

# Social Entrepreneurship's All-American Mind Trap

by Fredrik O. Andersson and Ruth McCambridge

Social entrepreneurialism in the United States has fallen into the relatively common yet bothersome foundational trap of imaging social entrepreneurs largely as individuals rather than collectives. This, we posit, is not only archaic and sectorally misplaced but also severely limits the potential of the social enterprise movement.

IN A WORLD FILLED WITH PERSISTENT AND EMERGING social, economic, and environmental problems, a modern crusader has emerged with the power to save the day—the social entrepreneur. After long being overshadowed by its much more visible and celebrated sibling, the business entrepreneur, social entrepreneurs have taken center stage as a new type of superhero fighting injustice, poverty, and other social evils across the globe.<sup>1</sup> The powers and undertakings of social entrepreneurs are communicated and illustrated via powerful stories in research and the media and supported by celebrities, policy-makers, philanthropists, and a growing number of intermediary support and funding agencies.<sup>2</sup>

The notion of social entrepreneurship has

become an arousing and intoxicating subject that has turned the social entrepreneurship discourse into a grand narrative. Not only are social entrepreneurs celebrated as fundamental social change agents, their superhero images are further reinforced by the tendency to repeatedly frame socially entrepreneurial actions and impact in positive terms. As a consequence, as Pascal Dey and Chris Steyaert put it back in 2012, “anyone who raises questions or concerns is immediately looked at suspiciously because social entrepreneurship has, in the dominant perception, already passed the test of critical scrutiny.”<sup>3</sup>

The *Nonprofit Quarterly* has previously highlighted the necessity of a more nuanced discussion regarding the “goodness” of social entrepreneurship as it is now framed;<sup>4</sup> however, the purpose of this piece is not to discuss the merit of social entrepreneurship as such but rather how it is being imaged and defined as an act primarily of an individual rather than a collective.

The issue we are focusing on here is far from new—Paul Light’s 2006 article “Reshaping Social

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Entrepreneurship,” for example, delves into the subject—yet a reminder is much needed.<sup>5</sup> In seeking to communicate the deeds and value of social entrepreneurship, there is often a strong focus on the *individual* social entrepreneur. Colorful and gripping depictions present the idea of twenty-first-century supermen and -women solving the complex issues of our time. To be clear, we are not saying individuals don’t matter; on the contrary, individual agency is a key component of any form of entrepreneurship. However, the fictionalized narrative of the social entrepreneur as a lone ranger needs to be disrupted and problematized—hierarchies based on the charisma, contact, and intelligence of one leader are the wrong form for the work of this sector.

### Warring Frameworks

#### *The Lone Ranger Story*

That framework of the bold individual entrepreneur as the hero of the age is profoundly ineffectual, counter-evolutionary claptrap—and not just in the civil sector, where we are all about collective action for the public good. It is plainly displaced in our time of open systems and networks. In 1987, Robert Reich wrote in the *Harvard Business Review*:

To the extent that we continue to celebrate the traditional myth of the entrepreneurial hero, we will slow the progress of change and adaptation that is essential to our economic success. If we are to compete effectively in today’s world, we must begin to celebrate collective entrepreneurship, endeavors in which the whole of the effort is greater than the sum of individual contributions. We need to honor our teams more, our aggressive leaders and maverick geniuses less.

The older and still dominant American myth involves two kinds of actors: entrepreneurial heroes and industrial drones—the inspired and the perspired.<sup>6</sup>

But the “extraordinary individual” mythology is insistent and embedded in the powerful cultural mythology of the United States—and as such, it is an easy draw for attention and capital. As a result, instead of looking to solutions that

not only have collectively positive effects but that are also collectively wrought, we have seen a kind of serial sideshow of highly lauded start-ups—each of whose founders gets his or her own fifteen minutes of fame, which generally flames out within years if not months.

#### *The Community Will Narrative*

There is another cultural tradition and mythology that is just as longstanding in this country: our dependence on collective action. We are used to seeing this happen in the face of a disaster—a community rushes toward rather than away from danger, somehow dividing responsibilities and coordinating in an almost magical way. Each independent actor is autonomous, but all are looking to get as much done as possible to make things right. That is the other great American story: a community comes together and works away at the same endeavor, making use of the collective intelligence—the diverse perspectives and disciplines, but common interests—of its members. That is, after all, our national birth story, so it is something that we know resonates—but we have allowed *that* mythology to lie fallow when it comes to the economy.

But there is far more than ideology to recommend the story of the power of a committed group over the power of an individual in today’s complex world. As Reich describes it:

In collective entrepreneurship, individual skills are integrated into a group; this collective capacity to innovate becomes something greater than the sum of its parts. Over time, as group members work through various problems and approaches, they learn about each others’ abilities. They learn how they can help one another perform better, what each can contribute to a particular project, how they can best take advantage of one another’s experience. Each participant is constantly on the lookout for small adjustments that will speed and smooth the evolution of the whole. The net result of many such small-scale adaptations, effected throughout the organization, is to propel the enterprise forward.<sup>7</sup>

And that may also, in the long run, make it more sustainable over time—multiple anchors of commitment informed by multiple points of view and streams of information.

When you add to this the advancements in technology that we have seen over the past twenty years and the increasing cultural acceptance of open systems and networked endeavors, we see something so much more intriguing and promising in practice than a simple hierarchy led by one extra-driven individual. As Reich put it:

[U]nder collective entrepreneurship, workers do not fear technology and automation as a threat to their jobs. When workers add value through judgment and knowledge, computers become tools that expand their discretion. Computer-generated information can give workers rich feedback about their own efforts, how they affect others in the production process, and how the entire process can be improved.<sup>8</sup>

Thus, the social enterprise sector may be floundering because it has quite simply missed the boat when it comes to its founding narrative and the structural assumptions that flow from that.

## Wicked Problems

There are any number of other reasons why philanthropy and venture philanthropy should be spending more concentrated time in exploring collective entrepreneurship. The nature of the problems we are trying to address in this sector require that we stay grounded in the changing realities and dialectics of communities, and that takes a collective intelligence and commitment.

In the early 1970s, Horst Rittel and Melvin Webber employed the term *wicked problems* (coined by Rittel in the mid-1960s) to describe issues with innumerable causes—problems that are tough to fully comprehend and define, and that don't have a single and/or correct answer.<sup>9</sup> There are plenty of wicked problems, many of which social entrepreneurs are said to be seeking to remedy, including poverty, hunger, racism, and environmental deprivation. According to Rittel and Webber, wicked problems have several core properties, four being outlined below, as

summarized by John C. Camillus in the *Harvard Business Review*:

- Every wicked problem is essentially unique. An ordinary problem belongs to a class of similar problems that are all solved in the same way. A wicked problem is substantially without precedent; experience does not help you address it.
- Every wicked problem can be considered to be a symptom of another problem. While an ordinary problem is self-contained, a wicked problem is entwined with other problems. However, those problems don't have one root cause.
- The existence of a discrepancy representing a wicked problem can be explained in numerous ways. A wicked problem involves many stakeholders, who all will have different ideas about what the problem really is and what its causes are.
- The planner has no right to be wrong. Problem solvers dealing with a wicked issue are held liable for the consequences of any actions they take, because those actions will have such a large impact and are hard to justify.<sup>10</sup>

Given the above properties, a main implication of wicked problems is the difficulty for any single agent (individual or organization) to effectively address them. In other words, it is virtually impossible for a single social entrepreneur—superhero or not—to make a dent in a wicked problem let alone progress toward any sort of solution. Instead, attacking major issues such as poverty requires support and actions more or less coordinated by multiple players. Hence, it is time we recognize the almost ironic tendency of defining social entrepreneurship as the activity of lone rangers and instead embrace the notion of social entrepreneurship as a collective endeavor.

## Refitting Our Organizational Mind-Sets

In a recent interview with the *Nonprofit Quarterly*, Douglas Rushkoff said that he sees nonprofits with their roots in the commons as natural hosts to businesses that are socially responsible:

I mean, it seems like simple logic, but it's looking at a resource as something that we want to maintain over time. We want

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The work of fine-tuning practices for collectively managed structures has not yet had the kind of investment it needs from philanthropy, but it is not without a tradition to build upon. In fact, in much of the rest of the world, the term *social enterprise* more quickly brings to mind the cooperatively rather than the individually led and conceived entity.

to maximize the value that everybody can create, as opposed to . . . well, the way a short-term company looks at something. The ideal scenario for them, I guess, is when you go to someone else's country, you mine for things and you mine for things in such polluting ways that you make it impossible for the local community to do subsistence farming anymore. So now everybody has to work for your company if they want to have an income, and then even after you're gone, they don't have a way to sustain themselves, so they become utterly dependent on you and the World Bank or foreign lenders in order to buy chemicals or whatever they need to try to grow on their polluted topsoil. It's the anti-commons view.<sup>11</sup>

Though some socially entrepreneurial ideas start inside the head of an individual, many start as an excited discussion between people who put a concept or concepts together from different disciplines and commitments. Ideas are cheap unless you can make your idea the idea of others. In the entrepreneurship literature, the term *liability of newness* is often used to emphasize the lack of legitimacy facing those seeking to transform new and innovative ideas into reality. At the very beginning, the individual social entrepreneur may have nothing to offer but promises and hopes, so he or she needs the support of others to move forward. In a fascinating TED Talk titled "How to Start a Movement," the entrepreneur Derek Sivers observes that if we focus our energy on individual leaders, we may not end up with much, as the true impact of a movement lies in building coalitions with others.<sup>12</sup>

And those entrepreneurial ideas built, nurtured, adjusted, cried about, sweated over, and generally maintained in concert with others come with their ready-made group of adherents.

This is not to say that collective entrepreneurship comes without its own sets of inherent problems. The work of fine-tuning practices for collectively managed structures has not yet had the kind of investment it needs from philanthropy, but it is not without a tradition to build upon. In fact, in much of the rest of the world, the term *social enterprise* more quickly brings to mind the

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And there is much to consider here. In their paper "A Primer on Collective Entrepreneurship," Molly Burrell and Michael Cook point out, "Collective entrepreneurship is described as a mode of engagement in which members of the collective operate with a high degree of autonomy," and that we need to better understand over time "the most effective mechanisms for 1) motivating individuals to act in the best interest of a group, 2) developing the notion of a collective fate among stakeholders, and 3) maintaining structures that organize individual entrepreneurial activity without succumbing to the rigidity of hierarchy."<sup>13</sup>

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Thus, rather than focusing on who the social entrepreneur is, a much more interesting question is why and how do various stakeholders come together in pursuit of socially entrepreneurial ends? How might philanthropy change its image of entrepreneurialism from an individualistic notion to a collective one, so that what we see at the end of the capitalization of new ideas is sustainable shared ownership or stewardship enterprises that have been and are continually fine-tuned to fit a system?

This article only begins to explore some of these issues; we want to begin to push the point that while innovation and entrepreneurial activity are native to the nonprofit sector, we undercut that by consistently raising up the individual as the driver of action. That does not fit with what we now see as leadership in the sector, where movements are built collectively overnight, and even the most powerful of those involved are less and less being imaged as the driver.


In this case, the uncertainty of our world requires the many to envision solutions that can work well in individual communities while spreading across boundaries. We know, generally, how this is done—so why is social enterprise exempt in this building of an interconnected future?

## NOTES

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11. Douglas Rushkoff, "The Sustainability Prerogative: Nonprofits in the Future of our Economy," interview with Douglas Rushkoff, *Nonprofit Quarterly*, April 25, 2017, [nonprofitquarterly.org/2017/04/25/douglas-rushkoff-non-profit-sustainability/](http://nonprofitquarterly.org/2017/04/25/douglas-rushkoff-non-profit-sustainability/).
12. Derek Sivers, "How to Start a Movement," TED video, 3:09, filmed in February 2010, [www.ted.com/talks/derek\\_sivers\\_how\\_to\\_start\\_a\\_movement](http://www.ted.com/talks/derek_sivers_how_to_start_a_movement).
13. Molly J. Burress and Michael L. Cook, "A Primer On Collective Entrepreneurship: A Preliminary Taxonomy" (working paper, University of Missouri, Department of Agricultural Economics, 2009), 23, 25.

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