Social Entrepreneurship: How Intentions to Create a Social Venture are Formed

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Introduction

Entrepreneurship aiming at social benefits has become ubiquitous. Social entrepreneurship (SE) involves innovative approaches to address issues in the domains of education, environment, fair trade, health and human rights and is widely regarded as an important building block of the sustainable development of countries.

Although entrepreneurial initiatives aimed at social and economic wealth creation are not new, they have only recently raised increasing interest among scholars (Wallace, 1999). Therefore, we still know relatively little about the particular dynamics and processes involved in SE. The few existing papers are mainly descriptive and rely on anecdotal evidence: studies based on rigorous empirical and theoretical research approaches are rare. This paper aims at clarifying important concepts and illuminating the process of SE.

We believe that the core of entrepreneurship – in Schumpeter’s words, ‘the carrying out of new combinations’ – is context free, that is, it is the same regardless of where it takes place (Schumpeter, 1934). Yet SE differs from traditional ‘business’ entrepreneurship in several aspects. First, social entrepreneurs are moved by different motivations to discover and exploit a distinct category of opportunities; second, the way they pursue opportunities might diverge from typical business approaches; and third, the outcome social entrepreneurs aim for involves both social and economic aspects. In sum, the distinct characteristics of social entrepreneurs, the particular category of opportunities they pursue, and the outcomes of their initiatives, invite us to discuss whether SE stands as a distinct field of investigation (Prabhu, 1999).
SE has been previously defined as the ‘creation of viable socioeco-
nomic structures, relations, institutions, organizations and practices
that yield and sustain social benefits’ (Fowler, 2000: 649). While this
definition provides an answer to what SE aims at, it lacks a description
of how to achieve the intended results. We view SE as a set of inter-
locking opportunity-based activities by competent and purposeful indi-
viduals who – through their actions – can make a difference in society
and are bounded by context. We conceptualize SE as a process that
involves individuals (social entrepreneurs) engaging in a specific
behavior (social entrepreneurial behavior) with tangible outcomes
(social ventures or enterprises). For the purpose of this chapter we
define SE as the innovative use of resource combinations to pursue
opportunities aiming at the creation of organizations and/or practices
that yield and sustain social benefits. We deliberately do not delimit
the definition to initiatives in the nonprofit sector and imply a notion
of helping behavior.

In the first part of this chapter we review the existing literature to
clarify key constructs. We elaborate on the distinguishing features of
social entrepreneurs and identify key antecedents of the SE intention
formation process. Subsequently, we address how behavioral inten-
tions to create a social venture are formed, and present a model of
socially entrepreneurial intentions. We conclude by discussing implica-
tions for future research and contributions.

Mapping social entrepreneurship

Numerous definitions have been offered, each stressing different aspects
and dimensions of SE. One group of researchers refers to SE as nonprofit
initiatives in search of alternative funding strategies and management
schemes to create social value (Boschee, 1998; Austin, Stevenson and
Wei-Skillern, 2003). A second group of researchers understands it as the
socially responsible practice of commercial businesses engaged in cross-
sector partnerships (Waddock, 1988; Sagawa and Segal, 2000). And a
third group views SE as a means to alleviate social problems and catalyze
social transformation (Alvord, Brown and Letts, 2004). For the purpose
of this chapter, we view SE as the innovative use of resource combina-
tions to pursue opportunities aiming at the creation of organizations
and/or practices that yield and sustain social benefits.

What is special about the social entrepreneur?

In very practical terms, social entrepreneurs – also known as social
entrepreneurial leaders and civic entrepreneurs – are ‘ordinary people