buzz Word or Enduring Term? *The Journal of Socio-Economics*, 38(6): 878–885.
<http://dx.doi.org/10.1016/j.socec.2009.02.011>
- Santos, F. M. 2012. A Positive Theory on Social Entrepreneurship. *Journal of Business Ethics*, 111(3): 335–351.
<http://dx.doi.org/10.1007/s10551-012-1413-4>
- Schumpeter, J. A. 1934. (Reprinted in 1980.) *The Theory of Economic Development*. London: Oxford University Press.
- Short, J. C., Moss, T. W., & Lumpkin, G. T. 2009. Research in Social Entrepreneurship: Past Contributions and Future Opportunities. *Strategic Entrepreneurship Journal*, 3(2): 161–194.
<http://dx.doi.org/10.1002/sej.69>
- Seelos, C., & Mair, J. 2005. Social Entrepreneurship: Creating New Business Models to Serve the Poor. *Business Horizons*, 48(3): 241–246.
<http://dx.doi.org/10.1016/j.bushor.2004.11.006>
- Thompson, J. 2002. The World of the Social Entrepreneur. *International Journal of Public Sector Management*, 15(5): 412–431.
<http://dx.doi.org/10.1108/09513550210435746>
- Weerawardena, J., & Mort, G. S. 2006. Investigating Social Entrepreneurship: A Multidimensional Model. *Journal of World Business*, 41(1): 21–35.
<http://dx.doi.org/10.1016/j.jwb.2005.09.001>
- Wilson, F., & Post, J. E. 2013. Business Models for People, Planet (& Profits): Exploring the Phenomena of Social Business, a Market-Based Approach to Social Value Creation. *Journal of Small Business Economics*, 40(3): 715–737.
<http://dx.doi.org/10.1007/s11187-011-9401-0>

Citation: Groot, A., & Dankbaar, B. 2014. Does Social Innovation Require Social Entrepreneurship? *Technology Innovation Management Review*, 4(12): 17–26. <http://timreview.ca/article/854>



Keywords: social innovation, social entrepreneurship, Schumpeter, social change, institutional change, sustainability, entrepreneurship