2 Social entrepreneurship – Conceptual issues and definition for the thesis

Even though research in social entrepreneurship has picked up in the recent decades following the successes of several social entrepreneurial initiatives in solving social problems, there is still no consensus among scholars and practitioners regarding the actual meaning of social entrepreneurship. This lack of consensus spawned a number of different definitions and approaches within the field of social entrepreneurship. The purpose of this chapter is to shed light on the ongoing contestation of social entrepreneurship and to offer a novel conceptual understanding of the concept that can facilitate the development of systematic and structured future research and which allows us to define the concept for the remainder of the thesis. The outline of this chapter is as follows: Section 2.1 describes the origins of the concept of social entrepreneurship in practice and research. Section 2.2 describes the concept of social entrepreneurship with regard to the different organisational forms in which it can occur. Section 2.3 elaborates on the consequences of the contested character of social entrepreneurship on future research and elaborates on the importance of solving the definitional problem. Section 2.4 introduces the theory of essentially contested concepts as a tool to analyse the contested nature of social entrepreneurship. Section 2.5 examines if social entrepreneurship can be regarded as an essentially contested concept. Based on the finding that social entrepreneurship is, indeed, essentially contested, Section 2.6 proposes a cluster concept conceptualisation of social entrepreneurship. Lastly, Section 2.7 defines social entrepreneurship on the basis of the cluster concept understanding for the remaining part of the thesis.

2.1 Origins of the concept of social entrepreneurship

It is not known exactly from where the concept of social entrepreneurship in literature originated. Bacq and Janssen (2011) trace the origins of the field to Young who wrote in 1983 about ‘innovative non-profit entrepreneurs’. Nicholls (2008: 7), however, identifies Banks (1972) as the first author who coined the term ‘social entrepreneur’. Banks noted that managerial skills could be deployed to address not only business challenges, but also social problems (Nicholls 2008: 7). Swedberg (2009: 94), in contrast, views the origins of social entrepreneurship in the work of the young Schumpeter, who devoted in his first edition of The Theory of Economic Development (1911) ten pages on entrepreneurship in non-economic areas.
such as politics, art, science, social life, and moral considerations. Schumpeter, however, did not mention this topic again in his later work at any length (Swedberg 2009: 94). Also, Chamberlain (1977) is considered to be one of the first authors who used the term ‘social entrepreneur’ in his writings. For him, the term social entrepreneur denoted a new breed of socially motivated business executives (Nicholls 2008: 7). From the early 1990s onwards, academic writing on social entrepreneurship increased significantly (e.g., Waddock and Post 1991; Boschee 1995; Leadbeater 1997; Dees 1998a; Prabhu 1999; Brinckerhoff 2000; Thompson et al. 2000). Within the last decade new scientific journals on social entrepreneurship, social enterprise and social innovation have been launched (e.g., Stanford Social Innovation Review in 2003; Social Enterprise Journal in 2004; Journal of Social Entrepreneurship in 2010). Also, the number of conferences and special issues in scientific journals devoted to the topic has increased significantly over the last decade.

With regard to the practice of social entrepreneurship, Bill Drayton is considered to have been a major driving force of the field. He founded the organisation *Ashoka: Innovators for the Public* in 1982 with the goal to globally foster the field of social entrepreneurship by supporting individual social entrepreneurs through stipends. Drayton used the term ‘social entrepreneur’ only occasionally until the mid 1990s, with ‘public entrepreneur’ rather than ‘social entrepreneur’ being the more commonly used term by him and his organisation (Dees and Anderson 2006). However, from the mid 1990s, *Ashoka: Innovators for the Public* officially adopted the term ‘social entrepreneur’ (ibid.). Other organisations such as Echoing Green and the Fund for Social Entrepreneurs at Youth Service America soon followed suit, using the term ‘social entrepreneur’ (ibid.). Since then, social entrepreneurship has become a growing field of practice with several institutions joining the field. For example, The Schwab Foundation for Social Entrepreneurship, founded in 1998, highlights and emphasises the achievements of social entrepreneurs by creating a global network of leading social entrepreneurs. Also, the Skoll Foundation, founded in 1998, fosters the field of social entrepreneurship by supporting social entrepreneurs through fellowships and by establishing the Skoll Centre for Social Entrepreneurship at the University in Oxford in 2003. Since then many more social entrepreneurship centres at universities have been established such as the Center for the Advancement of Social Entrepreneurship at Duke University and the Centre for Social Entrepreneurship at the Tata Institute of Social Sciences in Mumbai.

All this indicates that social entrepreneurship has become an increasingly recognised, growing, and popular field of social welfare oriented activity. One of the causes which contributed to this development can be attributed to the changing political, socio-economic, and cultural conditions of societies. The global upsurge of organised voluntary activity which has taken place within the last fifty years resulted in the creation of numerous citizen organisations
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worldwide (Bornstein 2004: 3-6; Bornstein and Davis 2010: 8; Salamon 1994). It can be assessed that the emergence of the citizen sector has been one of the factors which enabled the flourishing of social entrepreneurship. In addition, Nicholls (2008: 2) mentions several other drivers responsible for the growth of social entrepreneurship in recent years. These drivers can be from either the supply side or from the demand side. Drivers from the supply side include the increase in global per capita wealth and increased social mobility, extended productive lifetime, the increasing number of democratic governments, the increased power of multinational corporations, better education levels, and improved communication. Bornstein (2004: 7) summarises these drivers by stating “more people today have the freedom, time, wealth, health, exposure, social mobility, and confidence to address social problems in bold new ways”. From the demand side, the drivers include the rising crises in environment and health, rising economic inequality, government inefficiencies in public service delivery, the retreat of government in the face of free market ideology, the institutionalisation of professional NGOs, and resource competition (Nicholls 2008: 2; Volkmann et al. 2012: 6).

The relevance of social entrepreneurship and the form in which it appears depend not only on the economic context of a state but also on the wider legal, political, socio-cultural, technological, and ecological contexts (Volkmann et al. 2012: 6). For instance, many social entrepreneurial initiatives in countries such as India tackle problems such as child labour, lacking health services for the poor, and insufficient access to clean water and sanitation, which are almost non existent in welfare states. On the other hand, in well-developed welfare states such as Germany or the US, social entrepreneurs often tackle problems such as the institutional discrimination against differently abled people and against people from minority groups – problems which exist also in less-developed welfare states.

2.2 Social entrepreneurship: What it is and what it is not

Finding and establishing a definition of social entrepreneurship acceptable to practitioners and scholars has proven to be a difficult task. Although social entrepreneurship has become increasingly ubiquitous in practice, academia, and in political debates, no unified definition or conceptualisation of what social entrepreneurship actually is has emerged (see for example, Certo and Miller 2008; Hill et al. 2010; Mair and Marti 2006; Mort et al. 2003; Short et al. 2009). Nevertheless, one of the most influential definitions is the one offered by Dees in his essay entitled ‘The meaning of Social Entrepreneurship’ (Dees 1998a: 4):
Social entrepreneurs play the role of change agents in the social sector, by:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaption, and learning,
- Acting boldly without being limited by resources currently at hand, and
- Exhibiting heightened accountability to the constituencies served and for the outcomes created.

Another definition which focuses on social entrepreneurship more as a process, rather than on the individual social entrepreneur, is the definition provided by Mair and Martí (2006: 37), who define social entrepreneurship as “a process of involving the innovative use and combination of resources to pursue opportunities to catalyse social change and/or address social needs”.

Social entrepreneurship is characterised by extraordinary dynamic flexibility which also forms, according to Nicholls (2008: 10), the basis of its impact. Hence, social entrepreneurs use a range of different organisational forms to achieve their mission from not-for-profit, to for-profit, to hybrid models (Nicholls 2008: 11). Elkington and Hartigan (2008: 31–44) exemplify the different organisational forms in which social entrepreneurship occurs as (1) the leveraged non-profit venture, (2) the hybrid non-profit venture, and (3) the social business venture. An example of a (1) leveraged non-profit venture is the Barefoot College founded by Bunker Roy. The Barefoot College is funded mainly by grants and donations and leverages the limited financial means to create high and transformational impact on rural communities (ibid.). (2) Hybrid non-profit ventures are partly funded by grants from public, private, and philanthropic organisations but also generate revenues through the sale of goods and services to recover parts of their costs (Elkington and Hartigan 2008: 38). An example of a hybrid non-profit venture is the Aravind Eye Care System which ordinarily charges customers for its services but is free of cost for the very poor. (3) Social business ventures are for-profit entities that focus on a mission to drive transformational social or environmental change (Elkington and Hartigan 2008: 42-43). The main aim of social business ventures is not to maximise profits for shareholders but to benefit low-income groups or to reinvest in the social venture in order to scale its impact. An example of a social business venture is the Grameen Bank which creates profits but is at the same time owned by its customers and mainly reinvests its profits.

The complexity of social entrepreneurship becomes even more evident when other classifications based on revenue generation models are acknowledged. For instance, Fowler (2000) suggests three types of social entrepreneurship: integrated, re-interpreted, and complementary. Integrated social entrepreneurship designates ventures whose commercial activity itself produces positive social outcomes. Re-interpreted social entrepreneurship ventures re-interpret existing activities in order to generate income as well (ibid.). Such a
reinterpretation could be, for example, the expansion of the client group. Complementary social entrepreneurship is a type of social entrepreneurship in which surpluses are generated which may not be related to the social mission of the venture but which are used to cross-subsidise the venture’s non-profit social value creating activities (ibid.). Also, Alter (2008) provides a detailed overview of different social enterprise models which are based on how the mission related activities and the commercial activities of the enterprise are related. Based on this relation, the author identifies three forms of social enterprise: mission-centric, mission-related, and unrelated to the enterprise’s mission. The author further discerns three operational types of social enterprise: embedded, integrated, and external (Alter 2008).

As Nicholls (2008: 11) notes, the variety of the possible operational contexts and organisational forms of social entrepreneurship makes classifications difficult. Approaching the clarification of the concept of social entrepreneurship from a different perspective, Huybrechts and Nicholls (2012) state what social entrepreneurship is not in order to arrive at a better understanding of the concept. Although social entrepreneurship has its roots in the citizen sector and is prevalently found there, it is also to be found in other sectors such as the public and the private sector, and “moving across various intersection points of the public, private, and social sectors” (Nicholls 2008: 12). Accordingly, Huybrechts and Nicholls (2012) assess that social entrepreneurship is not a discrete sector. The authors further make the point that social entrepreneurship cannot be equated with social business since social business excludes any possibility of the funding of the social entrepreneurship venture, based on grants and donations which is, indeed, the case in many well known examples of social entrepreneurship (ibid.). Lastly, social entrepreneurship is not, as it may be assumed, the only model of social innovation (ibid.). Social innovation is a broader concept which occurs also beyond the field of social entrepreneurship, for example, in the field of government action.

In summary, social entrepreneurship is a complex phenomenon involving various organisational forms, is difficult to define, and has, therefore, led to a proliferation of different definitions and approaches within the field.

2.3 The need for solving the definitional problem

Many scholars have acknowledged that the term ‘social entrepreneurship’ is inconsistently used and that it lacks a unified definition (for example, Certo and Miller, 2008; Hill et al. 2010; Mair and Martí 2006; Mort et al. 2003; Short et al. 2009). Many competing definitions and meanings of social entrepreneurship exist to date. For some researchers, social entrepreneurship refers, for example, to non-profit-profit organisations in the search for new
funding strategies through business activities (Boschee and McClurg 2003; Lasprogata and Cotten 2003). Others view social entrepreneurship as the creation of businesses to serve the poor (Seelos and Mair 2005), and again, another group of researchers views social entrepreneurship as the use of social innovations to solve social problems and to bring about social change, irrespective of whether commercial activities are involved or not (Dees 1998a; Martin and Osberg 2007). Nicholls (2010: 611) contends that it has become axiomatic in recent years for scholars to note that there is no consensus as to what social entrepreneurship actually means and that the research agenda for the field is till date not clearly defined. Short et al. (2009: 162) assert that the “lack of a unified definition makes establishing the legitimacy of a field or construct difficult” and that the disparity of terminology “also hinders empirical research seeking to examine the antecedents and consequences of social entrepreneurship”. Also, Dacin et al. (2010: 38) conclude that the current state of conceptual confusion impedes theory-based advances in the field of social entrepreneurship. Not surprisingly, Short et al. (2009: 168) further assess that research in social entrepreneurship is consequently characterised by minimal progress in theory development despite more than two decades of research. This, however, is an unfortunate development within the field of social entrepreneurship since social entrepreneurship has proven to be a promising and important global phenomenon which certainly deserves rigorous academic attention.

Several researchers have addressed the existing disparities between the different social entrepreneurship conceptions and have mapped out the different meanings found in literature (Hill et al. 2010), identified different schools of thought and practice (Dees and Anderson 2006; Defourny and Nyssens 2010; Hoogendoorn et al. 2010), and different discourses and narrative logics of social entrepreneurship (Nicholls 2010). However, a solution to the definitional problem, which would enable researchers to collectively develop the field of social entrepreneurship, is still lacking. The consequences of the definitional problem are obvious: It impedes both future research on social entrepreneurship, and the establishment of social entrepreneurship as a coherent field of research (Certo and Miller 2008; Short et al. 2009). The purpose of the following sections of this chapter is to solve the definitional problem and to define the concept of social entrepreneurship for the remainder of the thesis. To this end, the following subsection introduces the theory of essentially contested concepts as an analytical tool which helps to determine if a singular definition of social entrepreneurship is possible at all. Building on the analysis of social entrepreneurship as an essentially contested concept, a new conceptual understanding of social entrepreneurship as a cluster concept is proposed which allows us to define the concept for the remaining part of the thesis.
2.4 The theory of Essentially Contested Concepts

Walter Bryce Gallie, a social and political theorist, proposed the theory of essentially contested concepts in a lecture given to the Aristotelian Society in 1956. He begins his lecture on essentially contested concepts with an example of ‘art’ as a contested concept. The statement “this picture is a work of art” is liable to be contested, since there is no agreement on what constitutes a “work of art” (Gallie 1956a: 167). In other words, there is no agreement with regard to the proper use of the concept of ‘art’.

Gallie (1956a) proposes a method to elucidate the definitional and conceptual problem of contested concepts such as art, wherein this elucidation does not suggest any best meaning, but explains, in the case of a special group of concepts, the reasons and the root causes for the conceptual problem and implicates that disputes about these concepts’ proper meanings can never really be settled. Gallie (1956a: 168) states that he seeks to show “in the case of an important group of concepts, how acceptance of a single method of approach – of a single explanatory hypothesis calling for some fairly rigid schematisation – can give us enlightenment of a much needed kind” (emphasis in the original). The “important group of concepts” which Gallie (1956a) refers to is the group of essentially contested concepts, whereas the “single explanatory hypothesis calling for some fairly rigid schematisation” is Gallie’s proposed analytical framework of essentially contested concepts which builds on seven key criteria.

Essentially contested concepts are, in short, concepts whose use “inevitably involves endless disputes about their proper uses on the part of their users” (Gallie 1956a: 169). The essentially contested concept framework helps to identify, understand, and reason about such concepts (Collier et al. 2006: 212). The seven key criteria of essentially contested concepts are:

1. **Appraisiveness.** An essentially contested concept is “appraisive in the sense that it signifies or accredits some kind of valued achievement” (Gallie 1956a: 171). The first condition of essentially contested concepts states that the perception of the concept is intertwined with valence. Collier et al. (2006: 216) assess that it is only plausible that appraisive concepts lead to value laden debates about their meanings.

2. **Internal complexity.** Gallie (1956a: 171–172) states that the “achievement must be of an internally complex character, for all that its worth is attributed to it as a whole”. He gives the example of democracy as an essentially contested concept. Democracy is internally complex, since its valued achievement comprises of different aspects such as the power of the majority of the citizens to choose governments, equality of all citizens, as well as the continuous active participation of citizens in political life (Gallie 1956a: 172).
184–186). Internal complexity is likely to lead to contestability, since it makes the concept variously describable, which forms the next criterion of essentially contested concepts.

3. Various describability. In regard to the third criterion, Gallie (1956a: 172) states that “any explanation of its worth must therefore include reference to the respective contributions of its various parts or features”, and that “the accredited achievement is initially variously describable”. Depending on how different groups of users of an essentially contested concept weigh the different aspects which constitute the internal complexity, the essentially contested concept becomes variously describable and leads therefore to contestability. One group of users may emphasise one aspect of the concept over all other aspects and therefore may be likely to dispute with other users about the meaning of the concept.

4. Openness. The fourth characteristic states that an essentially contested concept is open in character. That means that the “accredited achievement must be of a kind that admits of considerable modification in the light of changing circumstances” (Gallie 1956a: 172). Put in other words, the forms in which the valued achievement occurs must be relatively variable and open to modification in unpredictable ways (Gray 1978: 390). Openness implies that new considerations on the part of users may emerge over time due to changing circumstances. As Gallie (1956a: 186) states in his example of democracy as an essentially contested concept, “democratic targets will be raised or lowered as circumstances alter, and democratic achievements are always judged in the light of such alterations”. Thus, essentially contested concepts and their meanings can never once and for all be determined, but are open in character, which makes these concepts changeable and vague and, therefore, prone to contestation.

5. Aggressive and defensive uses. The fifth criterion describes the behaviour on the part of the contesting users of an essentially contested concept. Gallie (1956a: 172) states that “each party must have at least some appreciation of the different criteria in the light of which the other parties claim to be applying the concept in question”, and that “to use an essentially contested concept means to use it both aggressively and defensively”. Collier et al. (2006) call the fifth condition ‘reciprocal recognition’ since it states that the different contesting parties reciprocally recognise each others’ different contested uses of a concept.
6. *Original exemplar.* The sixth condition states that an essentially contested concept is derived from an original exemplar, “whose authority is acknowledged by all the contestant users of the concept” (Gallie 1956a: 180). Gallie (1956a) provides two different understandings of the sixth condition, namely, a narrower and a broader understanding (Collier et al. 2006). The narrower understanding views the original exemplar as a factually single exemplar to which the contestant users refer. The broader understanding, on the other hand, views the exemplar as consisting of “a number of historically independent but sufficiently similar traditions” (Gallie 1956a: 186).

7. *Progressive competition.* Gallie (1956a: 180) states that the “continuous competition for acknowledgment as between the contestant users of the concept, enables the original exemplar’s achievement to be sustained and/or developed in optimum fashion”. Collier et al. (2006) suggest two different understandings of progressive competition. The narrower understanding views that the competition of contestant uses leads to a more complete agreement about the original exemplar (Collier et al. 2006: 220). The broader sense of the seventh condition, on the other hand, implies that the rationality of a given use is progressively better explained through the competition of contestant users (Collier et al. 2006: 220) or, as Gallie (1956a: 193) puts it, might lead to a “marked raising of the level of quality of arguments in the disputes of the contestant parties”.

For Gallie (1956a: 172), the first four criteria are the “most important necessary conditions to which any essentially contested concept must comply”. Thus, the first four criteria are an account of the specific characteristics (appraisiveness, internal complexity, various describability, openness) which form the foundation for essential contestedness and which make a concept essentially *contestable*. But whether a concept is in fact being *contested* by different parties is determined by the fifth criterion, i.e., if it is actually being aggressively and defensively used.

Gallie (1956a: 180) states that although the first five criteria “give us the formally defining conditions of essential contestedness”, they still fail to distinguish essentially contested concepts from radically confused concepts. A radically confused concept is the confused use of two or more different concepts which are as such not contested at all, but which just need to be properly applied. To verify that a concept is in fact essentially contested and not just radically confused, Gallie (1956a) provides the sixth (original exemplar) and the seventh (progressive competition) conditions of essential contestedness. The rationale behind this is that the existence of an original exemplar which is acknowledged by all contesting parties ensures that the contesting parties actually try to explain the same complex phenomenon and not different
things. The condition of progressive competition further rules out the possibility of radical confusion since the continuous competition for acknowledgement would lead, in the case of a radically confused concept, to the exposure of the confusion and the terminated use of the concept given that the disputes are rational and genuine, whereas it would lead to a sustained use of the concept in the case of an essentially contested concept.

Gallie himself applied the essentially contested concept framework to concepts like democracy, art, and Christian life (Gallie 1956a; Gallie 1956b). Other authors have applied the framework to concepts like security, freedom, power (see Waldron 2002: 149 for an overview), and more recently to the ‘rule of law’ (Waldron 2002), sustainable development (Conelly 2007), corporate social responsibility (Okoye 2009), and the stakeholder concept (Miles 2012). Considering that the application of the essentially contested concept framework has “run wild” (Waldron 2002: 149) on the one hand, and, on the other hand, has been viewed as being applicable to only very few concepts, Collier et al. (2006: 215) choose a middle path by suggesting that the application of the essentially contested concept framework should be governed by whether it yields useful insight into the concept at hand.

2.5 Is social entrepreneurship an essentially contested concept?

Considering the multiplicity of competing definitions and the general proliferation of social entrepreneurship definitions to date, it may be suspected that social entrepreneurship is an essentially contested concept. If it is indeed essentially contested, then it should comply with the seven key criteria of essentially contested concepts. In this section, it is examined if social entrepreneurship fulfils each of the conditions of essential contestedness. The analysis is mainly based on evidences in the extant social entrepreneurship literature. A condition is considered as fulfilled when overwhelming evidences found in the literature unanimously confirm the condition.

2.5.1 Appraisiveness

Gallie’s (1956a: 171) first condition of essential contestedness is that “it must be appraisive in the sense that it signifies or accredits some kind of valued achievement”. In the case of ‘art’ as an essentially contested concept, Gallie (1956b: 111) states that the term ‘art’ is not mainly used in a descriptive way indicating specific properties, but in an appraisive way accrediting a certain kind of achievement. Also, democracy is a highly appraisive concept and “the primary question on any major policy-decision has come to be: Is it democratic?” (Gallie 1956a: 184). This example shows that being democratic signifies a valued achievement.
However, other authors have suggested that appraisiveness does not necessarily mean only positive valuation but can also mean negative valuation (Freeden 1998: 55–56). Abbey (2005), for example, contends that fascism could be theorised as an essentially contested concept as well. Freeden (1998: 56) further criticises Gallie’s idea of appraisiveness by stating that essentially contested concepts are not exclusively appraisive, but also have non-appraisive, descriptive aspects which simply refer to “brute facts”. For him, essentially contested concepts have most importantly empirically describable and observable properties and may only in addition be perceived as desirable (Freeden 1998: 56). Another extension of appraisiveness is that the normative valence of a concept may be unclear, but may stem from the context in which the concept is applied or from its theoretical framework (Collier et al. 2006; Miles 2012).

In the case of social entrepreneurship, it can be assessed that it is an appraisive concept. Similar to the concept of ‘art’ and ‘democracy’, social entrepreneurship signifies a valued achievement. Dey (2006: 121), for example, argues that the proliferation of social entrepreneurship narratives “represents one of the very latest fashion trends” in academic, political, and media discourses, in which a unanimously positive image is attributed to social entrepreneurship. Light (2009: 21) views social entrepreneurship as one of the “most alluring terms on the problem-solving landscape today”. Thus, calling something as ‘social entrepreneurship’ not only attributes specific properties to it in a descriptive way but accredits a valued achievement as well.

The concept of social entrepreneurship helps to distinguish between ‘praiseworthy’ and ‘less praiseworthy’ activities, i.e., exceptionally good activities and more ordinary activities by social ventures. Social entrepreneurship stands out and is different from mere social service provision and social activism (Martin and Osberg 2007), and from mere socially responsible business. Also, Roberts and Woods (2005) state that social entrepreneurship is neither charity nor benevolence. Social entrepreneurship is appraisive in the sense that it signifies a specific valued achievement. What constitutes the valued achievement is explained in the next section in terms of the different aspects contributing to the internal complexity of social entrepreneurship.

2.5.2 Internal complexity

The second condition of essential contestedness states that an essentially contested concept is internally complex since it consists of different “parts or features” which together constitute the concept’s valued achievement. (Gallie 1956a: 172).

The internally complex character of social entrepreneurship has been acknowledged by several authors who describe it as a complex, multi-dimensional concept (e.g., Nicholls 2008; Weerawardena and Mort 2006) and a multi-faceted phenomenon (Bacq and Janssen 2011). To grasp the internally complex character of social entrepreneurship, researchers have tried to point
out the multiple internal components. Nicholls and Cho (2008), for example, discussed these components as key dimensions of social entrepreneurship which are, according to the authors, the dimensions of sociality, innovation and market orientation. Building on Gartner’s (1985) framework for describing venture creation, Bacq and Janssen (2011) also describe the concept of social entrepreneurship by compartmentalising it into sub-categories such as the social entrepreneur, the social entrepreneurship organisation, and the process of social entrepreneurship.

It is suggested that the concept of social entrepreneurship consists of five major components which contribute to the internal complexity of the concept. These five components are: social value creation, the social entrepreneur, the social entrepreneurship (SE) organisation, market orientation, and social innovation. These five components are identified on the basis of how far they constitute the basic characteristics of social entrepreneurship which not only represent the key organising principles of the field (Nicholls and Cho 2008: 100), but also which are most likely to serve as foundations for different competing conceptions, and thereby making the concept variously describable (Gallie 1956a: 172). Since the five identified components are concepts themselves, they are termed as ‘sub-concepts’ of social entrepreneurship. In the following discussion on the sub-concepts of social entrepreneurship, it will be shown that each sub-concept not only represents an integral part of social entrepreneurship, but also contributes to the internally complex nature of the concept.

2.5.2.1 Social value creation

A highly valued aspect of social entrepreneurship, which is certainly considered to be a prerequisite for social entrepreneurship, is the creation of social value (e.g., Austin et al. 2006; Dees 1998a; Peredo and McLean 2006; Perrini and Vurro 2006; Sharir and Lerner 2006). This aspect has further been addressed in descriptions of social entrepreneurship as social entrepreneurship having primarily a social mission (Dees 1998a; Lasprogata and Cotten 2003; Mort et al. 2003; Nicholls 2008: 13; Seelos and Mair 2005), as creating social wealth (Zahra et al. 2009), as addressing social issues and problems (Alvord et al. 2004; Bornstein 2004; Light 2006), and pressing social needs (Mair and Martí 2006; Seelos and Mair 2005). The concept of social value creation is a value laden concept and involves “virtuous behaviour” (Mort et al. 2003: 82), altruistic objectives (Tan et al. 2005), and the promotion of a social purpose, which further implies values like freedom, equality, and tolerance (Murphy and Coombes 2009: 326).

Nicholls and Cho (2008) note that the ‘social’ itself is a highly complex, ambiguous and contested concept. They further state that not “acknowledging the deeply contested nature of social objectives presupposes an unrealistic homogeneity of social interests” (Nicholls and Cho 2008: 105). Consequently, it is difficult to assess what social value actually entails and which
activities and projects can be considered as creating social value. Moreover, the inherent difficulty in measuring social value (Dees 1998a: 3) further adds to the ambiguity of the concept of social value creation. It can be concluded that not only is the creation of social value an integral aspect of social entrepreneurship, but also that the concept of social value itself is a complex and ambiguous one, and is therefore one of the factors contributing to the internally complex character of social entrepreneurship.

2.5.2.2 The social entrepreneur

Another integral aspect of social entrepreneurship is the individual social entrepreneur. The social entrepreneur has been viewed as central in social entrepreneurship by many authors (e.g., Bornstein 2004; Dees 1998a; Leadbeater 1997; Light 2008: 6–19; Roper and Cheney 2005; Thompson 2002; Thompson and Doherty 2006; Waddock and Post 1991). He or she is viewed as the initiator of a social entrepreneurial endeavour and as the innovator who imagines and pushes through social innovations and processes of social change (Swedberg 2009; Ziegler 2010). And indeed, in many recognised cases of social entrepreneurship, the individual social entrepreneur has proved to be crucial in initiating and carrying out social entrepreneurial activities. Nevertheless, some researchers have also noted that a collective of social entrepreneurs may exist in some cases (Bacq and Janssen 2011).

Here it may be remarked that the concept of the social entrepreneur is itself not free from ambiguity. A question that is not easy to answer is, for example, who counts as a social entrepreneur. Some people view the social entrepreneur simply as someone who initiates and operates a social purpose organisation. Others, however, view the social entrepreneur as a visionary, innovative, and risk-taking change maker (Bacq and Janssen 2011). But even if one agrees with the understanding of the social entrepreneur as a change maker, as many researchers do, it is still not clear how visionary, risk-taking, innovative or even successful one has to be to be counted as a social entrepreneur.

In view of all this, it is suggested that the concept of the social entrepreneur contributes to the internally complex character of social entrepreneurship, while at the same time forms one integral part of the concept.

2.5.2.3 The social entrepreneurship organisation

Usually, social entrepreneurial activities are organised over time within an organisational framework. According to Mair and Martí (2006: 37), it is especially this organisational context in which social entrepreneurship occurs, which “sets it apart from other more loosely structured initiatives aimed at social change, such as activist movements”. As it has been acknowledged that social entrepreneurship can happen within and across the third, public, and private sector
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(Austin et al. 2006; Chell et al. 2010; Nicholls 2008), the SE organisation can be located within different sectors as well. Further, the SE organisation can also adopt diverse organisational forms such as non-profit, for-profit, and hybrid organisational forms (Dorado 2006; Elkington and Hartigan 2008; Murphy and Coombes 2006). In addition to these, different legal forms (e.g., the Community Interest Company in the UK) have been established in different countries (Bacq and Janssen 2011: 386–387) to support social entrepreneurial initiatives.

Considering the important role played by the organisation in promoting social entrepreneurial activities, and the variety of different possible organisational and legal forms, it can be concluded that the SE organisation forms an integral part of social entrepreneurship, adding to its internally complex character.

2.5.2.4 Market orientation

Another integral aspect of social entrepreneurship, identified by Nicholls and Cho (2008), is the aspect of market orientation. The market orientation aspect of social entrepreneurship is often associated with the idea of heightened efficiency and effectiveness through commercial activities (Nicholls 2010), and the financial sustainability and self-sufficiency (Boschee and McClurg 2003; Harding 2004; Haugh 2005) on the part of the SE organisation. A key aspect of what sets social entrepreneurship apart from traditional non-profit-profit social service provision is its implicit focus on efficiency and the effective use of resources (Nicholls and Cho 2008). It is this market orientation aspect of social entrepreneurship which is positively valued about social entrepreneurship and which gives social entrepreneurship an “image of business-like discipline, innovation, and determination” (Dees 1998a: 1).

Given its importance, it is suggested that market orientation is an integral aspect of social entrepreneurship. However, it is also noted that market orientation can manifest itself in different ways and is, therefore, complex as well. Market orientation can be expressed in terms of commercial activities, which generate earned-income to ensure the sustainability of social entrepreneurial activities and self-sufficiency of the organisation. In another shade of the idea, market orientation can imply the employment of commercial activities directly linked to the social mission to ensure the most effective and efficient distribution of social services and products.

Thus, it is concluded that market orientation is an integral part of social entrepreneurship that can assume different forms depending on the context, and thereby contributes to the internally complex character of social entrepreneurship.
2.5.2.5 Social innovation

Social innovation forms the fifth integral aspect of social entrepreneurship. Nicholls and Cho (2008) assert that it is the non-traditional, disruptive approach of social entrepreneurship which sets it apart from traditional social service provision. Many authors have identified it as a key aspect of social entrepreneurship. For example, Dees (1998a: 4) states that social entrepreneurs engage “in a process of continuous innovation”, while Peredo and McLean (2006: 64) view that social entrepreneurship involves the employment of innovation. Other authors emphasise that social entrepreneurship is an “innovative, social value creating activity” (Austin et al. 2006: 1), that it “creates new models” (Seelos and Mair 2005: 49), and that an “innovative approach” to achieve the mission is a constituent element (Nicholls 2008: 13). Closely related to the idea of innovation is the idea of change. As Austrian economist Joseph Schumpeter states, “entrepreneurship consists of making innovations” (Swedberg 2000: 15), and entrepreneurs are the innovators who set off all truly important changes in the economy (Swedberg 2000:14). Similarly, social entrepreneurs are considered as innovators in the social sphere who drive important social change (Mair and Marti 2006; Mair et al. 2012; Prabhu 1999), sustainable social transformation (Alvord et al. 2004), and pattern-breaking change (Martin and Osberg 2007). In this spirit, social entrepreneurs are also referred to as “change agents” (Dearlove 2004; Dees 1998a; Sharir and Lerner 2006). The role of social innovations as inducing social change has thus been strongly emphasised in the literature. These observations lead to the conclusion that social innovation is an integral aspect of social entrepreneurship that is positively valued, on the one hand, and that contributes to the internally complex character of the concept, on the other hand.

It is suggested that the five proposed components taken together describe to a good extent the valued achievement that social entrepreneurship signifies. The internally complex nature of social entrepreneurship arises from the involvement of these five sub-concepts which are, further, by themselves often complex and contested. Interrelations between the sub-concepts further add to the complex character of social entrepreneurship. For example, the individual social entrepreneur is often viewed in close relationship with social innovation (Bacq and Janssen 2011: 380; Hoogendoorn et al. 2010). And indeed, it is often the social entrepreneur who envisions change, innovates strategies and pushes through social innovations. Also, the aspect of the SE organisation and the aspect of market orientation are interrelated since the legal form of an organisation often corresponds to commercial activities carried out by the organisation. Interrelations also exist between the aspects of market orientation and social innovation, since many social innovations involve commercial activities (e.g., fair-trade or microfinance).
These observations lead to the conclusion that social entrepreneurship fulfils the second condition of essential contestedness – that of internal complexity.

2.5.3 Various describability

The condition of internal complexity is closely related to the third condition of various describability. As Gallie (1956a: 185) notes for the case of democracy, the different aspects that constitute the valued achievement of an essentially contested concept can exist in greater or lesser degrees in actual instances of the concept. Therefore, internal complexity leads to the possibility of a variety of descriptions of the concept in which “its different aspects are graded in different orders of importance” (Gallie 1956a: 184).

For the case of social entrepreneurship, Bacq and Janssen (2011: 388) describe the problem of internal complexity and various describability by stating that “since social entrepreneurship has proven to be a complex and multifaceted phenomenon, there is no standardised, universally accepted definition to define the scope of the concept”.

Collier et al. (2006: 217) distinguish between two different forms of varying descriptions. Firstly, various describability can occur in the form of an “exclusive emphasis on one or another facet of the concept”; secondly, it can involve different facets that are “emphasized to varying degrees, involving contrasting relative importance”. Both forms of various describability are apparent in descriptions of social entrepreneurship. One example for the exclusive emphasis on one aspect is Dees’ (1998a) definition of social entrepreneurship. Dees (1998a) defines the concept in his article “The meaning of social entrepreneurship” on the basis of the individual social entrepreneur, which clearly shows that he values the aspect of the social entrepreneur as most central to the concept. However, the aspect of social innovation is also prominent in his definition, which is due to the above-mentioned intertwined relationship between the two aspects. Another description of social entrepreneurship is provided by Mair and Martí (2006: 37) who define it “as a process involving the innovative use and combination of resources to pursue opportunities to catalyse social change and/ or address social needs” (emphasis added). Their description of social entrepreneurship clearly emphasises the aspect and process of social innovation. Lasprogata and Cotten (2003: 69), on the other hand, state that “social entrepreneurship means nonprofit organisations that apply entrepreneurial strategies to sustain themselves financially while having a greater impact on their social mission”. Their description of social entrepreneurship shows that they view the organisational aspect as central, while also emphasising the aspect of market orientation.

With regard to the second form of various describability in which different aspects are graded in different orders of relative importance, it shall be pointed out to Hoogendoorn et al. (2010: 9) and Bacq and Janssen (2011: 390), who provide an overview about different schools
of thought within the social entrepreneurship literature and their varying orders of importance assigned to the sub-concepts of social entrepreneurship. For example, the ‘social Innovation school’ of social entrepreneurship emphasises the importance of innovation (Hoogendoorn et al. 2010: 9) and the importance of the individual social entrepreneur (Bacq and Janssen 2011: 390; Hoogendoorn et al. 2010: 9), whereas market orientation and the organisation is less emphasised. The ‘social enterprise school’, in contrast, emphasises the importance of the organisation and market orientation rather than innovation or the individual social entrepreneur (Bacq and Janssen 2011: 390; Hoogendoorn et al. 2010: 9).

Since both forms of various describability exist in descriptions of social entrepreneurship, it can be assessed that the concept of social entrepreneurship is variously describable.

2.5.4 Openness

The fourth condition states that essentially contested concepts are open in character. Gallie (1956a: 172) says in this regard that "the accredited achievement must be of a kind that admits of considerable modification in the light of changing circumstances; and such modification cannot be prescribed or predicted in advance". Gray (1978: 390) explains the condition of openness by stating that “the forms in which it [valued achievement] occurs must be relatively variable and open to modification in unpredictable ways”. Art, for example, is open in character since, "at any one stage in its history, no one can predict or prescribe what new development of current art forms may come to be regarded as of properly artistic worth" (Gallie 1956a: 182). Hence, openness implies that a concept cannot be determined once and for all.

The open character of a concept can be well observed if the concept and its modifications are examined from a historical perspective. A historical examination of art, for example, clearly shows how the concept has changed over time. In the same vein, the open character of democracy can be assessed while comparing historical and current instantiations of the concept (Collier et al. 2006: 224). The problem in examining the open character of social entrepreneurship is that the term ‘social entrepreneurship’ is being used only since the last three decades (Bacq and Janssen 2011). Therefore, a historical perspective on social entrepreneurship in order to observe the open character of the concept by examining changes due to changing circumstances is rather limited. Nevertheless, although social entrepreneurship as a concept has been used only since the last few decades, some researchers argue that the practice of social entrepreneurship as such is not new and that social entrepreneurs have always existed (Bornstein and Davis 2010: 2; Roberts and Woods 2005). Sen (2007: 535) puts it aptly by stating that “the language of social entrepreneurship may be new, but the phenomenon is not”. An example of historical social entrepreneurship is Florence Nightingale (Ashoka 2012;
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Bornstein 2004; Roberts and Woods 2005) and her achievements in pioneering modern nursing. Another example of historical social entrepreneurship is Vinoba Bhave (Ashoka 2012) and his accomplishments in the Land Gift Movement in India. If historical cases of social entrepreneurship are compared with contemporary instantiations of the concept, several changes of the concept due to changing circumstances can be identified.

It can be observed that the organisational aspect of social entrepreneurship is nearly non-existent in historical examples of social entrepreneurship. When researchers discuss historical examples of social entrepreneurship, the focus is on the individual social entrepreneur (e.g., Bornstein and Davis 2010: 2). This, however, indeed makes sense, because it is only since approximately the last fifty years that a global upsurge of organised voluntary activity and creation of citizen organisations has taken place (Bornstein and Davis 2010: 8; Salamon 1994). Salamon (1994) identified several factors within the political, social, and economic backgrounds which led to the flourishing of citizen organisations. Thus, the organisational aspect of social entrepreneurship (see section 2.5.2) can be considered to be a change of the concept which emerged due to changing circumstances.

Another change that can be identified when comparing historical examples with contemporary examples of social entrepreneurship is the current focus on market-based strategies for solving social problems (see section 2.5.2). This change can also be traced back to changes in the socio-economic context. The increasing positive valuation of business and the free market and the rise of modern capitalism in Western societies can be viewed as influencing factors which promoted, from a historical perspective, the contemporary focus on market orientation in social entrepreneurship.

Thus, it can be argued that even though the term ‘social entrepreneurship’ is formally being used only since the last few decades, the practice of social entrepreneurship is not new and has, moreover, changed over the ages in response to changing socio-economic circumstances. Seen from this perspective, social entrepreneurship is open in character.

2.5.5 Aggressive and defensive uses

The fifth condition states that the different groups of users of an essentially contested concept recognise that their own use is contested by other groups and that their own use of it has to be maintained against these other uses (Gallie 1956a: 172). Therefore, Collier et al. (2006: 219) contend that the fifth condition “presumes that contending parties acknowledge the concept’s contested character”, and therefore call it ‘reciprocal recognition’.

Reciprocal recognition exists among the users of the social entrepreneurship concept. For instance, Boschee and McClurg (2003: 2), who view the generation of earned revenue as essential to social entrepreneurship, directly criticise Dees’ (1998a) definition of social
entrepreneurship by stating “we think that it is not only conceptually flawed, but also psychologically crippling”. Dees (2003), on the other hand, defends his position by stating that “despite efforts to spread an innovation-based definition, far too many people still think of social entrepreneurship in terms of nonprofits generating earned income. This is a dangerously narrow view”. He argues that social entrepreneurship is about social impact and social entrepreneurs have only one ultimate bottom line, which is the social impact they create (Dees 2003). Similarly, Martin and Osberg (2007) defend their use of social entrepreneurship and disapprove of other uses. For them, “social entrepreneurship has become so inclusive that it now has an immense tent into which all manner of socially beneficial activities fit”. (Martin and Osberg 2007: 30). Also, the conception of social entrepreneurship which emphasises the role of the social entrepreneur as a “romantic hero” has been critically evaluated by Nicholls and Cho (2008). Dacin et al. (2011: 1205) critically observe that “there tends to be an underlying assumption that these heroic social entrepreneurs will somehow save the world”. Also Dey and Steyaert (2010: 85) view the narrative of social entrepreneurship as a “messianistic script of harmonious social change” to be problematic, since it is overly optimistic and less realistic.

The examples above show that users of the social entrepreneurship concept acknowledge the concept’s contested character and each other’s contesting uses. Hence, the concept of social entrepreneurship is aggressively and defensively used by the contesting parties.

2.5.6 Original Exemplar

The sixth condition states that an essentially contested concept is derived from an original exemplar whose “authority is acknowledged by all the contestant users of the concept” (Gallie, 1956a: 180). The narrower understanding of this condition views the original exemplar as a factually single exemplar. This has been criticised by Gray (1978: 390) who, taking the example of democracy, states that “certainly there is no exemplary democratic state or just society which all users of these concepts would acknowledge as such”. The broader understanding therefore views that the original exemplar can also consist of “a number of historically independent but sufficiently similar traditions“ (Gallie 1956a: 186). As Collier et al. (2006: 220) citing Lukes (1977) state, “the common core is centred on multiple paradigmatic examples that do, in fact, anchor the concept”.

In the case of social entrepreneurship, it is apparent that authors often base their studies on anecdotal evidence and case studies (Dey and Steyaert 2010: 98; Mair and Martí 2006: 36). Probably the most referred example of social entrepreneurship is that of the Grameen Bank created by the famous social entrepreneur Muhammad Yunus, which has gained worldwide recognition with the awarding of the 2006 Nobel Peace Prize. Authors who refer to Yunus and the Grameen Bank are, amongst others, Hamby et al. (2010), Light (2006), Mair and Martí
It can be further shown that the example of Muhammad Yunus and the Grameen Bank exhibits each of the five aspects mentioned earlier that constitute the internally complex character of social entrepreneurship: The Grameen Bank has undoubtedly created social value, especially through poverty alleviation. Muhammad Yunus can be regarded as an exceptional individual, as the social entrepreneur *per se*, whose personality and skills were crucial for the success of the venture. The micro-lending activities initiated by Yunus were organised within an organisational framework by the setting up of the Grameen Bank. The Grameen Bank exhibits market orientation by employing commercial activities to fulfil and support its social mission. And lastly, the introduction of microfinance in Bangladesh, combined with the practice of lending loans only to women in small groups, is a social innovation which led to large-scale systemic change among the poor in Bangladesh.

### 2.5.7 Progressive competition

The seventh condition states that the continuous competition for acknowledgement in the case of an essentially contested concept “enables the original exemplar’s achievement to be sustained and/or developed in optimum fashion” (Gallie 1956a: 180). Several authors have questioned the validity of the seventh condition. Gray (1978: 392), for example, argues that the appraisive character of essentially contested concepts, which involves normative value judgments on the part of the users, makes a rational settlement of the disputes about the concept impossible. The broader meaning of the seventh condition, on the other hand, states that the continuous competition might lead to a “marked raising of the level of quality of arguments in the disputes of the contestant parties” (Gallie 1956a: 193). Hence, progressive competition implies the progressive clarification of the concept (Collier et al. 2006: 221). Referring to Freeden (1998), Collier et al. (2006: 221) note that the possibility of regressive competition may exist as well, a situation in which the conceptual debates may be simply of poor quality and not enrich the contested concept. The authors (Collier et al. 2006) therefore suggest that progressive competition may or may not apply to essentially contested concepts and that this has to be examined on a case-specific basis. Acknowledging that the condition of progressive competition has been met with substantial scepticism, Collier et al. (2006: 226) propose progressive *cooperation* as a, probably more plausible, variant of progressive competition. Progressive cooperation is “in effect a case of cooperation among successive scholars – of a kind commonly interpreted as reflecting progress in scholarship” (Collier et al. 2006: 226).
In the case of social entrepreneurship, it can be assessed that the continuous competition for acknowledgement has resulted in progressive clarification of the concept in the form of a body of literature which reflects upon the contested nature of social entrepreneurship and its various meanings and approaches. For instance, Dacin et al. (2010) list different definitions of social entrepreneurship and explain similarities and dissimilarities between the different conceptualisations of the concept. Nicholls (2010) addresses the contested nature of social entrepreneurship in the context of reflexive isomorphism in the pre-paradigmatic field of social entrepreneurship. The author identified different discourses of social entrepreneurship which are promoted by the different dominant key actors in the field of social entrepreneurship (Nicholls 2010). Similarly, Dey and Steyaert (2010) identify three groups of narratives of social entrepreneurship: a grand narrative which incorporates a messianistic script of harmonious social change, counter-narratives to the grand narrative, and little narratives which investigate the ambivalences of ‘the social’. In addition, Hill et al. (2010) reflect upon the different meanings of social entrepreneurship by evaluating the existent literature on social entrepreneurship in order to identify different patterns of meaning within the concept. Hence, the continuous competition about the proper use of social entrepreneurship has resulted in progressive clarification through high quality examinations of the various meanings of social entrepreneurship.

Also, the case of progressive cooperation, i.e., the cooperation among successive scholars who build on each others’ work to clarify the concept, can be found in social entrepreneurship literature. In this regard, the work of a group of researchers, which suggests that the existence of different schools of thought and practice in social entrepreneurship is responsible for the inconsistent use of social entrepreneurship, shall be mentioned here. Dees and Anderson (2006) identify two major schools of social entrepreneurship: the ‘social enterprise school’ and the ‘social innovation school’. According to the authors, the social enterprise school views social entrepreneurship as the commercial activity of non-profit organisations in order to earn income to support the organisation’s social mission. The social innovation school, on the other hand, views social entrepreneurship as the implementation of innovative, systems changing solutions to social problems which can, but must not necessarily, entail commercial activities. Dees and Anderson (2006) recognise that the argument about earned-income versus social innovation is rooted in different understandings about the meaning of entrepreneurship. The social enterprise school views entrepreneurship as the setting up of new businesses, while the social innovation school understands entrepreneurship in a Schumpeterian sense as an innovative process entailing the creation of new combinations that reform or revolutionise the existing patterns of production (Dees and Anderson 2006). Building on the work of Dees and Anderson (2006), Defourny and Nyssens (2010) suggest three different schools of social entrepreneurship: the
social enterprise school, which the authors prefer to call the ‘earned income school’, the social innovation school, and the so-called Emergence of Social Enterprise in Europe (EMES) approach. The EMES is a European research network, funded by the European Union to advance knowledge about social enterprise and the third sector in general. According to the EMES approach, social enterprises produce goods or services that benefit the community, and are initiated by a group of citizens. Thus, the EMES approach focuses on the provision of goods and services for the public by social enterprises, which are located in the third sector. The EMES approach does not emphasise innovation or earned-income as critical aspects of social entrepreneurship.

Building on the work of Dees and Anderson (2006), Hoogendoorn et al. (2010) suggest the existence of four schools of social entrepreneurship. Of these, the first three schools are in accordance with the schools suggested by Defourny and Nyssens (2010), while the fourth school, according to Hoogendoorn et al. (2010), is based upon the approach to social entrepreneurship which emerged in the UK. Despite certain similarities with the social enterprise schools and the EMES approach, the authors view the UK approach as a distinct approach to social entrepreneurship. The UK approach took root when the Labour Party came to power in the late 1990s in the UK. Following the Third Way ideology, it tried to stimulate partnerships between the private, public and third sector (Hoogendoorn et al. 2010). A new legal form for social enterprise was created in 2004 with the setting up of the Community Interest Company. According to Hoogendoorn et al. (2010), the difference between the EMES approach and the UK approach is that the services and goods provided by the social enterprise must not necessarily be related to the venture’s mission, as it is in the case of the EMES approach.

Thus, it is concluded that progressive competition exists in the case of social entrepreneurship, on the one hand, in the form of literature that reflects upon the contested nature of the concept and, on the other hand, in the form of literature that progressively builds on each other in clarifying the concept.

2.5.8 Conclusion and implications

Although Gallie’s (1956a) theory of essentially contested concepts has found a large resonance within the academic literature, it has faced criticism as well. Gray (1977: 341), for example, argues that the idea of essential contestedness subscribes “to an ambitious thesis of conceptual relativism”. Also, Clarke (1979: 126) critically remarks that essential contestedness inevitably leads to “radical relativism”. Collier et al. (2006) counter the concern expressed by Clarke (1979) by pointing out that radical relativism is only problematic if the goal of concept analysis lies in the establishment of unambiguous meanings. But if the goal of concept analysis
is to describe and explain complex concepts, their patterns, and patterns of change, then “Gallie’s framework remains a benchmark in the development of alternative approaches to analysing concepts” (Collier et al. 2006: 214).

Applying the theory of essentially contested concepts to social entrepreneurship, it was demonstrated that social entrepreneurship can be indeed regarded as an essentially contested concept. Recognising social entrepreneurship as an essentially contested concept explains as to why it is so difficult to find a universal definition of social entrepreneurship and why it prompts different meanings among different parties. In this regard, it was shown that social entrepreneurship is an appraisive concept leading to value laden debates about its proper meaning. It was further demonstrated that the valued achievement that social entrepreneurship signifies consists of different components that make the concept internally complex. Based on how different users weigh the importance of the different sub-concepts, social entrepreneurship is variously describable. Moreover, it was shown that social entrepreneurship is open in character, and therefore subject to modification in the face of new situations and changing circumstances, which, in turn, further contributes to its contested character. Applying the theory of essentially contested concepts further showed that social entrepreneurship is not just what Gallie (1956a) called a “radically confused concept”, which is the confused use of two or more consistent concepts. The acknowledgement of one original exemplar and the existence of progressive competition rule out the possibility of social entrepreneurship being a radically confused concept.

Recognising social entrepreneurship as an essentially contested concept substantiates the view that a universal definition, which would be accepted among the different users, is hardly ever possible. As Gray (1977: 344) states, definitional disputes over essentially contested concepts are disputes which “cannot be settled by appeal to empirical evidence, linguistic usage, or the canons of logic alone”. Hence, “arguments can be perfected, but never resolved” (Okoye 2009: 623).

Acknowledging social entrepreneurship as an essentially contested concept may therefore, as Garver (1990: 264) states, “promote a more sophisticated, more intellectually and morally advanced understanding of one’s arguments and opponents”. But if, on the other hand, researchers neglect the essentially contested nature of social entrepreneurship and continue using the concept without explicitly stating their specific understanding or considering contestant uses of the concept, then it will remain difficult for researchers to build on each other’s work and establish social entrepreneurship as a coherent field of research. Readers, and especially unacquainted readers of social entrepreneurship literature, will continue to have difficulties in understanding the idea of social entrepreneurship and will be invariably led into utter confusion about the concept. Hence, it can be agreed with Okoye (2008) and Miles (2012)
who argue that recognising a concept as an essentially contested concept does not entirely close
the definitional debate. On the contrary, if the community of researchers wishes to establish
social entrepreneurship as a coherent field of research, which seems in the face of its practical
relevance for today’s world only desirable, then it is necessary to mitigate the complexity of the
concept and facilitate its utility by identifying and defining its “central core” (Okoye 2008;
Miles 2012: 296). To this end, a conceptual understanding of social entrepreneurship in terms of
a cluster concept is proposed, as explained in the next section.

2.6 Conceptualising social entrepreneurship as a cluster concept

It was argued in Section 2.5.2 that the internally complex character of social
entrepreneurship stems from the involvement of multiple sub-concepts which were identified as
(1) social value creation, (2) the social entrepreneur, (3) the SE organisation, (4) market
orientation, and (5) social innovation. Based on this comprehension of social entrepreneurship,
the conceptualisation of social entrepreneurship as a cluster concept is proposed. A cluster
concept is a conglomerate of certain concepts, which are, therefore, called in this case as sub-
concepts, which represent the defining properties of the cluster concept (Gaut 2000), and which
can occur in varying degrees and various combinations in different instantiations of the concept.
The particularity of a cluster concept is that even if an object exhibits fewer than all the
properties, it is sufficient for the object to be regarded as an instance of the concept (Gaut 2000:
27).

Accordingly, conceptualising social entrepreneurship as a cluster concept implies that
social entrepreneurship is a representation of the combined quality of certain sub-concepts, i.e.,
social value creation, the social entrepreneur, the SE organisation, market orientation, and social
innovation. The idea of social entrepreneurship as a cluster concept is schematically illustrated
in Figure 1. Four small circles (the social entrepreneur, the SE organisation, market orientation,
social innovation) and one large circle (social value creation) depict the five sub-concepts which
together constitute the concept of social entrepreneurship. Since the creation of social value is
considered to be a prerequisite of social entrepreneurship (see Section 2.5.2), it can be regarded
as a necessary condition of social entrepreneurship and is, therefore, represented by the large
circle encompassing the other four sub-concepts. The creation of social value, however, is not a
sufficient condition for social entrepreneurship: it is the combination of social value creation
along with the other four properties (the social entrepreneur, the SE organisation, market
orientation, social innovation) which qualifies something to be identified as social
entrepreneurship.
Further, the sub-concepts of the social entrepreneur, the SE organisation, market orientation, and social innovation are not by themselves necessary conditions of social entrepreneurship and can, therefore, exist in greater or lesser degrees (Gallie 1956a:185) and even in different combinations (Gaut 2000: 27) in actual instantiations of the concept. Thus, something can be regarded as social entrepreneurship even if it exhibits less than the five sub-concepts, presupposed that the creation of social value is given.

Since the cluster account of social entrepreneurship does not specify how many or which of the characteristics have to be met for something to fall under the concept, it can be assessed that it “allows a great deal of indeterminacy” (Gaut 2000: 27). However, it is exactly this indeterminacy which is, as it is argued, the strength of conceptualising social entrepreneurship as a cluster concept, since it does justice to the essentially contested and complex nature of the concept. The cluster concept understanding of social entrepreneurship is very inclusive in the sense that it allows for the existence of contesting uses and various forms of social entrepreneurship and, therefore, accommodates the differing conceptions of the different schools of social entrepreneurship (see Section 2.5.7). Further, it also draws attention to the
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different configurations of social entrepreneurship based on differing assumptions about which of the sub-concepts are involved. Thus, conceptualising social entrepreneurship as a cluster concept does not ignore the diversity within the field of social entrepreneurship but serves as a conceptual tool which allows to systematically delve deeper into its various possible meanings and forms. It is suggested that conceptualising social entrepreneurship as a cluster concept can help to advance future research on social entrepreneurship and its establishment as a coherent field of research in three ways. The three possible applications of the cluster concept conceptualisation are discussed in the next section.

2.7 Applications of the cluster concept conceptualisation

It is suggested that conceptualising social entrepreneurship as a cluster concept has three possible applications. Firstly, conceptualising social entrepreneurship as a cluster concept could serve as a broad research agenda for the field of social entrepreneurship and, at the same time, help to organise and locate existing work within the field. Secondly, it can be used for creating social entrepreneurship ‘ideal-types’ which describe actual instantiation of social entrepreneurship and, thirdly, it can be used as a definitional tool for researchers enabling them to define their understanding of the concept.

2.7.1 A research agenda for social entrepreneurship

Acknowledging that social entrepreneurship involves several sub-concepts calls for an in-depth investigation of each of the sub-concepts within the cluster concept framework. Hence, the cluster concept conceptualisation of social entrepreneurship can serve as a broad research agenda. Research on the sub-concept of (1) social value creation could investigate the nature and the measurement of social value creation in the context of social entrepreneurship. Research on the sub-concept of (2) the social entrepreneur could investigate the traits, skills, behaviour, and motivations of social entrepreneurs. Research on the sub-concept of (3) the SE organisation would involve a wide range of topics such as funding issues, cross-sector collaborations, different legal forms in different countries, and governance structures. Research on the sub-concept of (4) market orientation would involve topics such as earned-income strategies, social business, and bottom-of-the-pyramid businesses. And lastly, research on the sub-concept of (5) social innovation could investigate the nature of social innovations, the different types of social innovations, and the methods for developing social innovations.

As expected, there already exists a considerable amount of research on the five sub-concepts mentioned above. For instance, Yujuico (2008) and Ziegler (2010) probed into the
concept of (1) social value creation within the context of social entrepreneurship by applying the capability approach as an evaluative framework. Nga and Shamuganathan (2010) have conducted research on the (2) social entrepreneur by examining the connection of personality traits and start-up intentions and Miller et al. (2012) examined the role of compassion in encouraging social entrepreneurial activities. Authors such as Defourny and Nyssens (2008), Bacq and Janssen (2011), and Smith et al. (2012) investigated (3) organisational aspects of social entrepreneurship. Dees (1998a), Yunus (2007), and Olsen and Boxenbaum (2009) investigated the (4) market orientation aspect of social entrepreneurship. And authors such as Swedberg (2009), Ziegler (2010), and Mulgan (2007) investigated (5) social innovation within the context of social entrepreneurship. Conceptualising social entrepreneurship as a cluster concept would help in integrating these seemingly fragmented literatures and relating them to the wider field of social entrepreneurship.

2.7.2 A tool for creating a typology of actual instantiations

Another application of the cluster concept conceptualisation is to use it as a tool for creating social entrepreneurship ‘ideal-types’ which represent prevalent configurations of sub-concepts describing actual instantiations of social entrepreneurship. The advantage is that different cases of social entrepreneurship can be described on the basis of the cluster concept conceptualisation by stating explicitly which of the sub-concepts are involved in each of the cases. Accordingly, the cluster concept conceptualisation of social entrepreneurship can serve as a basis to create a typology of social entrepreneurship. It is important to note that this application applies to actual instantiations of the concept and must not be confused with the application relating to the definitional aspect of social entrepreneurship, which will be presented in the next subsection, and which depends on the individual researcher’s scope of research and must be decided on a case-to-case basis. Hence, this application relates to actual instantiations of social entrepreneurship and is independent of the conception of social entrepreneurship held by a particular researcher. It is clear that, depending on which of the sub-concepts are present, many different types, i.e., configurations of social entrepreneurship are possible in actual instantiations of social entrepreneurship. In this section, three major types, which may be especially relevant for the field of social entrepreneurship research, are presented by applying the cluster concept understanding of social entrepreneurship.

The first type of social entrepreneurship involves each of the five sub-concepts, i.e., (1) social value creation, (2) the social entrepreneur, (3) the SE organisation, (4) market orientation and (5) social innovation. A case which can be described by this combination of sub-concepts is the Grameen Bank and Muhammad Yunus, which has been already described in Section 2.5.6. A second prevalent type of social entrepreneurship is the combination of the sub-concepts of (1)
social value creation, (2) the social entrepreneur, (3) the SE organisation, and (5) social innovation. An example for this type of social entrepreneurship is the Khan Academy. The Khan Academy is an educational organisation (SE organisation) founded by Salman Khan (social entrepreneur), which offers innovative online tutorials free of cost (social innovation) that have reportedly benefitted a large number of students worldwide (social value creation). The Khan Academy does not pursue earned-income strategies or other commercial activities but is fully funded by donations. The third prevalent type of social entrepreneurship is the combination of the sub-concepts of (1) social value creation, (2) the social entrepreneur, (3) the SE organisation, (4) and market orientation. In this type the sub-concept of social innovation does not apply. This means that the SE organisation creates social value through market-based activities without employing a concrete social innovation that solves an existing social problem. An example for this case is LemonAid Beverages, a business (SE organisation), which was founded by two persons (social entrepreneur) and which produces and sells lemonades (market orientation) with the explicit goal to use part of the revenues to fund social projects (social value creation). This case is what Alter (2008) calls an “enterprise unrelated to the mission”, since the business activity (selling lemonade) is not directly related to the social mission (funding social projects). Table 1 provides an overview of the three types and the sub-concepts involved.

Table 1
A typology of social entrepreneurship based on the cluster concept

<table>
<thead>
<tr>
<th>Type</th>
<th>Example</th>
<th>Social value creation</th>
<th>Social entrepreneur</th>
<th>SE organisation</th>
<th>Market orientation</th>
<th>Social innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grameen Bank</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>2</td>
<td>Khan Academy</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
<td>yes</td>
</tr>
<tr>
<td>3</td>
<td>LemonAid Beverages</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
</tr>
</tbody>
</table>

There are certainly other configurations, i.e., types of social entrepreneurship, which can be expressed on the basis of the cluster concept conceptualisation. Nevertheless, it is suggested that these three types are prevalent configurations in social entrepreneurship practice and research.

2.7.3 A definitional tool for researchers

Since social entrepreneurship is such a complex concept which encompasses many diverse forms of social entrepreneurial initiatives, it is important for researchers to limit their conception to a specific type or types of social entrepreneurship in order to be able to build coherent research and build on each other’s work. This, indeed, has already taken place to some
extent by researchers holding contesting conceptions and stating their definitions of social entrepreneurship. However, the cluster concept conceptualisation can here serve as a systematic approach to define one’s own conception by stating which of the sub-concepts they view as necessary for something to qualify as social entrepreneurship. Stating a combination of sub-concepts as necessary conditions does not preclude that other sub-concepts, which are not considered as necessary, can be existent as well. The difference is that necessary sub-concepts have to exist in cases of social entrepreneurship, whereas not necessary sub-concepts can exist. Hence, a lot of freedom and flexibility is available for researchers to define their understanding of social entrepreneurship. The next section defines the concept of social entrepreneurship for the thesis by stating which sub-concepts are considered as necessary conditions of social entrepreneurship.

2.8 Defining social entrepreneurship for the thesis

The thesis and the study of the thesis consider cases as social entrepreneurship which exhibit at least the sub-concepts of (1) social value creation, (2) the social entrepreneur, (3) the SE organisation and (4) social innovation (see Figure 2). Accordingly, the sub-concept of market orientation, understood as the employment of commercial activities, is considered as a possible but not critical property for instantiations of social entrepreneurship. Following this definition both the Grameen Bank (type 1) and the Khan Academy (type 2) are considered as instantiations of social entrepreneurship, whereas LemonAid Beverages (type 3) is not. The rationale of choosing the sub-concepts of (1) social value creation, (2) the social entrepreneur, (3) the SE organisation and (4) social innovation as necessary conditions of social entrepreneurship is that the scope of the thesis is to identify patterns by which social entrepreneurs develop social innovations, i.e. effective solutions for social problems, irrespective of if commercial activities are pursued. In fact, several recognised social entrepreneurs who develop and implement impactful social innovations, such as several Ashoka Fellows, do not employ commercial activities but are funded by grants and donations. Hence, cases of social entrepreneurship which are fully grant funded and do not generate income streams as well as cases which employ commercial activities are considered as valid instantiations of social entrepreneurship as long as they exhibit the feature of a social entrepreneur using a social innovation to solve a social problem within an organisational framework.
The understanding of social entrepreneurship as involving the necessary sub-concepts of social value creation, social innovation, the SE organisation, and the social entrepreneur is mainly in accordance with the social innovation school of social entrepreneurship. Prominent institutions which subscribe to this definition of social entrepreneurship are fellowship organisations such as Ashoka: Innovators for the public.

However, a limitation in the applicability of the cluster concept understanding may exist with regard to the complex and contested nature of the sub-concepts themselves. Especially, the sub-concepts of social value creation, the social entrepreneur and social innovation may be considered as contested concepts (Section 2.5.2) and possibly, even as essentially contested concepts. Consequently, it is necessary to further explain and discuss the concepts of social value creation, social innovation, and the social entrepreneur for a thorough understanding of social entrepreneurship. Therefore, the following three chapters offer clarifications on these three concepts by reviewing the literature and by proposing basic understandings of each of the concepts which may also be useful for future research.