



Defining the ‘Social’ in ‘Social Entrepreneurship’: Altruism and Entrepreneurship

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Abstract. What is social entrepreneurship? In, particular, what’s so social about it? Understanding what social entrepreneurship is enables researchers to study the phenomenon and policy-makers to design measures to encourage it. However, such an understanding is lacking partly because there is no universally accepted definition of entrepreneurship as yet. In this paper, we suggest a definition of social entrepreneurship that intuitively accords with what is generally accepted as entrepreneurship and that captures the way in which entrepreneurship may be altruistic. Based on this we provide a taxonomy of social entrepreneurship and identify a number of real cases from Asia illustrating the different forms it could take.

Keywords: social entrepreneurship, definition, taxonomy, altruism

Social entrepreneurship is a concept that has captured the imagination of many researchers and policy-makers in recent years. Social entrepreneurship suggests that entrepreneurship may be aimed at benefiting society rather than merely maximising individual profits. It appears to promise an *altruistic* form of capitalism that does not evaluate all human activities in business terms. It enables a bridge to be built between enterprise and benevolence (Roberts and Woods, 2005). The history of the term ‘social entrepreneurship’ can be traced to the publication of a Demos think-tank report entitled *The Rise of the Social Entrepreneur* (Leadbeater, 1997) in the United Kingdom and probably a little earlier in the United States to the publication of *New Social Entrepreneurs* by the Roberts Foundation (Emerson and Twerksy, 1996). Prior to this, some of the activities under the rubric of social entrepreneurship were either termed ‘community development’ or those in ‘social purpose organizations’. There is considerable use of the term in popular literature although academic literature on it is thin (Taylor, Hobbs, Nilsson, O’Halloran and Preisser, 2000). Recent interest saw a call for papers for a special issue on social entrepreneurship (Honig and Christie, 2003).

There have been three approaches in considering this form of entrepreneurship (Alvord, Brown and Letts, 2002): social entrepreneurship viewed as combining

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commercial enterprises with social impacts (Emerson and Twersky, 1996), as innovating for social impacts (Dees, 1998) and as catalysts for social transformation. Others have confined its scope to affirmative business, direct-service business and catalytic alliances (Boschee, 1995; Waddock and Pos, 1995). Unfortunately there is still no universally accepted definition of the phenomenon (Seelos and Mair, 2004). Without one, research and policy measures can hardly be introduced with any confidence to develop it, nor can we sensibly measure the success of doing so.

Part of the reason why there is no clear definition of 'social entrepreneurship' is that there is no clear definition of 'entrepreneurship' either. What is social entrepreneurship? In particular, what's so social about it? Is there a definition that encompasses the various activities that currently appear to come within its purview that makes entrepreneurship altruistic? In answering these questions we clear the way to determine what motives drive it, how its growth can be encouraged and how we can assess its success or failure. However, to those more sceptical of an altruistic form of capitalism, the term sounds like a self-contradiction, akin to 'social greed' or 'social chaos'. We first set this right by defending a definition of that term. This of course requires a logically prior definition of entrepreneurship, which in turn requires a definition of the term 'entrepreneur'. But alas, as Kao points out, the academic community seems unable to agree on what entrepreneurship is (1996, p. 213).

One reason for thus clarifying the 'social' in 'social entrepreneurship' is to understand how 'social capital,' understood as 'features of social organization such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit' (Krishna, 2002; Putnam, 1995), contributes to economic development. As we will see below, one way in which entrepreneurship may be 'social' lies in the sense of it helping to translate social capital into benefits for society. It is therefore important to identify and clarify that sense, since not every entrepreneurial activity is 'social' in that same sense, although every entrepreneurial activity involves society in some way or other. In the next section, we examine the nature of entrepreneurship to show that it cannot be defined in terms of moral or social values, nor in terms of corporate, social, industrial, or environmental settings. This provides the basis for our arguments that follow where we explore possible meanings of the adjective 'social' as it qualifies the noun, 'entrepreneurship,' closing with examples of social entrepreneurship from Asia.

What is entrepreneurship?

Before we can demarcate entrepreneurship in sense that is 'social', we need first to examine the definition of entrepreneurship, which in itself is a difficult task as there is as yet a universally accepted definition. While there is a parade of definitions (Kao, 1995) we could consider, we ask the readers to bear with our examination which we undertake, not primarily to settle that controversy, but rather to argue, firstly, that the definition of an entrepreneur is intertwined with any definition of entrepreneurship; secondly, that the term 'entrepreneur' should be devoid of moral, social or contextual implications.

The underlying thrust of the second argument is to seek to arrive at a definition of social entrepreneurship by dividing the definition of social entrepreneurship into two components: the adjective 'social' and the noun 'entrepreneurship'.

Entrepreneurship and its qualifying adjectives

The expression 'entrepreneur' was originally univocal. As Cunningham observes (1996, p. 302), it derives from the French 'entreprendre', itself derived from the German 'unternehmen', both of which mean 'to undertake'. In the early 16th century, entrepreneurs were explorers employed by the French military. By 1700 they included paid builders of military bridges, harbours and fortifications. So since an undertaking is both a promise and a job, the original entrepreneurs were those contracted to perform risky or dangerous jobs. French economists then extended the term to include people who bore risk and uncertainty in order to make innovations. While the coinage of the word is clear, its definition and subsequent usage has been varied.

Laymen would be able to intuitively agree on individuals who would fall within the class of entrepreneurs. For instance, in Asia most readers would agree that Sim Wong Hoo, founder of Creative Technology, who invented the SoundBlaster sound card that came to be installed in all personal computers, is a paradigm case of an entrepreneur, as is flamboyant risk-taker Richard Branson, or opportunist supplier Ray Kroc, the pioneer of McDonalds in 1955. Then there are clear cases of individuals who are not entrepreneurs. For instance, a solitary professional gambler plying his trade at the card tables on a paddle steamer on the Mississippi may be enterprising but is hardly an entrepreneur. Nor would we normally use the term to describe a run of the mill manager who successfully opens yet another outlet of McDonalds in New York, however great his risk of failure. This is in contrast to the pioneering ventures of Ray Kroc in 1955.

There has been a temptation on the part of some to infuse a context into the definition of entrepreneurship. For example, Raymond Kao (1993), claims that the process of entrepreneurship must 'add value to society.' Similarly, others have added qualifiers to the outcomes of entrepreneurial activity, for example that an entrepreneur is only one if there is success, with others adding legality and uprightness as other pre-requisites. Yet as there are unsuccessful businessmen, so there are unsuccessful entrepreneurs. Since 'failed entrepreneur' is not a contradiction in terms, it is a mistake to include conditions of successful entrepreneurship in the definition of what an entrepreneur is (against Knight as reported by Kan, 1996, p. 157).

The same point can be made, *mutatis mutandis*, for 'immoral entrepreneur' or 'illegal entrepreneur' (against Kao, 1996, p. 213) since these are not contradictions in terms either. This is hardly surprising, given that one may speak with perfect equanimity of wicked lawyers or crooked businessmen. The 18th century businessmen in Bristol who first began trading cotton for West African slaves to be then sold for tobacco in Virginia, were certainly entrepreneurs, but were hardly ethical. Nor did the Bristolian entrepreneurs (to use a barbarism of American usage) 'add value' to society, given the

subsequent damage to global health from tobacco consumption (*against* Kao, 1993). Operating the slave triangle today would be illegal as well, but that would not change the essential nature of the business. Fredrick Forsythe's *Dogs of War* authentically portrays an entrepreneur who sets up a highly complex business organization in order to overthrow a West African government by soldiers of fortune for the purpose of gaining highly profitable mining rights. Therefore we should be careful not to build conditions of legal or ethical entrepreneurship into the definition of an entrepreneur. We should further agree with Schumpeter (1934, p. 78) that nobody is likely to be an entrepreneur at every waking moment of his life.

Thus, any definition of entrepreneurs and entrepreneurship should distinguish the essence of entrepreneurship *sans* its context or other generic qualities. Since our main focus is on 'social' in 'social entrepreneurship', we are reluctant to revisit the debate over the definition of entrepreneurship. But it is also clear that since what is to be counted as entrepreneurship *per se* will constrain what is counted as entrepreneurship that is social, the search for a working definition is required. Readers who find themselves unconvinced by the analysis we will give, may stick with one of the many rival definitions of entrepreneurship to be found in the literature.

One way to begin the search is to refer to lexicographers. While they are not infallible conceptual analysts, as shown by their divergent definitions of 'entrepreneur', the dictionaries provide a starting point for developing a definition. The *Oxford English Dictionary* defines an entrepreneur as 'the owner or manager of a business enterprise who, by risk or initiative attempts to make profits.' This definition captures two elements that are present in the entrepreneurship literature: risk-taking and innovation. Risk-taking by itself is necessary but not sufficient for someone to be an entrepreneur, as Frank Knight observed back in 1921. Hence, the casino against which the gambler plays is not entrepreneurial, because it faces no significant long-term risk. Nor is the manager of the latest New York outlet of McDonald's an entrepreneur, since although he may make business profits in the face of risk, he initiates nothing significantly new, unlike Ray Kroc in 1955 (Drucker, 1985, pp. 21–22 makes a similar point; *against* Long, 1996). Schumpeter recognises that an entrepreneur is an innovator, for example by introducing new goods, methods of production, supplies of raw materials or organizations of industry (1934, p. 66).

Thus the *Oxford English Dictionary* definition should be best amended to 'the owner or manager of a business enterprise who, by risk and innovation, attempts to make profits'. We should be careful to note that this does not mean that all owners or managers of business enterprises are *ipso facto* entrepreneurs, as the example of the newest McDonalds outlet in New York has shown (*against* Teo, 1996).

Thus it is possible to define an entrepreneur as:

A person is an entrepreneur from t_1 to t_2 if and only if that person attempts, from t_1 to t_2 , to make business profits by innovation in the face of risk.

He is a successful entrepreneur should that attempt succeed and he is an ethical or legal entrepreneur if that attempt is itself ethical or legal. Consistently with this, as von

Mises recognises (1996), not all managers, inventors or innovators are entrepreneurs (Soh-Wee, 1996, p. 346; against Teo, 1996, p. 256), although all entrepreneurs are at least self-employed managers (in some minimally formal sense) of their own enterprises. This definition has the virtue of according with our intuitions about all the examples above, in including all who are entrepreneurs while excluding all that are not. Moreover, it remains wisely neutral on the question of whether an entrepreneur attempts to profit himself or others, since to adapt a point made above, 'selfish and unsuccessful entrepreneur' is no more a self-contradiction than is 'greedy and failed businessman' (Kao, 1993; against Low and Tan, 1996, p. 1).

The next step of logic is to define entrepreneurship. For any N, where N is a noun-phrase that denotes a type of person, N-ship is the *process* of attempting to be an N. So leadership is the process of attempting to be a leader, in other words, the process of attempting to lead. Accordingly, the definition of entrepreneurship is as follows:

Entrepreneurship is the process of attempting, from t_1 to t_2 , to make business profits by innovation in the face of risk.

Since there are degrees of both risk and innovation, it follows that there are degrees of entrepreneurship. Thus the swashbuckling British opium traders were *more* entrepreneurial *before* they introduced their product to new markets in China, because obviously they *then* faced more risk of failing to market it there. Likewise Sim Wong Hoo was more entrepreneurial than his equally daring competitors precisely because his product was more innovative. Since the vast majority of useful predicates are vague in this respect, it should not dismay us that there will be penumbral cases of entrepreneurship; exactly how minimally risky and innovative must an entrepreneur be?

As mentioned earlier, the entrepreneurship literature has a host of definitions. Our goal has been to highlight the need to separate the adjectival context of entrepreneurship from its essence. One recent context-free definition identifies entrepreneurship as a process by which 'opportunities to create future goods and services are discovered, evaluated, and exploited' (Shane and Venkataraman, 2000, p. 218). This definition could also be employed in building a definition of social entrepreneurship.

What is the 'social' in 'social entrepreneurship'?

There are a number of ways to apply the adjective 'social' to our definition of entrepreneurship, corresponding to whether we think of entrepreneurship *in, by, for* or *involving* society. We could stipulate that a person is a *social* entrepreneur during a period from t_1 to t_2 if and only if that person attempts from t_1 to t_2 to make business profits *in society* by innovation in the face of risk. But that would be superfluous since any business activity requires a society, however minimally conceived, within which to operate. For every business entrepreneur needs sales or services to consumers in order to make profits and consumers are a sub-society or subset of society at large.

Moreover, the stipulation does not capture the desired sense in which entrepreneurship is altruistic.

Secondly we could try saying that a *society* is entrepreneurial from t_1 to t_2 if and only if that society attempts from t_1 to t_2 to make business profits by innovation in the face of risk. In other words, we are now identifying a sense in which entrepreneurship is *by society*. This comfortably fits a narrow business sense of a registered 'society' that is also a listed company of ten thousand shareholders or a community of profit making companies, such as a society of Swiss plastics manufacturers. At the other end of the continuum we may think of nations as societies, thus giving social entrepreneurship a political role. Our definition would fit this just as well, provided we are prepared to speak of nations as businesses, as when Singaporeans refer (in a quite non-pejorative way) to 'Singapore Incorporated'. But once again, this fails to capture the desired sense in which entrepreneurship is altruistic.

Thirdly we could say that a person is a social entrepreneur from t_1 to t_2 if and only if that person attempts from t_1 to t_2 to make profits *for society* by innovation in the face of risk. However this is still not quite the sense of 'social entrepreneur' that we intend to capture. For consider the case of a philanthropist who innovatively builds a successful rubber-trading business in the face of significant risk of bankruptcy and personal loss. When he dies, he fulfils his life-long ambition of bequeathing a fortune to the Society for the Blind. No doubt such an entrepreneur is altruistic in the sense that he successfully attempts, in the face of risk, to innovatively make profits *for* a segment of society. Nonetheless there is still a sense in which his entrepreneurship is not located within society. For although it is a process *for* the benefit of a segment of society that trivially takes place *in* society, that process *does not involve those that benefit*. This involvement includes winning the acceptance or cooperation of that segment of society that is to benefit as well as the delivery of social services in a business-like fashion, as we discuss in our cases later.

Thus our definition of the intended sense of social entrepreneurship is as follows:

A legal person is a *social* entrepreneur from t_1 to t_2 just in case that person attempts from t_1 to t_2 , to make profits *for* society or a segment of it by innovation in the face of risk, *in a way that involves that society or segment of it*.

In this sense, entrepreneurship is still altruistic but even more social. The degree of altruism is increased if we allow the intended profits to include not only cash but also intangible profits such as improved health or less denuded rainforests or if we expand the society intended to benefit beyond nations to include the planet. This formulation can refer not just to individual persons but also to legal entities such as corporations, unincorporated associations and societies. However we would all agree that it is more altruistic for one society to attempt to profit another than it is for a society to attempt to profit only itself. Thus 19th century British imperialism is clearly less altruistic than the Singapore Nature Society or a group of civic-minded individuals who start a part-time taxi service in order to finance the construction of a dance hall for local youths.

Let us therefore confine ourselves to cases of altruistic businesses that are socially entrepreneurial in the sense that they attempt to profit a segment of society by innovation in the face of risk in a way that involves those segments of society. Now consider the entrepreneur whose objective is to profit society in exactly this way. There are only two possibilities; either his objective is to profit *only* society or his objective is to profit society *and himself*. In the latter case there is a continuum of degrees to which his objective is to profit society relative to himself, for example equally.

The first kind of social entrepreneur is clearly more altruistic than the second. Clearly the first would be even more altruistic if he not only forgoes individual profit but also is willing to suffer personal loss. Such an individual would be a creative philanthropist willing to martyr himself for the benefit of others. Now consider the second kind of social entrepreneur. Is his *primary* objective to profit society or to profit himself? If it is the former then he attempts to *profit society* either by profiting himself or by avoiding personal loss. Such an attempt is the mark of a great leader or someone who believe himself to be one. If it is the latter, as with most of us, then he attempts to *profit himself* or avoid personal loss, by profiting society. This gives us a continuum of social entrepreneurs in six descending degrees of altruism:

- (1) The person who attempts to innovatively *profit society alone*, in a way that involves that society, at risk of *personal loss*.
- (2) The person who attempts to innovatively *profit society alone*, in a way that involves that society, at risk of *foregoing personal profit*.
- (3) The person who attempts to innovatively *profit society by profiting himself*, in a way that involves that society, at risk of incurring *personal loss*.
- (4) The person who attempts to innovatively *profit society by profiting himself*, in a way that involves that society, at risk of *forgoing personal profit*.
- (5) The person who attempts to innovatively *profit himself by profiting society*, in a way that involves that society, at risk of *personal loss*.
- (6) The person who attempts to innovatively *profit himself by profiting society*, in a way that involves that society, at risk of *foregoing personal profit*.

As we should expect, these decreasingly altruistic forms of social entrepreneurship are elucidated in terms of risk and innovation. For whatever is true of entrepreneurship is *ipso facto* true of social entrepreneurship although not conversely. The extra element of the 'social' is provided in two ways. Firstly it is provided in terms of the *altruistic objectives* of the entrepreneurial person or organization. These come in degrees, depending both upon whether the primary objective is to benefit a segment of society and also upon the extent to which such an organization is willing to risk loss or risk foregoing profits it would otherwise have earned. Secondly the 'social' is provided in terms of how *that segment of society is involved in this process*, one that excludes charitable donations by philanthropic entrepreneurs.

Our definition of social entrepreneurship may be represented diagrammatically in Figure 1:

Social Entrepreneur = Legal person engaged in the process of entrepreneurship that involves a segment of society with the altruistic objective that benefits accrue to that segment of society

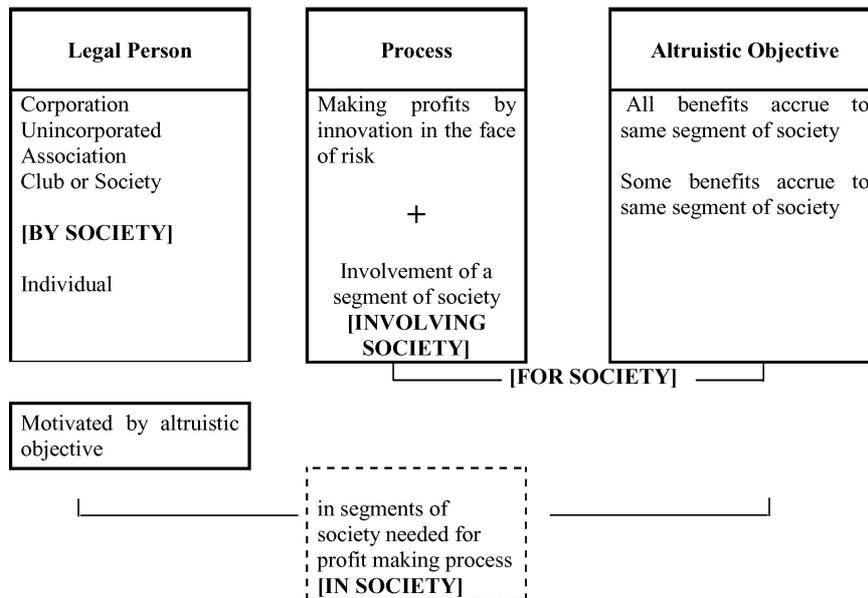


Figure 1. Definition of social entrepreneurship.

The sense in which entrepreneurship may be *by* society is captured by the category of a legal person. Where the entrepreneurs are members of a club or charity, they fall into this category. The fact that any entrepreneur, social or otherwise, must act *in* society is also reflected. The diagram also shows that the segments of society that a social entrepreneur needs in order to make profits, namely his consumers, are not necessarily those he intends to benefit. In holding this altruistic intention, the profit-making process is *for* that segment of society. Finally, that process *involves* that same segment of society.

Since entrepreneurship, social or otherwise, involves both risk and innovation in the process of making profits for the benefit of a segment of a society, there is a real possibility that these intended benefits may not materialize. This is a consequence of avoiding a definition of entrepreneurship in terms of success, which, as we saw earlier, has the illogical consequence that someone is only an entrepreneur if and when intended profits materialize. By contrast, our diagram reflects the fact that a person is an entrepreneur so long as that person *engages in the process of attempting* to innovatively make profits in the face of risk.

Benefits intended *for* a segment of society may be direct or indirect. Direct benefits take the form of services, gifts and care being directed to a segment of society. Other

direct benefits include buildings, scholarships and aid. Indirect benefits include employment, since the entrepreneurial process may involve hiring a select group of people in order to provide services to others. For example, an organization might employ blind masseurs in order to raise funds to train and provide for members of the Society for the Blind. Other indirect benefits may take the intangible form of community bonding, community spirit or increased volunteerism on the part of the public.

Real cases

As we have defined social entrepreneurship, we need to provide illustrations of instances that come within the definition. Our definition indicates a continuum and in this section we provide a number of examples that lie on that continuum in the form of:

- (1) Community-based enterprises
- (2) Socially responsible enterprises
- (3) Social Service Industry Professionals, and
- (4) Socio-economic or dualistic enterprises.

In the fourth category we refer to enterprises that successfully incorporate the 'social' in their mission statement. In other words they have the dual objective of not only earning profits but also of conducting non-profit making activities for the community.

The first category includes charitable organizations that are engaged in innovative means of carrying out their social goals involving risk. One such organization is the Grace Orchard School in Singapore. Two churches collaborated with the Presbyterian Community Services to start a new a government-aided private school for children with special educational needs called Grace Orchard under the umbrella of the Presbyterian Community services (<http://www.graceorchard.org>). The government funds the project with the location and the recurrent cost while the alliance partners provide the management, recruit volunteers and consider long-term financial support. The Presbyterian Community Services previously only handled childcare services for working mothers with children from the ages of three to six. At the other hand of the spectrum of its activities, the charity is also involved with the elderly in operating a meal delivery home assistance services and senior activities centres. Running a special education school is a new development. It means managing the provision of education to children from the ages of seven to twelve. In this respect, this new enterprise innovates bridging the gap in the services they provide to the young and the elderly. The risk involved stems from the long-term uncertainty of raising community support, recruiting volunteers and hiring professional teachers. The social element lies in the recruitment of volunteers, the *involvement* of the local community in 'owning' and accepting the school and providing financial support *for* the school. While the Presbyterian Community Services appear to be funded by the Presbyterian Synod, the truth is it was founded by a number of Presbyterian laity and is an organizational part of the synod. However, it operates as an independent unit that is accountable to the Synod that does not provide any financial support.

The second category includes enterprises like the Banyan Tree Gallery (www.banyantreegallery.com). Banyan Tree Gallery (BTG) is an extension of the social consciousness of the Banyan Tree Holiday Resorts business. Banyan Tree Holiday Resorts (BTHR) developed environmentally sensitive luxury boutique resorts that are steeped in Asian traditions. Its Phuket resort was a disused 400-hectare tin mining site described in a 1977 United Nations report as being 'too severely ravaged' to sustain development. The Banyan Tree team preserved the remaining trees, planted 800 new ones and transformed the site to include six lagoons stocked with fish, tiger prawns, shrimp and other animals. BTG was founded in 1994 when triangular cushions made by female Thai villagers were incorporated into Banyan Tree Phuket. BTG was set up to promote and market such handicrafts. BTG is innovative in going against current business practice by quoting prices upfront in order to ensure that the producers of such handicrafts have the capital they need to manufacture their goods. In this way BTG 'returns' benefits to society at large. According to reports, some producers earned enough to set up their own factories. The resulting increase in production created wealth in the villages and improved the lives of those who live in them. The social element in the process can be seen in *involving* the villagers as producers and at the same time providing benefit *for* their communities.

The third category may sound strange. However, one has to acknowledge that there are entrepreneurs who make the social service industry their customers. These individuals are innovative and take calculated business risks but one of their objectives is to pass benefits on to society. An example of this is Northern Leaf Communications (NLC; www.northernleaf.com.sg), which was started in mid-1995 as a firm dealing in consumer goods. It became a public relations firm specializing in Internet design, corporate design, marketing communications and the launching of events. Disadvantaged by its small size and needing to penetrate the public relations market, NLC decided to use the charity angle to approach companies after their first successful collaboration with the Children's Cancer Foundation in 1995. The opportunity to work with the Children's Cancer Foundation came about fortuitously when the Foundation approached NLC's owner for help in raising funds and generating awareness of the charity's work. NLC's success in managing this project enabled it to pitch for new projects for non-profit organizations, drawing upon its members' knowledge and skills gained through their personal service as Christian volunteers. At present, its main clients are about twenty non-profit organizations. Since the government community service arm, Community Chest, only funds ten per cent of these, they do not have a lot of financial resources or the capability to organize fund raising projects. NLC offers an attractive proposition to non-profit making clients that couples NLC's business objective with their clients' social goals. NLC offers its expertise to the charities at less than what it would probably have cost the charities otherwise but with the potential of a higher amount raised. NLC organizes everything from the production right down to the corporate writing at no cost to the charities. Instead they are paid 20 to 30 percent of the funds raised. NLC pays the difference if the operational cost exceeds 30% of the amount raised. The 30% limit is based on a guideline provided by the National Council of Social Services in its Corporate Community Involvement Resource Guide. The National Council of Social

Services is the national coordinating organization for voluntary welfare organizations that operates under the auspices of the Ministry of Community Development and Sports. NLC works closely with the charities in the projects they plan. Their involvement goes beyond the professional fees but is an intimate *involvement* that originates from their beginnings being themselves volunteers in charities. Their work also *involves* the volunteers of each organization without whom the projects would not be successful.

The fourth category includes enterprises like Transnational Recycling Industries Pte Ltd. This is a modern day equivalent of the rag and bone man, specializing in paper materials, in particular old newspapers and corrugated, computer and mixed waste paper. It extended its business by gathering recyclable materials from households and selling these to a recycling company, with part of the profits used for community projects. As the cost of the materials is zero, and only operational costs are incurred in collecting the materials, Transnational benefits greatly if the quantity of collected material increases. Accordingly, the company aimed to increase the quantity of recyclable materials collected by encouraging awareness of the environmental value of recycling. It approached the Tanjong Pagar Community Development Council (TPCDC) to collaborate in mounting a recycling programme in the community. Transnational provided recycling bags to the TPCDC to distribute to the residents. Residents had to place newspapers, clothes, aluminium or tin cans and old electrical appliances in the bag, which was collected at their doorstep on designated days. After sorting, recycling and selling these materials, Transnational contributed a portion of the proceeds to the Society for the Physically Disabled. The Council did its part by offering a community development project that enabled it to help the residents meet the needs of the disabled.

The initial response was poor but improved after efforts in educating residents through talks and posters. A portion of the money collected from the recycled items funded community activities such as block parties and contributed to the increase in resident participation to 40 per cent of the 150,000 households in 2001 (Goh and McCoy, 2001). In its two years of involvement with TPCDC ending 2001, the company raised over \$200,000 for the Society for the Physically Disabled. Transnational is now carrying out recycling projects in other parts of Singapore.

Transnational innovatively harnesses the *involvement* of the residents in the entrepreneurial process of making profits from recycling. This process is *for* these residents in the sense that recycling is a social activity that has the indirect benefit of building a sense of community. It is also *for* the residents in the sense that it has the direct benefit of supporting a charity within the community. Finally it is *for* the global community at large in the sense that it has the indirect benefit of conserving the resources of the planet.

Conclusion

Defining and clarifying categories of social entrepreneurship has given us a better understanding of what social entrepreneurship is. In so doing we have also clarified the difficult and important idea of entrepreneurship itself. As we have shown, there is more to social entrepreneurship than community-based entrepreneurship. Nor is

encouraging social entrepreneurship merely a matter of getting the community to provide for itself through business enterprise. While we want business leaders to encourage social changes for the better, we should not limit social entrepreneurship to organizations the sole objective of which is to benefit society. For as we saw from the case examples, there are instances of entrepreneurship that combine self-seeking enterprise with the social that a definition of social entrepreneurship limited to social purpose organizations would omit. At the same time, we have endeavoured to avoid an overly broad definition that would include corporate philanthropists. We also feel that our account of social entrepreneurship is relevant to policy makers. Some policy makers want to introduce policies to increase the involvement of the private sector with government sponsorship in order to tackle social issues. Others might wish to spur private enterprises to engage in social entrepreneurship. A third group would want to make social organizations and charities business-like in their outlook and activities. Such policy makers need a clear understanding of the scope of social entrepreneurship in order to address these agenda and goals. The continuum of activities that come within the rubric that we have examined would guide these policy-makers. In defending our account of the 'social' in social entrepreneurship, we hope to have usefully indicated the way for further work on how its growth can be encouraged and its success or failure assessed.

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