
Social entrepreneurs and social change: tracing impacts of social entrepreneurship through ideas, structures and practices

Steven Ney*

School of Humanities and Social Science,
Jacobs University, Bremen,
Campus Ring 1, D-28759 Bremen, Germany
E-mail: s.ney@jacobs-university.de
*Corresponding author

Markus Beckmann and Dorit Graebnitz

Centre for Sustainability Management,
Leuphana University Lüneburg,
Scharnhorststrasse 1,
D-21335 Lüneburg, Germany
E-mail: markus.beckmann@leuphana.de
E-mail: graebnitz@leuphana.de

Rastislava Mirkovic

School of Humanities and Social Science,
Jacobs University, Bremen,
Campus Ring 1, D-28759 Bremen, Germany
E-mail: r.mirkovic@jacobs-university.de

Abstract: This article introduces a research framework for systematically assessing and comparing the ways social entrepreneurs generate social change. Based on a review of the academic debate, we discuss the requirements for such a framework. We then develop a conceptual framework that focuses on the entrepreneur-environment interaction in two dimensions. The first dimension suggests we think of social space in terms of ideas, structures, and practices. The second dimension captures the dynamic nature of social change. It looks at the interdependencies between entrepreneurs and their environment as they play out at the levels of ideas, structures, and practices over time. We apply this framework to a real-life case and discuss how it may guide case study research.

Keywords: social entrepreneurship; social change; entrepreneurship; evolution; methodology; case study research; ideas; structures; practices; innovation; Sekem.

Reference to this paper should be made as follows: Ney, S., Beckmann, M., Graebnitz, D. and Mirkovic, R. (2014) 'Social entrepreneurs and social change: tracing impacts of social entrepreneurship through ideas, structures and practices', *Int. J. Entrepreneurial Venturing*, Vol. 6, No. 1, pp.51–68.

Biographical notes: Steven Ney is a Professor of Policy Sciences at Jacobs University Bremen where he holds the Chair for Social Entrepreneurship. Institutional change and social learning are at the heart of his research. He has been particularly drawn to a specific class of policy problems. It includes issues such as climate change, demographic ageing, integration, education, and the health crisis or transport policy. As these problems have proven particularly resistant to resolution, he has always wanted to understand the way we go about solving the problems we face. His research is about the way people overcome barriers and realise potentials to address – perhaps even solve – messy but nonetheless urgent policy problems. His research has been published in diverse journals and books.

Markus Beckmann is an Assistant Professor for Social Entrepreneurship at Leuphana University Lüneburg since November 2009. As an Institutional Economist and Management Researcher, he is interested in the discursive and institutional strategies that allow individuals and organisations to address social challenges by transforming the existing rules of the game. As a business ethicist, he is interested in the normative mental models and discursive frameworks that channel, promote or inhibit the social learning processes needed for such rule reform. His research has been published in journals such as *Business Ethics Quarterly*, *Business & Society*, or *Journal of Business Ethics*.

Dorit Graebnitz owns a Diploma in Agricultural Science and a Masters degree in Agricultural Economics (Humboldt University Berlin). Since her graduation, she has worked within a range of international research projects, in which she analysed markets and competitive situations as well as the role of rural institutions and their governance. Following her strong interest in sustainable development, she joined the German Association of Organic Agriculture (BÖLW) in 2009, where she gained further professional experience in the area of policy recommendations as well as public relations.

Rastislava Mirkovic holds a Masters degree in East European Studies (FU Berlin) and Slavic Literature and Languages (University of Amsterdam). She conducted several research projects in South Eastern Europe during her interdisciplinary MA studies at the Free University in Berlin. After earning her Master degree, guided by strong interest in minority and migration issues she conducted research in that particular academic field. Evolution of state institutions in the new independent states and instruments that enable minority inclusion in the post-war societies was one of the central themes of her research interest.

1 Introduction

Social entrepreneurs are supposed to be change-makers. By releasing Schumpeter's 'gales of creative destruction' they can turn an industry or sector on its head for the greater good. The examples of successful social entrepreneurship are impressive. Most famously, the Grameen Bank has shown that social innovation can change even the most conservative of institutions (banking) in a deeply conservative society (Bangladesh) (Yunus, 1998, 2007; Bornstein, 1996).

Yet, beyond these spectacular examples not an awful lot is known about the impacts social entrepreneurs are (or, indeed, are not) making on societies around them. How do

social entrepreneurs shape the socio-institutional landscapes in which they operate? How do they contribute to processes of institutional evolution and social learning? And, vice versa, how do these social landscapes determine social entrepreneurial strategy?

Addressing these questions requires some conceptual development. What is needed, following Mair and Marti's (2006) call, is a research framework for *systematically assessing and comparing the ways social entrepreneurs generate social change*. This article suggests how one might put together such a research framework by building on two fundamental ideas.

First, our framework conceptualises social change as the *interaction between entrepreneurs and their environments over time*. On the one hand, beliefs, prevalent rules as well as existing practices within socio-institutional landscapes at once constrain social entrepreneurs and generate entrepreneurial opportunities. On the other hand, it is the social entrepreneurs that recognise and act upon these opportunities. Second, societal change, we contend, plays out not only through time but also in social *space*. We suggest thinking of (social) space in terms of three interrelated levels: ideas, structures, and practices. Our framework, then, not only traces social change through three distinct levels but also focuses on how entrepreneur-environment interactions on these three levels influence each other.

While Section 1 briefly outlines why we need such a framework, Section 2 – based on a simple but extensible model of institutional change – sketches the approach. In Section 3, we then apply our model to a prominent case from the literature on social entrepreneurship. Last, in Section 4 we conclude by summarising our argument.

1.1 Why we need a more comprehensive framework

What role do social entrepreneurs play in social change?

Before trying to answer this question, let us look at it in more detail. We can broadly define social entrepreneurs as people who bring – in varying degrees – innovation, opportunism and leadership skills to bear on social problems (Dees, 1998a; Nicholls, 2006; Mair and Marti, 2006). Society, as we conceive of it here, emerges from individuals and groups creating and recreating their socio-cultural environments (Douglas, 1987). This constitution-building activity generates a society in constant flux as individuals and groups attempt to organise their lives around systematic sets of contending ideals. The impact of this flux on values, institutions, and patterns of behaviour is social change. The framework presented here, then, sets out to understand how the actions of social entrepreneurs influence this flux.

An understanding of how social entrepreneurs shape change is likely to impinge on policy practice, both of social entrepreneurs themselves as well as of those people and organisations that support them (Mulgan, 2006). Many pundits – including politicians, policy-makers, business actors or NGOs – look to social entrepreneurship as a potentially new source of social welfare. Without a way of analysing whether, how, where and in what form social entrepreneurship can make good on its promises, the debate over social entrepreneurship may degenerate into an 'intractable policy controversy' (Rein and Schön, 1994) that paralyses rather than informs policy-making (c.f. Depledge, 2006, on the climate change debate).

Answering this question, then, calls for an analytical framework capable of addressing the specific empirical and theoretical challenges of social entrepreneurship.

1.1.1 Empirical challenges

First, social change has many dimensions. It can be thought of as a process or an outcome. It can be both a means and an end. Social change can manifest itself through changes in people's behaviour, in the way they organise their social relations and through their beliefs. Social changes affect groups and individuals, but not always in the same way. Success or failure of social entrepreneurship, then, plays out within these multiple dimensions. This calls for a framework that is sensitive to the inherent complexities of social change (Young, 2006).

Second, social change is always uncertain and contested (Young, 2006). Whether change has taken place and what is to count as change (let alone progress or development) are matters of considerable contention among stakeholders. Additionally, the salient dimensions of social change are also likely to be disputed. Stakeholders are also likely to disagree about what or who causes social change. Making sense of change, then, is also about understanding the way contending stakeholders interpret social phenomena as change. This, then, requires thick descriptions of contending accounts of social change.

Third, social entrepreneurship takes place in a wide range of disparate fields including education, health, development, or the environment. Moreover, social entrepreneurship is a global phenomenon. Processes of change are conceived of, articulated and measured differently across boundaries of socio-cultural, political and geographical space. This calls for a framework that enables the systematic comparison of cases of social entrepreneurship.

1.1.2 Theoretical challenges

At present, taking such a comparative view is anything but trivial for at least four different theoretical reasons.

The first set of reasons relates to the contending definitions of social entrepreneurship available in the conceptual market (Nicholls, 2006; Mair and Marti, 2006; Dees, 1998b). Being a relatively new field, much of the thinking has revolved around the defining social entrepreneurship (Dees, 1998b; Borschee and McClurg, 2003; Bornstein, 2004; Mair and Marti, 2006; Nicholls, 2006; Elkington and Hartigan, 2008; Zahra et al., 2009). This debate has also extended to the type and extent of social impact that social entrepreneurs generate (Emerson, 2003a, 2003b; Achleitner, et al., 2007). Despite prominent exceptions (Dees, 1998b, Light, 2008) many thinkers would like to keep a tight rein on the types of impacts that are to count as (successful) social entrepreneurship. Despite justified concerns, however, an overly narrow definition is problematic for spotting and explaining social change. While accounts of particularly successful social entrepreneurs, such as Muhammad Yunus, suggest that Schumpeterian innovation is possible, there is little robust evidence to support the claim for the vast majority of social entrepreneurs (Nicholls, 2006; Mulgan, et al., 2008; Young, 2006; Light, 2008). Moreover, reserving the term, as Martin and Osberg (2007) propose, for profound, revolutionary and, no less, successful social change begs the question what is to become, theoretically and practically, of those social entrepreneurs that fail to make the grade. Indeed, Tan et al. (2005) are sceptical about insisting that a social entrepreneur need be successful. What is needed, then, is an approach that is *a priori* agnostic about the type of change that is to count as an impact of social entrepreneurship.

Second, and closely related, another strand in the definitional debate has focused on variables such as personal characteristics or organisational mission. In particular, the way social entrepreneurs finance their ventures has attracted considerable attention. The social enterprise school, for instance, focuses largely on earned-income strategies (Dees and Anderson, 2006). In the literature, a spectrum of opinion on the role of earned income has emerged. Some see innovative donor-financing as entirely compatible with social entrepreneurship (Bornstein, 2004). Others, notably Yunus (2007, 2010), make the case that 'social businesses' should avoid conventional (or unconventional) donations while at the same time also eschewing profitable returns. Others still argue that social entrepreneurs should make profits as long as profitability does not imperil the social mission (Borshee and McClurg, 2003; Mawson, 2008). That said, an emergent literature on organisational legitimacy has started to look at how social entrepreneurs push back on and transform their institutional constraints (c.f. Nicholls and Dart, 2004).

While valuable, this debate often focuses on individual entrepreneurs or ventures (notable exceptions include Mulgan et al., 2008 or Desa, 2011). A research framework for understanding social change, however, needs to start with the social functions of the entrepreneur. Here, we need to keep an open analytical mind concerning the organisational forms and financial modalities social entrepreneurs employ. Setting out from the social function allows us to look at the way for-profit, social business, and non-profit ventures generate different patterns of social change and can serve as functional equivalents in different contexts.

Third, so far social entrepreneurship research has paid little attention to the interaction between social entrepreneurs and their institutional environments. While some studies have compared the impacts of different legal systems across countries on social entrepreneurship (cf. Linklaters 2006), few have looked at how social entrepreneurs interact with institutional environments to bring about change. By the same token, more process-oriented approaches, such as sociology or political science, have addressed social entrepreneurship obliquely, either through general research on the non-profit sector (DiMaggio and Anheier, 1990) or through studies of social capital (c.f. Mulgan, 2006). As a result, there are few simple analytical tools [such as, say, Porter's Value Chain (Porter, 1985)] to make sense of the process of social innovation (Mulgan, et al., 2008). Understanding the way social entrepreneurs affect institutional evolution, then, requires an expansion of disciplinary and methodological focus to enable the inclusion of socio-institutional environments into the analysis. In particular, research needs to integrate, or at least learn from the attempt of integrating, the environment and actor perspectives of different disciplines.

Fourth, and closely related, most of the recent examples of successful social entrepreneurship are located in the developing world or in transition societies (Bornstein, 2004; Elkington and Hartigan, 2008). Many are now looking to promote social entrepreneurship in the developed world. Yet, success – that is, change – in a country like Germany is likely to be very different to success in a country like Bangladesh. Much of this has to do with the different institutional environments prevalent in each country. In large parts of the developing world, social entrepreneurs respond to gaps in social provision created by sparse and low-capability institutional networks (Mair and Marti, 2009). Here, success is clearly visible: social entrepreneurs create institutions to fill gaps in social provision. In the developed world, particularly in Europe, social entrepreneurs face densely populated and high-capability institutional networks for the provision of

public goods. Here, social innovations compete with other solutions from the public, private and citizen sector.

For these reasons, we need a framework for understanding multi-dimensional and contested social change generated by social entrepreneurs that

- is a priori open about the type, dimension and speed of social change
- can analyse for profit, social business, and not-for-profit ventures within the same conceptual paradigm
- explicitly includes the socio-institutional environment in the explanatory edifice
- is capable of identifying and comparing the social change generated by social entrepreneurs operating in both dense and loose, as well as high and low-capacity institutional networks, thus allowing a systematic comparison between social entrepreneurial activities in developed and developing countries.

While many different approaches provide partial solutions to the challenges, understanding social change at the intersection of societal, political and economic systems calls for a more holistic approach. How, then, can we come to terms with the way social entrepreneurs shape their social environments?

2 An environment-actor framework for comparing case studies in space and time

The following section outlines a rough and ready – yet functional – framework for analysing evolutionary impacts of social entrepreneurs on institutional environments. The underlying logic of our framework is ‘boot-strapping’ (Parsons, 1995). Here, disparate concepts and theories are brought to bear on a phenomenon. Instead of assuming that theoretical integration provides one right answer, the researcher hopes to learn from the tension between the divergent insights of the contending theories. More importantly, the researcher accepts that contending concepts – such as the environment-centred or actor-centred approaches – are fundamentally incommensurable and essentially irreducible. On the one hand, the researcher uses the disparate insights of the boot-strapped framework to construct – through conceptual triangulation – a holistic understanding of the issue under investigation. On the other hand, the researcher uses the tensions and frictions at the theoretical interstices to probe and further develop our theoretical understanding of the social.

Following this logic, we delineate our framework in four steps. Section 2.1 discusses the basic analytical focus on both actors and institutional environments. Section 2.2 introduces social space in terms of the analytical distinction between ideas, structures, and practices. Section 2.3 introduces the dimension of dynamic interdependence. Section 2.4 then summarises our framework.

2.1 Learning from integrating an environment- and actor-centred perspective

Entrepreneurship, social or otherwise, requires two basic ingredients: an entrepreneurial opportunity and an entrepreneur who recognises and seizes this opportunity (Shane and Venkataraman, 2000; Baumol, 1990; Drucker, 1985; Kirzner, 1973). Entrepreneurial

opportunities emerge from social contexts. However, someone – the entrepreneur – needs to recognise opportunities as such and design innovations that exploit the potential for social change. This nexus of interaction, then, is the main focus and unit of analysis for the proposed framework.

Making sense of these two elements calls for a two-pronged conceptual strategy. One prong consists of an environment-centred approach (2.1.1). This approach and its attendant methods help map the institutional landscapes in which and through which social entrepreneurs travel. The other prong adopts a more actor-centred perspective (2.1.2). Here, the framework focuses on individual cognitive and strategic aspects of social entrepreneurship.

2.1.1 Environments: socio-institutional landscapes

An innovation – be it economic, technological or, indeed, social – always addresses needs and wants within a particular society at a particular time. These needs and wants, this potential for social change, manifest themselves in the form of entrepreneurial opportunities. Innovations, in short, are socially embedded because they respond to entrepreneurial opportunities (Light, 2008, Dees, 1998b; Shane and Venkataraman, 2000).

Socio-institutional environments generate these entrepreneurial opportunities. For some, entrepreneurial opportunities emerge from discrepancies between perceptions, beliefs and expectations (Kirzner, 1973; Shane and Venkataraman, 2000). For others, such as Martin and Osberg (2007), suboptimal and inequitable equilibria within markets, politics and society create opportunities for entrepreneurs. Drucker (1985) shows that opportunities emerge from a wide range of socio-institutional sources. Some of these are ideational (e.g., the change in social values and perception or incongruencies in expectation), others are structural (e.g., demographic ageing, industry restructuring). Starting with the firm and ending with global mega trends, he argues, shifts in the socio-institutional, political and economic fabric of society always create opportunities for change.

Since entrepreneurial opportunities are socially embedded, the potential for social change is likely to differ considerably from one social context to the next (c.f. Zahra et al., 2009). In the political realm, Tilly and Tarrow (2007) show that different types of political regimes create different ‘opportunity structures’ for political contention. In markets, Baumol (1990) argues that different institutional structures and norms will give rise to different forms of entrepreneurship. The historical record, Baumol (1990, 2010) contends, shows that at different times and in different places, societal institutions have brought about productive as well as unproductive or even destructive entrepreneurship.

This leaves us with two insights. First, institutional landscapes matter for social entrepreneurship. Second, these institutional landscapes can differ significantly. This means that research framework proposed here needs to make use of methods capable of capturing the importance and variability of institutional landscapes.

2.1.2 Agents: social entrepreneurs and social ventures

Opportunities can go to waste. They represent a potential for change that someone needs to spot, grab hold of and transform into an innovation. Social change, then, needs an agent who recognises and seizes entrepreneurial opportunities through innovation.

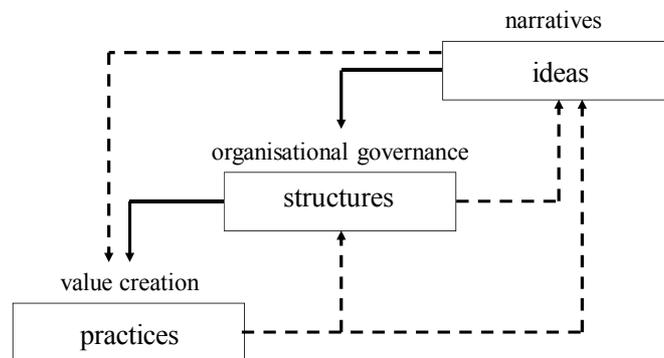
Recognising and seizing opportunities requires strategy. If innovation is about changing the status quo, entrepreneurs can expect to face resistance from other actors. This is as true for business entrepreneurs (Schumpeter, 1947; Baumol, 1990) as it is for policy entrepreneurs (Mintrom, 2000) and social entrepreneurs (Yunus, 1998, 2007; Bornstein, 2004; Martin and Osberg, 2007). Overcoming this resistance calls for the strategic use of cognitive, normative and material resources at the disposal of social entrepreneurs.

For this reason, social entrepreneurs and their social ventures are the pivotal change agents in the framework. This perspective does not limit the entrepreneur to be necessarily the founder of a social business. Rather, it puts the emphasis on the entrepreneur's capacity to influence ideas, structures, and practices and thus also includes social 'intra-preneurs' who change an existing organisation as well as change-making organisations (c.f. Dees, 1998b).

2.2 *Tracing change through social space: ideas, structures and practices*

Entrepreneur-environment interactions are critical for understanding social change. But where does this interplay actually take place? The obvious answer is the dimension of 'social space'. Yet, a term as broad as that does not really capture the different qualities of change we can observe. Instead, we can think of social change as taking place at the three levels of ideas, structures, and practices (Thompson et al., 1999; Pies et al., 2009, 2010).

Figure 1 A three-tiered conceptual model for analysing social change



We can think of the three levels in Figure 1 as different arenas. (Note that the reciprocal influences in this figure will only be discussed later in Section 2.3.) The first, most basic arena is about practices. Here we observe the moves that make up basic social interaction. These include the day-to-day social transactions that occur in social settings as diverse as the markets, politics, sports, or science. At this level, interactions unfolds as individual actors move purposively through their social spaces, interact with one another, and respond to perceived incentives and opportunities.

These patterns of incentives and opportunities emerge from the second arena – the level of social structure. It is here that specific patterns of transactions as well as rules that regulate these transactions get set. These processes can be formal and informal, deliberate and coincidental, as well as planned or emergent. The resultant patterns of

transactions and rules in turn create the opportunities and incentives that shape the character of the basic game (Pies et al., 2010).

Finally, the third level of analysis looks at ideas. The term is shorthand for the systems of knowledge, beliefs and values people use to make sense of the world (Rein and Schön, 1993, 1994). Ideas matter not only because actors use them to explain the world as it is but also because they shape perceptions, aspirations and projections of how the world could be. At this level, actors engage in a deliberative arena in which they exchange ideas and challenge worldviews.

This three-tiered analytical distinction focuses on both the processes and the outcomes of social change. In terms of processes, we can reconstruct entrepreneur-environment interactions within the basic arena, the transactions and rule-setting arena, as well as the discursive arena. In terms of outcomes, we can observe the results of these processes as changes in practices, structures, and ideas.

How does all this relate to social entrepreneurship?

2.2.1 Ideas

Entrepreneurs – business, policy or social – seem to perceive things differently than other people (Dees, 1998b; Martin and Osberg, 2007; Mintrom, 2000). These other people will often accept – albeit begrudgingly – inefficiency, inconvenience, poor quality, or inequity as an unchangeable part of life (Martin and Osberg, 2007). Entrepreneurs, in turn, see these seemingly insurmountable barriers as opportunities. As Mulgan (2008) puts it, entrepreneurs take ‘No’ for a question. What is more, they often have an answer.

Using the same data, entrepreneurs thus seem to come to very different judgements about the feasibility of change than other actors. One way of analytically grasping and comparing these processes of conflicting sense-making is narrative analysis (Stone, 1988; Fischer and Forester, 1993; Rein and Schön, 1994; Ney, 2009). Since ideas in our sense create a framework for understanding social problems, researchers sometimes refer to this type of knowledge as a ‘frame’ (Rein and Schön, 1993, 1994; Ney, 2009). Frames not only provide the cognitive resources for understanding empirical reality. They also furnish actors with selective criteria for the salience of data and, more importantly, what is to count as data in the first place (Douglas, 1982; 1987; Thompson, 1996). Actors use these frames to construct plausible yet also intrinsically selective accounts of social problems (Rein and Schön, 1993, 1994; Fischer and Forester, 1993).

Methodologically, we can think of these accounts as narratives. The framework analyses narratives in terms of content (what they say) and form (how they say it). The position of entrepreneurial narratives relative to other accounts of the same issue over time points to the changes in the way a particular problem is framed and defined. At this level, then, the change in the distance between different narratives measures social change. Relevant questions here include

- To what extent do entrepreneurial narratives challenge and engage narratives of other actors?
- Do entrepreneurial narratives fan the flames of social and political contention, do they contribute to discursive rapprochement or do they have no impact on contention?

- To what extent have other actors adopted the entrepreneurial framings and accounts and vice versa?

2.2.2 Structures

Entrepreneurs never operate in an institutional vacuum. Instead, entrepreneurs operate in societal structures that at once constrain and empower them (Baumol 1990, 2010). But organisational structures are also an intrinsic part of entrepreneurial ventures themselves (Drucker, 1985, 2007). This is probably why the organisational aspects of social entrepreneurship have attracted such an inordinate amount of attention (Elkington and Hartigan, 2008; Dees, 1998a; Borshee and McClurg, 2003; Light, 2008). For many thinkers, social entrepreneurship has become synonymous with the organisational integration of social missions and business practices.

Describing structures at societal or organisational level is about understanding them as the ways actors organise and govern themselves. At this level, organisational governance calibrates social change. Here, relevant questions include:

- How compatible/incompatible is the organisational governance of the entrepreneurial venture with prevalent forms of governance in the institutional environment?
- To what extent has the organisational governance of the social entrepreneurial venture changed organisational governance in the institutional environment (and vice versa)?
- Is there a change in the ‘rules of the game’? Who has triggered these changes? For whom are these changes relevant? Has the entrepreneur changed the rules for other actors in the field?

2.2.3 Practices

If nothing else, entrepreneurship is about doing things. More often than not, it is about doing things differently than before. Many authors understand these behavioural aspects to be the defining feature of entrepreneurship in general and social entrepreneurship in particular (Shane and Venkataraman, 2000; Martin and Osberg, 2007; Mintrom, 2000; Tan et al., 2005). In particular, Martin and Osberg (2007) identify a social entrepreneur as someone who takes direct action and thus distinguish a genuine social entrepreneur from a ‘social activist’, a person who encourages others to act (see also Mawson, 2008). Along with innovation in ideas and in structures, social entrepreneurs also want to change the way problems get solved, services get provided, and just how things get done in general.

Methodologically, we can trace practices in terms of value creation (Dees, 1998b; Mair and Marti, 2006; Zahra et al., 2009). First, value creation refers to the design and delivery of products and services. Some social entrepreneurs will introduce entirely new practices to the provision of public goods and social services. Second, value creation also involves the financing practices, human resource management and marketing regimes to deliver products. Some social entrepreneurs may provide a rather common product or service, say health care, but are radically innovative in their financing, managing and marketing practices. In this way, the framework captures social innovations that create value in terms of the services or products, in terms of management and in terms of both.

The difference between different ways of creating value, then, gauges change at this level of analysis. The relevant questions are the following:

- To what extent do social entrepreneurial practices challenge and engage existing patterns of value creation?
- How has the distance between entrepreneurial sets of practices and value creation in the environment developed over time? Have innovative entrepreneurial moves in the value creation game led others to change their moves respectively (and vice versa)?

2.3 *Tracing social change through time: dynamic interdependence*

Change takes time. One way of displaying social change in time would be to compare two static snapshots of entrepreneur-environment interactions at the three analytical levels in t1 and t2. Here, we would measure change by gauging the development of entrepreneurial narratives, venture governance and value-creation and comparing these to the evolution of environmental discourses, governance and behaviour between t1 and t2.

Understanding the pathways of social change requires capturing the two sets of *dynamic interdependencies* within the framework. First, the entrepreneurial agent and the environment are enmeshed in dynamic interdependencies. This means that the development of the entrepreneur's stories, governance and value strategies are highly sensitive to initial conditions in the environment. By the same token, the social entrepreneur's moves at different levels are likely to affect these conditions. These in turn shape the entrepreneur's strategies and on and on it goes. Under these complex, dynamic conditions, linear cause-and-effect mechanisms are likely to be the exception. Rather, much of the interaction will display co-evolutionary qualities.

Second, the three analytical levels of ideas, structures, and practices are also dynamically interdependent. On the one hand, we can think of institutional stability as coherence between these three elements (Thompson et al., 1990; Thompson et al., 1999). On the other hand, while the levels are systematically coupled, variations can occur at one level without instantly feeding through to the other levels. Practices might change first, ultimately leading to a change in ideas. Or a debate might change ideas that then influence the evolution of new social structures. In fact, there might be many potential patterns for dynamic interdependence between the levels.

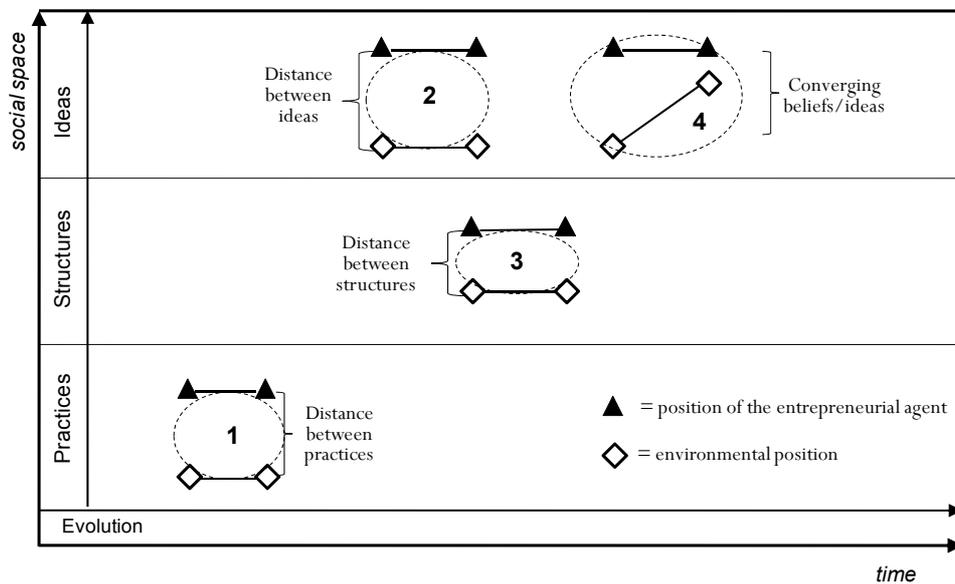
2.4 *A two-dimensional descriptive framework for social change*

In sum, the framework describes social change as the interactions between entrepreneurial agents and their environment as these move through the two dimensions of time and social space (Figure 2).

The horizontal axis represents the time line and helps to map how entrepreneur-environment interactions unfold over time. The vertical axis looks at the social space and distinguishes the three social arenas of ideas, structures, and practices. For any given time, this framework allows the researcher to locate the entrepreneurial agent and the environment on these three levels. As Figure 2 shows, such an illustration can depict, for example, the distance between the entrepreneur's and the environment's practices (1) or their distance on the ideas level (2) or level of structures (3). The framework also illustrates the way these distances develop over time, such as in the case

of converging beliefs (4). While in its most simple form the framework depicts the environment in terms of homogeneous ideas, structures, and practices, it would also be possible to show competing sets of ideas, structures, and practices in the agent's environment – each then having a specific distance to the entrepreneurial agent and to each other. Nevertheless, this framework sets out to reduce the complexity of the agent-environment interaction in order to make visible specific aspects of social change that can then be traced back to agent-environment interactions. This conceptual framework thus does not offer a ready-made, one-size-fits-all answer for complex phenomena. Yet it provides, we would argue, a useful heuristic for focused and selective case study research into social entrepreneurship.

Figure 2 A framework for mapping social change processes



3 Illustrating the framework: Sekem

This section illustrates the way this framework operates by applying it to a well-known case: Ibrahim Abouleish' Sekem. Refracting well-known data through the lens of our framework provides a new take on the nature and pathways of social change brought about by Sekem.

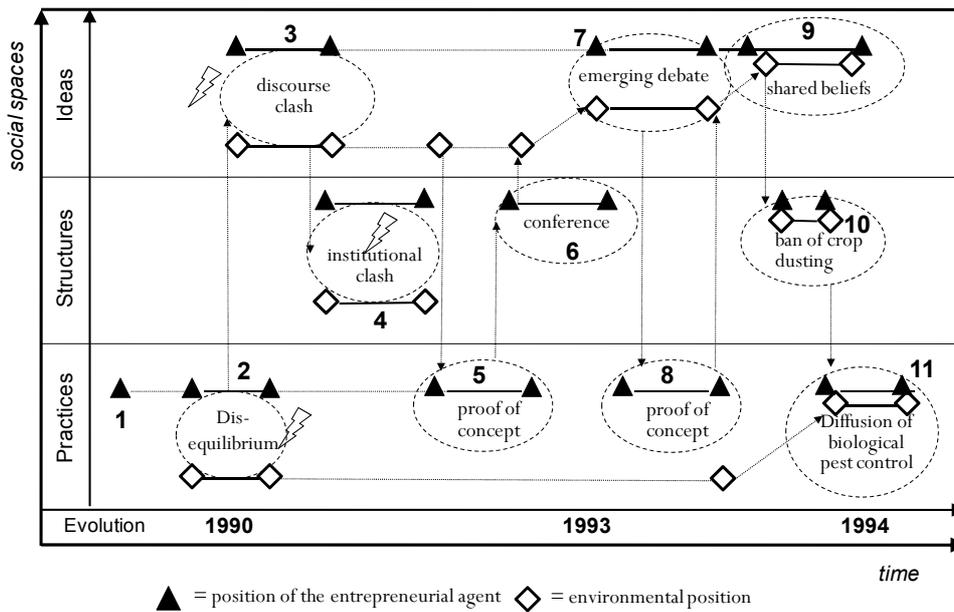
After 20 years of living abroad, the pharmacologist Ibrahim Abouleish returned to his native Egypt in 1977. What he found was country to be suffering from a wide range of environmental, social and economic problems. Yet, unlike most others, Abouleish saw a business opportunity. And so Abouleish founded Sekem in 1979.

Drawing on holistic ideas he had encountered Europe, Abouleish wanted to use so-called bio-dynamic farming methods to turn the desert into arable land. In a country where only 4% of the land is arable, this was a formidable challenge [Boguslawski, (2002), p.1]. Yet, from its beginnings in growing bio-dynamic herbs and medicinal

plants, Sekem has grown into a holding with six business companies and a wide range of socio-cultural institutions that promote economic, ecological, social and cultural value creation (www.sekem.org).

We apply the framework to the cotton pest management regime developed by Sekem. What we want to know is how Sekem brought about this institutional change in an inhospitable environment. Figure 3 summarises this process.

Figure 3 Sekem and social change – the diffusion of biological pest control



To understand how Sekem transformed the Egyptian cotton sector, we need to understand where this particular journey started. At the beginning of this story, Sekem had already established itself as a successful producer of bio-dynamic products [step (1) in Figure 3]. In this niche in the institutional environment, Sekem was in a steady state with its own ideas, structures, and practices.

In 1990, however, Sekem’s business model came under threat. As a certified organic producer, quality control demanded that Sekem regularly test its plants for pesticides. When test results returned traces of pesticide on Sekem’s organically grown plants, Sekem’s integrity was at risk. It turned out that crop dusting on neighbouring cotton fields – carried out on behalf of the government – had contaminated Sekem’s crops. At the time, the government strictly controlled agriculture in Egypt [Boguslawski, (2002), p.3]. Thus, conflicting practices in Sekem’s institutional environment threw the business model out of kilter [step (2) in Figure 3]. It was apparent that Sekem and government practices could not coexist.

Having identified the cause of the contamination, Abouleish demanded the immediate ban of crop dusting. This generated a policy debate in which incommensurable perspectives clashed [step (3)] at the level of ideas. What seemed like an obvious solution for Abouleish (‘Stop spraying the pesticides!’), was unthinkable for the Minister (‘What do you want me to do? Is there an alternative?’) [Abouleish and Abouleish, (2009),

p.139] who saw no alternative solution to crop dusting. The debate degenerated into ‘dialogue of the deaf’ (Sabatier and Jenkins-Smith, 1993). The problem, initially located at the level of practices, had moved to the level of ideas without a resolution in sight at either level.

On the structural level, barriers exacerbated the intractability of debate between Abouleish and the Ministry. On the one hand, the Egyptian government had signed long-term contracts with the crop dusting and chemical industry (Abouleish, 2004). On the other hand, Sekem was legally bound by practice standards prohibiting the use of pesticides. There was, then, no scope for action at any level. Hence, the intractable debate went hand-in-hand with a clash of conflicting institutional structures [step (4) in Figure 3].

How did Sekem break this deadlock? Since debate had proved ineffective and institutional reform was impossible, Abouleish used what leeway he had to innovate new practices [step (5)]. In cooperation with scientists at home and abroad, Sekem developed an effective, yet organic approach to pest control. Not only did this approach protect the cotton, it also increased yields by 10% (Abouleish and Abouleish, 2009). In this way, Sekem introduced innovative and organic practices that made pesticide crop dusting obsolete.

This proof of concept profoundly transformed perceptions about biological alternatives to chemical pest control. Nonetheless, Abouleish leveraged his ideational impact by organising the first international conference on organic cotton. Bringing together scientists from around the world, the conference established a support network for further research. More importantly, it raised public awareness for alternative approaches to cotton pest control. By creating this infrastructure for developing biological pest control, the conference was a structural innovation [step (6)].

Sekem’s initial proof of concept and the high-profile conference on organic cotton successfully challenged the Ministry’s assumption about pesticides and crop dusting. Despite a more responsive debate [step (7)], the government remained sceptical. The Minister of Agriculture, demanded long-term data on the new biological method. To test the method, the Ministry picked cotton fields throughout Egypt heavily affected by pest problems. Rising to the challenge, Sekem developed further practices to strengthen the case for biological pest control [step (8)].

This second successful proof of concept finally convinced the Minister of Agriculture [step (9)]. Based on newly adopted beliefs in the feasibility of biological methods, the Egyptian government cancelled the contracts with the chemical industry and banned the crop dusting in Egypt [step (10)] (Abouleish, 2004).

At the level of practices [step (11)], the impact on cotton production was profound. Before 1990, cotton – an important cash crop for Egypt – was also one of the most pesticide intensive crops worldwide (Kooistra et al., 2006). Pülschen et al. (1994) have estimated that from 1990–1993, 50% of the total Egyptian insecticides and pesticides were used on cotton. Protecting cotton this way put both the environmental and the population at considerable risk. For example, large pesticide drifts would often contaminate whole villages close to cotton fields (Kooistra et al., 2006). However, in 1995 pesticide use in cotton dropped from 1,800t to 320t while average yields grew from 900 to 1,220 kg/acre (Scialabba, 2000). Over the years, the total pesticide use in Egypt’s cotton plots has fallen by nearly 90%. By the end of the 1990s, nearly 80% of Egypt’s cotton crop was protected by biological pest management methods (UN, 2000). The

changes in ideas, structures, and practices driven by Sekem had shifted the environment to a new – and arguably, superior – equilibrium.

In sum, Sekem faced a highly suboptimal equilibrium in its environment. Nonetheless, this equilibrium was stable for participating actors. By leveraging innovation at the level of practices, Sekem could break the deadlock in the debate and at institutional level. In this way, Ibrahim Abouleish shifted the environment to an economically, ecologically, and socially more sustainable equilibrium.

4 Conclusions

This paper puts forward a conceptual framework for case study research in the field of social entrepreneurship. We set out to develop a framework for analysing and comparing the way social entrepreneurs generate social change in their environments. With social entrepreneurship research being in its infancy, such a framework needs to be sufficiently broad to cover the entire field while also being sufficiently discriminating to allow for systematic learning.

This is why the conceptual framework focuses on entrepreneur-environment interactions through two social dimensions: space and time. The dimension of social space analytically breaks down social change into the interplay of three levels: ideas, structures, and practices. The dimension of time captures the dynamic nature of social change; it looks closely at the interdependencies between entrepreneurs and their environment as they play out at the levels of ideas, structures, and practices over time.

The illustrative case in Section 3 gives us some idea about how our approach can help investigate and describe patterns of social change. It shows that it makes sense to conceptualise social change in terms of the entrepreneur-environment interaction. The case also demonstrates that the three levels of ideas, structures and practices allow us to trace social change brought about by Sekem.

We suggest that the framework proposed here offers an interesting approach for further research. In particular, we envisage the framework to help researcher design and conduct relatively complex qualitative studies featuring multiple cases. The two dimensions and three analytical levels, we hope, can help researchers identify, compare and depict the logic of social change as they it is replicated across different cases. We would welcome a critical discussion of its scope, limitations, and benefits. However, we do not pretend that this framework generates easy and ready-made answers for complex problems. Rather, we see its major value in the ability to generate interesting questions. This is why we hope that this framework can contribute to learning in the field of social entrepreneurship research.

References

- Abouleish, I. (2004) *Die Sekem-Vision. Eine Begegnung von Orient und Okzident verändert Ägypten*, Verlag Johannes M. Mayer & Co. GmbH, Stuttgart, Berlin.
- Abouleish, I. and Abouleish, H. (2009) 'Garden in the desert. Sekem makes comprehensive sustainable development a reality in Egypt. Innovations case narrative: Sekem', In *Special Edition for the World Economic Forum Annual Meeting 2009, Social Innovation in a Post-Crisis World*, pp.125–152.

- Achleitner, A., Pöllath, R. and Stahl, E. (Eds.) (2007) *Finanzierung von Sozialunternehmen: Konzepte zur finanziellen Unterstützung von Social Entrepreneurs*, Schäffer-Poeschel Verlag, Stuttgart.
- Baumol, W.J. (1990) 'Entrepreneurship, productive, unproductive and destructive', *Journal of Political Economy*, Vol. 98, No. 5, pp.893–921.
- Baumol, W.J. (2010) *A Micro-Theory of Innovative Entrepreneurship*, Princeton University Press, Princeton, NJ.
- Boguslawski, v.C. (2002) *Vergleichende Untersuchungen zum ökologischen Status des konventionellen und des ökologischen Biobaumwollanbaues in Ägypten (Governorat Fayoum), zur Stabilisierung der Erträge und zur Wirkung der Pheromon-Verwirrung bei Pectinophora gossypiella (Lep. Gelechiidae)*, PhD thesis, Justus-Liebig-Universität Gießen, Gießen, Germany.
- Bornstein, D. (1996) *The Price of a Dream: The Story of Grameen Bank*, Oxford University Press, Oxford.
- Bornstein, D. (2004) *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, Oxford University Press, Oxford, UK.
- Boschee, J. and McClurg, J. (2003) 'Toward a better understanding of social entrepreneurship: some important distinctions', Technical report, The Institute for Social Entrepreneurs.
- Dees, J.G. (1998a) 'Enterprising nonprofits', *Harvard Business Review*, Vol. 76, No. 1, pp.54–67.
- Dees, J.G. (1998b) 'The meaning of social entrepreneurship: from philanthropy to commerce', Technical report, Center for Advancement of Social Entrepreneurship, Norfolk, N.C.
- Dees, J.G. and Anderson, B.B. (2006) 'Framing a theory of social entrepreneurship: building on two schools of practice and thought', in Williamson, R. (Ed.): *Research on Social Entrepreneurship: Understanding and Contributing to an Emerging Field*, pp.39–66, ARNOVA, Indianapolis, IN.
- Depledge, J. (2006) 'The opposite of learning: ossification in the climate change regime', *Global Environmental Politics*, Vol. 6, No. 1, pp.1–22.
- Desa, G. (2011) 'Resource mobilization in international social entrepreneurship: bricolage as a mechanism of institutional transformation', in E T&P, January 2011, pp.1–25.
- DiMaggio, P.J. and Anheier, H.K. (1990) 'The sociology of nonprofit organizations and sectors', *Annual Review of Sociology*, Vol. 16, No. 1, pp.137–159.
- Douglas, M. (Ed) (1982) *Essays in the Sociology of Perception*, Routledge and Kegan Paul, London.
- Douglas, M. (1987) *How Institutions Think*, Routledge and Kegan Paul, London.
- Drucker, P.F. (1985) *Innovation and Entrepreneurship*, Butterworth-Heinemann, London.
- Drucker, P.F. (2007) *The Essential Drucker*, The Classic Drucker Collection, Butterworth-Heinemann, London.
- Elkington, J. and Hartigan, P. (2008) *The Power of Unreasonable People: How Social Entrepreneurs Create Markets and Change the World*, Harvard Business Press, Boston, Massachusetts.
- Emerson, J. (2003a) 'The blended value proposition: integrating social and financial returns', *Californian Management Review*, Vol. 45, No. 4, pp.35–51.
- Emerson, J. (2003b) 'Where money meets mission', *Stanford Social Innovation Review*, Vol. 1, No. 2, pp.38–47.
- Fischer, F. and Forester, J. (Eds.) (1993) *The Argumentative Turn in Policy Analysis and Planning*, Duke University Press, Durham, NC.
- Kirzner, I.M. (1973) *Competition and Entrepreneurship*, University of Chicago Press, London.
- Kooistra, K., Termorshuizen, A. and Pyburn, R. (2006) *The Sustainability of Cotton. Consequences for Man and Environment*, Science Shop Wageningen University & Research Centre, report number 223.

- Light, P.C. (2008) *The Search for Social Entrepreneurship*, The Brookings Institution, Washington, D.C.
- Linklaters (2006) 'Fostering social entrepreneurship, legal, regulatory and tax barriers: a comparative study', Report, Schwab Foundation, Presented at the *World Economic Forum* in Davos.
- Mair, J. and Marti, I. (2006) 'Social entrepreneurship research: a source of explanation, prediction, and delight', *Journal of World Business*, Vol. 41, No. 1, pp.36–44.
- Mair, J. and Marti, I. (2009) 'Entrepreneurship in and around institutional voids: a case study from Bangladesh', *Journal of Business Venturing*, Vol. 24, No. 5, pp.419–435.
- Martin, R.L. and Osberg, S. (2007) 'Social entrepreneurship: the case for definition', *Stanford Social Innovation Review*, Vol. 5, No. 1, pp.28–39.
- Mawson, A. (2008) *The Social Entrepreneur: Making Communities Work*, Atlantic Books, London.
- Mintrom, M. (2000) *Policy Entrepreneurs and School Choice*, Georgetown University Press, Washington, D.C.
- Mulgan, G. (2006) 'Cultivating the other invisible hand of social entrepreneurship: comparative advantage, public policy, and future research priorities', In Nicholls, A. (Ed.): *Social Entrepreneurship: New Models of Sustainable Social Change*, Chapter 4, pp.74–95, Oxford University Press, Oxford, UK.
- Mulgan, G. (2008) 'Social innovation: what it is, why it matters and how it can be accelerated', Working paper, Skoll Centre for Social Entrepreneurship, Oxford.
- Ney, S. (2009) *Resolving Messy Policy Issues*, Science in Society, Earthscan Publications, London.
- Nicholls, A. (Ed.) (2006) *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford University Press, Oxford, UK.
- Nicholls, A. and Dart, R. (2004) 'The legitimacy of social enterprise', *Nonprofit Management and Leadership*, Vol. 14, No. 4, pp.411–424.
- Parsons, W. (1995) *Public Policy: an Introduction to the Theory and Practice of Policy Analysis*, Aldershot, Edward Elgar, Aldershot, UK.
- Pies, I., Hielscher, S. and Beckmann, M. (2009) 'Moral commitments and the societal role of business: an ordonomic approach to corporate citizenship', *Business Ethics Quarterly*, Vol. 19, No. 3, pp.375–401.
- Pies, I., Beckmann, M. and Hielscher, S. (2010) 'Value creation, management competencies, and global corporate citizenship', *Journal of Business Ethics*, Vol. 94, No. 2, pp.265–278.
- Porter, M.E. (1985) *Competitive Advantage*, Free Press, New York.
- Pülschen, J., Kaske, R. and Sauerborn, J. (1994) 'Pesticide use in Egypt. Its ecological impact mitigative measures', *Journal Plant Diseases and Protection*, Vol. 101, No. 5.
- Rein, M. and Schön, D. (1993) 'Reframing policy discourse', In *The Argumentative Turn in Policy Analysis and Plan*, pp.145–166, Duke University Press, Durham, North Carolina.
- Rein, M. and Schön, D. (1994) *Frame Reflection: Towards the Resolution of Intractable Policy Controversies*, Basic Books, New York, New York.
- Sabatier, P.A. and Jenkins-Smith, H. (1993) *Policy Change and Learning: An Advocacy Coalition Approach*, Westview Press, Boulder, Colorado.
- Schumpeter, J. (1947) 'The creative response in economic history', *Journal of Economic History*, No. 2, pp.149–159.
- Scialabba, N. (2000) 'Factor influencing organic agriculture policies with a focus on developing countries', *IFOAM 2000 Scientific Conference*, 28–31 August, Basel, Switzerland, available at <http://www.fao.org/docs/eims/upload/230159/BaselSum-final.pdf> (accessed on 30/10/2010).
- Shane, S. and Venkataraman, S. (2000) 'The promise of entrepreneurship as a field of research', *Academy of Management Review*, Vol. 25, No. 1, pp.217–226.
- Stone, D. (1988) *Policy Paradox and Political Reason*, Scott Foresman, Glenview, Illinois.

- Tan, W.L., Williams, J. and Tan, T-M. (2005) 'Defining the 'social' in 'social entrepreneurship: altruism and entrepreneurship', *International Entrepreneurship and Management Journal*, Vol. 1, No. 1, pp.353–365.
- Thompson, M. (1996) 'Inherent relationality: an anti-dualist approach to institutions', Research Report LOS-Centre Report 9608, LOS Center, Bergen.
- Thompson, M., Ellis, R. and Wildavsky, A. (1990) *Cultural Theory*, Westview Press, Boulder, Colorado.
- Thompson, M., Grenstad, G. and Selle, P. (Eds.) (1999) *Cultural Theory as Political Science*, Routledge, London.
- Tilly, C. and Tarrow, S. (2007) *Contentious Politics*, Paradigm, Boulder, CO.
- United Nations (2000) 'Application of biodynamic methods in the Egyptian cotton sector: sustainable development success stories (CSD)', 8, available at http://www.un.org/esa/dsd/dsd_aofw_mg/mg_success_stories/csd8/SARD-27.htm (accessed on 30/10/2010).
- Young, R. (2006) 'For what it is worth: Social value and the future of social entrepreneurship', in Nicholls, A. (Ed.) *Social Entrepreneurship: New Models of Sustainable Social Change*, Chapter 3, pp.56–73, Oxford University Press, Oxford, UK.
- Yunus, M. (1998) *Banker to the Poor: The Story of the Grameen Bank*, Aurum Press, London.
- Yunus, M. (2007) *Creating a World Without Poverty: Social Business and the Future of Capitalism*, Public Affairs, New York, NY.
- Yunus, M. (2010) *Building Social Business: The New Kind of Capitalism That Serves Humanity's Most Pressing Needs*, Public Affairs, New York, N.Y.
- Zahra, S.A., Gedjalovic, E., Nussbaum, D.O. and Shulman, J.M. (2009) 'A typology of social entrepreneurs: motives, search processes and ethical challenges', *Journal of Business Venturing*, Vol. 24, No. 5, pp.519–532.