# Chapter 69 Social Entrepreneurship and Social Innovation: A Conceptual Distinction

#### Jorge Cunha

University of Minho, Portugal

#### **Paul Benneworth**

University of Twente, The Netherlands

#### Pedro Oliveira

University of Porto, Portugal

#### **ABSTRACT**

In the last two decades, a renewed interest on the concepts of social innovation and social entrepreneurship has emerged. In fact, a large body of theoretical developments that occurred in the fields of innovation, territorial development, social economics, and public governance (among others) have emphasised the need to adopt new approaches to new (or emerging) problems, such as: climate change; chronic diseases; increasing inequalities in income distribution; high rates of unemployment (particularly among young people); the impact of ageing population; and mass urbanisation and social exclusion phenomenon. This chapter aims at contributing to this literature by making an attempt to distinguish both concepts: social innovation and social entrepreneurship. For that purpose, the definition of each of these concepts, their main features as well as their major differences are presented. Finally, the role that HEIs might play in promoting social innovation and social entrepreneurship initiatives is also discussed.

#### INTRODUCTION

There is a growing body of literature addressing social innovation, social entrepreneurship and social enterprise (Lettice & Parekh, 2010). However, the literature does not offer a consensus on the implication of each concept, although they often seem an attempt to address intractable social issues (MacLean, Harvey, & Gordon, 2013) that call for novel approaches and solutions. Those social problems should be

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understood in the context of the Grand Challenges of the 21<sup>st</sup> century, an era of enormous societal change involving ageing of the population, phenomenon of mass urbanisation and social exclusion, high rates of unemployment, and environmental challenges. These challenges cross many boundaries: political, economic, technological and ecological (Bawa & Munck, 2012), and solving those challenges requires designing innovative solutions, mobilising resources collectively and sharing ideas. As emphasised by Howaldt and Schwarz (2010, p. 5)

"problems have in part changed radically and intensified in conjunction with the drastic acceleration of change in the economy, society and culture, and awareness has clearly grown regarding the limited potential that technological innovations and established management and problem-solving routines have to resolve issues".

Or, as Dawson, Daniel, and Farmer (2010, p. 2) pointed out

"in recent years, the emphasis has shifted towards recognition of the importance of social engagement in the pursuit of societal well-being. Changing contextual conditions, media coverage and public debate has raised public awareness about social and environmental issues and with the growing disparity between top income earners and the rest of the working population, the assumptions behind the drivers for economic prosperity are increasingly being called into question".

To overcome these problems or challenges and to understand the parallel rise of new kinds of social movements, social innovation and social entrepreneurship have been seen as having an important role in driving social change. Several authors (e.g. Bonifacio, 2014; Cajaiba-Santana, 2014; Seyfang & Haxeltine, 2012; Perrini, Vurro, & Costanzo, 2010) have addressed issues around social change using concepts of social innovation and social entrepreneurship, despite the distinct intellectual heritages of their underpinning fields, namely innovation and entrepreneurship. This has muddied the use of these concepts, with people grappling to create knowledge about a phenomenon (co-ordinated social change from the grass roots to address pressing social problems) by applying a mix of different ideas and theories. This has undermined developing a shared knowledge base about the phenomenon and led to a situation of conceptual confusion. Addressing this conceptual confusion therefore demands reconciling the concepts of social innovation and social entrepreneurship and to better understand how they relate to each other and how they could be applied in parallel.

This chapter therefore seeks to make a conceptual distinction between social innovation and social entrepreneurship two concepts which although very similar are not intellectually equivalent, referring to concepts which are clearly cognate but at the same time different, resulting in a 'catch-all concept'. It is therefore important to make a sharper conceptual distinction, identifying the kinds of debates and circumstances under which each concept can be properly used, but also to understand the intellectual trajectory and structure of the concepts so that they are used in ways that are conceptually coherent. We argue that, although there is a tendency to view particular examples of social change through a single lens, different elements of these social movements can be understood from different perspectives. In this chapter, we separate out different concepts (social innovation and social entrepreneurship), and understand when it makes sense to use each one of them. We argue that it makes no sense to use social

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