

# More than “Buzz”\*

## About the Promise and Practice of Social Entrepreneurship

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*Dissertation Project*

### 1. Thematic Foci and Research Questions

Social entrepreneurship is a diverse political project with the popular, albeit vaguely formulated attempt to amalgamate entrepreneurial means and social objectives. Since the time of the first Skoll World Forum in Social Entrepreneurship in 2004, there has been steady growth in the number of organisations labelled as social enterprises. The concept seems to be moving out of its start-up phase into early maturity as a practical and academic field (see Nicholls 2006). My thesis is embedded in the broader context of business anthropology and organisation studies and aims to contribute an empirically-driven understanding of the interplay of various sets of social practices that produce social entrepreneurship as a powerful and effective discourse. It takes the form of a three-fold investigation into social entrepreneurship that develops diverse empirical entry points to approach its subject, thus engaging with

- how policy makers assess the concept of social enterprise and its future development,
- how local social entrepreneurs narratively reproduce, reformulate, and challenge dominant perspectives of social entrepreneurship, and
- how consultants in the field of social enterprise aestheticise and embellish the movement through motives of transnational leadership and spirituality.

### 2. Introduction: About Promise, Practice, and Practices of Promising

Social entrepreneurship is often described and proclaimed as a concept with radically transformative possibilities. In other situations, it works as an identity label for individuals and organisations, or bears facets of a socio-political movement, for instance when the UK civil society minister announces the “quiet revolution” of social enterprise (see Hurd 2013). The social entrepreneurial project is launched through loosely organised networks of actors pointing to an uncertain future of environmental and economic collapse (see Skoll 2006). The narrative starts with the failure of govern-

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\* This work is based on my PhD thesis, which has the same title. It is a cumulative thesis, consisting of distinct research papers published elsewhere, or in the process of revision. Details on co-authors and publication of each paper are given in the respective footnotes. This paper is an adapted version of the introduction to the thesis.

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ments and existing institutions to shoulder the prevailing threats of unemployment, epidemics, overpopulation and social grievances, and ends with claims for more effective and sustainable solutions to social problems. This is the message often involved when social entrepreneurship becomes institutionalised, legitimised and empowered by policy makers, civil society groups, or circles of consultants and business managers. On another note, social entrepreneurship as a discourse is constitutive of meaning, normalising neoliberal agendas through technologies of power. Its proponents allege that business markets are the most reasonable mechanisms for need satisfaction of social target groups. A managerially defined rhetoric of enterprise is used to promote efficiency, discipline and financial independence (see Parkinson/Howorth 2008).

Locally, social entrepreneurs, whilst and through being connected to and engaging in transnational discourse, develop their specific moral, political, and pragmatic perspectives. In communicating with the wider discourse, they acquire grants and popularity. They use the label as a new, unique and positively charged identifier through which they gain access to a community of actors with similar objectives. Simultaneously, they take a distance, ignore or criticise the hype around social entrepreneurship when reflecting on what it practically means to implement a socially oriented business plan; a process often marked by a constant fear of failure, sometimes even at the expense of the marginalised groups that were originally addressed by the model. In other words, the discourse around social entrepreneurship is a highly complex interplay of ideas and practices, stretching from micro-phenomena of individual cognition, emotion and action, to the formulation of a grand transnational, quasi-spiritual agenda. The subtitle of this dissertation project “About the Promise and Practice of Social Entrepreneurship” is an attempt to account for the phenomenon as being both a future-oriented political programme and a lived social practice, whereby one is constitutive of the other.

Being a cumulative dissertation, the thesis is composed of *three different empirical studies and a conceptual-methodological excursus*, all of which deal with specific thematic foci on social entrepreneurship. The following gives a brief overview of the main threads of analysis, while the conclusion brings together and synthesises the key arguments raised within these threads.

### 3. Assessing Potentials – The Formulation of a Grand Discourse vis-à-vis the Localisms of Social Entrepreneurship

The *first study*<sup>1</sup> starts off with a broad assessment of social enterprise, investigating some of the main claims made by proponents of the movement in Germany. We recruited 68 experts in the social enterprise field – academics, business professionals, representatives of non-governmental and governmental organisations, social enterprise investors and social entrepreneurs – who participated in a multi-round online questionnaire and evaluated 16 projections about the future of social enterprise in Germany. How likely is a broad-scale establishment of social enterprise in this particu-

<sup>1</sup> The manuscript is co-authored by Henning Engelke, Inga-Lena Darkow and Heiko von der Gracht. It has been accepted for publication in the journal *Business and Society* under the title “Heading Towards a More Social Future? – Scenarios for Social Enterprises in Germany”.

lar welfare state? Is such a development desirable? The survey reflects public opinion trends, but also engages with the normative and ethical assessment of social enterprise by professionals. Being a round-based procedure, the study engages in a cyclic interplay of quantitative and qualitative modes of inquiry. The results show a lively discussion among experts about the future of social enterprise. The envisioned developments are conceptualised in four different scenarios of social enterprise in Germany: State Capitalism, Laissez Faire Consumerism, Sustainable State Governance, and Sustainable Laissez Faire.

The expert survey becomes the initial starting ground from which the thesis moves into deeper layers of understanding, a process in which the tensions that emerge from the questionnaire are further scrutinised. What are practical consequences of policy agendas proposing social enterprises – defined by the objective of empowering and (re)integrating socially disadvantaged people – “need to generate a profit” or “have to compete with traditional companies”? By analysing qualitative interviews, the *second study*<sup>2</sup> examines the ways in which social entrepreneurs in Germany engage with the prevailing theoretical notions of social enterprise. The investigation focuses on reflections of “doing” social enterprise – a practice that often bears facets of an outspoken ideological aspiration (“I am a social entrepreneur!”), but simultaneously faces the challenge of creating “win-win” situations between financial gain and social improvement.

There are several insightful perspectives emerging from the interview data:

- the (conspicuous) absence of managerialism as a dominant motivational feature;
- the complexity of the local political and social realm in which social entrepreneurs think and act in spontaneous pragmatically, and often morally, driven ways; and
- personal and biographical accounts of social entrepreneurs as an important self-defining feature.

Confronted by the often unexpected ruptures, failures, and continuous practical learnings, social entrepreneurs re-adapt both their business procedures, but also their reflections on these procedures vis-à-vis the identity claim of being a social entrepreneur. In this mode, they create locally informed and episodic narratives as a form of critical engagement with the “grand” narratives produced in transnational discourse. These articulations of social entrepreneurs’ own realities are important as they are sometimes at odds ideologically with managerial approaches to social enterprise which emphasise cost-efficiency reasoning and financial independence. The paper demonstrates the explanatory power of qualitative empirical accounts as a starting point to veer away from reductionist drawing-board concepts of social enterprise.

The first two studies presented in this thesis shed light on the critical interplay of a politically enforced social enterprise policy, and the more embedded practices of social entrepreneurs, often involving acts of empirically testing this agenda and reformulating it. Taken together, these insights provoke the question: what is it that gives substance to this discourse if it is not primarily the locally “tested” evidence that social

<sup>2</sup> The full paper has been published in the *Social Enterprise Journal* (see Mauksch 2012).

enterprise works in the way proposed? To the contrary, the local insight often posits that it works, but either at the expense of financial independence, turning to public or private sponsorship, or at the expense of its social orientation, becoming a business-as-usual with a social touch (see Berglund/Schwartz 2013). Still, the discourse keeps on suggesting that these two – the social and the entrepreneurial – can be addressed in a harmonious and balanced manner, as a powerful and meaningful new combination. What creates the “buzz” around social entrepreneurship – social entrepreneurship without brackets around the former or the latter? What produces the taken-for-granted notions of social enterprise and the shared social practices that create this discourse? In the context of both the online questionnaire and the interviews, it can be argued that it is essentially the promise, the concept or message of social enterprise that makes it attractive to many: it seems plausible and workable; it convinces and motivates. It is the ideological claim and the modes of its mediation that seem to inspire, rather than the individual assessment of its achievements in a locally defined neighbourhood, or for a particular person.

#### 4. Spiritualising Social Entrepreneurship and Ethnography Revisited

This is the moment in which ethnography comes into play. As a technique which is specifically targeted at investigating the social production of what is normal and right, it critically deconstructs scientific and political paradigms through a locally embedded investigation of the very practices that produce these paradigms. The *third study*<sup>3</sup> is an ethnographically informed inquiry that contributes to theoretical debates on social entrepreneurship new perspectives on managerialism, spirituality, and organisational aesthetics. It is based on a multi-sited study of the work practices of an organised group of consultants claiming expert status in the field of social entrepreneurship. The study empirically explores another ambiguous and hybrid quality of social entrepreneurship: announced as a rational, pragmatic project, albeit exhibited through the modes of aesthetic, spiritual and emotional discourse. In other words, ethnographic data encourage the argument that social entrepreneurship’s claims for more down-to-earth approaches to social problem solving are, paradoxically, conveyed through acts of aestheticising and spiritualising social entrepreneurship. Two aspects are given particular attention:

- the ways in which paradigm-building actors imbue their public orchestrations with aesthetic meaning and
- the practices through which they (re)produce the Bangladeshi economist Muhammad Yunus as a spiritual leader.

However, rather than merely expressing a romantic longing for beauty, wonder and higher meaning, spiritual practices in social entrepreneurship are socially grounded techniques of enchantment. By mediating the space that exists between the intellectual and the sensual, these techniques play a crucial role in mobilising people for social entrepreneurial action.

<sup>3</sup> This paper has been reviewed by an established journal in the field of organisation studies. It has received a “revise and resubmit” and is about to be rewritten for resubmission in early 2014.

Such a perspective offers alternative explanations for the success of the social entrepreneurial movement, a success picturesquely manifested in acts like Yunus' receipt of the Nobel Peace Prize in 2006 or, more recently, his announcement as recipient of the Presidential Medal of Freedom by President Barack Obama. Ethnography bears the potential to connect these grand international celebratory acts with the very local phenomena occurring in geographical distance, but discursive proximity. After moving from policy agenda to local interpretation, and towards an exploration of how local practices produce the transnational spirit of the movement, the *fourth and last contribution*<sup>4</sup> of this thesis takes a more academic scope by engaging in a methodological discussion of research practices in organisational ethnography. This methodology currently gains momentum in management studies, and is frequently suggested as a meaningful approach to study social entrepreneurial practices (e.g. see Steyaert/Dey 2010).

It is in these contexts of organisational studies that ethnography tends to develop into a more positivist research agenda, employed with an attempt to “discover the authentic” that is hidden behind organisational curtains. By way of a response, the methodological attempt of this paper is to reconstruct processes of ethnographic revelation in the above and another ethnographic case study conducted in the field of social entrepreneurship. These examples illustrate the argument that deep engagement, honest dialogue and transformative conduct generate significant data for a more profound understanding of human dynamics. Against the notions of transparency, authority, and representation, which are predominant in ethnographies of organisation, the paper articulates the need to consider reflection as being part of the human condition and the way people act within institutions. It reviews recent anthropological discussions about fieldwork as engagement, through which researchers and subjects jointly produce reflections about social reality that will generate new understandings of the social. The text concludes that the goal of ethnographic research is not the discovery of hidden agendas or clandestine transgressions, but the interrogation of inherent often unreflected assumptions that guide social practice – an activity that produces “data” on both sides of the encounter.

## 5. In Short

This thesis examines social entrepreneurship as a manifold set of practices targeted at entrepreneurial solutions to societal challenges and imbalances. It scrutinises some of the major background assumptions of social entrepreneurship: the myth of a harmonious relationship between the social and the entrepreneurial in social entrepreneurship, an assumed coherency between the concept and its manifestation in reality, or characterisations of social entrepreneurs as highly rational, principled, and considered persons. This myth-busting starts off with an empirical analysis of these relations to investigate how and by what means these claims are actually created, and to demonstrate how actors in various settings critically engage with their own agendas to improve towards ideals, or adapt these ideals if they fail as guidance in pragmatic reali-

<sup>4</sup> The paper is co-written by Ursula Rao and currently under review for publication in an edited volume in the field of organisation studies.

ties. The suggested harmony then becomes a complicated negotiation. Social entrepreneurship as a “lived social practice” has entrepreneurial aspects, but is simultaneously entrenched with contextual, moral, emotional, and political claims and struggles. By shedding light on social entrepreneurship-as-practice, the thesis problematises the a-political flavour of the academic concept and gives explanations for its power-laden emergence. Methodologically, the thesis introduces organisational ethnography as a meaningful way to approach, in particular, these newly-born organisations and their learning processes. Ethnography is a means to achieve a more elaborated understanding of the social techniques modern organisations use to enhance their political project – techniques that address the contemporary embracement of the productive power of business, but simultaneously create a spiritual sense of higher meaning and societal relevance.

In other words, the thesis develops novel insight by situating narratives and practices in the broader political context – thus dissolving the micro-macro-distinction often made in the context of business studies. For example, the thesis demonstrates how Ashoka social entrepreneurs, who are often staged as typical positive examples, actively reinterpret the concept for their specific purposes and localities, thus adapting, questioning or ignoring the premises and policies formulated in their name. The anthropological ground is suggested as a means to overcome the “narrow” focus on business practices in social entrepreneurship (see Dart 2004) both empirically, by working with various groups of actors who create and transform and are being transformed by this discourse, and methodologically, by engaging with different cultural scripts and practical paradoxes. Their combined analysis develops new theoretical insight on the entanglements of discourse and materiality and on the processes of discursive empowerment.

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