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LIST OF ABBREVIATIONS

CASE **Center for the Advancement of Social Entrepreneurship**

CSR **Corporate Social Responsibility**

GEM **Global Entrepreneurship Monitor**

EMES **European Research Network**

UNDP **United Nations Development Programme**

WTO **World Trade Organization**

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ABSTRACT

This thesis investigates the outcomes of social entrepreneurship during neoliberal period. The spillovers of neoliberal perspective shift naturally influenced the ecosystem which contains contemporary conjuncture and the environmental conditions to support the concept. This environmental context organically influences the development and also experimentation of the phenomenon. The study examined development process of the social entrepreneurship by analyzing the contemporary changes in the ecosystem during the neoliberal period time. Changing roles of the traditional actors in the social field and new trends with neoliberal perspective shift were targeted to explain the changing ecosystem. And then, the evolution of the phenomenon was investigated with its outcomes which have spread into the social and economic systems all around the World. In addition to literature, this study concentrated on the socio-economic and political perspectives of the social entrepreneurship during the neoliberal period in order to understand its conceptualization. Thus, the concept with its significant outcomes was examined as a catalyst for changes in both micro and macro levels.

Keywords: Neoliberalism with practices, social entrepreneurship, ecosystem, social and economic effects

ÖZET

Bu tez neoliberal dönemde sosyal girişimciliğin sonuçlarını araştırmaktadır. Neoliberal perspektif kaymasının sonuçları, doğal olarak sosyal girişimciliğin gelişimini ve deneyimlenme şeklini etkileyen ekosistemi de etkilemiştir. Çalışma; neoliberal dönem boyunca ekosistemdeki güncel değişiklikleri analiz ederek, kavramın gelişim sürecini incelemiştir. Değişen ekosistemi anlamak için geleneksel aktörlerin sosyal alandaki rollerinin değişmesi ve neoliberal perspektif kaymasıyla oluşan güncel eğilimler ele alınmıştır. Bunun akabinde, tüm dünyada sosyal ve ekonomik sistemlere yayılan sonuçları ile sosyal girişimcilik fenomeninin evrimi araştırılmıştır. Bu çalışma literatüre katkı olarak; neoliberal dönemdeki sosyal girişimciliğin, sosyo-ekonomik ve politik perspektiflerine yoğunlaşmış, kavramlaştırmayı bu yolla anlamlandırmaya odaklanmıştır. Böylece, önemli sonuçları ile birlikte kavram, hem mikro hem de makro düzeylerde sistemik değişiklikler için bir katalizör olarak incelenmiştir.

Anahtar kelimeler: Neoliberalizm uygulamaları, sosyal girişimcilik, ekosistem, sosyal ve ekonomik etkiler

INTRODUCTION

During the last decades, neoliberalism increased its dominance upon economics and politics through globalization; thus, neo-liberal practices expended all around the world. Corporations continuously target the maximization of profit; despite, recently feeling socially responsible. In doing so, states with neoliberalism illustrated a general tendency to provide confidence for the sake of financial markets. The ecosystem characterized the organizations and their developing roles in the marketplace when considering various insights about the new norms and trends with neoliberalism. It would not be wrong to say that some new organizational structures evolved for getting an ability to combine commercial methods with various social objectives as an organic outcome of the neoliberal decades. Thus, this changing ecosystem which represents the environmental context in the sense of the political, economic, social, cultural and technological trends in current neoliberal period influenced the general framework of social entrepreneurship as a phenomenon (Haugh, 2005).

Newly developing forms such as social entrepreneurship attached the social sector while the already existing roles of the traditional actors such as the state, organisations, intellectuals and so on were evolving through the perspective shift. In doing so, the phenomenon of social entrepreneurship was praised in the field. This renewed interest illustrated as policy-driven according to its contribution in establishing a social value, increasing social capacity, creating solutions which create a response for some unmet needs, encouraging local development, producing new goods and services for problematic markets (Zahra et al, 2014). And also; supporting the integration of excluded ones, creating jobs, shining the attractiveness of already existing industries, and developing local assets (ECOTEC, 2001) would be seen as some other outcomes of social entrepreneurship during the neoliberal period.

The concept essentially offers a social return on investment since it includes business support and entrepreneurial sustainability through social entrepreneurial features (Khan, 2005). It creates a collaborative sense to establish an interrelated relation between social fields and business which have strategic tension for their essential purposes. These social entrepreneurial initiatives act as preferred investment tools through their large ability and capacity for seeking new resources of social finance in the ecosystem (Haugh, 2005).

Thus, social entrepreneurship thrives as an advantageous solution to accomplish sustainable steps toward continuous development. Under these circumstances, it is not surprising that social enterprises are encouraged by several decision-makers, businessmen, organizations such as Asoka, The Skoll, and the Schwab Foundation. According to Short, Moss, and Lumpkin (2009), 152 articles about the social entrepreneurship have been published in journals from 1991 to 2009. Throughout this time frame, they were identifying these scholarly journals in this period, they observed 750% increase in publication. Both practitioners and scholars endorse social entrepreneurship; Brock (2008) stressed that in more than 35 countries social entrepreneurship is included to textbooks through case studies and research. Despite, the field is still popularised through only a few efficient case studies and the individual success stories of some popular social entrepreneurs the concept is also increasing as a phenomenon by itself. (Sharir and Lerner, 2006; Van Slyke and Newman 2006). Indeed, the field needs the continuum of establishing institutional legitimacy (Hall, Danake, and Lenox, 210).

This social type recently increased its influence in the field of political economy; correspondingly already mentioned outcomes, despite the traditional version of business entrepreneurship had a comparatively long history. Indeed, the phenomenon wasn't properly conceptualized yet. This conceptualization with the grift nature of the phenomenon would be very hard to capture, considering its multi-dimensional features. Although, the phenomenon traditionally offers social values, this kind of value is not measurable in traditional measurements. Also, the consequences of entrepreneurial initiatives are hard to be justified considering the

unscalable and nonmeasurable consequences of social practices, despite social entrepreneurial propositions offer various outcomes. The lack of large-scale quantitative dataset about social entrepreneurship and generalizability of theoretical propositions created methodological challenges while trying to measure its impact and establishing replicable models. These social issues with outcomes also made the phenomenon hard to be defined.

Not only the phenomenon's domestic dynamics but also environmental components influenced the development of the concept. The contemporary ecosystem with neoliberalism increased the dynamism of the field; so, purely examining the concept with its outcomes became even harder. As it is seen, there were several direct and indirect impacts on the social entrepreneurship. And, all these gift components illustrated as significant limitations to examine the outcomes of the phenomenon during the neoliberal periods.

Under these circumstances, this thesis mainly examines the concept of social entrepreneurship into main themes which would create, strengthen and deepen the field. First of all, the environmental context of the field is illustrated as an ecosystem to examine the ground of the development. Then, not an only historical process but also contemporary schemes were used to define the general framework of social entrepreneurship with outcomes. In doing so; definitions, opportunity recognition processes, innovation, opportunity exploitation, measurements are targeted as some of the sub-titles of the thesis. Thus, this thesis drew on historical progress of neoliberalism and its influences to create an existing ecosystem. The main themes which created an enriching ground for social entrepreneurship are then proposed. Then, the lack of conceptualization is tried to be clarified through the defining or comparing the mainstream tendencies in the literature. In conclusion, the thesis endorses the mutual interests in social entrepreneurship while underlining the outcomes of the social entrepreneurship during the neoliberal period.

In doing so, David Harvey's "A Brief History of Neoliberalism" illustrated as a ground to structure the development of neoliberalism through its evaluation process. This resource offered a better understanding to identify class formations correspondingly emerging demands of the classes in neoliberal period. When these emerging demands and changing social and economic environment in neoliberalism were identified, his "Neoliberalism as Creative Destruction" thrived the shifting roles of traditional actors with neoliberal perspective. The resource suggested detailed analyses about the implementation of the neoliberalism which was used as an ideological tool for implementing economic formula. The changing environment with neoliberalism through institutions and altered attitudes of the already existing organizations, such as restructuring welfare systems, social security programmes, health services, education, accommodation and so on, were exemplified.

When Harvey distinguished neoliberalism's positive and negative sides, these consequences of the period have occurred to be answered. Indeed, "Discourses of social entrepreneurship – Variations of the same theme" by Hulgard et al provided a better understanding of the environment in which social entrepreneurship was needed. It distinguished the phenomenon as a complete understanding while examining the contemporary changes by underlining ongoing issues such as ecosystem, privatization of welfare services, uprising social demands and so on.

Then, "Social enterprise and the third sector: changing European landscapes in a comparative perspective" from Defourny J. and Hulgard L. and Pestoff highlighted the third sector which was illustrated as a kind of intermediary in this kind of dynamic ecosystems with active changes and demands. Thus, the concept of social entrepreneurship thrived as a catalyser for the social transformation and sustainable development even in this kind of dynamic ecosystem with neoliberalism (Seelos et al, 2004).

“Social Entrepreneurship and Social Transformation: An Exploratory Study” by Sarah H. Alvord, L. David Brown, and Christine W. Letts helped to structure the main framework of social entrepreneurship as a phenomenon since enriching social sector with a business-like approach. This study with successful entrepreneurial cases offered positive outcomes of the concept by modeling sustainable solutions; so, this was encouraged to investigate the phenomenon with its outcomes.

There were still blurred lines to define social entrepreneurship as a complete phenomenon despite the momentum of the social entrepreneurship. There were several ways to do this in the literature. Most commonly, some authors addressed the way of comparison to distinguish the term from its former or congeneric versions. Or, some others set the entrepreneur in the center of the concept to examine it in the evaluation process. For example, Zahra et.al with “A typology of social entrepreneurs: Motives, search processes and ethical challenges” illustrated an eye-opening contribution to my thesis by exemplifying typologies of social entrepreneurs since the entrepreneur-centric definitions frequently used in the field. The source led to highlight various components and context-dependent features of the concept considering its multi-dimensional characteristics in the ecosystem, with the influence of these kinds of various perspectives to conceptualize the phenomenon. GEM Reports by Lepoutre et. Al (2011) helped to examine the concept through indicators, comparisons, and datasets.

Trevis Certo and Toyah Miller’s “Social Entrepreneurship: Key issues and concepts” supported my research to frame social entrepreneurship as a phenomenon -which is embodied by several elements such as the personality of an entrepreneur, institutional backgrounds, the context-. Despite the shifts in the ecosystem, the phenomenon’s capacity with high potential illustrated as a well-functioning respond.

Then, “On the Frontiers: The Implications of Social Entrepreneurship for International Entrepreneurship” by Zahra et.al convinced to the efficiency of the

concept. I realized its blended value offers to respond contemporary changes such as, not only social demands but also commercial opportunities in the field when the resource highlighted its outcomes such as its market-based innovativeness on social issues. Thus, I have attached the phenomenon and ensured its influential capabilities. With the motivation to fulfill the gap in the literature from a political economy perspective, the social entrepreneurship and its potential outcomes during the neoliberal period have been investigated in the thesis. Thus, this thesis offered an alternative perspective through a political economy outlook on the phenomenon. Until recently in the literature it has been championed especially by the school of business in the field.

From the methodological aspect, to draw the general framework of this thesis, the qualitative analysis was used. Hence, some data was gathered from the datasets of the OECD and UNDP to understand the socio-economic effects of social entrepreneurship. The thesis mainly focused on various content analyses and gives some entrepreneurial cases such as Zipcar, Self-Help, and Grameen Bank.

Most commonly, secondary data and the method of content analysis were used in this research. While applying this method, the contemporary literature has been scrutinized and some features of social initiatives were selected as units of analysis to verify the main assumption of this thesis. Even though this method seemed as an appropriate approach for studying social issues, social value and corresponding social behavior is hard to be measured.

As Earl Babbie stated; content analysis would be seen as as an appropriate option to work on recorded human artefacts and communications such as literature printed media, documents, laws, constitutions, discourses, stereotypes and so on (Babbie, 2010). These kinds of contexts illustrates fundamental roles to observe contemporary positions of the actors during the neoliberal period. In addition to this, they created a significant ground to analyse the roots of both failures and achievements of the period which are valuable to develop new solutions to seek social missions in the

system. Even though the lack of data may be seen as a challenge, the data on the size and scale of social entrepreneurship in the sector creates a research opportunity. This is an advantage for researchers which provides a significant information and knowledge for both intellectuals, policy makers and practitioners in the field.

Standard quantitative measurements would be efficient for traditional entrepreneurship, and some of these can be adapted to the social initiatives as well. Nevertheless, social benefits are mostly hard to quantify (Dees and Anderson, 2003). Hence, this thesis focuses on the social entrepreneurship's performance indicators such as socio-economic regeneration and number of unemployed who have integrated to the system and so forth. This kind of aspect also supported the thesis through positioning the phenomena on being more applicable for social problems.

There is not a common measurement tool or dataset to test the phenomenon's productivity. Although, the phenomenon offers some social values, value in social sense is not measurable through traditional tools. Moreover, consequences of social entrepreneurial initiatives are relatively hard to be justified - considering the unscalable and nonmeasurable elements of social practices. The summation of all these information makes this thesis qualitative. The lack of large-scale quantitative datasets on social entrepreneurship and generalizability of theoretical propositions created methodological challenges while handling to measure its impact.

This thesis argues that; social entrepreneurship's problem-solving character in social issues in order to penetrate neoliberalism's coercive environment. This stand along with problem solving on social issues through fundamental solutions diverges from its forerunners with the above-mentioned traits and keeps its commonality as a social mission oriented character (Bowie, 2004). There was no attempt to measure the activity or case study in the field to testify the main argument of the thesis. This was due to the fact that this thesis mostly relied on secondary data. As mentioned under the limitations, qualitative data analysis illustrated some kind of problems in social issues such as disagreements on definitions, counting, non-observable

features and its consequences. The lack of conceptualization that has been stated is the biggest challenge faced in the course of this thesis. Moreover, considering its multi-dimensional features (Weerawardena and Mort, 2006), the phenomenon's complex nature is hard to be captured while the notion of being "social" makes the phenomenon's measurability even harder. The hardness of the measurability relies on the fact that, every human related subject can be placed in a social notion. This in the end, makes it hard to limit the lines of the social-being and turn in into a data.

However, as a European-centric phenomenon, social entrepreneurship during the neoliberal time span has been criticized from this perspective. The thesis' statement and how the phenomenon relates to the rest of the research has been based on this kind of specified regional aspect - even though this might be a weakness of the thesis. By acknowledging this weakness and other limitations, this thesis focused on the phenomenon and its capacity in social and economic aspects to tackle with the consequences of the neoliberal period. While respecting what Harvey asserted about neoliberalism and its destructive effects, this thesis did not agree with the lack of his faith in the solution of the problem-solving. Throughout the thesis, the problem-solving aspects of social entrepreneurship are analyzed within the critical lines of Mair and Marti's theories to deliver a solution. Within this framework, Dees puts a clearer general understanding of the phenomenon's capacity. Following the examination throughout this thesis, the content of social entrepreneurship is illustrated as a starting point to tackle with coercive consequences of neoliberalism in the ecosystem.

1.THE ROOTS OF NEOLIBERALISM

Not only radical changes but also soft transformations have happened during the ages; especially, capitalism has created transformative changes on the already existing norms and extended the limits. Through the various perspectives of capitalism there basic types of economies can be observed. (Hall and Soskice, 2001; Hancké, 2009; Jackson and Deeg, 2008).

The first type is the liberal economy that is shaped and ruled by market mechanisms through the economic and social justice (GEM, 2011). The second one is illustrated as the cooperative economy, in which the state is seen as the main actor to regulate markets and redistribute income and wealth. And finally, there is the informal economy which is defined as “affiliations to social groups determine the local creation and distribution of wealth and justice” because of the failure of both markets and the state apparatus to regulate the whole system (Mair, 2010). According to Mair (2010), regardless of the comparable levels of economic developments, the activity of the social entrepreneurship might be more advanced especially in the liberal economy when its frequency is compared with the cooperative one. This proposition is also supported by the former approaches which offer that the removal of the state or the public sector from social service arrangements rise unsatisfied needs, against cooperative countries where the state has charged to fulfill these needs of societies (GEM, 2011). Therefore, this chapter will examine the neo-liberal period in which it defines the main characteristics of the ecosystem for social entrepreneurial initiatives and its prevalence.

In the mid-1980s, the neo-liberalist approach occurred as one the most compelling powers in the field of political economy (Robertson, 2007). During the decade, it has increased dominance through globalization; so, neo-liberalism expended all around the world; both European and American continents faced with several changes due to this perspective shift. For instance, the US Federal Reserve led neoliberal changes in July 1979 about monetary policy while Britain has done it in May 1979 (Robertson, 2007). Then, more apperent steps toward neo-liberalism

were followed up such as structuring all the mechanism by favouring several sets of restrictions on labour power, deregulations on the industry and so on. Liberalisation on the financial powers has happened both domestic and international levels; thus, the approach was strengthened.

Hence, neoliberalism began to be used as the main principle of economic perspective to regulate both political and economic practices. In theory, it depends on the human well-being to save entrepreneurial freedoms, skills, and abilities (Harvey, 2007). Under the institutional framework that strictly protect and deliver private property rights, the working of free markets and trade are centralized (Harvey, 2007). By doing this, the state is charged to secure the institutional framework. More than guaranteeing its function, the existence and security of the market has begun to be seen as a responsibility of the state when it is needed.

So, states with neoliberal tendencies relied their main argument on the straight ties between individual freedoms and free markets. Individual freedom is illustrated as a main precondition and necessity for market freedom; thus, it was guaranteed to consider the function of the markets' freedom (Harvey, 2007). Trade is seen as the main force and enforcing power on the system through neoliberal thinking. Yet, the current problem of the approach might be linked with the maximized trade-centric encouragement, because the concept of freedom in the neoliberal systems were adopted by private property owners, businessmen, multinational corporations, NGOs, and financial capital owners (Harvey, 2005); so, the term has been put forward to reflect their wills and interests.

In doing so, neoliberals believe that the state interventions within the markets should be minimalized and controlled, because the state may not resist against powerful interest groups' arbitrary wills and interests. Besides avoiding bias, the state may not recognize acute market signals and react immediately because of a lack of information and its bulkiness. Because of these reasons, neoliberals do not accept neither state interventionist theories nor centralized state planning (Harvey, 2007). From this point of view; repositioning of the state and accordingly deregulation and privatization seemed acceptable. For example, some states that have established after the collapse of the Soviet Union aimed to get social democracies through this ideological shift, also types of welfare regimes in several countries were renewed to be adapted into this approach (Harvey, 2005).

Since the ideology has captured the eras of education systems, academics, financial institutions, state institutions, mass media, and international institutions; all these organisations acted as an agency to strengthen the system through the neoliberal perspective (Harvey, 2005). Especially, some international institutions that are charged to regulate global trade and finance sector as well such as International Monetary Fund (IMF) and World Trade Organisation (WTO) strengthened the neoliberalist hegemony.

But, the process toward neoliberalism cannot be generalised as a chance for the better for everyone or seen as a whole progress. Seen in several examples, the neo-liberalization process has forced the system to destruct. Welfare regimes, institutional frameworks, labour relations, social structures, sociological norms and relations, technological needs, welfare systems and types of production needed to be reshaped according to the perspective (Harvey, 2007). In this kind of a competitive and coercive framework; having information technologies and capacities were needed to be recognised; not only to extend and store, but also to analyse and share with the world. Since these emerging technologies spread into a broader geographical range which has become boundless by globalization; markets started to be contended by more competitive transactions in time and space.

In the sight of these efforts for structural change, the question of why and how the neoliberalist approach left behind the other approaches of the time became suspicious. It was a kind of political project that included restoration of the conditions between economic elites through the capital accumulations and reestablishment of their power relations as well (Harvey, 2005). By making these structural changes during the neo-liberal globalization, the importance of transnational connections increased its efficiency and importance. As seen in these examples of changing dynamics through the needs of the neoliberal order, structural changes and historical background were contained to the analyses to understand the evaluation of neoliberalization.

Basically, the post-war settlements have created new conditions for everyone; especially, labor increased their power against upper classes' economic power (Harvey, 2007). The position of ruling class was considered as under the threatening of uprising classes such as laborers and their active unions; so, they needed to make something for avoiding their political and economic alienation, basically, they were trying to rescue their prioritized position in the system. When Bush administration made tax reform that supported upper classes in the USA, also in the Great Britain doubling the income of the top 1 percent of whole income earners was seen as a big success and the victory of the new neoliberal system as well (Harvey, 2007). In brief, the neoliberal system was kind of a necessity to reconstruct economic elites' socio-economic power and strengthened their position. But the system was essentially chaotic; the problem has occurred as a natural outcome of the neoliberal system's self-dynamics. For example, the politicians mismatched the idea of getting a political consent of the population with just winning any election.

As observed to Gramsci's definition of common sense which has several similarities with this consent grounded approach, it blurred citizenship concept in the societal sense/relations/level¹. From this point of view, the concept of common

¹ Antonio Gramsci's Common includes a significant theorization of classes and increasing inequality in the 21st century, it contributes insights by extending beyond economic inequality. His influential notions on "hegemony" and the

sense is depended on the practices of cultural socialization; structured norms, cultural and traditional values were instrumentalized to cover other realities and problems. Political agendas, campaigns, speeches, and slogans were structured to justify specific strategies. So, consent in popularised sense was used as a way to legitimize neoliberalism through several socio-cultural aspects. Especially, influential ideological aspects of corporations, organisations, mass media, intellectuals, universities, associations, and think-tanks performed as some influential agencies through the ideology. The neo-liberal perspective which were spread through these channels increased neoliberal ways of practising and framed a portrait of the neoliberalism as a guarantor of freedom (Harvey, 2005). With the uprising influence of these kinds of cultural changes and newly developed social norms, the neoliberalization process of the system was seen natural and needed, and this “common-sense understanding” overlapped all other realities even though it was basically reestablishing the privileged position of economic elites over the society.

Moreover, left movements as alternative approaches during the time span were observed as unsuccessful attempts to solve the tension within social justice and individual freedoms since neoliberalism positioned itself as a freedom guaranter. The major political changes in 1968 through the World raised demands for personal freedoms. When this historical change met with the captivating image of the neoliberal perspective, the shift to the neoliberal world order happened inevitably.

concept of the “manufacture of consent” (Gramsci, 1971) underlined the efficiency of the capitalist state as being created of two overlapping spheres such as a “political society” that rules through the force and a “civil society” that rules through the political consent. It is basically different than the current meaning of the civil society from the “associational”, that explains civil society as a kind of sector of voluntary organisations. He posed the civil society as a kind of public sphere in which trade unions and political parties advanced adjustment from the bourgeois state. This sphere where ideas and beliefs were constructed is defined by the hegemonic bourgeois that was reproduced in social and cultural life under the influence of the media, academics, universities, and institutions to “manufacture consent” and its legitimacy.

With the uprising influence of neoliberalism, several politicians shifted governmental policies. For example, Reagan and his colleagues in the USA have blamed welfare programmes for fueling double-digit inflation and offered reductions as a need for restricting the mass federal spendings. This kind of an attitude depended on accusing whole forms of social solidarity such as welfare functions, the culture of labour unions and so on. On one hand, public enterprises such as social housing were privatized; on the other hand, taxes were cut and entrepreneurial initiatives were supported to build an appropriate structure. During the neoliberalization of the system, the family-based social solidarity has been divided in the favour of individualism, personal freedoms, and private property.

Gaining interest on the money capital distinguished from the gaining profit on earning money from production and manufacturing. This gap naturally increased the tension between financiers, producers, merchants, and entrepreneurs. Speculation has emerged as a problematic component and speculative gain thrived as a popular initiative for making fortunes in a short time (Kotz, 2009). Even the largest corporations of the 1970s have centered finance-led gains in their business plans; they shifted their services and functions to orient to the neoliberal order. Thus, in the 1980s, corporations already started to prioritize the gains from financial operations by making speculation rather than producing (Inside Job, 2010). All of these fundamental shifts caused the rapid increase in the activity and power of the finance.

As a structural characteristic of the neoliberal system, regulatory constraints and barriers decreased. So, financial activities extended. Within the process, technology and new innovations about financial services fueled global interconnections. On one hand, several financial markets based on securitization and derivatives established; on the other hand, new kinds of needs which can be also seen as some entrepreneurial opportunities for entrepreneurs occurred into the society. A straight shift from production to finance reshaped socio-economic roles.

So, neoliberal states set supporting financial institutions and their integrity to the systems. The role of the state has been transformed to being guarantors of the system's work; they centralized the issue that providing confidence for the sake of financial markets. The new position of state apparatus is summarised as "The free market requires the strong, market facilitating state, but it is also dependent on the state as the coercive force of that freedom" (Bonefeld, 2010).

So, the contemporary roles of the state herewith various traditional actors in markets were reshaped to keep market function and formed to respond new needs and trends through the rising competition in neoliberal period (Kortz, 2009). Not only upper classes but also businessmen supported the class formations toward neoliberalism (Harvey, 2007). New structures in trading and correspondingly developed relations were seen as a necessity from their point of view; so, various markets and services have emerged thereby thrived in the process such as welfare, biotechnology, information, environmental technologies and so on. The idea of exploiting the opportunities in infant fields encouraged these entrepreneurs to improve market relations.

By doing this, people who had strong channels with the financialized branches found a chance to get mass personal fortunes since they see the opportunity in the period of change. But this kind of a channel also deepened and strengthened a few people who were able to influence the large span of the economy; so, they started influencing political processes through their strong economic capabilities and belongings.

As a problematic outcome, the concept of the freedom has lost its meaning during neoliberalisation process and it started to be sustained by authoritarianism and force. David Harvey summarised this dilemma as "The good freedoms are lost, the bad ones take over" (Harvey, 2005). Several corporations have made mass profits during the crisis even most of the society was suffering; mortgage-based financial

crisis in the USA would be seen as an illustrative example. This crisis was also significant to observe a moral problem in the transformation of neoliberalism².

Shortly, the practice of the neoliberalism occurred as a usage of the public resources to build appropriate infrastructure through the interests of business. As David Harvey said, “Corporate welfare substituted for people welfare” (Harvey, 2005).

Even the neoliberalism has formed to sustain market efficiency, redistribution of wealth, privatization, individual freedom and so on; only the redistribution of a wealth would be seen as an obvious achievement of the neoliberalization process. When several coercive outcomes considered, the need for an alternative solution to the destructive and counterproductive features of neoliberalism became apparent; because it was a clear that outcomes of the approach were not only inevitable results of this problematic process but also the biggest challenge for the neoliberal system (Nielsen et al, 2014). Like mentioned “liberalism did not disappear but just transformed to the new version” (Mirowski and Plewhe, 2009) and the way from liberalism to neoliberalism illustrated that the current system has essentially fulfilled by complex problems.

Especially, increasing inequality, questions on the sustainability of development, and unemployment occurred as naturally destructive elements for the legitimacy of neoliberalism (Kortz, 2009). It was also clear that state apparatus and other economic actors are not able to solve contemporary problems by oneself.

² Indeed, this moral hazard has experienced several times in this process such as The New York City fiscal crisis which has based on a conflict between financial institutions and the elected government of a time in New York. At the end of this crisis, the transformation to the neoliberalism was already embraced and establishing appropriate business climate was prioritized. Redistribution of the wealth has been set as one of the most important aims of the neoliberal system by upper classes, so these new roles in the system were seen as a necessity to be assigned. During this period, ethnic-immigrants of New York and working-class were forced through the norms of neoliberal world order; this attitude increased the harshness of the transformation period for someones who could not fit the competition according to their characteristics, living conditions or poor physical conditions.

1.1 Chaotic Features of the Neoliberalism

Since the beginning of the 2000s, lots of economist positioned the USA as being in the Great Moderation that contains several positive indications such as economic stability, opportunity predictability, low inflation and fluctuation rates. Even though the real estate led financial crises has surrounded the whole World, these intellectuals were still insisting on to praise the neoliberal system through the example of the USA. But the high fragility of the financial sector had been rising in worldwide during the neoliberal period. Neither business people nor institutions hesitate to involve risky activities to maximize their profit margins; thus, making a profit in short-term started to be seen as acceptable with the neoliberalism (Crotty, 2009).

But, the realities of the 2008 crisis brought the neoliberal perspective up for discussion. As seen in the crisis, neoliberalism creates its own handicaps which may be seen as the greatest challenge for its own sake. Some organic outcomes of the neoliberalism such as the lack of capability of monetary policy or the over-financialization through deregulation increased the suffering even more.

Since the concept of “profiting without producing” thrived, the neoliberal system became unmanagable despite the efforts of states and central banks (Lapavitsas, 2013). They were trying to support the function of the system through mass cash injections; but, traditional responses of the actors became insufficient to handle (Kortz, 2009). Within the period, the role of the state and government policies based on the old-school methods like establishing some government sponsored enterprises or services to restrict the current problems. Despite governments resisted on these policies and injected trillion of dollars into the system through bailouts to help the private sector, the brutality and fragility of the neoliberal system increased the tension.

Although they tried to avoid the general fail of the system; they created numerous problems (e.g. unemployment) through this attitude. During the period, the private

sector was still trying to maximize the profit and was not producing anything in a sense of traditional production. Even in the chaotic situations, they insisted to drive through their interests.

All in all, these kinds of attitudes in the neoliberal period create a multidimensional ground for the crisis. Even they try to cure a part of the problem, it causes newer and bigger problems. For example, during the financial crisis in the USA in 2008; several stimulus packages were based on the creation of new job opportunities for the people who bankrupted (Kortz, 2009). But it caused the recreation of a new kind of virtuous cycles. It is clear that if there is no any well-organised response or structural solution; neoliberalism makes the system even more chaotic.

As some organic consequences of the neoliberal perspective; over-fragility, instability, and interdependency challenged the neo-liberal consolidation's itself (Kortz, 2009). Under these circumstances, producing a long-term remedy for the contemporary problems through the entrepreneurial initiatives states as an efficient way to tackle. This dynamic environment with neoliberalism encouraged socially motivated entrepreneurial organisations to involve competition and forced them to adaptate themselves to the system.

Especially; rising globalisation, changing expectations of their target communities, and scar funding resources with rising competition for limited donors and grants increased this competitive environment (Mort et al, 2005). Not only socially motivated organisations but also traditional pioneers such as states shifted their positions in the environment. For example, "reinventing government"³ initiatives

³ Gaebler's and Osborne's *Laboratories of Democracy* (1988) stressed the government innovation both at state and local levels; the authors charged the government bureaucracy for outliving its usefulness. Since governments faced with declining revenues and rising demands for welfare service, the authors called them to become more "catalytic", "mission-driven", "customer-driven", "anticipatory", "market-oriented" and so on. The book would be summed up as the importance of market-oriented governments. According to them, markets are impersonal and

created a space for civil organisations while they attract entrepreneurial and commercial providers into markets (Weerawardena et al, 2005). It based on the retreatment of government from a role that illustrates strong participation in “society”⁴. Thus, in this kind of a dynamic ground for opportunity exploitation, entrepreneurial initiatives encouraged to act boldly as a competitive figure in their services and thrived through their capacity for distributing innovative solutions and better values to their target markets⁵ (Mort et al, 2001).

Despite a belief that championes an entrepreneurial attitude as a triumph of capitalism (Gilbert,2002), entrepreneurship transcended. As an illustrative example; Bill Gates, who were not only the creator of Microsoft but also the founder of the most sufficient social enterprise in the decade, distinguished the concept from previous forms in the capitalist system: “Such a system would have twin mission: making profit and also improving lives for those who do not fully benefit from market forces”⁶.

1.2. New Ecosystem

Every kind of the stability is always desired to sustain the continuity of markets even in a chaotic system with neoliberalism. Indeed, the general framework of the stability contains some circumstances with unique concerns like a society with local values, political systems, organizations and so on. The analysis of new positions of

cruel; and, even under the several circumstances, they are unfair. As such, "the warmth and caring of families and neighborhoods and communities". Admitted by the authors, entrepreneurial governments should grasp both markets and communities as they start to slip out from the administrative bureaucracies.

⁴ Keay, D. (1987) Margaret Thatcher Interview ‘Aids, Education and the Year 2000’, Woman’s Own, September 23, pp. 8–10.

⁵ Weerawardena, J. and Sullivan Mort, G. (2001) ‘Learning, Innovation and Competitive Advantage in Not-for-Profit Aged Care Marketing: A Conceptual Model’, Journal of Nonprofit and Public Sector Marketing, Vol. 9, No. 3, pp. 53–73.

⁶ More information fort his speech, see Guth, 2008, p.A1

the actors in neoliberal period needed a detailed examination to explain the meaning of creating an action within several institutions.

Because these roles, which are provided by some social and political objectives, represent the organic features of the current ecosystem. From working for the growth of the business sector to being one of driving forces for the social development, the concept might have seen as an agency of problem-solving (Bornstein, 2004). This socially motivated range started to name as “the third sector”⁷ for a field in general.

This sector is posed to define the organisations which are neither public nor private sectors (Borzaga et al, 2001). It covers some voluntary and community organisations such as social enterprises, co-operatives, and so on. They are essentially independent of any governments or funds because of their innovation-based, self-sufficient and self-financed self-features. The culture of the sector can be summarized as a value-driven in general; thus, people in the sector are motivated to achieve social goals rather than maximizing profit margins for the shareholders (Zahra et al, 2014). Rather than distributing the whole profit at the administrative level; they reinvest the surplus into the initiative by seeking the social goals. They desire to make a surplus of being financially sustainable and independent (Somers, 2005).

Due to the fact, third sector organizations are traditionally called as not-for-profit organizations. These organizations are formulated in a wide range of legal forms (EMES, 2010). For example, many of them are simple associations which throws people with shared values while some others acquire company status. They have

⁷ Yet the social entrepreneurship is a global phenomenon (Bosma et. Al., 2010; Nichols, 2006; Zahra et. Al., 2008), two main regions such as the United States and Western Europe dominated the discourse and literature. Basically, American Tradition relies on that “social entrepreneurship refers above all to market-oriented economic activities that serve a social goal irrespective of the legal structure and sector” (Nyssens, 2006). On the other hand, European approach focuses on third sector and mostly stresses welfare state as a main theme to discuss social services and provisions (Hoogendoorn, Pennings, and Thurik, 2010).

charitable status in general even some of them structure hybrid form through cooperations (Martin, 2007).

Although the third sector has started to emerge in the mid-1970s, neither scientific works nor public policies completely subjected the field as a well-organized response (Hulgard, 2006). Indeed, the momentum in the sector is quite new when it compared with the strong heritage of a charity culture; but, it has already started to revolutionize the field of contemporary problem-solving (Dees, 2002). Under these circumstances, in the third sector, the contemporary roles of the actors which have correspondingly influenced by social determinants and economic actions have shifted and needed to be reconceptualized. The concept of “social enterprises” and “social purpose businesses” evolved in this kind of a context. Despite the traditional version of a business entrepreneurship has had a long history, this social-mission triggered social economy has recently increased its influence in the field of political economy. According to Schumpeter, “A major theme has been the creation of value through innovation.” (Drucker, 1985).

Social entrepreneurship as an innovative way of social impact (Dees et al, 2002), the concept spots dynamic elements to create better solutions through some innovative actions. It establishes social arrangements since social entrepreneurs leverage the limited resources and enrich the business environment; because when others see problems, social entrepreneurs see opportunities..Even the concept of social entrepreneurship is essentially targeted to cure social problems; it has already enlarged this framework by seeking to create a social transformation (Alvord et al, 2002). In doing so, social entrepreneurship might be seen as a kind of catalyser for social changes. It accomplishes efficient changes through practical solutions in the short term and also triggers fundamental developments in the longer term in the existing systems (Ashoka Foundation, 2000).

So, not only acute problems but also structural social problems can be targetted by social enterprises. Consequently, the social entrepreneurship offers a cure for the ongoing problems while it creates fundamental shifts by seeking more efficient solutions in the social and economic contexts which might cause the main problem

as in a laboratory or a vacuum (CASE, 2008).

Social entrepreneurial initiatives are on the move within an ecosystem in which essentially influence the performance of social entrepreneurs. The current ecosystem is mainly influenced by the neoliberal tendencies, and in recent years this framework offers a wide range of a space for the social entrepreneurship correspondingly new trends and aspects of the actors in the contemporary ecosystem (Hoogendoorn, 2009). Also, some external conditions which may inevitably influence the concept of social entrepreneurship might be accepted as some components of the ecosystem like politics, media, social conditions and economic conditions. It is clear that there is a dynamic interaction between the elements of the ecosystem and this interaction with globalization-let high competitiveness increases the dynamism of the ecosystem.

Developing innovation-based social initiative to social problems were favoured by the public and private organisations due to the ideologic shift through the neoliberalism (Harvey, 2005); but also, common citizens demanded this kind of a channel to involve the system (Hoogendoorn, 2009). These attitudes acted as catalysts to let the ecosystem more appropriate for the extension of the social entrepreneurship (ASOKA, 2000). The increasing amount of wealth which are created through the entrepreneurial ventures and the concept's organic capability to create an economic prosperity encouraged individuals to take action on the issue; with rising recognition for innovation, these people demand a change for the traditional sector boundaries in a search for better solutions to social problems (Bowie, 1994).

Thus; enterprises encouraged to transform into being more social-mission seeking initiatives, and this evolvment has inevitably influenced by these kinds of developing trends in the contemporary ecosystem. They are fed by the ecosystem in which they feed it, because "A well-functioning community of practice and

knowledge can serve as a platform for improving the ecosystem, make it more efficient and effective” (CASE, 2008).

Two main components of the social entrepreneurial ecosystem may be summarized under these categories: “Capital Infrastructure by Actors in the ecosystem” and “Context-Setting Factors”. The first category illustrates the kinds of capitals in which social enterprises relied on to do their work and function well. Basically, these capital types are the channels of the relationship between the social enterprises and the actors in the field (CASE, 2008). Besides, the context-setting factors represent external conditions which inevitably influence the evaluation of the social entrepreneurship such as major trends in the neoliberal period (CASE, 2008).

1.2.1 Context-Setting Factors such as New Trends

Until the boundary in between the social sector and business has been shifted over time and across regions through globalization during the neoliberal period, the dynamism of the social entrepreneurship raised in almost every country in the World. Some fundamental trends in the global policy-making underlined the current momentum on the social entrepreneurship (CASE, 2008). They have been made the ecosystem more operable for the development and also the enrichment of the concept since the mid-1980s. Mainly, the social sector contains various social and economic activities which are done for a social purpose of a benefiting community. Not-for-profit and philanthropic organisations in mission-based sectors and non-governmental ones seem like the typical components of this field (CASE, 2008).

Even though business has not traditionally accepted as a part of this sector, they have started to be posed as a “socially responsible organizations” that illustrate some social awareness in marketing strategies (Dorado, 2005). They did a wide amount of capital to the sector through the “corporate consciousness” and “corporate giving” (Baron, 2005). More than illustrating goodwill through

donations in business plans, the private sector has taken a direct action through cooperations correspondingly to establish hybrid organisations (Martin, 2007).

Moreover, the social sector did not contain governmental entities in common, states with neoliberalism have started to see social entrepreneurial initiatives even more profitable in the ecosystem thereby the influence of privatisation encouragements. Since when the various reinforcing economic, social, and political changes have happened in the ecosystem; the culture of social entrepreneurship on a global scale reframed through these conditions in the neoliberal system. Especially, some fundamental developments in the ecosystem underlined: The first trend can be defined as "privatisation of the public responsibility for public welfare"⁸ (Gilbert, 2002). The second trend illustrates a supply side in the ecosystem in which offers some alternative approaches and opportunities to tackle with ongoing societal, political, economic, and environmental problems. The third trend is posed from the demand side and made up by the idea that "a civil society involvement to the politics through new forms of solidarity and collectivity"⁹ (Hulgard, 2010).

The public responsibility for welfare services has privatised due to the neoliberalism. According to Neil Gillbert¹⁰, this privatisation has harshly experienced in global developments through the welfare supplies since the 1970s (EMES, 2010). He relied this statement on the fundamental shift of the ecosystem's institutional framework through the social protection. Even more being an organic consequence the restructuring process, this fundamental shift experienced as a variation of the contemporary framework for social policies in the ecosystem. They

⁸ This statement is based on a reference to Neil Gilbert (2002) and Victor Pestoff (2009) frame general conjuncture in the ecosystem.

⁹ This perception relies on the involvement of the civil society through social movements when they let in the politics.

¹⁰ American professor of social policy from Berkeley University. Especially, in his book "Transformation of the Welfare State" (2002), he stressed modern welfare states through the previous welfare strategies. He used the growth in social inequality as an evidence to support his approach. He also defined these privatisations as a triumph of capitalism.

were schemed to protect not only the common citizens but also the labours against the fluctuations of the markets.

They strongly grasped social rights; but then, started to evolve to policies which designed through some selective approaches. The current form of these social policies is instrumentalised as the private delivery of welfare provisions (Haugh, 2005). They are designed to underline the concept of the individual responsibility while it promotes participation through the labour force in markets. This rapid change from the Scandinavian model¹¹ to the market-oriented version basically illustrates neoliberal tendencies (Hulgard, 2006). This new version in the ecosystem is also called as the Anglo-American approach letting by the permissive state (Gilbert, 2002). This shift towards work-oriented policies proved that the concept of the social responsibility for welfare services is redistributed due to the privatisation; so, the targeting of a benefit increased a lot in this kind of ecosystem (Gilbert, 2002).

With these insights, this developing trend can be summarized as a new paradigm which restructures the welfare state orientation to decline public responsibility in social problems even if it promotes these channels' privatization (EMES, 2010). The concept of self-help is posed as the main feature, as said by Taylor "Increasing dissatisfaction with state welfare in many countries provided fertile ground for the rapid advance of a New Right market ideology of welfare. (...) At the international level, structural adjustment policies subordinated state welfare to an economic growth agenda, reproducing on a global scale the increasing polarisation, disenfranchisement and social division that the market was bringing to the North." (Taylor, 2003). So, the ecosystem has transformed by the influence of individual responsibility which was reintroduced, the concept of membership extended against the concept of public responsibility (Gilbert, 2002).

¹¹ This model might be seen as an ideal-type through the capability context of social welfare.

The mission of the individual citizen to take the responsibility caused the establishment of the local units that produce services (Hulgard, 2006). Due to the push for privatisation during the neoliberal period, the concept of being a citizen shifted to the becoming shareholders: "By emphasising the responsibility of local private units for the delivery of social services, the enabling state encourages a solidarity that is linked to membership in law-abiding, community-based, voluntary associations, which fosters the accumulation of social capital. At the same time, however, the push for privatisation also includes support for tax expenditures that subsidise private retirement schemes through work-related pensions, as well as individual retirement accounts, which promote the accumulation of economic capital" (Gilbert 2002: 171). Moreover, the number of private shareholders rapidly increased on the global level. Becoming a "member" of the international financial marketplace changed the direction of not only direction in the modern welfare state but also the ways of sustaining market demands and needs of citizens (Hulgard, 2006). Consequently, this kind of a transformation period is enthusiastically targeted by social enterprises through the ability to bridge and seek an opportunity.

On the supply side, there were not only necessities but also new opportunities for current changes. Indeed, these changes and conditions encouraged for seeking alternative approaches to deal with current societal, political, economic, and environmental problems. Actually, these changes on the supply side can be based on these five major components: First one underlined the rising consolidation of wealth in the private sector. Their developing awareness to involve social issues with a wide range of capital were taking the attention on the issue such as corporate social responsibility (Hemingway, 2005). They enthusiastically started to act more responsible for complex social problems (Zahra et al., 2008). Secondly, various organisations influenced by this socially motivated attitudes. The successful social initiatives proved that making a profit while doing social good is possible in together (Zahra et al., 2008).

Being and acting socially responsible was not evaluated as an exception which

embodied only by a few organizations; indeed, the mainstream opinion occurred as showing a social conscience is good for business in general (Zahra et al, 2008). Thirdly, people who earn mass fortunes at younger ages started to be aware of the culture of share and donation (Hoogendoorn et al, 2009).

So, these young visionaries created resources for philanthropy (Reis and Clohesy, 2001). The fourth one relies on the unrestrained spread of markets with uncertainty and instability let societies to question its effectiveness (Boschee et al, 2003). This sense of uncertainty let societies to question the system's effectiveness. Especially, inefficient institutions and non-profit organisations caused this kind of concerns in the community (Hoogendoorn et al, 2009). As Boschee stated "Smart nonprofit managers and board members realize they must increasingly depend on themselves to insure their survival ... and that has led them naturally to the world of entrepreneurship." (Boschee and McClurg, 2003:3). And finally, a small group of people who are excited about both philanthropy and entrepreneurship secured their positions in societies (Hoogendoorn et al, 2009). These young innovators with various personal backgrounds challenged traditional acceptances about the concept of sharing. Bill Gates who donate mass capital to improve healthcare and decrease poverty through The Gates Foundation¹².

The Gates Foundation would be seen as an illustrative example. Most importantly, these new group of entrepreneurs opens the donor satisfaction up for discussion (Reis et al, 2001). This skeptical approach forced traditional entrepreneurship to be questioned because as this group of people has already mentioned traditional philanthropy has focussed too much on donors and grants (Hoogendoorn, 2009). Until then, this over-dependence on stakeholders' wills states as a fundamental component of their organizational structures. Through this new attitude, they increased the efforts on producing measurable results on the field (Reis and Clohesy, 2001).

¹² This foundation is listed as the largest private foundation in the World.

The third trend represents the demand side in the ecosystem which is occurred by a community and “social capital”¹³ under the name of civil society in general (Adler and Kwon, 2002; Payne et. Al., 2011). As mentioned before, the concept of social entrepreneurship is fueled by the re-orientation of welfare states through the privatization which favors private and individual responsibility (EMES, 2010). So, it shaped a new role for civil society; and created a developing area for corporations and solidarity-based social movements (Hulgard, 2010).

Even though trends of privatization and marketization have correspondingly happened as a natural consequence of the neoliberalism; the concept of social entrepreneurship cannot be oversimplified for just being an outcome of the privatization process during the period. Actually, these social initiatives represent a kind of manifestation of the rising power of the civil society on contemporary issues (EMES, 2010). As the corresponding example, the social economy proved social entrepreneurship's importance for the functioning of governance. It performs as a channel for citizens to participate while it helps for the functioning of a market economy¹⁴ (Hulgard, 2010).

¹³ The concept of “social capital” has appeared in a book which was published in 1916 in the USA. Essentially, the term is the embedded value of social relationships within individuals or collectives got in the politics. Author Lyda Hanifan stressed the social capital as “those tangible assets [that] count for most in the daily lives of people: namely goodwill, fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit”. Recently; the links, shared values and capabilities in a community that allow individuals and sub-groups to trust each other since working together. According to the OECD, the social capital is defined as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups”. To sum up, the term is traditionally used for the ability to access sources through social relations (e.g., Payne et al., 2011) It is also beneficial to analyse processes and outcomes of social interactions within the ecosystem at multiple levels of analyses and contexts (De Carolis and Saparito, 2006; Jack and Anderson, 2002; Kim and Aldrich, 2005; Lin, 2001; Payne, Moore, Griffis and Autry, 20011). It has been used to analyse numerous concepts and variables linked with the entrepreneurship; because it is so applicable to several phenomena to analyse entrepreneurship-related concepts and variables.

¹⁴ Erkki Liikanen, who was charged as EU-Commissioner for Enterprise and the Information Society, said in his message to the First European Social Economy

For instance; the concept of the social entrepreneurship has been praised as a goal in policy documents of the European Commission. At the level of European Union, social initiatives stated not only as a contribution to the market economy but also as an innovative channel of improving the form of active citizenship (EMES, 2010). Some theorists stressed that the financial crisis in 2008 would be seen as a chance to shift “solidarity economy” by seeking an alternative version to the shareholder-centered private economy (Hulgard, 2010).

Especially in the last two decades¹⁵; the role of community, therefore, civil society moved toward being an influential element for the development of more democratic governances; and also, they started to participate in the arrangement of welfare services (EMES, 2010). Taylor (2003) highlighted this trend as a milestone for departing the pure market supremacy to reaching a willingness to invest in both social capital and community (Hulgard, 2010). When considered from the demand side, inequality in wealth distribution and unemployment became undeniable for everyone; so, the ever-growing inequality that harms socio-economic equilibrium was inevitably contained to the contemporary agendas with this awareness (World Bank, 2007). Consequently, ongoing concerns about sustainability and this developing awareness triggered the society to evoke through acting as important drivers.

Meantime, governments with neoliberalism have reduced public funds and grants (Borzaga et al, 2001). Following these deductions, private market forces have been prioritized and praised as fundamental agents for the circulation and redistribution of the resources. So, fewer interventions by the public sector have happened in the marketplace. Governments were struggling to balance their budgets (Bowie, 1994), correspondingly, this fragility met with neoliberal policies. Thus, this fiscal

Conference in Central and Eastern Europe that the social economy in European continent performed 10% of the total GDP in the EU (EMES, 2010). He also stressed that it should be considered to "play a full part in our market economy, and [had] done so for over a century". (October 2004)

¹⁵ The Velvet Revolutions in 1989 can be seen as an illustrative case through this democratic demands for governance (Hulgard, 2010).

pressure on the governments made this shift more legitimate (Bowie, 1994).

Moreover, various nonprofit organisations have recently emerged while the existing ones were already growing; this rapid development of the organisations has created a high competition for scarce resources of funding (Johnson, 2000; Salamon, Sokolowski, and List, 2003). Under these circumstances, actors in the social sector are forced to progress; they needed to improve their capability and sufficiency to keep up the rising demand (Zahra et al., 2009).

Both social entrepreneurial initiatives and nonprofits started to be challenged harshly to perform organisational effectiveness. Boschee defines this demand side as: “[o]perating costs have soared, resources available from traditional sources have flattened, the number of nonprofits competing for grants and subsidies has more than tripled, and the number of people in need has escalated beyond our most troubling nightmares.” (Boschee and McClurg, 2003).

1.2.2 New Roles of the Actors with the capacity on Capital Infrastructure

As mentioned before, neoliberalism caused both positive and negative outcomes; basically, it created a big gap for change with chances to progress. During this period, the roles of the traditional actors have rapidly changed, especially, in the field of economy and politics. Some emerging actors like entrepreneurial initiatives have been favoured in the period, but some others like state and already existing NGOs have started to be questioned due to their activism and welfare functions (Hoogendoorn, 2009).

The actors with new positions have examined to understand the essence of social entrepreneurship in the ecosystem; because it is clear that the ecosystem creates an interaction between individuals and organizations during the process of driving an opportunity. This interaction in the ecosystem as a social environment is enriched in the process of opportunity seeking, its exploitation and evaluation in the market (e.g., Corbett, 2007; De Carolis and Saporito, 2006).

When unsatisfied social needs have become more apparent in the ecosystem, the

socially responsible individuals increased their voices to introduce new initiatives to stress not only ongoing problems but also recently realized social needs (CASE, 2008). These entrepreneurs with social conscious illustrated a vital role in the process of improving social conditions (Brock et al, 2009). They tried to act as a social agency especially in underdeveloped or developing economies that were struggling a resource scarcity or corruption (Prahalad, 2005; Zahra et al., in press).

In the period, entrepreneurs with social conscious become more visible and active (Zahra, 2009). Rather than offering traditional solutions, they acted as agents of change in these economies that cost-effective methods and innovation-led business approach were targeted to handle chronic social problems such as poverty, child labors, gender inequality, and so on (Cox and Healey, 1998). Marketization of the social service sector, as a traditional attitude of state with neoliberalism (Salamon, 1999), has triggered the motivation of using the capability and effectiveness of markets to rise social performance (Goerke, 2003; Zahra et al., 2000). When several governments reduce federal spendings on the social services (Lasprogata and Cotton, 2003), the need for alternative way to address social problems has emerged as an organic consequence.

Under these conditions of neoliberalism, three main actors can be posed as pivots while examining the changing roles with various motivations: the state, organizations in the social sector and intellectuals. In the ecosystem, these actors with their hegemonic power on capital infrastructure have transformed through the concerns of the neoliberal period (Bowie, 1994). So, it would be beneficial to focus on these actors' abilities on capital types for this positional shift.

These actors with capital types inevitably interact with environmental factors which affect the capacity, ability, and opportunity for social entrepreneurship to achieve their intended social impacts by seeking their mission in the ecosystem; and also, these various capitals illustrate the structure of the opportunities which are necessary for the growth of social entrepreneurial impacts and its legitimacy (CASE, 2008). Under these insights, here are the new roles of the main actors

through capital infrastructures which are developed and maintained by themselves correspondingly their new positions in the ecosystem:

i. The State:

As mentioned before; the state has reinvented itself to be more businesslike under the circumstances of neoliberalism like some other non-profit organisations (Dees et al, 1998). Because of the encouragements on privatization by the state, various gaps in which traditionally fulfilled and operated by the state have recently occurred. Then, these gaps started to be fulfilled by social enterprises. Despite debates on the privatization of government services, there was also support for the transfer of these services per social enterprises into the third sector. As a fair conclusion that every single citizen in societies is mainly interested in the quality and efficiency of services; in doing so, the harshness of these debates is determined by their degrees of interest since the ownership issues on the service stay continuously debatable.

State attitudes with deep ideologic and infrastructural roots are traditionally determinative to frame social relations in general. They have big potential to influence primary resources for various movements per its capacity in which relies on social and political capital infrastructures. Despite a state with neoliberalism lost its central position with some privileges as a policymaker; it is called for duty as a compulsory savior of a market function even in neoliberal systems when the invisible hand in economics fail to handle crises. Yet the role of state reinvented to be more businesslike in the privatization process of welfare services (Bowie, 1994); it holds its importance for a sake of market and ecosystem in general. Because it always has a capacity arising from its influence upon the social and political capital which enrich, deepen and expand networks to strengthen the ecosystem.

States with neoliberalism have praised networking through the idea of optimal value creation and helped social enterprises to expand their networks; so, many new social entrepreneurs, leading funders, consultants, academics and so on were involved to the system (CASE, 2008). Besides enriching the communication,

networks through weak or strong ties in the ecosystem became essential for influencing public policies in which social entrepreneurs operate (Enstrin et al, 2013). These networks illustrated as efficient platforms for knowledge creation, learning and shaping both internal and external environment in favourable ways. In doing so, the exclusive position of the state was so suitable to establish various accumulations to better service through opportunities because they naturally able to build extended networks not only in domestic level but also in an international level due to their capacity (CASE, 2008).

As a natural outcome of neoliberal perspective, the state is charged to the responsibility of regulation for the well-functioning of the markets. Although market forces do not desire to see the state as a visible actor in free markets, state naturally becomes responsible for allowing the useful business models to sustain market efficiency. While setting contemporary agendas of public policy, the state secures its position through its capacity to drive political capital which is targeted to advance new legal forms¹⁶ and political linkages. The capability of the state to determine and regulate market actors secures its exclusive position.

Moreover, a different side of the relationship between the governments in politics and social entrepreneurship experienced in neoliberal period. While politicians targeted these entrepreneurs as a possible voter, entrepreneurs basically aimed to attach politicians and head of government agencies as some potentially reasonable instruments for achieving their social missions and public policy objectives (CASE, 2008). When they become aware of the capability to create social capital in social entrepreneurship per cooperative norms, policy-makers started to thrive this insight by supporting the concept. They posed social enterprises as a kind of network and a way of giving legitimacy to the issue they address (Korosec and Berman, 2006).

¹⁶ The legal form of an organization is fundamentally important because it defines a relation channel between the state and social enterprises. In doing so, the ecosystem determines the general framework of this interaction.

Although it poses some possible risks to be seen as a partisan concept; taking attention on social mission contains some positive outcomes for social enterprises such as putting the topic on contemporary political agendas and increasing legitimacy to the field (CASE, 2008). As an illustrative example of the relation between the state and social entrepreneurship in the ecosystem, the former U.S President George W. Bush campaigned on a platform of “compassionate conservatism” which relied on faith and community-based organizations; so, this case suggests a possible chance for an involvement of the social enterprises in various platforms. Also, in October 2010 with President Obama, the U.S Government put some plans on the agenda to support charities, voluntary organizations, and social enterprises. They have tried to ensure these social organizations that they will get greater roles in providing public services.

Mainly, the state and the social enterprises are interlinked in the ecosystem. States with neoliberalism supported the development of social organisations in new legal forms to make social enterprises more sustainable and scalable (CASE, 2008). Since the concept gains visibility according to this support, social enterprises states as a valuable component of the ecosystem. Thus, many people in politics articulated the changing role of the state in the neoliberal period. And they raised awareness on the cross-sector accesses to tackle social problems (Dorado, 2005). In doing so, they interpreted the position of social entrepreneurship in the ecosystem.

Herein, it is important to underline the fact that the efficient restraints on the arbitrary power of governments¹⁷ essentially encourage individuals who attempt entrepreneurial activity¹⁸ (Enstrin et al, 2013). There is a clear that various types of government activities in ecosystem naturally impact entrepreneurial frequency.

¹⁷ Many of these scholars have depended their arguments on the Heritage Foundation–Wall Street Journal measure of property rights. In the theoretical framework, Acemoglu and Johnson (2005) offered that the protection from arbitrary governments should be stated as fundamental.

¹⁸ Not only social entrepreneurship but also commercial one is included to this entrepreneurial activity concept.

For example, according to Enstrin et al. (2012), the range of government activity in the economy can cause lower popularity of traditional entrepreneurship through the “regulations and policies” (Fogel, Hawk, Morck, and Yeung, 2006). Not only taxes but also the welfare provisions influence the entrepreneurial entry into the national economy considering their impact on expected returns to entrepreneurial activity and various calculations on its opportunity-cost (Parker, 2009).

For instance, higher levels of welfare support in the country cause some alternative resources of income; so, the motivations for individuals to involve entrepreneurship reduce through the employment (Enstrin et al, 2013). Besides, according to institutional void theory (Dacin et al., 2010; Mair and Marti, 2009), there will be a higher need for social enterprises since the governments become more modest for replacing the missing social provisions. Thus; a smaller government¹⁹ in social fields, like neoliberalism encouraged, can promote demands for the social entrepreneurship which poses individuals with high consciousness to seek their social needs (Enstrin et al, 2013).

As inspired by the neoliberalism, activist governments do not encourage enthusiastic individuals who want to undertake social entrepreneurial activities. Since the activist governments take the whole responsibility of the field, it makes enthusiastic entrepreneurs demotivated to involve venture. Actually, this kind of an argument fed the relationship between states with neoliberalism and social enterprises. In doing so, it is clear that the concept of the entrepreneurship is more likely to succeed in institutional contexts which rely on a strong rule of law (Enstrin et al., 2013) because all kinds of the entrepreneurial initiative including commercial and social

¹⁹ The size of the government activism is linked with the scale of government activity (Enstrin et al, 2013). There are several data to measure it: for example; in Heritage Foundation data, they use their own indicators as “the quadratic transformation of the ratio of government expense to a gross domestic product (GDP)”. According to Reynolds (2010) the simple ratios of government expenses to GDP can be used. However, equivalentss of welfare spending indicators with the concept of “size of government” supported this argument in the literature. (Enstrin et al., 2013)

ones need the predictability; and also, these initiatives need the sound ecosystem which offers independent law and the non-arbitrary government policies to develop.

Consequently; after a long time of growth, the social initiatives started to be accepted as an innovative way in the neoliberal ecosystem, and the social entrepreneurship is thrived by the solid institutional quality (Enstrin et al, 2013). Governments in neoliberal states encouraged the concept through the support of state apparatus as framing it: "...a distinct and valuable role to play in helping create a strong, sustainable and socially inclusive economy (through) helping to drive up productivity and competitiveness; contributing to socially inclusive wealth creation; enabling individuals and communities to work towards regenerating their local neighbourhoods; showing new ways to deliver public services; and helping to develop an inclusive society and active citizenship." (DTI 2001). All in all, the connection between social enterprises and the governments, which attend the system through public institutions, are continuously increasing under the circumstances of the contemporary ecosystem which sustains a big potential for collaboration.

ii. Organisations:

The global movement correspondingly privatization and marketization, which are organic outcomes of the neoliberal tendencies, has naturally influenced not only for-profit organisations but also not-for-profit organisations (Zahra, 2009). They have triggered to attach ongoing problems; and also, they filled the gaps which have recently occurred following the re-arrangements of social services. Thus, the concept of social entrepreneurship thrived as the efficient way of cost control, efficiency improvement, revenue growth and continues development (Bowie, 1994).

Yet that financial markets raised as the most critical challenge for the system's itself with neoliberalism. From the growing influence of the social entrepreneurship in the ecosystem, the financial capital has adapted. Several issues -such as organizations' financial needs, the dependence on a different source of providers,

and the possible efficiency of the resources which can be converted into the impact and the social return expectancies on investment- were put on the agendas (Murphy et al, 2009). Until this re-arrangement, several entrepreneurs were still running for loans that owned by family members. They were trying either find funds from stakeholders or conduct personal wealth in cash to sustain the initiative.

a) Not-for-profit organisations:

However, the traditional resources of funding to run these kinds of activities have been dropped (Wolverton, 2003), when the total costs of the social program services have increased (Leadbetter, 1997). Thus, the financial pressure on them has rapidly raised, and these organizations were forced to reinvent themselves through being more businesslike (Bowie, 1994).

During this process, more not-for-profit organizations attended to the system for seeking to fulfill grift social needs. With the pressure of this competitive environment with neoliberalism, funding from traditional resources has declined (Wolverton, 2003). Thus, the aim of decreasing their dependency on funds and donations to sustain themselves has leveraged many not-for-profits to practice entrepreneurial strategies. They attached social entrepreneurial activities on their organizational structures or tried to adapt themselves to the contemporary system through collaborations (Zahra, 2009). They aimed to establish new collaborative relationships with the financial sector and operate the hybrid programs which seek their social missions (Foster and Bradach, 2005; Chell, 2007; Pearce and Doh, 2005).

Thus, these institutional developments enriched the varieties of social ventures (Dorado, 2006; Thompson and Doherty, 2006). Several examples of the collaboration in between social enterprises and various types of organizations -such as international organizations, NGOs, and institutions- became apparent. As an illustrative case, the “Development Marketplace” would be suggested. The World Bank attracts social entrepreneurs about the issue of poverty-fighting to establish a well-functioning network within the partners who have some sources to be

leveraged for social enterprises' implementations. The President of World Bank in 2003, James Wolfensohn granted almost 6 million dollars in seed funding to be distributed among 47 small-scale development projects in 27 countries.

b) For-profit organisations:

For-profit organizations generally target the entrepreneurial activities under the roof of corporate social responsibility which shares a social-mission spirit of social entrepreneurship despite having some fundamental differences (Hulgard, 2010).

Not only organizational behaviors through market morality²⁰ but also individual decision-making behaviour through the managerial discretion (e.g. operating as “corporate social entrepreneurs”²¹ within the business context) accredited for-profit organizations as kind of a “moral actors” within the ecosystem (Hemingway, 2005). So, this contemporary view takes the social entrepreneurial initiatives within the organizations forward from being just an instrumental, and also tactical, approach to taking competitive advantage in the level of internal and external systems by seeking to do well through the enterprising virtues (Hemingway, 2005).

In fact, contributing the social entrepreneurship is recently becoming more logical

²⁰ According to Hendry (2004) even if traditional morality and market morality refers various sets of principles, these terms are not totally antonyms. Traditional morality dignifies self-sacrifice but at the end, ordinary people may be seen justifiable and acceptable in some cases as a normal through being self-interest. Likewise, the morality of the market can not be relied just on self-interest; but, some obligations on market participants should be considered as acceptable as for the function of a market. Without these kinds of obligations, the continuity of a market would be exceptional (Hendry, J.: 2004, p.2, *Between Enterprise and Ethics: Business and Management in a Bimoral Society* (Oxford University Press, Oxford).

²¹ The term corporate social entrepreneur was occurred to identify the individuals within the corporation who operates in a socially entrepreneurial way and it was motivated a social mission. It generally used to pose to corporate managers who have an entrepreneurial spirit such as mobilizing sources, influencing and achieving the social mission (Lessem, 1986; Pinchot, 1985). New product development and “the creation of semi-autonomous units within the existing organisation...” (Kuratko et. Al., 1990, p.50) can be listed as the outcomes of this behavioural change.

for companies with the idea of developing feasible markets for products and services (Seelos et al, 2004). They can easily engage in efficient strategies, which serve the purpose of responding relevant needs through corporate sources, by building partnerships with local social entrepreneurs.

Despite investing in social impact and social system change capabilities as a primary aim, for-profit organizations have realized that they can pursue financial profitability when they make a sustainable social impact through the entrepreneurial ventures. They reset their relationship with the concept social entrepreneurship as a form of “strategic philanthropy” through partnerships and alliances, instead of defining them as a business contract (Bowie, 1994). Because they recently realised that their entrepreneurial capabilities make entering the new markets relatively easier. With the growing worldwide recognition, social entrepreneurship -for responding social concerns while creating economic wealth- increased its influence on the business plans (Austin et, al., 2006; Zahra et al., 2008). The concept of “blended value” has also encouraged this attitude by offering the idea that that the creating economic wealth cannot state as an only criterion of any companies’ performance in global markets (Zahra et al, 2014).

BitC’s research suggestions may be enlightened to explain the attachment of companies toward entrepreneurial initiatives: “investment in an under-served market, coupling business, and community needs, will deliver not only competitive advantages but also a strong brand image.” (BitC, 2002). Indeed, the concept of “ethical consumers” in value-based businesses started to increase its influence in the contemporary business plans (Allan, 2005). Not only attaching ethical consciousness but also creating a positive image for the company illustrated as various motivations to invest in the under-served markets (Allan, 2005).

Moreover, the idea of creating potential consumers in the market seen profitable with the help of social enterprises because social enterprises organically serve as a supplier to these companies in the sector (Mort et al, 2006). In doing so; social enterprises, were seeking social aims such as triggering local economic

development, creating various job alternatives, designing training initiatives, promoting the business environment or just supporting the ecosystem (Allan, 2005). Social enterprises functioned well while doing good; thus, an increasing number of companies²² became more interested in the issue of the sustainability and ethical issues within their supply chains (Mair et al, 2012).

When for-profit organizations have posed the entrepreneurial initiatives as a target of profiting more through corporate consciousness on social issues, the social entrepreneurship took advantage of this perception shift in the ecosystem to go beyond. In doing so, social enterprises mainly underline social needs which represent profitable opportunities as well, and then they organize sources with strong support to develop innovative solutions to these needs through their social missions. For-profit organizations can participate these social initiatives through partnerships, sole proprietorships or public-private limited companies; thus, they can attach a social purpose into their business plans (Murphy et al, 2009). Yet this tendency for entering the social field through the social corporate responsibility or social-mission prioritized organizational culture built strategically (Johnson, 2003); they targeted these social initiatives to integrate them into their finance-oriented operations (Fowler, 2000).

It is certain that these operations with neoliberal tendencies are beneficial for the thriving process of social entrepreneurship in the ecosystem, and also it helps the concept by helping its survive. Although some for-profit organizations invest in social issues just to increase their market value (Mackay et. Al, 2007), many of them encourage the ecosystem to support social entrepreneurship. These supportive for-profits become advantageous for social enterprises through being viable

²² They are still establishing ethical sourcing initiatives which base on the belief of social responsibility. These conscious companies adapt their supply chain processes considering the labor rights and human rights practices. In doing so, some fundamental issues related home workers, smallholders, the self-employed and so on were handled (Allan, 2005). For example, these people were involved in the supply chains to sustain a solution. Consequently, social enterprises naturally act as a network through communicating and working with these sub-groups.

alliances and supporting the common good (Murphy et al, 2009). As mentioned by Austin et. Al and Davis, they recently matched the interdependent relationship between being socially responsible and economically viable (Austin et. Al. 2006; Davis, 1973)²³.

iii. Intellectuals:

As in various fields, there was a mismatch in between the needs of practitioners in the field and the expectations of academia. Despite entrepreneurs in the field -as practitioners- demanded actionable knowledge, intellectuals sought to develop some theoretical framework which bases on relevant and publishable sources for the existing literature (CASE, 2008). Due to the fact that it was hard to do interdisciplinary research which contains some features such as being practice-oriented and largely qualitative and strongly respected by academic associates. But with the changing ecosystem, the idea of engaging knowledge with effective practice increased its influence (Bowie, 1994). The practitioner-oriented kind of approach extended and the field which becomes co-developed by both practitioners and academics developed as well (CASE, 2008). The collaborative role of this duo fuelled the ground for consciousness on the collaboration through problem-solving. It allowed harvesting the knowledge in practice through the expertise and valuable criticism of the intellectuals (CASE, 2008).

The interaction between the intellectuals and business through the channel of entrepreneurship encouraged human capital²⁴ for the field (Mair et al, 2012). And also, the intellectual capital²⁵ which contains consultants, academic research centers, training providers, think tanks and so on enriched this interaction in the

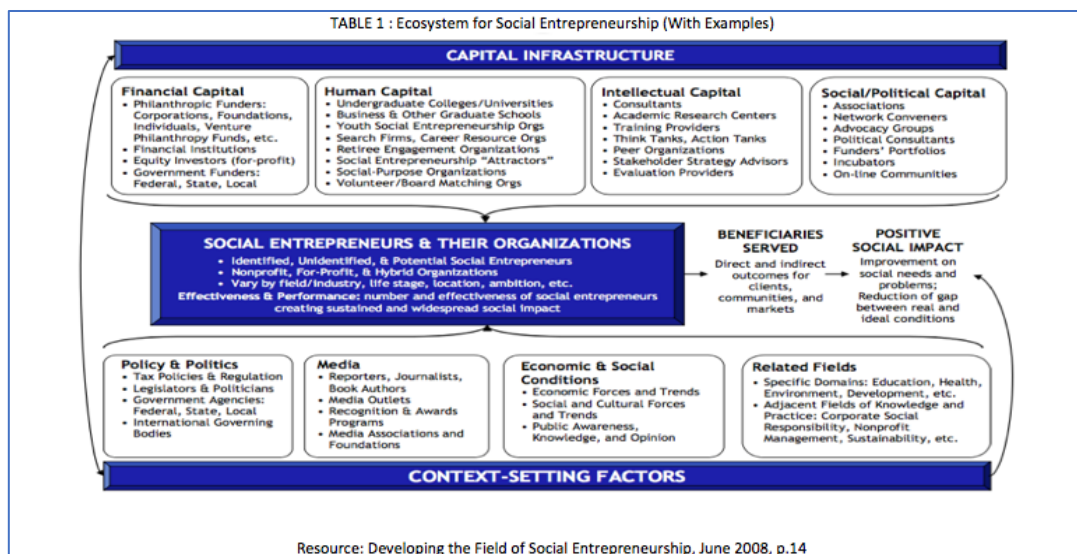
²³ The model illustrates that “most social activity reflects some economic value, and most economic activity reflects some social value” (Murphy and Coombes, 2009, p.9)

²⁴ The human capital occurred as an infrastructure which relates to individuals’ knowledge, abilities, skills, and expertise. This kind of a capital illustrated an essence of the efforts to develop social change.

²⁵ Essentially, the intellectual capital is a way of supporting new forms and kinds of creation and sharing.

ecosystem. In doing so; knowledge is very important for the development of all kinds of concepts in general. It especially illustrates a fundamental role for the success of the pioneers in the field of social enterprises because social entrepreneurship -as a newly emerging field- needs the development of the knowledge more than already developed concepts. Academy -as a recently included actor in the field- was called for more innovative and skeptical perspectives on knowledge creation and its sharing. Since they forced for the progress, they suggested various practices with new methods of knowledge development and learning processes (CASE, 2008). These developments in the field encouraged practitioners in a co-creation process; so, they blended analytical thinking and recognition of the current realities in practice (Hulgard, 2010).

Consequently, the balance between the actors in the ecosystem has changed and their roles needed to be redistributed (Bowie et al, 1994). For some of these actors, social entrepreneurs are positioned in target markets, for others they are secondary users of the sources which they produce (CASE, 2008). Mainly, not only responding social needs but also declining the gap between current environment and the possible one with the ideal conditions thrived as outcomes of this competitive ecosystem through the shifting roles and expectations. This framing is needed to function them properly even in an immature ecosystem and it is needed to establish a dynamic community of practice and knowledge (CASE, 2008).



1.3 How the new ecosystem with neoliberalism thrived social entrepreneurship?

Despite several theorists attacked both neoliberalism and neoliberal through entrepreneurial attitudes (e.g. Gilbert), entrepreneurship went beyond than being a triumph of capitalism. The most famous example suggests Bill Gates who were not only the founder of Microsoft but also the founder of the most effective social enterprise in the decade.

In one of his speeches, he distinguished the concept from its former forms in capitalist system: “Such a system would have a twin mission: making profit and also improving lives for those who do not fully benefit from market forces”²⁶. As suggested by the quote, the contemporary concept of social economy in the ecosystem which offers an important place for social enterprises created various influential socio-economic and political trends (Certo et al, 2008).

On the other hand, some theorists like Neil Gilbert highlighted these changes in the ecosystem as the evidence of growth in social inequality by considering basic welfare provisions like pension systems, education or benefit policies (2002). Despite accepting all these trends as a form of the triumph of capitalism -as defined by him correspondingly the excessive privatization and so on- (Gilbert, 2002: 181-2), these changes may be seen as an opportunity. The complexity of the ecosystem in which they operate and world’s socio-economic problems let them grow because of need for alternative solutions. Avoiding the overwhelming challenges of the system enforce both contemporary actors and systems to be resigned; thus, the improvement of the capabilities of the existing organizations and institutions is needed (Seelos et al, 2004).

Under these circumstances, the concept of social entrepreneurship seems like an effective channel to find new solutions (Mair and Marti, 2006). Rather than the centralized and standardized assumptions of the large organizations about which kind of issues might be fulfilled, these innovative initiatives offer various well-functioning solutions (Seelos and Mair, 2005). Social enterprises correspondingly

²⁶ More information for this speech, see Guth, 2008, p.A1

drow the attention of governments, organizations, corporations, and intellectuals. It is clear that the concept has already gained momentum (Hemingway, 2005); it is seen in growing attention in business organizations through models, government policies, mass media, academics through new programs, and valuable awards²⁷ (CASE, 2008).

The lack of a theory in the field needed be solved to understand this phenomenon better and replicate the new models to continue the process of value creation; because even portraying the concept as being "social" recently becomes debatable (Seelos et al, 2004). Drawing lines of the definition in a social sense states as one of the greatest challenges in the concept. In fact, various sub-topics in the social entrepreneurship feature social components; for example, even traditional entrepreneurship provides social functions in its organizational structure such as creating jobs (Reynolds, Bygrave, Autio, Cox, and Hay, 2002).

Above all these debates, social entrepreneurship establishes several innovative models for the provision of service and products (GEM, 2011). They accommodate basic needs while contemporary unsatisfactions are not fulfilled by traditional institutions (Seelos and Mair, 2005). They spot the opportunities to improve the system, and establish innovative solutions for ongoing problems; then, they produce new approaches on chronic issues.

Thus, their success depends on the efforts of not only individuals but also organizations in the ecosystem. In doing so, they use a wide range of legal forms such as for-profit, not-for-profit and hybrid statues (Dorado, 2006); they span traditional sectoral boundaries (Austin et al.; 2006), and also experiment various

²⁷ Muhammed Yunus was awarded the 2006 Nobel Peace Prize, because of his masterpiece "Grameen Bank" social initiative. The main idea behind this multi-awarded enterprise depended on "microcredit". The underlined the inequalities in the globalised financial systems and claim that "everybody is a natural entrepreneur." Thus, the Grameen Bank has almost nine million borrowers now, and 97% of them are women. According to him, "Fostering entrepreneurship is the solution". He posed social entrepreneurship as the solution of social and environmental problems which are driven by excessive capitalist competition.

ways of arrangements such as partnership, alliances and so on (Seelos and Mair, 2007). They illustrate a fundamental role of being catalytic and triggering during the systemic changes (Elkington and Hartigan 2008; Waddock and Post, 1991). In this manner, change in the ecosystem cannot be seen as a byproduct; actually, it is the basis of social entrepreneurship's fundamental aims and efforts (Alvord et al., 2004; Chrisstensen et al., 2006; Steyaert and Hjorth, 2006). Under these circumstances and dynamics, the ultimate achievement of the concept relies on the reaching a goal of sustainable development (Seelos and Mair, 2004).

1.4 The Concept of Social Entrepreneurship

Although the idea of entrepreneurship was not a recently emerged phenomenon, this social type of the concept²⁸ rapidly thrived in neoliberal period. From the terminologist perspective, the adjective “social” comes from its main purpose of generating non-economic outcomes and the “enterprise” side illustrates its financial structure. The entrepreneurial component of the term attributes some features such as being self-financing or independent from donations or not dependent on traditional philanthropy (Haugh, 2005). Further thought this, the social side of the term represents the continuous entrepreneurial ambition to produce products and services to response basic human needs which are especially unsatisfied due to the economic and social institutions (Seelos and Mair, 2005).

Social entrepreneurship as a phenomenon encouraged the idea of combining the social ambition on a specified mission with some components of the neoliberal period- that contains some outcomes like driving innovation and applying business-like discipline (Pomerantz, 2003). Several activities which associate with the awareness of the spotting opportunities to create social value were conducted.

Social enterprises started to produce sustainable strategies to achieve social purpose and addressed several social problems such as unemployment, inequalities in reach to education, accommodation, health and social care services, high rates of crime, social exclusion and so on (Enstrin et al, 2013). Despite some organisations which have already had a social mission for many years, social enterprises recently started to receive attention at policy level according to the new conditions of the ecosystem. This shift on the perception may be interlinked with the changing roles of the traditional actors and new trends in the ecosystem as mentioned; but when the social entrepreneurship considered as complete phenomenon, the concept’s potential to

²⁸ Social entrepreneurship includes social purpose business ventures -such as for-profit community development organizations- and also hybrid forms that combine not-for-profit and for-profit elements under the common institutional forms (Martin, 2007). In doing so, they establish several programs that influence employment through direct or indirect ways such as training, workshops and so on.

contribute to current social, economic and environmental mechanisms might unearth while it has also power upon the regeneration in general (Allan, 2005).

For example, it can be seen as a potentially sufficient strategy to stimulate disadvantaged communities by training of the unemployed ones to participate them into the labor force, generating jobs in the market, and responding welfare dependency and so on (OECD 2003b). Especially the regions where there are low levels of economic activity through poor market circumstances, several gaps have inevitably arisen from these market failures. And the inability or unwillingness of the state to fulfill this gap despite its social responsibilities (OECD 1999) created an urgent need for new aspect. Indeed, this kind of market failure may represent inadequate financial returns, asymmetries in the current economies or some other externalities (OECD 1999) in the private sector.

Besides, gaps in state provision through social services can be linked with the financial limitations and lack of capacities, chaotic bureaucracy, or inability to define basic needs of communities (Haugh, 2005) which may be seen as heterogeneous client needs as well in the language of neoliberal aspect. For example, with the influence of the ecosystem with neoliberalism, current government preferences for privatization, decentralization, and unwillingness for funding the provision of some services increased the general need for the social enterprises. In several services, the state has shifted its role as the main monopoly provider to a coordinator of the delivery of services, thus, the financial difficulties of state welfare provision naturally challenged the contemporary system (Borzaga and Santuari 2003).

Thus, environmental context became favorable for the establishment of social enterprises which prioritize social benefits above their financial profits (Haugh, 2005). Not only governments but also private sector encouraged them to go beyond “philanthropy”; thus, they adopted their entrepreneurial strategies into the business models to get financial independence and sustainability (Haugh, 2005). From business point of view; social enterprises seen beneficial as well to operate in

competitive markets, because they realised that the social economy has a wide range of the potential to be capitalised on through the concept's differential capabilities in marketplaces such as opportunity recognition/exploitation, source acquisition, shared values of caring others as corporate consciousness, legitimacy and client trust (Haugh, 2005). In doing so, intellectuals are supposed to take action about the public good; thus, they are expected to show more responsibility in the field (Bowie, 1994).

Consequently, these gift features of the ecosystem inevitably created potential market opportunities which are unattractive to commercial entrepreneurs, and also recently emerging demands which illustrate the concerns of contemporary trends made unfulfilled gaps (Haugh, 2005). The "social" version of the entrepreneurship thrived under these circumstances²⁹. They organically perform the continuous function for development and act as an instrument by mobilizing sources since the exploiting sub-market opportunities (Haugh, 2005).

While combining social purpose and entrepreneurial spirit, they perform as hybrid organisations which are autonomous (EMES 1999). They trade, therefore generate profit and employ so many people by seeking a social mission. They receive better market responsiveness and effectiveness due to main components of the concept such as creating efficiency, making innovation and mobilizing sources; thus, they defined as "for-profit social ventures" (e.g. Dees and Anderson 2003).

Even the momentum of the social entrepreneurship increases (Hemingway, 2005); there is no clear and commonly used definition of the concept yet. Indeed, it has many meanings for many people (Trexler, 2008). This can be not only confusing

²⁹ Even the language of social entrepreneurship as it is mean now is relatively new, its historical antecedents dated back to old times. These antecedents have influenced from both individual practitioners and various social movements. For example, the concept of "scientific charity" in the United Kingdom has experienced in the late 19th century. In the USA, it has occurred as a "professional philanthropy" in the early 20th century since "social economy" has increased in Europe (CASE Report, 2008).

but also unhealthy for the sake of the process. For example, several social enterprises mismatched with not-for-profit organizations due to their earned-income ventures for gaining continuous resources while some others generalized all not-for-profit organization as social enterprises. As another misplaced statement, there was a strong tendency in the ecosystem to describe all successful businesspeople who seek a social mission as social entrepreneurial missionaries. As seen in Table 2, there is a big lack of conceptualisation:

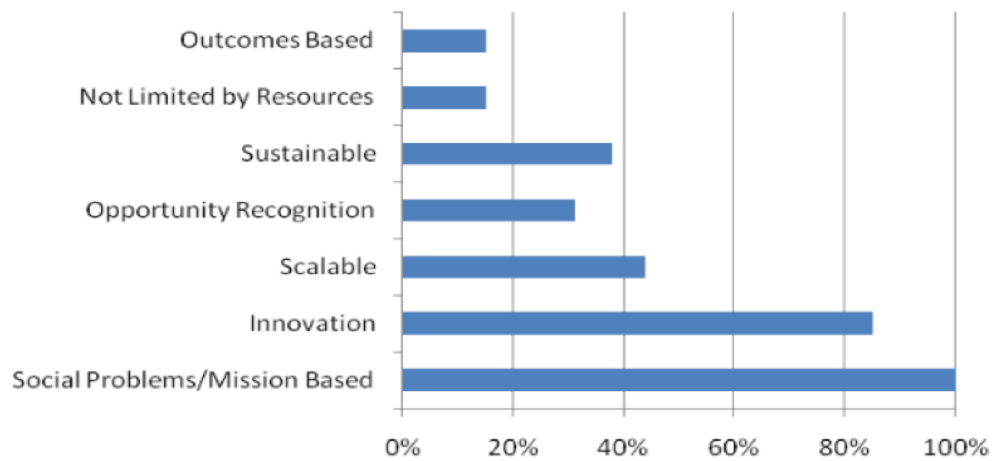
TABLE 2 : Definitions and descriptions of Social Entrepreneurship and social entrepreneurs

Source	Definition
Leadbetter (1997)	The use of entrepreneurial behavior for social ends rather than for profit objectives, or alternatively, that the profits generated from market activities are used for the benefit of a specific disadvantaged group.
Thake and Zadek (1997)	Social entrepreneurs are driven by a desire for social justice. They seek a direct link between their actions and an improvement in the quality of life for the people with whom they work and those that they seek to serve. They aim to produce solutions which are sustainable financially, organizationally, socially and environmentally.
Dees (1998)	Play the role of change agents in the social sector, by: 1) Adopting a mission to create and sustain social value (not just private value), 2) Recognizing and relentlessly pursuing new opportunities to serve that mission, 3) Engaging in a process of continuous innovation, adaptation, and learning, 4) Acting boldly without being limited by resources currently in hand, and 5) Exhibiting heightened accountability to the constituencies served and for the outcomes created.
Reis (1999) {Kellogg Foundation}	Social entrepreneurs create social value through innovation and leveraging financial resources...for social, economic and community development.
Fowler (2000)	Social Entrepreneurship is the creation of viable socio-economic structures, relations, institutions, organizations and practices that yield and sustain social benefits.
Brinkerhoff (2001)	Individuals constantly looking for new ways to serve their constituencies and add value to existing services
Mort et al. (2002)	A multidimensional construct involving the expression of entrepreneurially virtuous behavior to achieve the social mission...the ability to recognize social value creating opportunities and key decision-making characteristics of innovation, proactiveness and risk-taking
Drayton (2002)	A major change agent, one whose core values center on identifying, addressing and solving societal problems.
Alford et al. (2004)	Creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources and social arrangements required for social transformations
Harding (2004)	Entrepreneurs motivated by social objectives to instigate some form of new activity or venture.
Shaw (2004)	The work of community, voluntary and public organizations as well as private firms working for social rather than only profit objectives.
Said School (2005)	A professional, innovative and sustainable approach to systematic change that resolves social market failures and grasps opportunities
Fuqua School (2005)	The art of simultaneously pursuing both a financial and a social return on investment (the "double" bottom line)
Schwab Foundation (2005)	Applying practical, innovative and sustainable approaches to benefit society in general, with an emphasis on those who are marginalized and poor.
NYU Stern (2005)	The process of using entrepreneurial and business skills to create innovative approaches to social problems. "These non-profit and for profit ventures pursue the double bottom line of social impact and financial self-sustainability or profitability."
MacMillan (2005) {Wharton Center}	Process whereby the creation of new business enterprise leads to social wealth enhancement so that both society and the entrepreneur benefit.
Tan et al. (2005)	Making profits by innovation in the face of risk with the involvement of a segment of society and where all or part of the benefits accrue to that same segment of society.
Mair and Marti (2006a)	...a process of creating value by combining resources in new ways...intended primarily to explore and exploit opportunities to create social value by stimulating social change or meeting social needs.
Peredo and McLean (2006)	Social entrepreneurship is exercised where some person or group...aim(s) at creating social value...shows a capacity to recognize and take advantage of opportunities...employ innovation...accept an above average degree of risk...and are unusually resourceful ... in pursuing their social venture.
Martin and Osberg (2007)	Social entrepreneurship is the: 1) identification a stable yet unjust equilibrium which the excludes, marginalizes or causes suffering to a group which lacks the means to transform the equilibrium; 2) identification of an opportunity and developing a new social value proposition to challenge the equilibrium, and 3) forging a new, stable equilibrium to alleviate the suffering of the targeted group through imitation and creation of a stable ecosystem around the new equilibrium to ensure a better future for the group and society.

Resource: S.A. Zahra et al. , Journal of Business Venturing 24, 2009, 519–532, p.521

Indeed, social entrepreneurship has been fundamentally established to concur various fields of economy, sociology, and public/private governance. It is not surprising that there is a big array of viewpoints to make the definition of the concept. According to Brock and Steiner, there are almost twelve definitions of the social entrepreneurship in the field³⁰. The most common elements in these definitions rely on social needs and problems, innovation, resource acquisition to achieve the social mission, scaling an entrepreneurial social venture, opportunity identification, building a sustainable and replicable business model and measuring the outcomes of the process (Brock et al, 2008).

TABLE 3: Concepts Cited Most Often in Social Entrepreneurship Definitions



Resource: Brock et al., 2008, Social Entrepreneurship Education: Is It Achieving the Desired Aims, p.6

After the several eliminations and classification in the literature, main elements of the definition can be stated like this: It surrounds the several activities and processes engaged in the discovery, identifying, and exploiting opportunities for enhancing social wealth by building new ventures or operating already existing organizations in an innovative manner rather than traditional profit maximization (Zahra et al, 2009). It is driven by the motivations of individuals or groups that enthusiastically involve the social issues (Dorado, 2005).

³⁰ Brock, Debbi D. and Steiner, Susan D.; 2008, Social Entrepreneurship Education: Is It Achieving the Desired Aims?; p.5

The concept encourages the individuals with specific skills and capabilities; indeed, these people are the bold ones who look for opportunities through some innovative organizational responses to create social wealth (Zahra et al, 2009). Indeed, the concept's prominent feature comes from this entrepreneurial spirit with the business-like approach by driving a social purpose; thus, social entrepreneurship is summarised as “a private enterprise conducted in the public interest” by OECD (1999:10). As Mort stressed “social entrepreneurship as a multidimensional construct involving the expression of entrepreneurially virtuous behavior to achieve the social mission, a coherent unity of purpose and action in the face of moral complexity, the ability to recognize social value-creating opportunities and key decision-making characteristics of innovativeness, proactiveness, and risk-taking.” (Mort et al., 2003).

1.4.1 Origins of the Entrepreneurship:

The term of “entrepreneur” has essentially occurred in French economics in the early 17th and 18th centuries and it was originally used to illustrate someone who attempts an important project or activity in French (Dees, 2001). Yet, during the time, the term gained a specified meaning and started to be used for the courageous individuals who inspire economic progress by servicing new and better solutions to certain problems (Dees, 2001). In the 19th century, the French economist Jean Baptiste Say highlighted the term's this specific meaning by saying “Entrepreneur shifts economic resources out of an area of lower and into an area of higher productivity and greater yield. Entrepreneurs create value.” (Martin, 2007).

Joseph Schumpeter, as an economist, frequently cited the term in the 20th century. He illustrated entrepreneurs such as the pioneers and innovators who run the “creative-destructive” process of capitalism (Martin, 2007). He stressed this characteristic by saying “the function of entrepreneurs is to reform or revolutionize the pattern of production”. According to his perspective, entrepreneurs can do this in several ways such as “exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one

in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry and so on”.

As seen his own speeches, Schumpeter’s entrepreneurs function as the change agents in economies and they drive the economy through advancing by creating new markets or developing already possessed services (Dees, 2001). Thus, he described the entrepreneurial initiatives as allocators of social wealth. As seen their definitions, the Say-Schumpeter tradition illustrates entrepreneurs as innovators of economic progress.

Through the perspective, entrepreneurs function as pioneers who are centered on the foundation of the contemporary use of the term. The tradition underlines the fundamental importance of the entrepreneurs as the main catalysts behind the economic progress rather than starting a new business as a main essence of the social entrepreneurship (Dees, 2001). This entrepreneur-centric aspect is the most common one to frame the main concept of social entrepreneurship.

Besides this historical evolution, the phenomenon’s current position in 2000s are also important to understand with respect to social entrepreneurship and its relations with neoliberalism. Even so, the entrepreneurship has popularized in the beginning of the neoliberal period, its peak point is the mid-2000s (The European Commission Report on “A map of social enterprises and their eco-systems in Europe”, 2014).

Until then, even though it has offered some benefits in the economic sense, the traditional entrepreneurship has mostly relied on the maximization of profit which was mostly charged with capitalism. When the boundary between the business and social field gotten hazy (Bowie, 1994), the idea of making money with innovation seemed possible with the emphasis on the social mission. The idea of having the ambition on a specified social mission met with some of the various components of the neoliberal period such as competition, innovation, business discipline and so forth. Following this awareness in the field, the creation of this kind of social-aimed organizations to achieve social objectives enriched while the social entrepreneurship has started to be distinguished from the traditional version of

entrepreneurship (Hoogendoorn, 2009).

While considering the social entrepreneurship, the sense of benevolence would be the only reason of the peak of social entrepreneurship in mid-2000s (Roberts and Woods, 2005). These kinds of aspects might be related with the demand side, yet the natural consequences of the neoliberalism such as inequality, financial fragility, economic sensitiveness and interdependency has appeared as a challenge of the period (Kotz, 2009). When the neoliberal perspective with these components have started to be questioned, the alternative ways of producing remedies have inevitably popularized (Bowie, 1994). As a corresponding case, when the government spendings and activities in the social field decreased due to the economic turmoil in 2008, a need for new resources were revealed. The social demands and the communities' expectations according to the new conditions shifted to a new perspective. During this shift, entrepreneurs with newly developing social consciousness increased their involvement into the social field. As they were getting involved, the classical actors of the field, such as NGO's, reinvented themselves into the new business-like approach in order to function in the changing competitive environment (Bowie, 1994). Thus, the general suspicions on the sustainability of the system after the economic crises was underlined. The financial crisis in 2008 has essentially occurred as the biggest challenge to the neoliberal consolidation (Kotz, 2009). Several kinds of actors, wealth and flows in the system became more interlinked during the neoliberal period and this interdependency caused to the rising fragility of the contemporary system.

The fragility in the system, that is a natural outcome of neoliberalism, caused the traditional roles of the actors to transform (Korz, 2009). "The free market requires the strong, market facilitating state, but it is also dependent on the state as the coercive force of that freedom" (Bonefeld, 2010, p.15). As a corresponding case that was mentioned by Bonefeld, the state that is governed with neoliberalism turned to be one of the competitive actors in dynamic marketplaces. For example, the United States in the 2008 financial crisis tried to rescue both the industry and the economic system as a whole by injecting trillion of dollars into the system through bailouts

(Korz, 2009). Rather than establishing a well-functioning respond, this artificial support has been a backbone of the crisis. This attitude caused creating bigger bubbles which inevitably increased the harshness of the crisis (Kotz, 2009). Although they recreated various virtuous cycles, neither bailouts nor stimulus packages, which aimed to create jobs for the people who were bankrupted, were able to rescue the system (Kortz, 2009). At the end of the crisis, global economies were frequently getting damaged and most of them prioritized the future of their respective markets and their function rather than allocating funds from the budget into the social issues.

The neoliberal system would not be sustainable even if the global community spent millions of dollars through injections for the continuity of the system - even if there were not any well-organised responses or solutions to the issue. (Lapavitsas, 2010) That is, the 2008 financial crisis challenged not only the American hegemony on financial resources but also the implementation of neoliberalism through its problematic results such as over-financialisation, speculative bubbles, decentralisation of institutions, unplanned fiscal regulations and over production (Bailey, 2013). Promoted series of long economic expansions with neoliberalism challenged the system as seen in the 2008 financial crisis (Lapavitsas, 2008). Especially some elements like growing inequality, a financial sector which promotes speculation and risky activities and a series of large asset bubbles has raised the questions on the efficiency of organisations and traditional actors (Kotz, 2009).

The role of the state has been transformed from being in the center of the system to being a less active guaranters of the system's work; the state apparatus centralized providing confidence for the sake of financial markets (Lapavitsas, 2009). In doing so, the contemporary roles of the various traditional actors in marketplaces have also reshaped to keep market function. Thus, new needs and trends have arisen through the rising competition in neoliberal period. Through this, structures in trading and networking has also reshaped (Gedajlovic, 2013). Various markets and services have transformed in this manner such as welfare, biotechnology,

information, environmental technologies (Seelos and Mair, 2005).

The privatization of welfare services (Haugh, 2005) has correspondingly occurred with declining influence of the state in social issues. Thus, the sense of self-help (Taylor, 2003) has increased to tackle with the contemporary conditions. New group of philanthropists started to discuss the traditional philanthropy's dependency on donor satisfaction and they aimed to have more measurable results in social issues (Hoogendoorn et al, 2009). Rather than the classical sense of virtue on social issues, young generation with big fortunes triggered the culture of cooperation (Reis and Clohesy, 2001).

Besides the need to restructure the ecosystem, there was also the opportunity for change in an economic sense. People who has already developed awareness to involve in social issues gained a wide range of capital during the neoliberal period (Zahra et al., 2008) and they channeled their capital and attention through the rising consolidation of wealth in the private sector into the social field. Moreover, various private organisations and NGOs has forced to keep up the coercive and competitive environment (Bowie, 1994). Organisations has started to perform through socially motivated attitudes when they met with the idea of making a profit while doing social good (Zahra et al., 2008).

Societies has started to question the current system's and traditional actors' effectiveness when the unrestrained spread of markets increased uncertainty and instability (Bowie, 1994). For example, while the U.S. government managed the 2008 financial crisis as an actor who tries to ensure confidence of the financial market rather than the wellbeing of society have started to question the current system. Hence, the state reduced its influence as a supplier in the social field when the people and private initiatives increase their visibility in the demand side through the economic and politic involvements (Hoogendoorn et al, 2009).

Thus, inefficient institutions and NGOs have started to be questioned through this kind of suspicions and concerns in the community (Boschee and McClurg, 2003:3).

In doing so, NGOs were trying to reinvent themselves to be more business-like to tackle with limited resources which contained limited grants and foundations (Dees and Elias, 1998)). The state was mostly privatizing the welfare systems and reducing the spendings on the issue (Gilbert, 2002). Governments and international organisations have started to encourage dynamic problem solving social agents such as, social entrepreneur, to provide more sustainable solution for social issues (Dees, 2001).

Finally, a group of innovative entrepreneurs from various personal backgrounds challenged the traditional assumptions and acceptances about the concept of sharing (Reis et al, 2001). They encouraged the modern sense of problem-solving in a social field through offering the best use of business to reach social impact which relied on their mission to trigger social change in the system (CASE, 2008).

The reorientation of the welfare systems through privatization, with its new identity for civil society, supported both private sector and individual responsibility while triggering the ecosystem (EMES, 2010). Thus, social entrepreneurship is nourished through these private and individual responsibilities (Adler and Kwon, 2002; Payne et. al., 2011). This environmental change in the ecosystem, created a milieu for corporations and solidarity-based social movements to develop in contemporary neoliberal democracies (EMES, 2010). These social initiatives illustrate a manifestation-like stand, with the capacity of social capital production with the influence of the civil societies' empowerment on contemporary social issues (Hulgard, 2010).

When the social entrepreneurship phenomenon is investigated in the geographical context, the momentum in a global level can be observed. Comparing this momentum across the continents, Europe and the U.S. show a big range of development (Bacq and Janssen, 2011). Yet they perform through different government concerns and incentive structures on the issue, this duo encourages various associations and organisations as a main organizational body of social

entrepreneurial initiatives (Hulgard, 2010). Although these territories are embodied by diversified features in socio-political, economic and cultural aspects, they perform high level of social entrepreneurial participation (EMES, 2010). Bearing in mind, Europe's historical background showed that this region has always been significant for organizations through the culture of cooperation. As seen in European tradition, there were mostly some active association-based relations in a social or economic sense (EMES, 2010). In Europe, social entrepreneurship is an organic element of the tradition of social economy (Hulgard, 2010). As Defourny and Nyssens also stressed, "the increasing acknowledgement of the Third Sector in Europe, together with the broader interest in non-conventional entrepreneurial dynamics addressing current challenges, led to the emergence of the new concept of social enterprise" (2006). As a corresponding case, the United Kingdom devotes a wide range of a meaning to social entrepreneurship that Leadbeater defines this large definition as "a vast array of economic, educational, research, welfare, social and spiritual activities engaged in by various organizations" (1997).

All in all, the social issues through third sector has created various economic entities in many countries since it increased its impact in the global markets (Defourny et al, 2001). Looking at the issue from the policy aspect, various countries have designed development programs to increase the share of the social entrepreneurs in the economy such as the US and UK (GEM, 2005). Not only governments but also international organizations implemented several policy programs which tend to stimulate social entrepreneurship at the external and internal levels (Hemingway, 2005). For example, the United Nations and the European Union have several programs to support social entrepreneurship. Moreover, the new forms of business have been developed to help social entrepreneurs such as B-Corps in the United States (Reiser, 2013). The community interest companies in the UK has also service to extend this support (GEM, 2005).

Even if the prevalence of the social entrepreneurial activity cannot be oversimplified with the level of economic development in general (GEM, 2011),

some regions support the assumption that “at lower levels of economic development, new entrepreneurial activities with social goals are more intertwined with those of regular new businesses” like the findings of the sub-Saharan Africa (GEM, 2015). From this point of view, an ongoing debate on the back side of the entrepreneurial motivation is also debated in these kinds of developing regions (Williams et al, 2012).

According to Williams et. al. (2012), some criminal gangs in garrison communities function like social enterprises do. The criminal gangs tend to legitimize their various activities by structuring their services similar to the social enterprises. This kind of an ascription has described as “the dark side of social entrepreneurship” (Williams, 2012). Like social entrepreneurship’s problem-solving function, they address social and economic issues to solve various problems in the garrison communities such as security problems, income inequality, lack of health service, limited food and water sources. When gangs address these issues, it provides a significant vehicle to resolve the problems and they become to ensure the loyalty of the community.

This kind of a mechanism lets the replacement of socio-economic roles (Williams, 2012). The main policy-making position shifts from state institutions to the gang leaders who satisfy the needs of the society through this socio-economic role (Williams, 2012). As a corresponding case, Jamaica with economically depressed features has been exemplified. In Jamaican garrison communities, criminal gangs use social initiatives to fulfill the gap which has left by the absence of markets. They tend to meet the needs of the vulnerable people in the garrison community (Williams, 2012).

I agreed the fact that the main notion of creating social value may be seen similar but their inner motives of the social entrepreneurs separate them. Rather than creating social value to ensure the loyalty to political and social values, due to the dependability of the garrison, social entrepreneurship tend to produce well-

functioning and autonomous system through a well-being for all. Contrary to such illegal groups, social enterprises use transparent fundings and accountable governance models in their operations while they service.

In a global level; transnational institutions (such as the European Commission and the OECD) and international programs (such as the UNDP) encourage social entrepreneurs to be active in the marketplace (GEM,2015). For instance, the European Commission tend to support social enterprises through creating a favorable social, financial, administrative and legal environment. They aim to create a better and equal ground for every type of enterprises to operate in. The Social Business Initiative (SBI) has launched in 2011 to improve the situation of social enterprises in an environment.

In doing so, the European Commission is determined to help social economy ecosystems. As mentioned by the European Commission's "Europe's next leaders: the Start-up and Scale-up Initiative" report in 2016; the Commission set the aim of improving the ecosystem as a ultimate goal to create new jobs and growth in the EU through the phenomenas' direct beneficial effects. As mentioned in the same report, "an increasing interest in social innovation as a way to sustainable growth" has globally related with the social enterprises. In doing so, social initiative start-ups have highlighted with their features for innovation and opportunity exploitation (Mulgan et. al., 2006). Their organizational structure combines economic efficiency with societal-centred objectives (Official Journal of the European Union on EaSI, 2013)- has illustrated as a proof of the resiliency of the phenomena (the European Economic and Social Committee, 2012).

Furthermore, the European Commission has encouraged financial instruments to support lending to social enterprises with the European Investment Fund which has also launched various social impact equity instruments through the European Fund for Strategic Investments. The European Economic and Social Committee promised to encourage socially motivated start-ups to support through scaling up, improving

their access to finance and markets and also strengthening regulatory context (Commission Report, 2016). They advise member states of the Union on policy design through this perspective.

Moreover, the United Nations has supported the list of 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development. It has come into force in 2015 at the UN Development Summit since then entrepreneurial initiatives escalated. For instance, ITC is a joint agency of the UN and WTO to support sustainable and inclusive trade in transition economies. It strongly recommends entrepreneurship for developing countries to develop a supporting social and economic environment. Consequently, these reports and collaborative programs basically shined the contemporary discourse and attention on the phenomenon.

From this global perspective, a significant majority (almost nine out of 10 according to GEM 2015 Reports) of social entrepreneurs use a certain amount of cash to start the initiative. Although the share of entrepreneurs who invest their own money in their social initiative differ across the regions, most of them use personal funds. According to estimation of the Global Entrepreneurship Monitor (GEM), the need for personal fund to start is the lowest in Western Europe, Australia and the US (2015). This finding makes sense that developed countries which have economies like this may generally tend to have more resources for entrepreneurs.

On the other hand; in sub-Saharan Africa, Southern and Eastern Asia, the share of social entrepreneurs who use their own money to respond initial investment cost is the highest. Furthermore, Western Europe, Australia and the U.S. have the highest average level of institutional development and economic welfare and this illustrate the highest ratios between social entrepreneurship both in the operational and start-up phases (GEM, 2015).

Consequently, as mentioned before, neoliberalism with its practice created a competitive and coercive environment (Harvey,2005). Traditional actors forced to

adapt themselves by the conditions while new forms of initiatives thrived as small and dynamic problem-solving agents in the social field - such as social entrepreneurship (Dees et al, 2001). While neoliberalism increased the tension of the field, this kind of innovative agents stand out as a practical response through their self-sustainable and innovative approaches in the period of change (Martin-2007). They seek social mission and accordingly prioritize this mission while offering blended value in both the private sector and in the public sphere (Zahra, 2014). The social enterprises thrived because they have differentiated from similar organisations in their field with their ability to combine business consciousness into the social issues to reduce any kind of marginalization in a social and economic sense (Martin, 2007).

Thus, they started to produce sustainable strategies to achieve social purpose and addressed several social problems such as unemployment, inequalities in reach to education, accommodation, health and social care services, high rates of crime and social exclusion (Bowie, 1994). Although some private organisations and NGOs, which have been seeking a social mission for many years, the attention that the social enterprises started to receive during the neoliberal period led them to erupt as a whole at the policy level according to the new conditions of the ecosystem (Hoogendoorn et al, 2009). This shift on the perception may be interlinked with the changing roles of the traditional actors and new trends in the ecosystem as mentioned above.

2. CURRENT SCHEME OF THE SOCIAL ENTREPRENEURSHIP

Neoliberalism with its coercive spillovers such as fragility, instability and interdependency has forced almost everyone to reinvent itself to tackle with the natural consequences of the neoliberal perspective (Kotz, 2009). Since the term neoliberalism has started to be used as a major guiding principle of economic and political theory to regulate practices, various gaps have also occurred in production and service. Privatization of welfare systems is a corresponding case to the occurrence of gaps in production and services (Gilbert, 2002). Occurrence of the shifts in the ecosystem has led the system to create several gaps within itself which may also be seen as an opportunity by social enterprises to develop.

There is not only entrepreneurial ambition but also the sense of caring and sharing triggers the social entrepreneurs to fulfil the gaps of this kind of transition processes (GEM, 2015). Indeed, the phenomenon of social entrepreneurship has thrived almost as a natural outcome of this kind of changing ecosystem in which individuals become more conscious and powerful to be involved in social issues (Bowie, 2004). Yet, in this competitive framework, the conceptualization of the phenomenon needs a clarification to study the situation and the potential of social entrepreneurship with its outcomes during the neoliberal period.

In doing so, Harvey's assertions about neoliberalism and its destructive effects have been examined as a ground. Yet the thesis did not agree on his interpretation about problem-solving attempts' inefficiency under the circumstances of neoliberalism. Within this framework, Mair and Marti put a wide range of understanding of the phenomenon's problem-solving capacity. So, the following chapter of this thesis will examine the social entrepreneurship's characteristics vis-a-vis its various kinds of sociopolitical and economic outcomes to handle with the coercive consequences of neoliberalism.

2.1 Through Entrepreneur-based Definitions

The most preferred component to describe the concept relies on the base for defining a “social entrepreneur” in this understanding of the social entrepreneurship (Zahra et al, 2009). Displaying entrepreneurial behavior states as the main motivation for the entrepreneur to involve a venture (Kuratko et al., 1997). So, this definition frequently credits the personal features, capabilities, attitudes, and motivations of the social entrepreneur. Through the aspect, several case studies already showed that social entrepreneurs act through to fulfill existing market gaps which has overlooked by both private and public sectors (Leadbeater, 1997).

Despite many things change, the Say-Schumpeter perspective still secures its momentum to influence contemporary writers about the concept (Dees, 2001). For example; Peter Drucker accepts Say’s definition as a basis while deepening it to depend on the opportunity. Drucker does not lack entrepreneurs to drive change, but primarily he accepts them as the ones who exploit the opportunities (Martin, 2007). Correspondingly, these opportunities create significant changes in several ways such as consumer preferences, technologic changes, social norms, cultural integration and so on (Dees, 2001). As he says, “this defines entrepreneur and entrepreneurship the entrepreneur always searches for change, responds to it, and exploits it as an opportunity.”

The idea of opportunity recently started to be centralized by contemporary definitions. This perspective would be seen as the modern version of Say’s belief of shifting resources to the areas of higher earnings by today’s management theorists (Dees, 2001). Indeed, an opportunity addressed a chance to develop value through this way. From this point of view, entrepreneurs positioned as a mind-setters who see the possibilities in the current changes rather than the acute problems created by change’s itself (Dees, 2001). This approach essentially relied on the “opportunity recognition”. According to tthis definition: Despite all opportunities are peculiar and unique, most of them offer some kind of social advantage in general (Dorado, 2005).

Thus, the social entrepreneurial opportunity recognition functions equally responsive for problem-finding and problem-solving (Zahra et al, 2009, p.522). According to Bygrave and Hofer (1991), the social entrepreneurial process contains various activities which associated with the recognition of opportunities to establish social value and the creation of some other social enterprises to follow them. This definition accordingly proves that the social entrepreneur act as the main power to exploit an opportunity in the concept (Drucker, 1992). Social entrepreneurial opportunities can be caused by acute needs or long-standing inabilities (Austin et al, 2006).

And also, these opportunities may be derived from dramatic historical corner-stones or environmental changes such as natural disasters, climate change, fires and so on (Murphy et al, 2009). Yet, not every organization that seeks opportunity through the profit-making process in the complex context can be defined as the social entrepreneurial initiative (Dees, 2001). Drucker highlighted that the concept of social entrepreneurship does not require a profit motive as the priority aim; better to say, their major motivation cannot be directly linked to the profit (Martin, 2007).

One another definition attached a new feature as being resourcefulness to the opportunity-oriented definition (Dees, 2001). Harvard Business School theorists Howard Stevenson, after identifying some dimensions on differentiating patterns about management types, offered “pursuit of opportunity without regard to resources currently controlled” as the core of entrepreneurship. From this perspective, entrepreneurs defined as not only opportunity seekers but also risk-takers and resource-makers (Dees, 2001).

The main ideas of Say, Schumpeter, Drucker, and Stevenson relied on the essential characteristic of entrepreneurship of being applicable in the social sector like in the business sector (Dees, 2001). They set a mindset and also a significant way of behavior that can be applied almost anywhere. This mission-based impact represents the central criterion, rather than creating wealth which is just a tool for ending up to achieve the social mission.

The following definition of the term blends the importance on business discipline and the significant outputs of the approaches of value creation taken by Say, innovation-based change agent role from Schumpeter, and the endless search of opportunity from Drucker, and the resourcefulness perspective from Stevenson (Dees, 2001). Indeed, this contemporary definition of social entrepreneurs³¹ contains various elements of several definitions:

Social entrepreneurs who play an active role as the change agents in the social sector, by:

- i. Having a passion and mission to create social value,
- ii. Identifying and continuously going after the new opportunities to provide this social mission,
- iii. Concerning in the process of innovation, progression, adaptation, and learning,
- iv. Considering risks but acting without being restricted by resources,
- v. Modelling accountability through the audiences who are served and for the outcomes which are established.

In practice, social sector leaders act through their characteristics considering different elements and conditions; but, as Schumpeterian theorists say they try “reform or revolutionize” their industries (Martin, 2007). These kinds of innovative, mission-oriented and risk-taking people represent several important aspects of the social entrepreneurship (Mort et al, 2002).

With the impressive success of social entrepreneurs like Muhammad Yunus³²,

³¹ This definition is influenced by Dees (2001) as an ideal version of the social entrepreneur.

³² He is the founder of the most significant example of social entrepreneurship is called as Grameen Bank. This microfinance model has brought him Nobel Peace Prize in 2006.

Jeffrey Skoll³³, and so on attracted substantial media attention to the social entrepreneurship (CASE, 2008). Not only social entrepreneurs as successful individuals, but also the whole concept increase the visibility. Significant success of social entrepreneurial initiatives like Kiva and annual prizes awarded from prestigious organizations like World Economic Forum etc. thrived this visibility (GEM, 2015). Yet, it is better to say that every historically successful or influential individual cannot be estimated as social entrepreneur.

According to Martin, social activists like Martin Luther King, Mahatma Gandhi, and Vaclav Havel on may create some enterprises or organizations to support changes they aim (2007). These people, unlike social entrepreneurs, have tried to create indirect action. They relied their movements on influence through inspiration to responds problems of their periods rather than direct action (Martin, 2007). Calling these social activists as an entirely new can be confusing. The contemporary interest in the concept encourages the media and public to thrive the most successful sides of the concept (Hoogendoorn et al, 2009). Although representing the social entrepreneurship as a process which contains various components, some successful social entrepreneurs are highlighted as modern heroes thereby over-glorification (CASE, 2008).

For example, social entrepreneurs traditionally show courage through their embedded social mission and take a risk to fail; so, failures thereby potential risks are seen natural as success in the process (Dorado, 2005). As a contrary example of this fact that someone like Bob Young who is a founder of Red Hat Software INC has been accepted as a “serial” entrepreneur soon after his first success, ignoring his several failures until he finally achieves (Martin, 2007).

In fact, the concept of social entrepreneurship includes a set of unique behaviours and capabilities which are exceptional listed in below.

³³ He founded The Skoll Foundation to support social entrepreneurship. Apart from being a first full-time president of eBay, in 2006 He was listed in Time Magazine’s 100 People of the Year because of his foundation.

i. Being change agents in the social sector:

Social entrepreneurs act as revolutionaries with the social mission from the perspective of Schumpeter (Martin, 2007). Because they go through fundamental changes by seeking their social visions. They try to reduce underlying concerns which make people dependent on the supplier rather than simply satisfying the needs (Dees, 2001). By doing this, they mostly trigger changes in the system to sustain continuous improvements. Their actions have a big potential to encourage global improvements such as in the fields of education, accommodation, health care, unable rights, economic development and the environment, although they may act in local (Zahra et al, 2009).

ii. Creating a mission to establish and sustain the social value:

This characteristic is the main difference of what distinguishes social entrepreneurs from traditional entrepreneurs and socially responsible businesses (Dees, 2001). From the point of a social entrepreneur, the social mission states in the center as a fundamental cause. Although making a profit can be listed as part of the social entrepreneurship, but this is just a tool to achieve a social end. In other words; they are not the point that is wanted to achieve as a result and not the end in itself. They target the social impact rather than relying whole meaning on profit and customer satisfaction as indicators of value creation. In doing so, social entrepreneurs act through long-term social return on their investments and care to sustain the social impact; thus, that they prefer lasting improvements rather than a quick hit (Murphy et al, 2009).

iii. Identifying and continuously seeking new opportunities:

Social entrepreneurs spot various opportunities in when and where other people see problems. Their motivation may be purely not linked to the social need or empathy; more than this, they have a strong tendency to achieve sustainable improvement and the desire to establish a organization to function the mission (Dorado, 2005).

iv. Concerning in the process of innovation, adaptation, learning:

They are organically innovative in the problem-solving process and act as creative pioneers through revolutionary approaches to develop well-functioning models (Zahra et al, 2009). As said by Schumpeter “innovation can take many forms.”. This innovative side is not required to rely on the creation of something which is totally new. Indeed, it may simply target already existing ones to reform it by seeking new ways or situations.

Their innovative characteristics may be seen in how they structure their institutional forms to sustain their resources for funding themselves. This willingness, therefore, the need for innovation is a part of the process because a one-time burst of creativity cannot create a sustainable resource to fund themselves or convince someone to get support (Dees, 2001). Yet an ambition for making innovation comes with uncertainty and several risks of failure, this is a continuous process which includes exploring, learning, and improving (SEL, 2004). They inevitably have a high tolerance for uncertainty because of these expectative risks. And they train themselves through risks management to handle the competitive environment with the neoliberalism (Mort et al, 2002).

v. Considering risks but acting boldly without being restricted by resources:

Scarce resources cannot be accepted as a limit for social entrepreneurs to pursue their visions because they are organically able to do more things with less; indeed, they efficiently leverage the resources (Dees, 2001). They design functioning organisation models considering their social visions (Allan, 2005). Despite they may extend their capacity in the capital, their organizational structure enables to create partnerships and collaborations³⁴.

³⁴ While establishing the partnerships between for-profits and social enterprises, the expectations and outcomes should be clarified. It is certain that their partnership illustrates several advantages for both sides. In doing so, for-profits must justify the partnership to stakeholders by considering to raise resources in the social sector.

From philanthropy to the various commercial methods in the business sector, they use many resource options (Dees, 2001).

- vi. Modelling accountability through the audiences who are served and for the outcomes which are established:

Social entrepreneurs naturally understand contemporary statements through their strong connections to local while determining the needs and values of them (Dees, 2001). They respond the expectations of the investors who invest money, time and knowledge accordingly answering needs of the communities. They create socially and financially attractive returns to the investors since they provide social improvements to their beneficiaries. They combine communities' needs with investors' values by functioning as a bridge (Martin, 2007).

In doing so, social entrepreneurs may motivate to make a social change according to their characteristics or empathy³⁵ (Dorado, 2005). They are naturally inspired to change this kind of unpleasant equilibrium (Martin, 2007).

Consequently, since entrepreneurial activities are set as a main element of the definition, the phenomenon looks more opportunity-based approach (Dees, 2001). The defining feature of this perspective relies on the "centrality of opportunity identification" (Eckhardt and Shane, 2003; Shane and Venkataraman, 2000); this perspective also shines out the emphasis of innovation and individual characteristics of a social entrepreneur such as being not-limited by resources. A social entrepreneur is charged with the whole process of discovery and evaluation since they also frame as catalysts

³⁵ This linkage may rely on their personal backgrounds of being frustrated ones as users or just an empathy on the frustrated ones. Indeed, this familiarity with a social problem or some specific communities may provide an advantage to realize, identify and exploit an opportunity which bases on the solution of the main problem (Dorado, 2005, p.320).

to mobilize the sources of the others through the social mission (Stevenson and Gumpert, 1985). They act as an engineer to create a fundamental shift from lower-quality conditions to a higher-quality equilibrium (Martin, 2007). As 70organizati by Weerawardena: “We need people who both passionate about the mission but pragmatic about the realities of the marketplace...” (Weerawardena and Mort, 2006, p.30)

Since social entrepreneurship continues to illustrate a combination of various interests from cross disciplines the phenomenon is mostly suggested through transcending the individual zones of entrepreneurial studies (Mair and Marti, 2006; Perrini, 2006). The illustrative example of this perspective can be seen the social entrepreneurship definition pointing out the social entrepreneur in the center on defining the concept like this one “social entrepreneurship as a context in which established types of entrepreneurs operate” (Peter A. Dacin et al., 2010).

One move ahead from this definition; Zahra et al. (2009) proposed three main typologies of social entrepreneurs such as Social Bricoleurs, Social Constructionists and Social Engineers. According to the author identifying these typologies on defining the concept is so important to explore the social entrepreneurial variations of defining opportunities, continuing their social missions, addressing social problems for mobilizing resources. Social bricoleurs with expertise are mostly localized powers to discover local needs (Zahra, 2009). They leverage local resources to enrich social wealth in a specific region while seeking the social mission. In their territory; they create social equilibrium in the sense of social peace through addressing local social needs, due to their readily available resources they act relatively independent (Martin, 2007).

This type of social entrepreneurs is more efficient to spot small-scale social needs and local opportunities than larger organisations (Zahra, 2009). Oswaldo Terro can be exemplified as a successful social entrepreneur in Chiclayo³⁶ through this

³⁶ A city in North Peru.

typology (Rawhouser, 2007). He was a founder of the not-for-profit organization – the Center for Innovation and Business Development (CIDE)- and also, a for-profit firm which is called as North Peru Investment Company. These two organizations work for identifying some small businesses which have a potential to grow. They encourage some interested investors and business people through investing in these businesses. In a basic sense, they distribute the risk of social venture and encourage the sides for getting in the initiative. Oswaldo’s organizations mainly aim to support each borrower who wants to succeed at a business from successful businesses to provide an efficient solution to poverty. Rather than providing easy access to loans just for the poor, they prefer to design a well-functioning system to support and train the needy who wants to raise herself/himself from poverty through successful initiatives (Zahra et al, 2009). Despite He has dedicated his life to exploit opportunities at a local level, he helped the whole community in Peru as well.

2.4.Narrowing Down the Definition

As several theorists offered that excessive involvement of market liberalization according to the global economy increased inequalities within the communities (e.g., Ocampo, 2011). Within this ecosystem social entrepreneurship represents as an unusual meeting point between enterprises through innovation, and social change; it has gained wider acceptance in both business practice and academic thinking (Zahra et al, 2009). Neither practitioners nor intellectuals meet on a single and unified definition of the social entrepreneurship yet. Thus, narrowing down the definition of social entrepreneurship takes very important place to thrive the concept’s potential (GEM, 2015). And also, the social entrepreneurial activity needs clarity in the sense of its prevalence³⁷. Indeed, social entrepreneurship can be seen as a “simple term with a complex range of meanings” (Trexler, 2008).

³⁷ According to the Global Entrepreneurship Monitor’s (GEM) Special Topic Report in 2015, the average prevalence rate of social entrepreneurial activity in nascent entrepreneurs is defined as “in the start-up phase (SEA-SU-NRW) across 31 GEM economies, it is 1.1%. The average prevalence rate of narrow currently operating social entrepreneurial activity (SEA-OP-NRW) is 1.2%.” (GEM, 2015)

The general concept of the social entrepreneurship may be organization as “the creation of a social value that is produced in collaboration with people and organizations from the civil society who are engaged in social innovations that usually imply an economic activity”³⁸ (ASHOKA, 2000). So; an organizational plan according to the needs and expectations of civil society, the requirement of a social character through a social mission, the strict tie to the innovative character and the creating economic value associated with the social one may be stated as the fundamental bases of the phenomenon.

Moreover, the most commonly cited definition was formulated by Prof. J. Gregory Dees’s (Boschee et al, 2003). He underlined five major elements to define social entrepreneurship: “Adopting a mission to create and sustain social value (not just private value); recognizing and relentlessly pursuing new opportunities to serve that mission; engaging in a process of continuous innovation; adaptation and learning; acting boldly without being limited by resources currently in hand, and exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.” (Boschee and McClurg, 2003, p.2). Despite this formulation seems reasonable, with the main insights of this thesis, some other elements needed be included in the definition:

- i. Earned income

Social entrepreneurship contains several economic activities which associate the high degree of autonomy in a financial sense (Dees, 2001). Their innovative capacity to produce goods and services run this economic activity. In doing so, they target commercial income to secure their financial sustainability. Nyssens addressed this component by saying “financial

³⁸ Definition based upon a review of literature and definitions offered by networks (such as the EMES European Research Network, the Skoll Centre, CAN and Ashoka) and by individual scholars such as Gregory Dees, James Austin, Charles Leadbeater and individual scholars from the EMES network.

viability depends on the effort of its members to secure adequate resources to support the enterprise's mission" (2006).

When they successfully start to carry out an earned income strategies, they can easily launch more developed business initiatives to increase their revenues (Boschee et al, 2013). Their profitability correspondingly increase due to their ability to exploit opportunity (Dees, 2001). Thus, they aim to gain the cumulative impact of these opportunities rather than seeking one-time profit (Boschee et al, 2013).

ii. Social mission based, social value creation

The major component of the phenomenon relies on the statement that the social entrepreneurship relies on the creation of social value (Mort et al, 2006). This social value may be "broad and global" according to Ashoka³⁹ which works with a global mission of improving access to basic education, health, clean drinking water and social justice. And also, it can be "narrow and global"; but even in this case, it is still ambitious and radical (Hulgard, 2010). As an illustrative example, the Grameen Foundation aims to end global poverty. Moreover, this social value may be "narrow and local" such as the goal of creating better schemes for ethnic inclusion in specific local communities. Alternatively, it may be "broad and local", such as the goal of improving the general conditions which linked to the creation of a social value. (Hulgard, 2010)

Moreover, the social mission accompanying with social value creation is the main differentiating element of social entrepreneurship (Bosma et al, 2015).

The overall strategy of social enterprise relies on the social mission; thus,

³⁹ Ashoka is a global organization which identifies social entrepreneurs and help them in leading.

It has established in 1980 and nowadays it includes a greater number of world-class social entrepreneurs. It supports these social entrepreneurs to make them a change-maker in the World.

several scholars come together on the idea that social entrepreneurship need to include an explicit social objective (e.g Thompson, 2002). According to Felipe Santos (2012), social enterprises always prioritize value creation to create long-term social impact. In doing so, they may put effort for value capture to gain short-term financial return even it would be needed to establish long-term social impact (Mort et al, 2006). The GEM's 2015 Report showed that "between 50 and 70% of operational social entrepreneurs are defined as value creators by many economies" rather than describing them as value capturers.

iii. The business side of operating in the market

The phenomenon fundamentally relies on a well-designed business structure to operate in markets. This model functions as a channel to convert the input into output (CASE, 2008).

It aligns with the social mission of the social enterprise because this plan is an underlying component of the success and reliability of the social enterprises. In doing so, there is no single business model to make all social enterprises successful. Each social enterprise need adjusted, sustainable and scalable plans through a certain social mission. And all these features let social entrepreneurship replicable in the competitive ecosystem (Bloom, 2009).

iv. Innovation

The innovative delivery of products and services can be contained as one of the main indicators of the concept (Alvord, Brown and Letts, 2004). The phenomenon actively engages individuals and organizations to provide these innovative solutions to respond complex problems. This attitude organically relies on the prediction that the societal problems have never existed if they could be solved by mainstream approaches (Mair and Marti, 2006).

v. Reinvesting profits

Fund-raising and earned income represent key roles for fund-acquisition of the social enterprises (Weerawardena et al, 2006). Their financial

sustainability and economic growth directly rely on the management of these sources (Mort et al, 2006). Even if sustainability is considered as important as a social mission in the organizational building of phenomenon, it is not surprising that the profit reinvesting illustrates vital importance for financial sustainability. Thus, the main finding of 2015 Gem Report proves that five in every ten social entrepreneurs reinvest social initiatives' profits to social goals.

The reinvesting profit especially makes the social entrepreneurial activity more sustainable in an operational sense (Weerawardena et al, 2006). More than owned earnings as a source of a private profit, social enterprises use their economic surpluses to drive their growth (Haugh, 2005). Their earnings are reinvested as some inputs, or they are used to be modified in the production process. Social entrepreneurship priorities long-term survival by achieving their social mission (Mort et al, 2006); so, they do not hesitate to reinvest their profits in the organization to ensure the continuation of the business. Self-sustainability as an ultimate aim to gain independent fund-acquisition, the definition of social entrepreneurship needs to cover reinvesting profit in the implementation of an effective mechanism (Murphy et al, 2009).

vi. Measuring impact

Measuring impact is one of the most rapidly rising elements of the contemporary theme of social entrepreneurship (Haugh, 2005). Social initiatives are traditionally testified by their expected social value (Perrini and Vurro, 2006). In doing so, the phenomenon frequently targets overall societal problems and seek to maximize mutual benefits for the general (GEM, 2011).

Even if they passionately rely on a social mission, they also handle to operate in limited resources (Mort et al, 2006). And efficiency and productivity thereby sustainability is vital for them (Mort et al, 2002). They

act as a capable agent to mobilize and leverage available sources to create value (Mair and Marti, 2006) despite measuring the impact can be seen as a challenge (Mair and Marti, 2006) to continue attracting human and resources into the social venture.

Despite there is no clear data to test a various hypothesis about the phenomenon's prevalence across states⁴⁰, the global measurement might be included in the definition (Bosma et al, 2005). According to the GEM Report in 2015, almost half of social entrepreneurs in SEA/OP/BRD put apparent effort into this issue when they organize social entrepreneurial ventures..

Not only entrepreneurs but also stakeholders/investors need these kinds of measuring reports for accounting (GEM, 2015). Reliable measurements mainly illustrate important role to justify the success of the concept (Haugh, 2005). Consequently, this side of the concept is needed to contain in the definition to sustain continuum through demonstrating success and producing social impact (CASE, 2008).

Grameen Bank is one of the best corresponding cases of social entrepreneurship. Muhammad Yunus has found this initiative to tackle the fact that none of the poor can lend money from any banks. Thus, the Grameen Bank started to supply credit to the poor who are not traditionally accepted as qualified customers by mainstream banks. Since then the Grameen Bank has reached 42 women by providing loans \$27 from the small village in India called Jobra in 1976, this social initiative's sphere of influence has been increasing incrementally.

Today, Grameen initiative functions with 1191 branches and services over 3 million people in Bangladesh. The Grameen Bank essentially supplies unsecured loans to the poor with some unique features such as designing repayable loans on time, accepting even the poorest and landless villagers are eligible as borrowers and prioritizing to make women. As seen in this practice, this social initiative

encourages people not only economically but also socially. Thus, this microfinance approach has evolved the whole system to transforming deeply through institutions. Not only the existing system but also the establishing forms are influenced by this innovative attitude. The initiative targeted poor women and offered them small loans to start their business. Instead of taking shelter from any governmental help or international institutions to access for finance, Grameen Bank stays independent by being self-sustainable. In doing so, the Bank has not had to depend on any donors since 1995 according to Yunus (1998).

Since the social entrepreneur has realized gender power imbalances, this social initiative triggered this long-held belief to change. By loaning to women, the social initiative broke practice in the society. Before the Grameen Bank, the percentage of women recipients in the whole loan borrowers were less than 1% from Bangladeshi banks (Yunus, 1998). A not only institution of lending but also Bangladeshi culture has changed with the influence of Grameen Bank. The Grameen Bank sustains its freedom by increasing its financial capacity, and its profits were reinvested in the organizational system. The Grameen as a model has been replicated all over the World. Almost 5.3 million people in the developing countries have lent US \$5.1 billion (Gangemi, 2005; Yunus, 2003). This micro-credit system for nascent entrepreneurs has spread around the whole World with the success of Grameen Bank (Gangemi, 2005).

According to Schreiner (2003), “Grameen Clones have thrived in several regions such as North America (Taub, 1998), Europe (Rogaly, 1996), Latin America (Thomas, 1995), Africa (Wall Street Journal, 1998) and Asia (Hulme, 1990)” (Zahra et al., 2009, p.527) since the measurement results proved the social and economic success of social venture. Consequently, the Grameen Bank has been changing the lives of millions all around the World through this innovative approach on financial intermediation. From the idea that creating financial services to the poor, the initiative evolved a well-functioning system as a profitable business for tackling the poverty (Yunus, 1999).

By doing this it illustrates some of the fundamental components of the main social entrepreneurial features like reinvesting profits in the system through its social mission. For example, the Grameen Bank and Sekem use its earned incomes and profits to engage in new social initiatives like Grameen Telecom and Grameen Energy. Even if social enterprises use various business models to spot different social needs, they support the creation of social capital which increases the quality of social and economic relationships. According to Fukuyama (1997), this kind of trust-based relations can be so efficient to engage people in cooperative activity. So, the Grameen Bank’s micro-credit system through peer-groups is a good example to observe that sharing responsibility for loans encourages the poor through solidarity and interaction.

2.3 Determinant Differences to Clarify the General Framework

Despite the various intellectuals and practitioners have started to favor social ventures due to several reasons, there is a disagreement in the field even on that what people refer to social entrepreneurship (Zahra et al, 2009). For-profit organizations have finally realized that they can act well while financially profitable as well while not-for-profit organizations become self-financeable through social entrepreneurial ventures. Thus, social ventures illustrated as a beneficial way to generate income for everyone (Martin, 2007).

TABLE 4: General Structure of Grameen Bank (as an illustrative case)

	Innovation Characteristics			Characteristics of Initiative Leadership	
	Core Innovation Pattern	Mobilizing Assets and Capacities of Poor	Emphasis on Continuous Learning	Bridging Capacity	Adaptive Leadership Capacity
Grameen Bank	Micro-credit Package: Provide group-based loans for poor and marginalized people to develop income-generating activities; follow up with other development programs.	High: Focus from the start on improving the capacity of poor and marginalized people, especially women, to participate in small businesses.	Medium: Systematic investments in learning of participants and staff; less clear investment in formal learning processes at the organizational level.	High: Founder was an economics professor who grew up in Bangladesh and completed graduate education in the United States. Over the years, has built strong and lasting relationships with business leaders, government officials, donors, academics and poor villagers, both men and women.	High: Founder in place for 30 years, and has led expansion from small, local experiment to nation-wide organization with branches in other countries, twelve different businesses, and close ties to government and international donors.
	Scaling Up and Social Transformation Impacts			Organizational Arrangements	
	Scaling Up Strategy	ransformation Leverage	Overall Impact of the Initiative	Operational Organization	Priorities on External Relations
Grameen Bank	Create and test micro-credit package; Expand coverage via large organization Follow-up with support functions	Economic: Provide capital for small business development Cultural: Support women in new economic and business roles	Reach: High Transformation: Economic—High Political—Low Cultural—Medium	Size: Very Large. Staff delivers services to borrowers. Systems: High. Comprehensive micro lending and other service delivery, strong financial systems. Other enterprises have separate management systems. Staff: High/Medium. Train staff, but no formal system. M&E: High. Research and evaluation unit tracks data on micro-lending/credit activities.	Village borrower groups that use package Agencies that deliver the package elsewhere Resource providers that fund package Medium Priority

Resource: Social Entrepreneurship and Social Transformation: An Exploratory Study By Sarah H. Alvord, L. David Brown, and Christine W. Letts (Harvard, 2002, Working Paper no:15)

The importance of economic activity to be self-financed fundamentally distinguish the phenomenon from social movements, traditional charitable forms and also philanthropic initiatives (Haugh, 2005). The transformative social change ambition makes the social entrepreneurship different from any kinds of corporate business models of doing good or being conscious such as corporate social responsibility or strategic philanthropy (Hulgard, 2010).

Even some fundamental aims such as exploiting opportunity, being financially sustainable seems same; the social entrepreneurship includes a whole process of identifying a fundamental response to a specific problem, need or demand due to various motivations, producing the knowledge to them (Shane, 2000) through networks of their relations (Eckhardt and Shane, 2003; Aldrich, 1999, 2005) while financial gain is favoured as well. For example; this financial gain is a common motivator for both social and traditional entrepreneurs, but social entrepreneurship is not limited by cost-benefit calculations unlike traditional entrepreneurs to launch a new investment (Aldrich, 2005). Because they believe that “Given the right opportunity, resources will follow” (Kirzner, 1997; Stevenson and Gumpert, 1985). The concept, as a multi-dimensional and interrelated phenomenon, is frequently mismatched in the field (Weerawardena and Mort, 2006).

Although various initiatives appear like social enterprises, the term need a clearer conceptualization. Main lines of the concept have needed a separation to avoid the uncertainty of the main conceptualization in a counterproductive way (CASE, 2008). This clarification is important for not only to thrive potential opportunities in marketplaces but also to maximize sociopolitical outcomes of the phenomenon. In doing so, the workableness of the concept increases as well.

2.3.1 Traditional/Business Enterprises vs. Social Enterprises

Traditional enterprises do not directly engage any social mission despite they may be sensitive on some issues like using the safe materials through environmental concerns or treat all employees with high respect considering its culture (Boschee,

2003). Despite they may act beneficial in indirect manners to answer social problems, these behaviors are not specially targeted to answer any social problem. The social mission-centric characteristic distinguishes these concepts. Social entrepreneurship is tied directly and strictly to the social mission (Boschee et al, 2013). They can employ people who are disabled, excluded or challenged. Also, they can organize mission-driven services that have a direct impact on a unique problem such as providing home-care services to the disabled people, producing some mission-driven gadget to response their needs (Boschee, 2003).

Another difference between these entrepreneurial initiatives relies on outcomes. Traditional entrepreneurship focus on the financial results which are fundamentally needed for measurements (Boschee et al, 2013). Traditional enterprises shift their resources to more efficient fields by seeking to create economically productive uses (Bowie, 1994). They are subjected to the market discipline; so, they run their whole managerial issues by avoiding to be driven out of market.

Thus, the business entrepreneurs' success or fail is depended on their capacity to distribute profit to their stakeholders. According to the social entrepreneurship, success is not merely determined by financial gains. Social one prefers "double bottom line" which combines financial and social returns (Dorado, 2005). The profitability of the initiative is fundamentally important to use them as resources for reinvestments in the social-mission (Murphy et al, 2009). These sources are targeted for self-sustainability and earned income strategies are adopted into the business models by considering this fact (Boschee et al, 2013). In doing so, exploiting the opportunity for its continuous growth and profitability is positioned as a kind of resource and also the outcome. Since social enterprises address inefficiencies which were already noticed by many individuals, business enterprises discover some business inefficiencies which are recognized by only fewer wary ones (Murphy et al, 2009).

Despite social enterprises operate in markets like business enterprises, these markets frequently do not provide right conditions for social types. Several social-

purpose organizations charge with high fees and compete for the limited sources such as donations, volunteers, and so on.

Indeed, the general discipline of these markets does not ideologically match with the phenomenon's social mission. Market forces frequently focus on the facts that who pays the fees and creates the resources for the organization while underlying social motivations and assessments are oversimplified. Crediting social benefit into a specific intervention or venture is also hard to be measured in despite improvements and achievements may be experienced. Thus, social enterprises try to rely on subsidies, fees, donations, and volunteers to neutralize this value-capture handicap; even this attitude creates some other conflicts through market discipline, they become able to catch these philanthropic resources (CASE, 2008).

Since then the ecosystem with neoliberalism changed, outcomes like increasing competition for scarce subsidies and decreasing the available sources from traditional resources, earned incomes allowed these organizations to become more sustainable or be self-sufficient. Innovation is positioned as a superior source which serves as the main engine of non-profits' rapid rise in the 1970s and 1980s (CASE, 2008).. They sustain a well-functioning organization without depending on charitable donations and subsidies from the public sector to respond social needs and expectations.

When considered from the general point of view, these entrepreneurship kinds mutually reinforce the other in the ecosystem. Through this interaction, various positive externalities are generated (Gedajlovic, 2013). For example, social entrepreneurship function as a social capital provider for business enterprises (Haugh, 2005).

Despite this duo shares a strong vision of innovating and risk-taking, their primary objectives distinguish them (Esntin et al, 2013). In fact, the main difference relies on the primacy of the establishment of social value (Mort et al, 2002). According

to Dees, social enterprises aim to establish “superior social value for its clients” while traditional enterprises set economic value for its customer as the top superiority (Dees, 1998).

According to social enterprises, the social mission is specified and central and this centrality defines their channels to assess the opportunities (Mort et al, 2002). They use mission-related impact as the main criterion while perceiving contemporary opportunities in the ecosystem (Dees, 1998). Individual wealth may be targeted only as a tool in seeking social mission by social enterprises. Business enterprises as a commercial subject shift their resources to more beneficial uses in the economic sense according to their fundamental dependency on markets (Haugh, 2005).

Thus, the business kind of a value based on the idea that market pays for innovation and it provides substantial gains for investors. According to their perspective, profit is the end and fundamentally depends on a large-scale market adoption (Martin, 2007).

Due to the main motivation of combining business strategies with a sensitive social understanding, social enterprises organically motivated by altruism. They expect transformational advantage for everyone rather than enriching just the shareholders (Hulgard, 2010).

Business entrepreneurship fundamentally relies on a profitable system which mainly arises from some innovative ideas against all the old but traditionally succeeds components. This traditional type of business entrepreneurship creates new products or services which fundamentally improve and cherish people’s lives since stakeholders of the initiative fundamentally aim to maximize their economic profit. This motivation is the essential difference between traditional entrepreneurship and the social one. The corresponding case of this difference can be observed in the case of Apple Inc. The computing system which makes users naturally dependent on mainframe computers has created an inefficient system.

Thus, users became unsatisfied. Steve Jobs and Wozniacki⁴¹ have seen the opportunity in the traditional entrepreneurial context and acted boldly (Martin, 2007).

This duo established Apple Computer in 1976; they used individual resources to fund the entrepreneurial venture's cost in the capital⁴². There was no explicit social mission by seeking market opportunities, as a traditional enterprise's Apple Inc runs profitable goods and services through benefiting from market-based opportunities. Thus, Apple revolutionized the whole computer industry. Steve Jobs and Steve Wozniak of Apple Computer Inc⁴³ adjusted the technology by creating smaller and cheaper devices at accessible prices to consumers. Since then, the company operates through identifying an unsatisfactory equilibrium to respond market indicators (Martin, 2007).

Once the equilibrium changes which is caused by both traditional and social enterprises, it embraces several competitors in the marketplace. In the case of Apple, the entire ecosystem has been forced to move beyond. Not only direct actors such as new hardware/software suppliers and resellers but also new by-products such as PC magazines in the market has neem leaped into the ecosystem. So, this business enterprise triggered to development of new distribution channels and networks through trade shows and so on.

⁴¹ Before than describing as a well-known business entrepreneur Steve Jobs met up with his colleague Wozniak who had been working on building a computer in a modern manner.

⁴² They have started to work in the Jobs family garage, and sold their personal belonging such as bus and scientific calculator to fund initial fund.

⁴³ Since Wozniak has been working on a user-friendly personal computer as an engineer, Jobs was charged of marketing. Following three years from the first release, the company's whole sales raised by 700 percent with Apple II, and reached \$139 million. When Apple Computer turned into a publicly traded firm, its market value reached \$1.2 billion at the end of the first day of its trading.

Even if Apple Inc.'s general success went beyond financial results, profitability in a financial sense is centered as the main criterion to form business plans and managerial issues, unlike social enterprises. As a start-up, the Company has aimed to fulfill market gaps such as extending the customized and value-added devices; nowadays, it still increases its growth with value creation and its capture on devices considering this financial evaluation⁴⁴. Managers of the company focus on economic missions since using financial performance metrics as success criteria (Neck et al, 2008). Unlike social entrepreneurship, this traditional enterprise brings its stakeholders big personal wealth since the company's economic yield increases.

⁴⁴ According to the Apple resources, the Company's fourth-quarter earnings (on 2nd of Nov 2017) went beyond estimations. Even analysts of the Wall Street had expected the \$50.7 billion in revenue to be generated, the company informed the market with \$52.58 billion which is up 12% from the same period of the last year. It means that the company's profits increased from \$10.7 billion to 19% just in the fourth quarter of 2017. The Company exploits its resources and capacity to continue its hegemony on the field and it is still resetting its agenda due to economic benefits to continue its profitability.

2.3.2 Old fashion charity vs. more contemporary aspect of problem solving in the field of social enterprises

There are two main cultures, which can be seen as organizational behavior as well, in the field: the age-old culture of a charity, and the contemporary culture of an entrepreneurial problem-solving (Dees, 2002). Although both cultures represent the essence of several psychological responses which are built up by social norms and reactions to needs of others in communities, the supporters of these cultures criticize the other side.

Indeed, the social entrepreneurship contains an integration of values from both these cultures, such as the satisfaction of caring the others and sustaining their needs in more innovative ways are directly linked with social benefits of problem-solving (Dees, 2002). These two cultures share a common belief that values matter to drive and shape the behavior. On one side, the traditional culture of charity⁴⁵ performs through its aged motivations and tools to respond social problems and relies on moral traditions. The concept of charity is accepted as a kind of “virtue” through these components. Not only religious perspectives but also several secular philosophers –such as Confucius and Aristoteles- have praised this kind of giving and caring behavior as a virtue⁴⁶. Charity illustrated as a virtue which relies on selfless motivation to act for the benefit of one another (Dees, 2002).

⁴⁵The culture of charity focuses on the actor’s caring and giving motivation by pointing this action as a willingness to sacrifice his/her interests for various stranger ones’ benefits.

⁴⁶ For example, Confucius included the charitable behaviour as one of his five main virtues, which can be seen as a mixture of “benevolence, charity, and humanity”. Besides, Aristotle positioned the concept within the virtue of “generosity” and described it as “the willingness to give with the right intention, at the right time, to the right recipients, which is the lead virtue concerned with wealth, the mean between stinginess and wastefulness.” in his Nichomachean Ethics (Dees, 2012).

On the other side, there is a modern culture to respond social problems by using more scientific, innovative, industrial ways in the problem-solving process (Dees, 2002). By contrast of charity culture's "caring spirit" as a virtue, entrepreneurial problem-solving is defined as a skill. It is instrumental; so, it makes the social entrepreneurship also applicable and replicable. In doing so, the process of responding current issues and producing knowledge through this culture can be seen outcomes of this attitude (Dees, 2002).

Even if this entrepreneurial problem-solving does not have origins as deep as charity culture, its philosophical roots underlined the need for a more scientific path of the problem-solving approach which served entrepreneurship as a visible solution (Dees, 2002). For example, Paine and Condorcet claimed that the frustration from poverty and the inefficiency of charity culture to response this kind of problems force people to find more systematic solutions and scientific offers (Jones, 2005). Thus, several theorists started to support support "scientific charity"⁴⁷ concept since philanthropy was getting more professionalized (Himmelfarb, 1991). Essentially, norms of charity create a pool of sources for the social entrepreneurship and several enterprises motivated to respond current social issues by responding unjust equilibrium through these impulses (Martin and Osberg, 2007).

For several years, charities are used for finding a solution rather than recognizing the main problem to channel personal responsibilities; but these organizations do not fundamentally occur some long-term solutions in the problematic areas such as poverty, inequality, and so on (Dees, 2002). Muhammed Yunus said "Charity only perpetuates poverty by taking the initiative away from the poor. Charity allows us to go ahead with our own lives without worrying about those of the poor.". As

⁴⁷ Especially in the UK and the USA, the enlightenment spirit linked with the raising of professionalised philanthropy and systematic social work. This term is existed to define this phenomenon.

mentioned by him, the charity culture cares for responding the visible suffering while creating a strong sense of empathy (Trout, 2009).

On the other hand, effective prevention and systematic problem-solving in the entrepreneurial sense may be more satisfying and also beneficial to ones who engage in it (Dees, 2002). Considering the social field is exclusively fed by emotion-driven issues, Adam Smith claimed that even the poverty alone is not very meaningful to people: “The mere want of fortune, mere poverty, excites little compassion. Its complaints are too apt to be the objects rather of contempt than of fellow-feeling. We despise the beggar...” (Smith, 1759). Indeed, social enterprises with its financial strength and innovative offers. They create more satisfying results in long-term for actors in it while avoiding to position them as less needy (Dees, 2002).

According to several theorists, the culture of charity can be counterproductive which can be hurting for human dignity through accepting them as dependent to the donators (e.g., Ellerman 2005). Ian Fisher in his writing in the New York Times Sunday Magazine gave an example of a rebel leader. He referred to food relief in Sudan in the 1990s and said that “The people of the area are great farmers, but because there is this relief food, they did not farm for three years. I could see the difficulty. It was spoiling people. They just sleep and have food. It is very bad.” (Fisher 2001, p. 74). This illustrative example may be exemplified through the well-intentioned charitable acts’ unintended harmful results⁴⁸.

Unlike this kind of disempowerment and embarrassment in traditional charity culture, social enterprises with their organizational structures create more opportunities for them to use their skills and capabilities and also establish true progress through a permanent solution (Dees, 2002). For example, some micro-

⁴⁸ Even the charity culture illustrates well intentions, the lack of system and business-like discipline can create new problems not only economic aspects such as wasted time and Money but also in psychologies of receivers and givers.

finance organizations (e.g. Grameen Bank initiative) which encourage successful borrowers out of poverty, and then it may start to attempt new and more profitable products to respond their changing needs and expectations. Social enterprises with their organizational structures create various opportunities for people to use their skills and capabilities, unlike this kind of disempowerment and embarrassment in traditional charity culture (Dees, 2002).

According to the supporters of traditional charity culture, caring and giving cannot be authentic if there is a calculation of financial benefits; thus, they blame this new type of philanthropy as a way of investment to get a social return (Dees, 2002). But the lack of systematic thinking can create misguided action and cause wasted money. As John Dewey⁴⁹ said “a person (or any organization) can be moved to labor for the good of others, but because of lack of deliberation and thoughtfulness, be quite ignorant of what their good really is, and do a great deal of harm” (Dewey, 1908, pp. 271–272).

So, the clear need to "giving smart" (Tierney and Fleishman 2011) encourages the social entrepreneurship. As Morino (2011) stresses that private actors are forced to be more disciplined about using these scarce sources and mobilizing them in the ecosystem, which contains government scarcity on social services with neoliberal trends.

It is clear that both of these cultures made several significant contributions to respond social problems and support the health of the ecosystem (Dees, 2002). Indeed, this kind of unity for social association serves for the sake the welfare of the community. The social entrepreneurship as a phenomenon is noticeable from other not-for-profits and traditional charities. They trade in competitive markets by aiming profit and seek a surplus generation through these profits to have financial sustainability (Somers, 2005). On the other hand, several not-for-profit

⁴⁹ American philosopher who is the member of pragmatic school of thought

organizations and traditional charities rely on a combination of grants, donations, and trading income. Thusi they cannot act independently to achieve their social mission because of their responsibilities and accountabilities (Dees, 2002).

Social enterprises invest in its organizational capabilities through developing, information system, training, and so on. They accept this spending as an investment rather than praising an acceptance of low wages and fewer benefits in its organizational building as the sacrifice. It is because they need not only a talent but also the expertise of these people to create social impact and establish innovative solutions with problem-solving perspective (Dees, 2002).

When considering the debate on the business-like approaches which target social problems; the dilemma relies on the discussion that when someone is charged for a beneficial service, this makes them a customer (Dees, 2002). Even though social enterprises offer a fundamental solution which minimizes the need for giving and curing to this kind of a social problem, they are blamed for making people feel awkward. To avoid any mismatch in the field, many financially sustainable and socially effective social enterprises describe themselves as smart philanthropic resources by seeking fundamental solutions (Dees, 2002). More than this, social entrepreneurship does not purely depend on the support of disadvantaged ones in contrast with the many of socially oriented not-for-profits.

Consequently; despite they share a common spirit of care and support, social enterprises are essentially different (Dees, 2002). They are a kind of pragmatic organization which seeks to move beyond being justly mission-oriented to provide excessive benefits by meeting social objectives and business-like models (Allan, 2005). Social enterprises act as transformative on a social system change (Kania and Kramer, 2010); thus, their capabilities on social system change and impact illustrate knowledge and skills.

In fact, social enterprises are business as well; they produce goods and provide service to the markets (Dees, 2002). They can autonomously act through being self-sustainable, unlike the others in the social sector. This sustainability relies on their ability to establish a market share in the ecosystem (Allan, 2005).

In doing so, they offer a counter-argument to traditional charities which are frequently cash-poor like most of the not-for-profits (Dorado, 2005). They evaluate their budget by considering their self-financing characteristics (Haugh, 2005). Thus, they prevent to run deficits to finance themselves. The illustrative example of the traditional charity might be the Muscular Dystrophy Association (MDA) which is an American organization (Dees, 2002). The charity works for funding research and providing medical services.

When it has formed by Paul Cohen in 1950, they were just a group of individuals who live with muscular dystrophy. The charity was founded to tackle some diseases of the muscular and nervous systems, especially the muscular dystrophy. From the gathering resources for the urgent needs, the charity came up to raise big amounts of money to fund advance research on treatments and cures. Indeed, MDA recently evolved for being the leading health charity which dedicates to work on treatments and cures for muscular and neuromuscular diseases. Kids and adults with muscular dystrophy and their families are supported by the charity through consultation, fund-raising, and local engagement.

In doing so, the charity provides tax forms, tax-exempt status and annual reports to provide transparency and clarity. According to the website of the charity (www.mda.org), various documents are served to answer the accountability issues like this: “how we put your dollars to work and the many ways the money we raise is making a difference for the families we serve”. Seen in this case, as a natural consequence of being traditional charity, charitable acts are dependent on its resources to sustain continuity despite it is originally well-organized and well-intentioned. Debates on being the giver, that creates a sense of superiority, and

being the objects of charity are still ongoing issues (Dees, 2002). For example, the disability rights movement struggles the dependence on charity by aiming to expand independent living conditions.

The illustrative example of MDA also exemplified the tension and accordingly difference between traditional charity and social enterprises. Activist Evan Kemp, Jr., with muscular dystrophy (Shapiro 1994, pp. 20–23) opened the charity up for discussion. He publicly criticized the Muscular Dystrophy Association in 1981. According to him, people with muscular dystrophy was served as objects of pity by the charity in its annual telethon; so, he defined it as demeaning.

Even the culture of charity cares people with good intentions, the sense of self-confidence and empowerment stay as a contradictive issue through the practice. Herein, social enterprises with modern aspects of problem-solving offer various innovative and independent solutions to respond current needs of physically and psychologically unsatisfied recipients and charitable actors as well (Dees, 2002).

2.3.3 Corporate Social Responsibility vs. Social Enterprises

The following part of the thesis outlines the main intentions on social enterprise from the perspective of for-profit organizations in the marketplace. In the first years, commercial markets have closely related social entrepreneurship with corporate strategies like Corporate Social Responsibility, Strategic Philanthropy, Fair Trade Movement, and so on (Hulgard, 2010).

Corporations have realized the rising consumer expectations on the ethical standard in social issues (Hemingway, 2005). Thus, they emerged the concept of “corporate social responsibility” with the inspiration from social entrepreneurship as the phenomenon about some components such as standards, transparency and so on. Since then, the main theory of the for-profits relied on various kinds of activities which have mainly delivered shareholder value (Hemingway, 2005). Despite the corporate social responsibility could not be oversimplified as an only way to drive

the business, it evaluated as a significant instrument to manage shareholders' perceptions.

More than being a public relations approach, the concept is illustrated as a way to be seen as a sincerely taking of company's social responsibilities (Brown and Dacin, 1997; McWilliams and Siegel, 2001). Indeed, CSR is more complex than being only a tactical approach for for-profits because it needs engaging time and sources for responding to expectations of the community (Zahra et al, 2014).

According to Norman Bowie, the value of blending ethical considerations into organizational strategies and business plans has to be considered⁵⁰ because social benefits for community create some positive causes to convince consumers for supporting business. Thus, providing business offer with social impact is started to be seen as beneficial (Allan, 2005). In doing so, a new type of "social marketing campaign" started to praise the idea of social initiatives as a different way of engaging consumers. Despite all these attitudes seem like similar to social entrepreneurship, the differences needed to be underlined to avoid a mismatch of the concept (Hemingway, 2005).

In the ecosystem with competition and economic uncertainty, not-for-profits and intellectuals started to find businesses favorable as a new resource for gaining "sustainable revenue" while various private corporations recently became motivated to involve social issues (Bowie, 1994). These are some of these inner-motivations of the for-profit corporations' involvement in the field:

- i. Strategic philanthropy

Alike the roles of the business and public sector were differently ascribed by the society in a traditional sense, traditional sector boundaries in the

⁵⁰ University-Business Partnerships: An Assessment by Norman E. Bowie (1994) demonstrates the importance of alliances through attaching valuable resources. Especially "integrative applied ethics" are used effectively in the source in doing so. The source includes several significant insights about the norms which illustrate different institutions' different roles in the community. Especially, the importance of mixing business methods with social objectives thrived.

ecosystem were being questioned (Bowie, 1994). The business sector recently realized that the renewal is a must for answering the challenges of the neoliberal ecosystem. The features of the social sector enforced to respond these fundamental shifts.

The business primarily expected to make economic profits for investors and create exchange value for customers (Dees and Elias, 1998). According to the theoretical perspective of business, sources should be accumulated to the most productive and profitable uses in an economic sense. Thus, the business encouraged to show intensive commitment to the public good. Their perception has shifted to the more market-based selection process which favors social enterprises according to their ability to value creation in the competitive markets (CASE, 2008). In doing so, the business sector recently recognized that the creating and sharing knowledge for the public good could be owned (Dees and Elias, 1998). This knowledge was important to build competitive strategies and consider some regulatory requirements (Bowie, 1994).

As mentioned before; several for-profits are already illustrating these partnerships as a kind of charitable donations. They stated these partnerships as a kind of “strategic philanthropy” which can be accepted as an investment on social value as well (Dees and Elias, 1998). Indeed, social enterprises has targeted as a kind of tool to create “corporate consciousness”⁵¹. (Dees and Elias, 1998)

⁵¹ According to the Business in the Community (BitC) research results: 44 percent of the British society considers that a company which presents a high degree of social responsibility is preferable when they try to decide buying the company’s product. The BitC’s publication shows that “unfortunately, distrust among stakeholders, consumers of the adequacy with which companies are addressing their corporate responsibilities is rising.” (Social Enterprise Journal, 2005).

Some theorists illustrated social enterprises as the ethical business (Haugh, 2005)⁵². This ethical business concept was frequently used to express a general concept for a span of corporations that practicing corporate social responsibility (Dees and Elias, 1998). In doing so, the entrepreneurial adjustments illustrated a channel between them and enriched the corporate social responsibility movement. These two concepts basically defined themselves as a kind of business which is interested in creating social impact. Despite they have some similarities, they do not essentially same with social entrepreneurship as a phenomenon (Dees and Elias, 1998).

The corporate social responsibility (CSR) could be seen as a broad agenda which includes business perspective at searching new ways of improving the social, environmental and economic impacts accordingly the influence on the community (Allan, 2005). Also, their desires to take part in social issues—such as social coherence, human rights, and fair trade trend- was another motivation source to involve in this movement (Haugh, 2005). Not only large multinational companies but also smaller or local ones started to engage with the CSR (Allan, 2005).

Some of the corporations in private sector started to emphasize “the role of social enterprises in trading for a social purpose” (Allan, 2005). Within this perspective, social enterprises with their ability on social impact are posed to gain consumers who may be engaged by these particular social aims. Consumers are encouraged to buy from these organizations by underlying their works and engagements on this consciousness(Dees and Elias, 1998). It can be seen as a kind of a mixture of the social enterprise structure and

⁵² This approach is based on the question that “How social enterprises should be promoted?” in 2005 edition of the Social Enterprises Journal. This one represents one of some school of thoughts emphasises. Each of them underlines some common features of social enterprises such as being enterprise-oriented, having social claims, includes social ownership and so on. The “ethical business” concept is included as the first school of thought in this context (Allan, 2005).

ethical business approach in for-profit constitutions. According to researchers, consumer support increased its importance in the marketplace while trading: “90 percent of the British public want companies to communicate any community or social activities, but only one in three are aware of any company that they have heard of that is active in this area.” (Annual CSR Study, MORI, 2000). But at the end, CSR is formulated for economic gain and it is also limited by the private interests of shareholders of the company (Hulgard, 2010).

Moreover, various mainstream business approaches set out the social issues as an effective marketing way of trading. Besides integrating social assets into direct sale and marketing services, they targeted social initiatives as an innovative kind of economic source like benefiting from the tax reductions. For example, a cash donation is adopted as a tax-deductible component in stimulus packages which are served to encourage the participation in social issues by governments (Murphy et al., 2014). When these business motivations of private sector considered, the boundary between social entrepreneurship and the cause-related marketing (CRM) needs a clear organization to avoid confusions (Haugh, 2005). Businesses in the marketplace describe cause-related marketing as a “commercial activity by which businesses and charities or causes form a partnership with each other to market an image, product or service for mutual benefit” (BitC 2002).

Campaigns naturally provide significant funds for socially concerned partners who frequently are charities. Yet social enterprises distinguish themselves from cause-related marketing strategies and their charity partners (Haugh, 2005). From the perspective of the phenomenon, trading is just a channel to run their social passion. They always aim to adopt the social mission within their essential business. For instance, social enterprise helps to educate the long-term unemployed ones by employing them, since

a cause-related marketing plan offers to raise funds for its partner charity for training (EMES, 2005).

ii. Branding

Besides of organizational consciousness, mainstream marketing perspective of the for-profit organizations also favors the notion of social entrepreneurship (Haugh, 2005). Branding can be defined as the way of encouraging the consumer with their free will to pay more than the real cost of the product in the marketplace (Allan, 2005).

Brands attach the consumer's emotions and values of an identity. With the current social awareness on cause-related marketing and ethical trading, several businesses started to make social offers (Haugh, 2005). Although this attitude shares only a few common features with social entrepreneurship such as having social mission based awareness, branding and the usage of the social issues as some marketing instruments are still debatable (Allan, 2005).

However, becoming a trusted brand through combining the business ethics with social culture is started to be represented as business success in the ecosystem. So, for-profit organizations are more looking for new and innovative methods to gain consumer trust; and also, this attitude favors the social enterprises to build the reputation according to their social offers (Haugh, 2005).

iii. "Fair Trade Movement" in For-Profits vs. Social Enterprises

These concepts frequently are misunderstood because they share several commonalities. Not only social enterprises but also fair trade movement essentially relies on enterprises for a social mission (Allan, 2005). Indeed, a wide range of fair trade producers can be seen as social enterprises (Haugh, 2005). But there is a major difference between them such as

designing the promotional strategies (Haugh, 2005). Fair trade movement has a mainstream approach to create a consumer awareness and general consciousness (Haugh, 2005). So, they represent their promotional strategies up on this collaborative feature. For example, they add labels on the products to give consumers a guarantee about meeting fair trade standards (Allan, 2005). Despite offering the same strategy for the social enterprises as well to increase awareness for the concept and increase their market share according to the social impact, social enterprises do not illustrate any explicit aim to create a mainstream approach for the consumers as a promotional strategy (Allan, 2005).

iv. Personal values and contributions for Social Entrepreneurial Ventures in Corporations

For-profit corporations in the competitive marketplace were blamed to act irresponsibly by considering self-interests, and their extending corporate power represented as a backbone of this dominance (Held, 2002; Hertz, 2001, Achbar et al., 2004). They were directly positioned as one-track minds of a potential impact on their commercial achievements. Not only corporate violations such as The Shell Oil company's oil reserve scandals but also individual attempts such as the CEO of the Sainsbury⁵³ who walked away with a mass amount of bonus like £2.5 million could be seen as some examples through this perception.

When this perception met with the ecosystem, both organizational bodies and individuals at the highest level of these corporations enforced to take social responsibilities correspondingly caring the economic objectives (Carroll, 1979; Goodpaster, 1991; Klein, 2000; Stormer, 2003). In doing so,

⁵³ Sainsbury is one of the biggest supermarket chains in the UK. He earned huge amount of money just after being dismissed for the Sainsbury's poor performance (Parkin, 2005).

all employees are charged to take some responsibility for their contributions to company activities.

These people with high consciousness are already excited to be a part of this social responsibility through their corporate culture. In doing so, they try to avoid “amoral organizational culture” and “dehumanizing effects of the work environment because all these perceptual shifts in the ecosystem correspond to market morality and individual morality (Hemingway, 2005). These individuals can be seen as “the corporate social entrepreneurs” in their corporations despite they do not carry any institutional feature of the social entrepreneurship. The corporate culture of innovation can be accepted as a common feature but these attempts of the for-profits always run by financial motivations in a background of the market competition (Hemingway, 2005). They target social orientation as a fundamental achievement, unlike social enterprises (Cornwall and Naughton, 2003).

As seen in these circumstances, separation within these phenomena is important because the corporate social ventures are frequently mismatched with social entrepreneurship. Although the sense of personal responsibilities and awareness on social issues are championed to thrive corporate culture, there is always profit-based motivation superior to the social-mission based consciousness (Hemingway, 2005).

Despite both of these cultures can make a profit while they make good; their superiorities differentiate them. Corporate social ventures fundamentally aim to reframe these opportunities into more “commercially acceptable” sense (Bird and Waters, 1989; Catusus et al., 1997; Gabriel et al., 2000; Lovell, 2002) in the marketplace. In doing so, they aim to become accountable and still stay as favorable to stakeholders.

They can raise the profits in financial terms while increasing a sense of belonging (Mayo, 1949) at the level of internal relations in the working environment. This domestic expectation creates another difference between these two concepts. First, several business ethics scholars underlined the decision-making process in for-profit organizations which can be influenced by a “personal values such as personal morality” while matching the official corporate objectives (Harris and Crane, 2002; Hemingway and Maclagan, 2004; Wood, 1991)⁵⁴.

For example, Fritzsche stresses this issue as saying “There appears to be agreement amongst most business ethics scholars that personal values [my italics] play a role in the ethical dimension of decision making” (Fritzsche, 1995, p. 910). This social awareness can be seen as a source of collectivist values which drive employees to favor social responsibilities within the for-profit organization (Hemingway, 2005). Although social entrepreneurs’ personal characteristics fundamentally influence the entrepreneurial processes, they are organically opportunists (Anonymous, 2001; Chapman, 2000 and Ferguson, 1993).

The culture of social entrepreneurship essentially relies on the social mission. The phenomenon contains more structural constraints rather than personal fulfillment according to intellectual goals (Hemingway, 2005). It happens both in practice and institutional structure, because social entrepreneurship’s constitutional form relies on various regulations and laws. Thus, social entrepreneurial discretions contain both the entrepreneur’s personal sense of responsibility and collective norms from the social enterprise’s organizational form⁵⁵ (Hemingway, 2005). Indeed, they are

⁵⁴ Personal values have described as some important components in human perception (England 1967; Postman et al., 1948). They link social norms and emotions (Jacob et al., 1962); thus, they are also important in the decision-making process. There are several empirical supports to underline the pivotal position of personal values in attitude formation (Agle and Caldwell, 1999; Allport et al., 1960; England, 1967; Fritzsche, 1995; Lusk and Oliver, 1974; Meglino and Ravlin, 1998; Oliver, 1999; Rokeach, 1968, 1973; Wright, 1971).

⁵⁵ Organization building includes not only the formal aspects but also the

motivated by values as drivers of attitude. They need autonomy and independence due to the avoid from “organizational constraints limiting their potential” (Chapman, 2000, p.99; Corman et al., 1988; Fagenson, 1993; Longenecker et al., 1988; Olson and Currie, 1992).

Even this corporate philanthropy has occurred since the Industrial Revolution (Murray-Rust, 1995), decision-making process of consumers became increasingly complex in the market (Hemingway, 2005). The consumer started to question not only for-profit organizations but also not-for-profit ones (Bowie, 1994). In this skeptical environment, the concept of the social entrepreneurship mismatched. Thus, the conceptualization and clarification considering both sides’ interest in these partnerships has to be offset to avoid any kinds of mismatches and possible losses on expected outcomes.

organizational culture (Aldrich, 1999). From the perspective of a formal process, organization building has to include many aspects linked to the establishment of a legal persona of the organisation according to bureaucratic steps of a country (De Soto, 1989). Not only the persona of the organisation but also the features of employees which are set by recruitment of employees should be considered through this perspective to build organisational form. Besides their legal status is also depended on this organisational building (CASE, 2008). For instance, social entrepreneurial ventures have a chance to register with the Internal Revenue Service (IRS) in the USA as tax-exempted organizations (This government agency is charged to collect taxes and enforcement of tax laws) (Dorado, 2005). Indeed, this example is so significant to consider that the form of a specific legal building has several consequences. Social entrepreneurs’ managerial freedom, organisations’ access to financial sources, capability through organisational infrastructure to engage for-profits and not-for-profit under the umbrella of hybrid social enterprises are already relied on this form (Dorado, 2005). Not only external relations but also internal ones are framed by this form (Wallace, 2005). Several researchers defined organization building as a “dual process” that involves hiring, training, and the establishments of an organizational culture of practice (Aldrich, 1999; p.141). Even employees share a common passion for a specific social mission cannot be hired easily due to the low revenues and less secure career prospects in the field (Williamson et al., 2002). Considering all of these, organisation building is fundamental for social enterprises due to the potential opportunities and risks. Being more or less cumbersome is depend on this organisational building considering potential diverse principles and practices (Dorado, 2005).

The corresponding case of Zipcar is important to observe the difference between this social mission-based corporate culture and social enterprise. In fact, Zipcar is car-sharing business through membership-based lending. As start-up level, it was the social enterprise which has established to reduce car emissions and pollution through shared cars. More than decreasing congestion pollution, as a social enterprise Zipcar was aiming to find some eco-friendly sustainable solutions (Neck et al, 2008). When it went public in April 2011, its access to the capital markets enriched. According to the company resources in November 2012, Zipcar services with 700 employees in the U.S., Canada and Europe and the company owns 767,000 members in worldwide through 11,000 available cars. But when Avis Budget Group announced that they would incorporate Zipcar for \$500 million in cash, this social enterprise-onset start-up evaluated to a mainstream for-profit business.

In 2013 Zipcar, which started to serve as Avis subsidiary, chief operating officers of the company reset business models and transformed it from a pay-per-use car-sharing model to a car rental/ownership system. Thus, despite it has been launched as an explicitly social initiative, the company extended itself and pushed its prioritized social mission into the background. When the company grew, this social mission evolved into a corporate culture as a sub-feature of the for-profit company (Hart and Carter, 2002). As mentioned before, even if these social mission-based practices of companies offer some social outcomes, these social outcomes and social impact are not the *raison d'état* of these companies. As a positive outcome of doing business makes them socially conscious. Yet the company still cares social initiatives with social consequences into its structure, these practices are operated through marketing strategies whilst the strong brand image (BitC, 2002).

2.4. What are the outcomes of social entrepreneurship?

General discourses on the phenomenon underscore its significant outcomes for combining elements from the public sphere and the private sector. More than just being as a “meeting point” between business enterprises and civil society

organizations, the concept illustrates an “another economy”⁵⁶ (EMES, 2010). Under these circumstances, social entrepreneurship with these outcomes offer several outcomes:

The general concept of social entrepreneurship help to create collaborative relationships while it links several social groups to overcome social exclusion (Martin et al, 2007). In doing so, new kinds of economic and social relations across the societies are also built.

For example, both practitioners and intellectuals already acknowledged that there is a big capacity for social entrepreneurship to develop “social wealth” (Zahra, Gedajlovic, Neubaum, and Shulman, 2009). Despite social capital⁵⁷ is traditionally seen as gifted in a cultural trait (Adler and Kwon, 2002; Westlund and Adam, 2010), the social entrepreneurship can support this nation-level social capital by supporting societal objectives and needs. It offers a cooperation and accordingly a cooperative sense of sharing within the society. Thus, the concept essentially thrives the social capital as a constructible tool at the national level through use (Enstrin et al, 2013). By doing this, it provides “bottom-up social self-organization” (Mickiewicz et al, 2013) with this cooperation.

Social entrepreneurship balance equilibrium in the society by improving market participation and destroying current social barriers (Mair and Marti, 2009; Mair et al., 2012). In doing so, its potential to create new ties cannot be limited at the societal level. Bridging diverse groups in the society (Haugh, and Tracey; 2010,

⁵⁶ This kind of economy which is enriched by the social entrepreneurs is also praised by European member states. For example, member countries support the concept according to its capacity to build initiatives. So, governments frequently advocate the social entrepreneurship through policies and legal initiatives, which are structured to provide proper conditions for the development of this another economy (Hulgard, 2010).

⁵⁷ The term has been defined to express several elements which relate to create social value.

Peredo and Chrisman, 2006) can be seen as positive spillovers of the phenomenon as well as creating more efficient collaborative relations within the stakeholders.

Indeed, social entrepreneurship acts as a factor in establishing both social and commercial ties on the nationwide rather than segmenting the community (Enstrin et al, 2013). From this point of view, the social entrepreneurship performs like an element of Fukuyama's (2001) "radius of trust"⁵⁸ concept. It supports "generalized trust" (Kwon, and Arenius, 2010; Westlund, and Adam, 2010). According to Mair and Marti (2009), social entrepreneurship offers several institutional developments. For example, the concept has a big potential for creating positive externalities such as developing bridging sub-groups, enhancing cooperative norms, and constructing social capital by being "social bricoleurs" (Zahra et al, 2009). In doing so, social enterprises with the efficient influence on the social capital thrive the field for the development of business enterprises. It essentially relies on the self-organization in a social sense, and offers the more efficient version of "constructible social capital" (Enstrin et al, 2013).

Social entrepreneurship suggests influential outcomes by producing social capital not only in a social sense but also commercially (Enstrin et al, 2013). As stated by Dees and Anderson (2003) opportunity recognition through the social enterprises-backed value chain helps to create new industries. The phenomenon enriches the environment for market-entry through this social entrepreneurial opportunity recognition (Enstrin, 2013). In doing so, several business-like activities are enriched in the marketplace while achieving social purposes. This social purpose can rely on both external and internal motivations such as creating a corporate

⁵⁸ The concept is structured by Francis Fukuyama to examine social capital. He relies the concept of the radius of trust on that all groups representing social capital have a radius of trust. This is a kind of a circle or network of people who share some cooperative norms in operative sense. When these groups' social capital creates more positive externalities, the radius of trust can be larger. On the other side, the radius of trust can be also smaller than the general membership of the group. This kind of a concentric Radius of trust is becoming more attractive in a modern society to establish a trustable network.

culture, improving employee satisfaction/motivation and catching attention on a specific issue (CASE, 2008). With the influence of social enterprises⁵⁹, the business environment is forced to seek ethical concerns within their supply chains (Haugh, 2005). This ethical sourcing initiative is followed by some other corporate responsibilities thereby labor and human rights practices (Allan, 2005). Moreover, transaction costs may be reduced with the social entrepreneurship-backed cooperative norms and this makes easier to access developing commercial fields/ industrialized markets through new information and resources (Enstrin et al, 2013).

Identifying and exploiting opportunity which is an organic outcome of the phenomenon meets with this kind of a productive advantage, the existence of social entrepreneurship seems more advantageous for everyone (Neck et al, 2008). Thus, various performance outcomes and accordingly profitability can be seen as a natural outcome of the concept.

Not only new organizational forms but also business-like solutions are produced to response current needs and demands (Mair et al, 2012). In doing so, social entrepreneurship needs a strong rule of law for accessing markets through their transparent social mission (Enstrin et al, 2013). It also facilitates the system by making it more strong and stable because the phenomenon supports the system to be more interrelated through the needs of the society in decision-making processes (Enstrin et al, 2013). It forces both formal institutions and policy-makers to avoid the arbitrary wills of the government against social benefits (e.g Acemoğlu and Johnson, 2005) while it restrains manipulations of private interests' owners. It comprises like an effective constraint on arbitrary actions in the marketplace. Not only in constitutional level but also in individual level it fosters rights and agency beliefs (Harper, 2003).

⁵⁹ Empowering citizens as consciousness consumer forces companies to be more appealing to the social issues.

The phenomenon can be seen as a manifestation of the uprising power of the civil society (Hulgard, 2010). It generates a new and more influential role for them. Thus, it makes collective and solitary-based movements more common and applicable to influence the future (Hulgard, 2006). From this point of view, social enterprises act as agents to transform the environment by primarily pursuing the social mission (Kania and Kramer, 2010). Its economic capacity and transformative features characterize the phenomenon which offers high promise in this sense (Rindova et al, 2009). It identifies unjust equilibrium which creates the exclusion and marginalization in the society (Martin et al, 2007).

And also, it responds the suffering of an embedded segment of the population in a social and economic sense (Hemingway, 2005). While consciously acting in a social sense⁶⁰, it also identifies an economic opportunity in this unjust equilibrium. Social enterprises function as an “affirmative business” through relying on the establishment of economic wealth for challenged groups (Basc et al, 2011). In doing so, they organize a social value proposition⁶¹ to bring inspiration and creativity to take direct action and challenge not only state hegemony but also financial actors’ arbitrary activities in marketplaces (Murphy, 2009). Thus, they develop a new and more stable equilibrium⁶² for everyone.

The phenomenon with a seminal role offers a sustainable competitive advantage for organizations to achieve the social missions (Mort et al, 2002). In doing so, social entrepreneurship as a behavioral characteristic expresses an innovative balance

⁶⁰ While social enterprises provide a service or product in markets, they synchronously support the enrichment of cultural and regional sustainability. Also, they contribute the society by developing counter-senses of greed (Hemingway, 2005). These social outcomes may be exemplified as the sense of solidarity, collaboration, cooperation and so on.

⁶¹ For example, big corporations in neoliberal markets are charged to contribute community by adding some social value to become socially sustainable. So, the phenomenon offers to support them through this perspective (Gladwin et al, 1995:2).

⁶² This interrelated environment lessens the suffering of the targeted group; thus, the creation of a more stable ecosystem around this equilibrium improves not only this targeted group but also the whole society at large (Martin et al, 2007).

between social mission and profit (Allan, 2005). Social enterprises naturally explore various market opportunities which can allow them to produce social value. They are capable to take a lesson from changes; so, they can easily illustrate changes in general preferences and uprising demands of the population (Mort et al, 2002).

They can establish proactive and innovative responses to all kinds of competitor actions in markets (Mort et al, 2006). And they operate the business environment in a collaborative sense; this “open-source” manner makes everyone more contributing (Bloom et al, 2009). Firms take maximum advantage of this feature because they already seek to reduce the cost of lobbying, networking, communicating, public relation and corporate communication activities (Hemingway, 2005).

The outcomes of social enterprises cannot be restricted to local firm level because the phenomenon extends its limits from the local to the macroeconomy (Austin, 2006). It encourages not only local development through regeneration but also a nation-wide change, such as corresponding the community and market demands (Haugh, 2005). For example, social enterprises encourage local development by supporting employment, income growth and its distribution, equally distributed service provisions, and motivation through the sense of assembling (OECD 2003b).

In doing so, they spot possible profits which are bolder such as contributing the welfare systems, redistributing current sources more equally in between various social groups, triggering social innovations, and enriching employment opportunities⁶³ at the macroeconomic level (Borzaga and Santuari 2003). It

⁶³ This employment side of the concept contains not only the traditional labor forces but also the ones hardest-to-employ like long-term unemployed ones, illiterates, low skilled labors, and so on. In doing so, they enrich labour markets (Haugh, 2005). For example, common labor forces are trained while disadvantaged or uneducated ones are included in the market.

essentially encapsulates social and financial capital via value maximization⁶⁴ since providing competitive advantage through value creation, market-adaptation, and market impact (Martin, 2007).

According to Dees and Anderson (2006), the social entrepreneurship encourages creative uses of business instruments by seeking to be used for social impact. It combines the innovative methods of business and self-satisfying sense of philanthropy to balance unjust equilibriums and market failures (SEL, 2004). Despite making grants for social mission and business investment seem more simple when they keep separate, “socially responsible investing” offers a wider range of impact creature which may be testified by market-rate returns (CASE, 2008).

The phenomenon causes various outcomes to enrich the ecosystem⁶⁵ (CASE, 2008). Despite these direct benefits, some indirect outcomes of the concept such as developing new markets and services occur in related fields. For example, new products and services which have traditionally seen unattractive might be spotted as new opportunities through social entrepreneurial perspective (Haugh, 2005). They can organically spot market failures because phenomenon's *raison d'état* relies on addressing unbalanced elements in service provisions. Thus, social enterprises with this capacity may act as an agent by spotting these kinds of needs to encourage people on a specific brand.

On the other hand, corporate social responsibility illustrates as a useful imitation of the social entrepreneurship to benefit the society in which they operate. As seen in

⁶⁴ It may be named as blended value as well.

⁶⁵ These outcomes may be exemplified like that spotting market niches, exploiting opportunities, producing needed products which are entirely unsatisfied, enriching and deepening networks, advancing political linkages, training employees, capturing media attention, capitalizing on new innovations and so on (Haugh, 2005). Also, social enterprises serve as a supplier to the sector. They enrich the environment while offering new service delivering models for regeneration.

this imitation, the outcomes of the concept underline that the phenomenon offers a big amount of market responsiveness, innovation, creativity, efficiency and ability to mobilize sources (Dees and Anderson, 2003).

Social enterprises interlink the groups who do not fit into markets in traditional aspects. It contains not only excluded ones but also ordinary consumers. The business sector has a strong tendency to seek new methods to increase consumer trust which are already offered by social ventures (Haugh, 2005). Thus, they gain reputational benefits from consumer perceptions since they access to the social enterprise-backed expertise and consultancy through the network (Young 2003). They enter various cultural contexts through social enterprises; thus, they invest in these social entrepreneurial initiatives to increase their market value (Mackey et al, 2007).

So, social enterprises act as a portal which plays a supporting role for various organizations to mobilize financial, physical and human sources by achieving financial sustainability (Brock et al, 2009). This ability on creating financial resource can be derived from their creative funding combination of earned revenue and non-revenue resources (Haugh, 2005). The phenomenon, as an autonomous actor without limits of external funding bodies, creates its own self-financing system from trade by seeking the main social mission (Haugh, 2005).

Social enterprises function as dynamic agents for self-renewing; thus, economic, social and also environmental sustainability is driven by the concept. (Social Enterprise Journal ,2005). Within this kind of a self-renewing basis, the ecosystem opens up community involvement in decision-making processes. The phenomenon offers innovative practices to the wider philanthropic communities. By generating additional capital for development programmes, it suggests self-efficient progress in general. In doing so, it functions as an efficient mechanism for generating value in financial, civic, economic and environmental forms (Anheier and Themudo, 2002; Kolk, 2003). Social enterprises organically support the ecosystem via value

contribution without any government bureaucracy or tension through public-private sector dichotomy (Murphy, et al, 2009).

Intended outcomes of the concept exist in large scale such as decreasing poverty, encouraging education, feeding the hungry, supplying water and so on; because social entrepreneurship initially invests for generating returns in future (Murphy et al, 2009). As stated by Neck, “Entrepreneurship has often been cited as the engine of economic growth (Reynolds, Storey, and Westhead, 1994). Today, economic growth is still necessary, but no longer sufficient. Social entrepreneurship is the engine of positive, systemic change that will alter what we do, how we do it, and why it matters.” (Neck et al, 2009). More than being also short-sighted through its profit-making activities, the phenomenon offers to develop “globally sustainable well-being” (Stiglitz et al, 2010) thereby the quality of existential prosperity.

With respect to Harvey’s assertions on neoliberalism, his point on the inefficiency of problem-solving initiatives was not supported by the thesis through these reasons which were already mentioned. Throughout the thesis, the problem-solving aspects of social entrepreneurship are especially analyzed within the critical lines of Marti and Mair’s and Hoogendoorn’s theories. Within this framework, this part of the thesis examines the phenomenon’s significant outcomes during the competitive neoliberal period. Following the examination throughout this context, the fact that the social entrepreneurship illustrates a significant respond vis-a-vis its various kinds of sociopolitical and economic outcomes to respond the coercive consequences of neoliberalism was illustrated.

CONCLUSION

The alternative problem-solving element was needed in the ecosystem (Dees and Elias, 1998) when neoliberalism with its practices extended through globalization. Several issues have arisen through redesigning social roles of traditional actors (Bowie, 1994), contextual changes and newly emerging social demands (Hoogendoorn, 2009). Indeed, the demands for alternative solutions with the sense of cooperation on chronic problems occurred as an opportunity as well in the economies which become more interdependent and interlinked day by day. Under these circumstances, the concept of social entrepreneurship acted as an agency of problem-solving in the ecosystem (Bornstein, 2004).

Having ability and desire to shape through specified social mission does not ensure that social entrepreneurship always achieves its best in preferred ways, but it is clear that it serves as a precursor for fundamental changes in multi-level (Gedajlovic et al, 2013). For example, several scholars have already addressed social entrepreneurship as a partial response to the current need for welfare reform (Mort et al, 2006). They positioned the concept as an efficient way to combine social demands with innovative solutions which are led by social entrepreneurs (Leadbeater, 1997; Thompson, 202). Due to its wide capacity for social capital producing, social entrepreneurship thrives as a way of renewing difficult-to-change cultural norms in more responsive ways (Gedajlovic et al, 2013). The phenomenon performs as catalytic on a way of building sustainable communities (Chanan et al, 1999) in several meanings.

It offers some meaningful changes such as addressing market failures to be fulfilled and improving service delivery (Allan, 2005). For example; when the disability rights movement struggles the dependence on traditional charities by seeking to expand independent living conditions, the social enterprises offer something more than traditional welfare systems or charities suggestions (Dees, 2012). It essentially spots the need and demand right before the taking action on the issue.

So, like stressed by Mair and Marti (2006), social entrepreneurship may be defined by “Innovative models of providing products and services that cater to basic needs (rights) that remain unsatisfied by political or economic institutions.”.

The phenomenon fundamentally empowers communities through resetting regeneration within (Hoogendoorn et al, 2009). Grameen Bank may be seen as an illustrative example of this outcome. It regenerated the inequalities in the globalized financial systems by claiming that “everybody is a natural entrepreneur.” (Yunus, 2011). They offered small loans to start their business for the people who are mostly poor women. Then, the Grameen Bank has reached almost nine million borrowers whose 97% are women. As seen in this illustrative case, social entrepreneurship empowers the community in the sense of economic and social aspects.

Empowering consumers to force companies through being more consciousness on social issues is one of significant roles of social entrepreneurship (Haugh, 2005). For instance, social entrepreneurship is frequently in common with the fair-trade movement. Many of the fair-trade producers are originally social enterprises (Allan, 2005). These social initiatives rely their marketing strategies on creating consumer awareness and support on a specified issue. The fair-trade products with labels naturally provide confidence on the sense of meeting fair trade standards for consumers, correspondingly, the social enterprise combines some business and social offers to meet qualified service and production to benefit the community (Allan, 2005). Moreover, the corporate social responsibility movement with inspiration from social entrepreneurship may be seen as empowerment of consumer to encourage companies to involve social issues (Hemingway ,2005).

Not only direct actions towards better systems but also indirect spillovers are also contained by the social entrepreneurial channel such as reliable rule of law (Waldron, 2002), constraints on arbitrary government decisions (Enstrin et al, 2013). From this point of view, arbitrary government with weak rule of law can

work essentially against social initiatives. For example, Evans (1996) stressed several examples from Latin America and Africa that has mostly weak rule of law and centralized but arbitrary government are destructive for local self-organizations (Enstrin et. al., 2013). Contrary to this, social entrepreneurship supports environmental context in order to strengthen the field. The Center for Community Self-Help, as an illustrative example, has formed alliances with the Ford Foundation, Fannie Mae, and some other banks to occur a secondary mortgage market (Bloom, 2009).

This second market contains loans which are resourced by these major banks and packaged by Self-Help. They have guaranteed by funds which provided by the grants of Ford Foundation and systemically securitized by Fannie Mae. In doing so, Self-Help with its Center for Responsible Lending, lobbied for the lending laws and consumer protection statutes in several states. These laws encourage the poor people to maintain their personal resources by avoiding unfair refinance deals and other aggressive foreclosure activities (Bloom, 2009).

Thus, efficient networking occurs as another indirect spillover of the concept (Sen, 2007). The “Development Marketplace” might be exemplified through this perspective (Seelos and Mair, 2005). The World Bank attracts social entrepreneurs on the issue of poverty-fighting to sustain a well-functioning network within the partners who are able to invest. James Wolfensohn, was the President of World Bank in 2003, allowed almost 6 million dollars in seed funding to be shared within 47 small-scale development projects in 27 countries all around the World (Seelos and Mair, 2005).

Moreover, knowledge production and a strong sense of sharing within the community are other important spillovers of the phenomenon (CASE, 2008). For example, Grameen Bank with morally binding group guarantees rather than the collaterals offered more equal conditions for genders in the society to reach microfinance tools.

Moreover, the social entrepreneurship supports cross-functional knowledge and accordingly this knowledge's sharing when considered from the concept's significant potential to increase interaction (Gadejlovic, 2013). Unlike the dominant knowledge which was constructed by typical knowledge producers like policy-makers, intellectuals and organizations (Marshall 2001), there is no one and only correct and true response as a regarded view in the field of social entrepreneurship. It essentially breaks the "monopoly of knowledge producer" (Haugh, 2005) while offering alternative views, solutions and more innovative perspectives on ongoing issues. Thus, the social entrepreneurship can be seen that it is more than being only a service provider arm or well-intentioned social venture (Mort et al, 2006).

Yet neoliberalism with influential shifts such as decentralization and privatization of social services has enriched the ecosystem via opportunities, this dynamic ground also might be counterproductive; because this kind of changes contains not only benefits but also challenges (Austin, 2000). From the phenomenon's point of view, establishing partnerships to access new resources by seeing to gain market engagements might be seen as positive outcomes. Yet these kinds of collaborations need well designed plans while considering potential risks (Haugh, 2005).

For instance, the social enterprise may face reputational damage through its freedom and legitimacy on decision-making process even if the partnership does not work to deliver service. This conceptualization is important not only to function it well but also to avoid possible mismatches in the marketplace by seeking to benefit from the phenomenon's socio-economic offers (Haugh, 2005).

The social enterprises organically identify the underlying problems and offer a way to permanently solve this problem rather than just describing and treating symptoms (Dees, 2001). Indeed, the phenomenon functions as a bridge to a better society through reframing the organizations, business initiatives, and governments. As a first step of reforming a current ecosystem, it combines business-like attitudes with problem-solving social perspective.

Thus, this kind of a socio-economic combination advances to accomplish a social aim as well as gaining financial sustainability thereby trading (DTI, 2001). In doing so, it functions as a tool for leveraging sources and capitalizing opportunities such as introducing various economic goods for already existing markets or opening up a newly emerged market for service (Haugh, 2005).

The phenomenon proved its efficiency although it was seen under the risk of overglorification of the individuals (CASE, 2008). Even some intellectuals criticize the concept through being a variety of capitalism, the concept includes various dynamic elements (Lepoutre, 2011). It illustrates as a channel for socio-economic changes. It challenges traditional prepositions and roles while enforcing the system for sustainable development (Seelos et al, 2004). It strengthens the citizen initiative to involve the system (Hulgard, 2005). It offers an alternative response to ongoing problems and also supports the traditional actors by seeking better services in more innovative approaches (CASE, 2008). Thus, the phenomenon with outcomes illustrates as a sound and beneficial understanding (Dees, 2001) to respond the natural consequences of neoliberalism.

The social entrepreneurship illustrated as a dynamic agent of problem-solving in the ecosystem (Leadbeater, 1997). The phenomenon is neither pure-business-like approach nor benevolence (Roberts et al, 2005). It is the combination of bringing various actors together in one platform by seeking innovative solutions has recently extended from a business-like perspective to the socially motivated status while it signifies a specific blended value (Zahra et al, 2014). Consequently; the phenomenon produces significant kinds of social and economic benefits in social relations and it helps to shift the system towards being self-efficient. So, it should not be categorically rejected.

DISCUSSION

Neoliberalism became the main principle of economic perspective in order to regulate both political and economic practices. This change in principal perspective led the individuals' well-being to save entrepreneurial freedoms, skills, and abilities to be the dominant outcome (Harvey, 2005). In doing so, individual freedoms and free markets have been deeply connected to one another. Individual freedom has been essentially illustrated as a main precondition and necessity for the market freedom (Harvey, 2005). Yet, increasing inequality, unemployment, financial fragility and common suspicions on sustainable development challenged the legitimacy of neoliberalism on the eyes of the public - although these are the known natural outcomes of neoliberal practices (Kotz, 2009).

Under these circumstances, current environment with neoliberalism through institutions and altered attitudes of the already existing organizations has transformed (Harvey, 2005). Changes of the restructuring welfare systems, social security programs, health services, education, and accommodation created fundamental shifts (Christine and Honig, 2006).

Newly emerging social demands and changing social and economic environment in neoliberalism has enriched the field. Thus, the roles of traditional actors with a neoliberal perspective were forced to be reframed (CASE, 2008). In doing so, the implementation of neoliberalism which was used as an ideological tool for the application of economic formula increased the dynamism of the change (Harvey, 2005). Rising globalization, changing expectations of the target communities, and scarce funding resources with rising competition for limited resources increased the competitive environment which is referred to as ecosystem throughout this thesis.

Some organic consequences of the neoliberal perspective such as over-fragility, instability and interdependency, has challenged the neoliberal consolidation (Kotz, 2009). Indeed, neoliberalism caused both positive and negative outcomes at the

same time. The gap at the changing system, has also put forward opportunities for development (Leadbeater, 1997). Under these circumstances, state apparatus and other economic actors, such as intellectuals and organizations, were not able to solve contemporary problems by itself. Thus, entrepreneurial initiatives thrived as a smart respond in this kind of a time-period (Dees, 2001).

By tackling the contemporary changes, two main components of the social entrepreneurial ecosystem have been summarized in this thesis: “Capital Infrastructure by Actors in the Ecosystem” and “Context-Setting Factors”. The capital types basically are the channels of the relationship between the social enterprises and the actors in the field. On the other hand, the context-setting factors represent external conditions which inevitably influence the evaluation of the social entrepreneurship such as major trends in the neoliberal period.

The following byproducts of neoliberalism have been put forward through the system. They carry on the issue of facing the hardships of the same organisation which create the need to find a response to the continuity of the scheme. These elements have been referred as context-setting factors in the thesis. The privatization of welfare services (Gilbert, 2002) due to the declining influence of the state in social issues, raising the sense of self-help (Taylor, 2003), rising individual involvements in social and economic issues on a global level and many similar other examples created a need to restructure the ecosystem. Thus, people who developed awareness to involve social issues with a wide range of capital focused on this issue (Zahra et al., 2008).

When the social consciousness and the consolidation of wealth in the private sector were in line with one another, the involvement of the surplus to the social field increased (Hoogendoorn, 2009). Many organizations were influenced by the socially motivated attitudes when they realized that making profit while doing social good is possible (Zahra et al., 2008). In addition to this, the youth changed the outlook on the culture of share and cooperation (Reis and Clohesy, 2001).

Moreover, the unrestrained spread of markets with uncertainty and instability let societies to question the current system's effectiveness (Bowie, 1994). Thus, inefficient for-profit institutions and non-profit organizations have started to be questioned through this kind of concerns in the community (Boschee and McClurg, 2003:3). Furthermore, a group of innovators with various personal backgrounds challenged traditional acceptances about the concept of sharing with the encouragement of problem-solving (Hoogendoorn, 2009).

A new role for civil society with the re-orientation of welfare systems through the privatization which favors private and individual responsibility triggered the ecosystem (EMES, 2010). It created a developing area for corporations and solidarity-based social movements even in contemporary democracies with neoliberalism (Hulgard, 2010). Thus, social entrepreneurship is fueled through these private and individual responsibilities (Adler and Kwon, 2002; Payne et. al., 2011). These social initiatives with the power of social capital in producing capacity represent a kind of manifestation of the rising power of the civil society on contemporary issues (Hulgard, 2010).

The new roles of the traditional actors played an important role through this process (EMES, 2010. Marketization of the social service sector, as a traditional attitude of state with neoliberalism (Salamon, 1999), has triggered the motivation of using the capability and effectiveness of markets to rise social performance (Goerke, 2003; Zahra et al., 2000). When several governments have also cut federal spending on social services (Lasprogata and Cotton, 2003), the need for social entrepreneurial initiatives to address social problems and raise funds has emerged as an organic outcome (Zahra, 2009).

The attention of the private sector on social entrepreneurship has shined when for-profit organizations have posed the entrepreneurial initiatives as a target of profiting more under the roof of corporate consciousness (Hoogendoorn et al, 2009). Besides,

traditional not-for-profits favoured social initiatives by seeking to create sustainable resources (Haugh, 2005). The idea of engaging knowledge with effective practice increased its influence in intellectual; thus, intellectuals have started to involve social issues on a field with practitioners (Dees and Elias, 1998).

Thus, social entrepreneurship illustrated a fundamental role of being catalytic and triggering during systemic changes (Elkington and Hartigan 2008; Waddock and Post, 1991). The phenomenon has been thrived and distinguished from not only its former versions such as business entrepreneurship but also its mission-alikes such as NGOs because social enterprises essentially trades in competitive markets (Haugh, 2005). In this manner, change in the ecosystem cannot be seen as a by-product; in fact, it is the basis of social entrepreneurship's fundamental aims and efforts (Alvord et al., 2004; Chrisstensen et al., 2006; Steyaert and Hjorth, 2006).

Under these circumstances and dynamics of the ecosystem, the ultimate achievement of the concept relies on reaching a goal of sustainable development (Seelos and Mair, 2004). Yet, there was still the lack of conceptualisation of the social entrepreneurship in the literature despite the momentum of the phenomenon in the field (Dees, 2002). Most commonly, the entrepreneur is set in the center of the concept to examine it in the evaluation process of the phenomena (Zahra et.al, 2011). Also, the way of comparison to distinguish the term from its former or congeneric versions has been favoured in the literature to define the concept (Haugh, 2005).

The various components and context-dependent characteristics of the phenomena which contains multi-dimensional characteristics have been covered within the framework of the contemporary definitions (Weerawardena and Mort, 2006). In the literature, Brock and Steiner have listed almost twelve definitions of the social entrepreneurship in the field (Brock, Debbi D. and Steiner, Susan D., 2008). The most common elements in these definitions rely on some major features such as social needs and problems, innovation, resource acquisition to achieve the social

mission, scaling an entrepreneurial social venture, opportunity identification, building a sustainable and replicable model and measuring the outcomes of the process (Brock et al, 2009).

Neither practitioners nor intellectuals has not yet come to a consensus on a single and unified definition of the social entrepreneurship (Bowie, 1994). Thus, narrowing down the definition of social entrepreneurship is crucial (GEM, 2015). Hence, instead of purely relying on the entrepreneur, which is the most common attitude to define the phenomenon (Zahra, 2008), the conceptualization needs to cover all multi-dimensional components of whole entrepreneurial process (Weerawardena and Mort, 2006). The social entrepreneurship as a complete phenomenon is essentially embodied by several elements such as the personality of an entrepreneur, institutional backgrounds and the context (Martin, 2007).

In this mass literature on definitions, Dees's outlook on the phenomena as "adopting a mission to create and sustain social value (not just private value); recognizing and relentlessly pursuing new opportunities to serve that mission; engaging in a process of continuous innovation; adaptation and learning; acting boldly without being limited by resources currently in hand, and exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created" (Boschee and McClurg, 2003) is personally favored. Yet from a personal stand point, it is believed that some fundamental ingredients such as earned income, social mission based value creation, the business side of operating in the market, innovation, reinvesting profits, measuring impact needs to be contained in the phenomenon.

The increase in the efficiency of the blended value offers led the system to increase the visibility and the support of the concept in the contemporary arena (Zahra et al, 2014). When the social demands from the bottom up as well as the new commercial opportunities in the field increased, this led the natural outcomes - such as market-based innovativeness on social issues - to be affirmed (Zahra et al., 2014).

Even though the natural consequences of neoliberalism such as privatization and marketization have created a gap for various initiatives; the social entrepreneurship cannot be oversimplified for just being a spontaneous solution. In fact, these social initiatives perform as rising power of the civil society on contemporary political and economic issues (Hulgard, 2010). On the other hand, while the phenomena have been blamed on being a variation of capitalism throughout the literature (e.g. Gilbert), one can agree on the assumption that neoliberalism has inevitably favored entrepreneurial attitudes (Harvey, 2005). I think that contrary to the common belief of social entrepreneurship being a triumphant result of capitalism, it actually is a progressive social initiative. Following the research in this thesis, main argument can be summarized like that social entrepreneurship functions as a dynamic problem-solving agent to tackle with destructive neoliberal consequences. Even though it is stereotypically accepted as a form of the triumph of capitalism, as mentioned by Gilbert (2002), the phenomenon offers a social and economic opportunity to seek a benefit for all (Dees, 2001).

From this point of view, the thesis mainly agrees with Harvey's assertions about neoliberalism and its destructive effects (2005). Yet do not agree on his interpretation about problem-solving attempts' inefficiency under the circumstances of neoliberalism. Throughout the thesis the problem-solving aspects of social entrepreneurship is analysed within the critical lines of Mair and Marti's theories to create a solution on sociopolitical issues (2006). Within Dees's clearer framework of the phenomenon's capacity, I agreed on the fact that the social entrepreneurship illustrates a significant respond vis-a-vis its various kinds of sociopolitical and economic outcomes to handle with the coercive consequences of neoliberalism.

Indeed, the phenomenon triggers production and service to cure ongoing problems while exploiting new opportunities in change (Neck et al, 2008). The extreme generalizations of the existing approaches, are not suitable for the case of social

entrepreneurship, because it performs as a contradictory solution in the chaotic and comprehensive system to respond changes (Hulgard, 2010).

From this point of view, the phenomenon is also mismatched in some regions such as Africa and Latin America. Social enterprises mostly tend to have an efficient social impact but their motive behind this benevolence may be criticized with suspicion. Densil et al. (2012) underlined “the darker motive behind the benevolence being distributed under the guise of social entrepreneurship”. Due to the lack of resources and opportunities for the citizens who live in developing countries, some of the criminal gangs also carry out philanthropic activities through acting as protector in the community (Williams, 2012). They “use the proceeds to deliver “social value to the communities” while they mostly sell violence as a business (Densil et al, 2012).

It is needs to be considered that these attempts to replace socio-economic role does not essentially rely on the value creation like social entrepreneurs do (Williams, 2002). They target the social initiatives to ensure the loyalty of the community through political and social values. Although the intention to produce social value by seeking the transformation in the community may seem similar, main motives and structures clearly separate them (Densil et al, 2012). As asserted by Mair and Marti, the social entrepreneurship can have various facets. It has varied according to socio-economic and cultural environment (Mair and Marti, 2006). Hence, social entrepreneurship needs to distinguish from this, while considering its essential characteristics such as being legal, accountable, transparent, business-like planned, institutional and social-mission oriented.

Rather than generalizing the social entrepreneurship as a complete product of any kind of ideology (e.g Gilbert, 2002) , it can be argued that Joseph Schumpeter’s assumption stands out. Schumpeter framed entrepreneurs as the pioneers and innovators who run the “creative-destructive” process of capitalism (Martin, 2007). Under the positive and negative consequences of neoliberal circumstances, his

ideas on entrepreneurship can still be applied to today's context. He has stressed on entrepreneurial characteristic by stating that "the function of entrepreneurs is to reform or revolutionize the pattern of production", the social version of the phenomena also offers additional social benefit for everyone (Haugh, 2005).

In this respect, the social entrepreneurship can be seen as a "simple term with a complex range of meanings" (Trexler, 2008). Despite the blurred lines and ideological shifts in the ecosystem, the phenomenon's capacity with high potential illustrated well-functioning and significant response (Certo and Miller, 2015).

Social entrepreneurship as a multi-dimensional and interrelated phenomenon is frequently mismatched in the field (Weerawardena and Mort, 2006). The title of the chapter, "Determinant Differences to Clarify the General Framework" in the thesis has aimed to separate the concept. Even some major aims (such as exploiting opportunity and gaining financial sustainability) seem similar with other concepts; the social entrepreneurship essentially includes a complete process of identifying an opportunity, establishing innovative response to a specified problem and producing the knowledge to them (Shane, 2000) through networks of social and economic relations (Eckhardt and Shane, 2003; Aldrich, 1999, 2005). In doing so, the financial gain for reinvesting and self-sustainability is favored as well (Martin, 2007).

First of all, traditional enterprises versus social enterprises was examined in the thesis. As Dees stated that social enterprises aim to establish "superior social value for its clients" while traditional enterprises tend economic value for its customer and stakeholders as the top superiority (1998). When financial pressure up on the governments and NGOs has increased, the entrepreneurial spirit thrived as a natural consequence to respond contemporary needs and changes (Dees and Elias, 1998). The state reduced the budget on social issues so NGOs and not-for-profit organizations needed to reinvent themselves to be more businesslike within the scar foundations, grants, donations and other kinds of resources (Mort et al, 2002).

While the commercial mode of service and operation has thrived as a major theme (Bowie, 1994), all actors let them to adapt themselves in this competitive environment. It might be seen as a consequence of clear change in the ecosystem. During the neoliberal period, the public has already started to question about the effectiveness of social sector organizations (Bowie, 1994).

Thus, reinvention of the social sector occurred (Dees and Elias, 1998). And old fashion charity which was the most traditional actor of the social sector has seriously questioned as well (Dees, 2002). Even the old fashion charity and social entrepreneurship come from same cultural grounds, yet their way of the tackling the issues are different (Dees, 2012). As a differentiating point, charity underlines the sense of caring and sharing as a kind of virtue while social enterprises with the contemporary aspect of problem-solving tend to develop sustainable and innovative systems (Dees, 2002). This system relies on the business operations and earned income to be sustainable (Boschee et al, 2003). Social enterprises act more autonomous due to this relatively independent resource (Dorado, 2005).

Although several NGOs and for-profit corporations perform in the social field; they tend to involve various inner-motivations in to the issue (Dorado, 2005). For-profit organizations mostly target the social initiatives through different motivations such as strategic philanthropy, branding, fair trade strategies, top manager level social consciousness and so on (Allan, 2005). Yet, these attempts cannot be accepted as complete social entrepreneurial initiatives. For social entrepreneurship to avoid any oversimplification of the term, the phenomenon needs to be separated from the corporate social responsibility idea (Hulgard, 2010).

CSR is essentially embodied by the for-profit organization to seek the beneficial potential of the social issues (Allan, 2005). They tend to attract not only customers but also employees who basically became more integrated to the corporate culture based on satisfaction (EMES, 2010). In comparison to other organisations, superiority of seeking social mission is always preferential to social enterprises

(Bowie, 1994). Both wants to develop and exploit opportunities, but corporate social initiatives fundamentally tend to arrange these opportunities into more “commercially acceptable” sense (Bird and Waters, 1989; Catusus et al., 1997; Gabriel et al., 2000; Lovell, 2002) in markets. In doing so, they prioritize being accountable and profitable to be favorable to stakeholders.

As stressed by Harvey, neoliberal practices “corporate welfare substituted for people welfare” (2005), let the usage of public resources to build appropriate infrastructure through the interests of business. Despite the fact that, neoliberalism has occurred to sustain market efficiency and tend to redistribute wealth in societies, the ideology widely transformed during the process through its applications such as privatization, and decentralizations (Harvey, 2005). From this point of view, various coercive and problematic outcomes of the ideology have rapidly spread with the influence of globalization. Thus, the urgent need for an alternative solution to these destructive and counterproductive outcomes of neoliberalism has become apparent (Austin, 2010). In fact, these outcomes are not only inevitable results of this coercive ideological perspective but also the biggest challenge for the neoliberal system itself (Kotz, 2009).

Social relations, institutional attitudes, economic transactions, political decisions, financial institutions, intellectual environment have been adapted through neoliberalism. In this kind of a period, reinvention of the social sector happened (Mort et al, 2002). States reduced resources on social issues and individual level who are accoladed by neoliberal perspective stands out to supply and demand in sociopolitical aspects (Hoogendoorn et al, 2009). I rely on the belief that while neoliberalism praises initiatives with individual freedom as a precondition of free market functioning, the sense of freedom as a classic neoliberal rhetoric overstepped the mark (Harvey, 2005). Yet, this thesis does not agree on the description to lack of solution delivery in the competitive ecosystem of neoliberalism which was conceptualized by Harvey’s himself. With respect to his assertions, Mair and Marti’s positioning on social entrepreneurial initiatives as problem-solving agents was set as the origin of this thesis to handle with coercive

consequences of the period. Rather than waiting the “unmasking” the realities of the period, this thesis examines social entrepreneurial initiatives as a responsible beginning for making every single citizen in society able to gain various forms of social, economic and political renewals. As stressed by Hulgard and agreed on this thesis, social entrepreneurship may be seen as a manifestation of the rising power and awareness of the civil society on contemporary social issues (2010).

While financial stress and fiscal pressure forced NGOs to reinvent themselves to be more businesslike (Bowie, 1994), traditional enterprises also realized that the social field fulfill with new demands and opportunities. The rapid spread of innovation created an extra dynamism to the ecosystem (Boschee and McClurg, 2003). Thus, the social entrepreneurship thrived as a clever response with its business discipline by seeking a social mission and value (Dees, 2001). When compared with the traditional NGOs whose efficiency has been questioned by the public especially, the phenomenon ables to function as problem-solving agent even in competitive markets (Hulgard, 2005) after the 2008 financial crisis. Thus, the social entrepreneurship inevitably thrived through its essential features such as being economically self-sustaining and autonomous by providing social equilibrium (Martin, 2008).

Moreover, social entrepreneurship performed as a dynamic agent of problem-solving in the ecosystem (Mair and Marti, 2006) since the neoliberalist practices in politics and economics rapidly enlarged through globalization. This thesis investigated the spillovers of neoliberal perspective that inevitably influenced the ecosystem. This contemporary ecosystem contained contemporary conjuncture and the environmental conditions. Transforming roles of the traditional actors in the social field and new trends with neoliberal perspective were also targeted to frame the contemporary ecosystem, while individuals increase their influence upon the social and economic issues.

From the sociopolitical aspect, the dynamic environmental context which has fulfilled by neoliberal practices and coercive features organically influenced the development and also experimentation of the social entrepreneurship as a phenomenon (Austin et al, 2006). The study examined the development process of the social entrepreneurship by analyzing these contemporary changes in the ecosystem during the neoliberal time span. In addition to contemporary literature, this thesis concentrated on the socio-economic and political perspectives of the social entrepreneurship during the neoliberal period to understand social entrepreneurial conceptualization.

The main themes of the neoliberal time span in which created an enriching ground for social entrepreneurship were analyzed in this thesis. The lack of conceptualization was also targeted in the thesis in order to be clarified through the definition or comparison of the mainstream tendencies in the existing literature. Consequently, the social entrepreneurship with its outcomes was examined as a catalyst for changes in both micro and macro levels (Cukier et al, 2011). In these aspects, this thesis investigates the various interests in social entrepreneurship while thriving the outcomes of the social entrepreneurship during the neoliberal period.

Within the neoliberal system economies become more interdependent (Kotz, 2009), this interrelated dynamic environment created the gap for the change in supply and demand (Hoogendoorn, 2009). This new creation within the system triggered the need for alternative solutions with the sense of cooperation on ongoing or chronic problems (Hoogendoorn, 2009). Traditional positions of the mainstream actors such as the state, intellectuals and organizations transformed themselves to keep up the shifts in the ecosystem (Alvord, 2004). Under these circumstances, the concept of social entrepreneurship acted as an efficient agency of problem-solving in this new ecosystem (Bornstein, 2004). As a main argument of the thesis; the phenomenon with significant kinds of social and economic outcomes in social issues has positioned to tackle with the coercive consequences of neoliberalism. So,

social entrepreneurship should not be categorically rejected to offer appropriate responses for problematic neoliberal outcomes in the ecosystem.

In doing so, the thesis agrees with Harvey's main assertions about neoliberalism and its coercive consequences. With respect to his assertions, his point on the inefficiency of problem-solving initiatives was not supported by this thesis. Throughout the thesis, the problem-solving aspects of social entrepreneurship are analyzed within the critical lines of Mair and Marti's theories. Within this framework, Dees puts a clearer understanding to examine the phenomenon's capacity. The differentiating ideas on the ecosystem, which is embodied by supply and demand changes in the sociopolitical arena put forward by Hoegendorn stood as a bridge between these theories. Indeed, Harvey's theories were taken as ground zero to examine main conditions of the ecosystem and Dees's theories were used as the stepping stones towards the resolution initiative during neoliberal period. This blended cumulative idea is supported by the thesis.

Consequently, this thesis examines the phenomenon of social entrepreneurship with its outcomes as a problem-solving agent during the competitive neoliberal period under the insights of these theories. Following the examination throughout this thesis, I agreed with the fact that the social entrepreneurship illustrates a significant respond vis-a-vis its various kinds of sociopolitical and economic outcomes to handle the coercive consequences of neoliberalism.

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