

# ADVANCING GOOD GOVERNANCE in International Development

*Making Market-based Approaches to Development Work for the Poor*

4 – 5 June 2015

Rhodes House, Oxford

## Breakout: The Evolution of Social Entrepreneurial Thinking and Practice – Promises and Challenges

The session examined the variety of models and emerging trends in social entrepreneurial practice while also tackling a number of false dichotomies and myths about social entrepreneurship. A major theme of the talk was that social entrepreneurship is not a “sector” but rather an approach to understanding a problem that creates financial, social and/or environmental externalities and developing a solution to that problem. Social entrepreneurs can be found in government, in the private sector and in a variety of other roles and institutions. Organizations can also use a range of legal, financial and commercial business models while also embracing a social entrepreneurial ethos. The group touched on a number of areas of importance for the future. These areas include the role, value and growth of the benefit corporation (B Corp) model and impact investing. The session was led by Pamela Hartigan, Director, Skoll Centre for Social Entrepreneurship at the Said Business School.

### Key Points from the Session

1. **Just like traditional business entrepreneurship, social entrepreneurship is about trying to understand a problem and finding a solution.** However, for social entrepreneurs, the emphasis is on social value creation and not financial appropriation. A balance must nonetheless be struck: social value creation by itself is not *sustainable*, while financial appropriation alone is not *legitimate*.
2. **Social entrepreneurs respond to neglected positive externalities and are focused on transformational change.** Social entrepreneurs appreciate problems as opportunities. They are resourceful and able to act effectively and imaginatively in difficult situations and in the absence of available resources.
3. **Social entrepreneurship is not a sector but rather an approach to problem solving that can be used in a variety of contexts.** We see social entrepreneurs taking on a range of problems and challenges in different types of organisations, by establishing new and better ways for accomplishing an objective. An emerging group of companies are using social entrepreneurial principles and the B Corp structure to conduct business in a socially responsible manner. Others, called “social intrapreneurs”, drive change from within governments and commercial businesses. These efforts are reflected in a spectrum of entrepreneurial organisations, ranging from fully grant-funded charities through to responsible businesses.

### Emerging Questions

1. How can social entrepreneurs scale their business model and embed social entrepreneurial principals in the DNA of their organisation?
2. Will the use of the B Corp structure continue to expand outside of the US? What will be the implications of a new round of B Corps that seek to go public?
3. What will be the role and value of impact investing?
4. What strategies can be used to get companies to see themselves as citizens of a wider community?

5. What do we mean by “social”? How do we develop a better understanding of what is “socially beneficial”?