

# Social Entrepreneurship as Fetish

by Fredrik O. Andersson

We are apt to praise the entrepreneurial spirit, but entrepreneurship is not automatically tied to success—a fact that has not stopped proponents from prescribing it as a cure-all for our sector's woes, and which may have blinded some to the very real challenges that await those eager to put the concept into practice. Until the value of social entrepreneurship has been empirically assessed and established, it would be wise to proceed with care.

**H**OW TO THRIVE IN TURBULENT times, improve organizational sustainability, and generate significant social impact are crucial questions currently confronting many nonprofit leaders and boards. There appears to be an answer within reach, and its formula is as simple as it is powerful: you and your agency need to become more entrepreneurial.

Over the last ten years, the fascination with and interest in social entrepreneurship seem to have grown exponentially. Today, this concept has positioned itself at the very heart of discussions about the future and evolution of the nonprofit sector, as a number of nonprofit executives have “embraced social entrepreneurship as a model of management.”<sup>1</sup> There are several reasons behind this fast development, and I want to mention two in particular.

First, despite the many constructive and positive impacts created by nonprofit organizations both locally and nationally, there exists a looming fear

that our current efforts are not reaching far enough fast enough, and that traditional ways of addressing community needs and social issues lack the transformational capacity to deal with many of today's complex and new social problems. In other words, the search is on for a new paradigm—a “game-changer”—based on fresh and different ways to create systemic change.

Second, corresponding with this search for novel and innovative ways to deal with social issues, a new generation of philanthropists and institutional donors has been eager to promote the idea that the key to solving all sorts of pressing social predicaments is to be found in business principles and practices. As the story goes, the challenges and perceived inefficiencies of our current approach to social problems will, as *Forbes.com* described it, “ultimately be properly managed, or maybe even solved, when desperate governments and NGOs finally surrender their ideologies and tap the private sector for help.”<sup>2</sup>

Social entrepreneurship has united these two ideas to form a powerful fusion from which a new approach is indeed emerging, one that is backed by high-profile advocates like Bill Clinton and Nobel Peace Prize-winner Muhammad Yunus. The nonprofit literature has also noted that the means and tactics of social entrepreneurship and social enterprise “[are] being accorded a status of—if not quite a panacea—then at least a significantly important emergence in the societal management of key social needs.”<sup>3</sup>

Despite the tremendous energy and excitement surrounding social entrepreneurship, many nonprofit practitioners find it a highly elusive and difficult topic. I believe that one of the fundamental reasons behind this elusiveness lies within the social entrepreneurship phenomenon itself. More specifically, in contrasting what is being said with what we know about this phenomenon, I have started to believe that in many aspects social entrepreneurship is a fetish, an object of desire—more important for

what it symbolizes than for its substance and applicability to nonprofits. My purpose here, then, is to discuss some of these symbolic properties and illustrate what makes them powerful, but also what makes them problematic.

## Social Entrepreneurship as Dream Catcher

What exactly does it take to be more (socially) entrepreneurial? Given the praise for the concept and the frequent calls for a more entrepreneurial nonprofit sector, one might think this basic and crucial question has an obvious answer, which is why it is almost ironic that one of the few areas of agreement in this field is that there is no agreement about how to define or operationalize social entrepreneurship. But rather than undermining its legitimacy, this lack of precision has only added to the mystique and power vested in the social entrepreneurship phenomenon. Absent any right or wrong way to conceptualize social entrepreneurship, it has transcended into a shape-shifter that can take on almost any form—or, as Humpty Dumpty formulated it: “When I use a word, it means just what I choose it to mean—neither more nor less.” This becomes evident when one considers the vast number of activities that all manage to fit under the social entrepreneurship conceptual umbrella, ranging from seemingly vague efforts to be more “creative,” “innovative,” and “bold” to more targeted strategies such as the application of business/market principles or the creation of earned income-generating programs. As a consequence, there is a huge smorgasbord of options and recommendations from which nonprofits can pick and choose.

The obvious problem with this Humpty Dumpty aspect of social entrepreneurship is that a concept that means everything means nothing, and therefore

has virtually no utility for practitioners. For example, how will nonprofits be able to differentiate entrepreneurial actions from non-entrepreneurial actions? How and in what way do the various social entrepreneurship menu items differ from one another, and do organizations need to use all of them to be entrepreneurial? Nonprofit managers and boards will find that it is far from easy to get precise answers to these types of questions. But rather than opting for clarity, advocates have skillfully used the plasticity of social entrepreneurship to craft it into a vessel for carrying the ideas, dreams, and hopes of a new and improved nonprofit sector. By predominantly stressing intangible qualities, the social entrepreneurship debate recurrently manages to sidestep the uncomfortable challenge of being specific or concrete. In other words, a key reason why it is so hard to find a specific and concrete answer to the initial question above, regarding what exactly it takes to be more socially entrepreneurial, is that what often needs articulating is not *how* to be socially entrepreneurial but rather *what* social entrepreneurship stands for.

When we look at social entrepreneurship from such a symbolic perspective, we can also see that one of its principal symbolic assets is what it promises. This imagery has indeed been very successful in captivating many nonprofits, foundations, and policy makers. Today it seems virtually impossible to find any aspect of nonprofit organizational life that is not alleged to benefit from being a bit more entrepreneurial. This feature is further accentuated as nonprofits struggle to find their way in times of turbulence and uncertainty.

As Lee Bolman and Terrence Deal have pointed out, when faced with confusion and ambiguity we often turn to symbols that can provide some sense of direction and help anchor hope and faith

for the journey ahead.<sup>4</sup> Social entrepreneurship neatly fits this description, as it promises a better tomorrow. As stated by many social entrepreneurship evangelists, by embracing the role of social entrepreneur, we charge our organizations and ourselves with the capacity to transform our communities and even the world into a better place. But it is here, at the very core of the symbolic power vested in social entrepreneurship, that we also find one of its greatest limitations: no matter what nonprofits want, they cannot engage in something they do not fully understand how to do. Impetus does not equal ability, and as several social entrepreneurship scholars have indicated, until we know more about the determinants of social entrepreneurship, this critical shortcoming will remain for nonprofits to wrestle with.<sup>5</sup> So what if we really don't know what “it” is that fuels this notion that social entrepreneurship makes a difference? How do we know it works?

## Success Stories

Based on the numerous stories, dramas, and anecdotes of successful social entrepreneurs across the globe—which can be found in the fast-growing segment of literature discussing and depicting social entrepreneurship, as well as the types of information found on websites of foundations and other groups that support social entrepreneurs—proof of the effectiveness of social entrepreneurship seems indisputable. But, while celebrating success is important, the frequent use of hero stories and individual accounts must be treated with caution. First, while it is good to know when social entrepreneurs succeed, we also need to know when they do not. After all, whether the success rate is 5, 15, or 50 percent makes a difference when assessing just how effective being socially entrepreneurial really is. Second, there

is a major difference between describing success and explaining success. To be valuable to people in the nonprofit sector, simply showcasing success only makes partial sense unless these stories also explain what caused the success in the first place. Third, from a scholarly perspective, while individual success stories are valuable for descriptive and exploratory purposes, they are less useful for drawing aggregate and wide-ranging conclusions in terms of overall effectiveness or performance. In short, success stories are useful but not sufficient to verify that social entrepreneurship works.

Ask what academics and current researchers have concluded about the overall impact and success of social entrepreneurial activities, and the short answer is: it is too early to tell. The picture emerging from the research literature is that our knowledge about social entrepreneurship is growing but still in an emergent stage, and the literature is noteworthy for its lack of sound quantitative empirical inquiry, overemphasis on the heroic social entrepreneur, and slow theoretical progress.<sup>6</sup>

Thus, we have two very different assessments regarding the effectiveness of social entrepreneurship. As discussed in the previous section, one might think that such lack of agreement could challenge the legitimacy of social entrepreneurship, or at least result in some caution before prescribing it as a universal solution to social problems; but this is obviously not the case. Instead, as mentioned earlier, while various academics are attempting to move this mosaic field forward in a more balanced direction, there are equally as many impatient advocates who continue to push social entrepreneurship as a panacea for dealing with social problems.<sup>7</sup>

So why do leading philanthropists, prime ministers and presidents, the Nobel Peace Prize-committee, and Bono continue to praise, support, and prescribe what many scholars still consider an untested approach to success? Again, to make sense of this situation we must realize that much of the value of social entrepreneurship is located in the intangibles: its meaning and desirability. Viewed from a scholarly perspective, marshaling facts and analyzing data may indeed be the correct or rational way to gain support, but if you want to foster belief, purpose, and passion you are better off using drama and storytelling. It is not difficult to understand that many academics are indeed befuddled by such passion—as a recent research review noted, “There tends to be an underlying assumption that these heroic social entrepreneurs will somehow save the world.”<sup>8</sup> But it is precisely the stories and dramas of successful social entrepreneurs that perpetuate and keep the fetish alive, so that when we hear and think of social entrepreneurship, it is not what is being produced that matters the most but rather what is being *expressed*.<sup>9</sup>

To put it somewhat differently, as the popularity of social entrepreneurship has grown, many of the more spectacular and recurring stories have turned into myths, and myths can legitimize just as well as any statistic. Scott Shane explored the myths of business entrepreneurship and concluded that they appeal to our sense of voyeurism because they provide “a window on a life that seems exciting and exotic.”<sup>10</sup> In addition, myths are light-footed and travel easily in the sea of information, whereas scientific evidence often gets lost in academic journals or trapped in tables and figures. Finally, myths are not

bound by either rationality or reality. As Chuck Palahniuk eloquently phrased it, “The unreal is more powerful than the real. Because nothing is as perfect as you can imagine it.”

To be clear, I’m not suggesting that the efforts and impact created by social entrepreneurs are not real or relevant. But the symbolic properties and lack of academic evidence discussed here do raise concerns about the merits of selling social entrepreneurship as a best practice, when the effectiveness of this “thing” is still very much unknown. Ultimately, nonprofit executives and boards must be held accountable for their readiness to critically examine the different aspects and evidence of social entrepreneurship rather than be passively enamored of it. Still, when considering the mix of myths and success stories associated with social entrepreneurship, it is easy to understand its appeal. As a self-labeled social entrepreneur recently told me, social entrepreneurship is a practice in which “everybody wins.”

## Social Entrepreneurship as Best Practice

In this final section, I want to concentrate on one myth in particular: that social entrepreneurship represents something inherently good—a best practice that you and your agency ought to engage in. Let’s begin with the “goodness” aspect. Especially in the practitioner-oriented literature, social entrepreneurship is explicitly presented as something positive: it’s good for individual organizations, good for the internal and external stakeholders, good for the nonprofit sector, good for society. Everybody wins. Several entrepreneurship scholars, on the other hand, are dubious about this assumption. While certain forms of entrepreneurial activity are undoubtedly very positive and productive, there are other activities that tend to be unproductive—and

some are even destructive. Consequently, this plurality of forms “reminds those engaged in the research, practice and policy planning of entrepreneurship that entrepreneurial activities are not fundamentally ‘good’ and should be examined in their entirety.”<sup>11</sup>

Again, we have an area where scholars seem to approach social entrepreneurship somewhat differently from its advocates. Still, it is not difficult to understand why supporters of social entrepreneurship are eager to highlight the positives. In particular, by constantly reinforcing the image of social entrepreneurship as “good,” a rationale and basis for prescribing it as an advantageous practice is created. Moreover, as Shane has observed, we tend to want to believe that social entrepreneurship is creditable, and this emphasis on its desirable elements breeds conformity and effectively prevents discussions about potential adverse and destructive components from ever reaching the surface.

In addition to being touted as “good,” social entrepreneurship is persistently advocated as being something one can choose to do—a sort of best practice that can be taught and implemented. For example, in the opening chapter of Peter Brinckerhoff’s popular book *Social Entrepreneurship: The Art of Mission-Based Venture Development*, we are told that the benefit of the author’s approach is that “you will learn how to be a social entrepreneur and how to develop or improve your business development skills, which in turn will make you a better manager in pursuit of your mission.”<sup>12</sup> But there is something very disconcerting about this whole viewpoint.

First, this is an example of the notion that adopting business practices is a way to make nonprofits more entrepreneurial so that they can better solve social-sector problems. Besides the lack

of evidence that this works, if business enterprises and their practices were any better than nonprofit or public agencies at solving social problems, why haven’t they already done so? After all, they are the ones that use business best practices all the time. Perhaps the dearth of for-profits trying to address social problems exists simply because many business methods and practices do not work in the nonprofit sector, rendering businesses mostly ineffective in dealing with social-sector issues. There is something paradoxical about recommending business and market-based logic and practices as suitable and effective solutions for nonprofits, given that market failure is seen as one of the principal reasons for the very existence of the nonprofit sector in the first place.

Second, consider the term “best practice.” It represents something with a proven track record, an established path to success that can be replicated and copied by others. As mentioned earlier, business enterprises are not necessarily any better than public or nonprofit agencies at solving social problems, which raises questions about the merits of prescribing them as best practices in the first place. But there is an even more fundamental question: if social entrepreneurship is, ultimately, about finding a new paradigm and breaking away from existing frameworks and approaches, how can it also be defined by a set of best business practices that, by definition, draw on those same established models? Furthermore, if business practices tend not to be all that effective at solving social-sector problems when used by business organizations, it seems almost preposterous to assume that such practices would work any better if taken up by nonprofits.

I view the “goodness” and business best practice myths as two of the most problematic from a nonprofit practitioner

perspective because of the illusion of certainty they portray, when the fact is, one of the fundamental aspects of entrepreneurial action is the absence of certainty. The price to pay for being socially entrepreneurial is that there is no way of predicting when such entrepreneurial actions will be successful, and when they will fail. Those agencies that are willing to commit to such uncertainty may indeed create substantial impact, but they may also crash and burn. When, in the mid-1980s, Manfred Kets de Vries set out to describe the dark side of entrepreneurship, he warned that the possibility of accomplishing great change and creating value often comes with difficult decisions to be made, making the entrepreneurial dynamic a disruptive and turbulent one for many organizations.<sup>13</sup> In other words, entrepreneurial activities are not business as usual; they can seriously challenge the way nonprofits operate internally, and add additional burdens and tasks to volunteers, staff, and board.

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The aim of this article was to examine some of the symbolic underpinnings of what I have described as a social entrepreneurship fetish that continues to attract followers in the nonprofit, public, and private spheres. Let me be clear: social entrepreneurship is a tremendously exciting subject, with much potential to augment and advance nonprofit theory and practice. It is also a phenomenon that will continue to spur debate and discussion as organizations, policy makers, and communities seek solutions to both current and future social issues and challenges. So my purpose here has not been to reject social entrepreneurship but rather to problematize and perhaps liberate it from some of its theatrical properties. In particular, there is a gap between what we know and



what we hope social entrepreneurship will accomplish in the nonprofit sector. From this perspective, social entrepreneurship fetishism is not dangerous—not until it starts forcing itself onto unwilling objects, and I do not think we are there yet.

Nonprofit organizations certainly must continue to play a significant role in American civil society, and in order to face the challenges ahead it is clear that nonprofits need good management, engaged boards, and sound financial practices. Some will also need more resources, staff, and volunteers. But the question to ask is whether there is in fact a need for all nonprofits to be socially entrepreneurial. Given the lack of rigorous research and evidence of what it is, what works, and what doesn't, it appears premature to urge nonprofits to become more entrepreneurial and send them off not only into uncertain territory but, more important, to a place where the consequences of such actions can have serious implications for their existing operations, the people they support, and the communities they serve.

#### NOTES

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