

Social Entrepreneurship and COVID-19

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COVID-19 has changed the world. The pandemic is a public health crisis with profound implications for society. It follows that research efforts focused on addressing societal issues such as social entrepreneurship (SE) – ‘the practice of addressing social problems by means of markets’ (Mair, 2020, p. 333) – will also be deeply altered. In this commentary, we reflect on how the current COVID-19 pandemic and future pandemics have affected, and will affect, research on the topic of SE. We unearth five fundamental assumptions underlying the field of SE that have been challenged by this crisis, consider their implications for research in the space, and propose future research questions to guide SE scholarship.

First, SE researchers assume that it is social entrepreneurs’ prosocial motives that lead to positive social outcomes. However, to tackle social problems caused by COVID-19, many businesses stepped-up to create solutions benefitting the public good, without regard to their initial motives – e.g., manufacturers made plastic shields and ventilators, distilleries produced highly sought-after hand sanitizer – often offering these solutions below cost. While there is little doubt that these ventures helped others (the essence of the term ‘prosocial’), their founders did not necessarily express prosocial motives at venture inception. As such, the global COVID-19 pandemic has revealed the assumed link between prosocial motives and social outcomes to be potentially tenuous. If entrepreneurial ventures and established businesses can achieve positive social outcomes regardless of their motivations – for example, by rapidly deploying solutions in the face of a global crisis such as COVID-19 – and if social entrepreneurs driven by social motives do not always achieve intended social outcomes, this suggests challenging questions about the overlap between SE and entrepreneurship as research domains: (1) To what extent are

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prosocial motives contingent on context such that, in the face of a crisis or emergency, prosocial motives might be just as likely to emerge in established businesses as in those organizations that are traditionally the focus of SE research? (2) To what extent is the field of SE defined by its achieved social outcomes, or by the intentions and processes employed to achieve those outcomes? (3) Given that SE efforts are focused on social problems and human suffering, what dependent variables should researchers focus on? (4) In light of the widespread response to COVID-19, are there independent variables that were previously overlooked and now need to be considered by SE researchers to explain the achievement of positive social outcomes?

Second, it has been argued that, compared to entrepreneurship generally, SE involves more complex relationships among the various actors engaged in positive social change (Austin et al., 2006). At a basic level, for example, those who pay for services (donors) are often different than those receiving services (beneficiaries). At a civic level, achieving societal impact often requires multiple stakeholders with diverse backgrounds and motives to coalesce (Lumpkin and Bacq, 2019). Some would argue, however, that any entrepreneurial activity is very complex and that therefore, this assumption is not valid. By contrast, we argue that in the era of COVID-19, the assumption of higher complexity for SE is even more evident. Few situations illustrate the need to ‘Think globally – Act locally’ as vividly as the current pandemic. Efforts to address the pandemic are global and require heightened communication and coordination. Yet, solutions to the crisis must be enacted locally and adapted to local conditions in concert with global efforts.

SE may in fact be better equipped to handle such situations because it is also suggested that SE relies on higher levels of social capital (Mair and Marti, 2006) – that is, ties to people who are both similar (bonding ties) and different (bridging ties) (Putnam, 2000). For example, the Grameen Bank has empowered the poor in dozens of countries across the globe with what started as a simple loan program. Yet, the successful deployment of Grameen’s full array of microfinance services can now be attributed to a complex and varied network of actors spread across some of the most remote places. Likewise, COVID-19 is a complex problem that is changing the nature of many relationships and testing our reliance on social capital networks (Bacq et al., 2020). The situation reveals serious questions for SE researchers: (1) To what extent can the capabilities and practices that enable social entrepreneurs to manage complex relationships at the local level be used to address problems with global significance such as a pandemic? (2) Given the COVID-19 pandemic’s global occurrence, how do cultural ties and community embeddedness affect efforts to combat COVID-19 at the local level? (3) When the usual avenues of exchange through which social capital is expended are altered because the economy is locked down and interactions are less frequent and more distant, what new role(s) does social capital play in effectively bringing about social change? (4) What do the scale of the pandemic and the complexities implied by the global-local nature of the crisis change about SE reliance on social capital?

Third, another primary assumption SE scholars make is that markets are an effective mechanism for attaining positive social outcomes. The introduction of entrepreneurship as a means to address societal challenges is part of what makes SE unique. In fact, the market assumption turns one of the common assumptions about what causes social ills – market failure – on its head. Instead, SE *uses* the market to create positive social

outcomes. But what happens when markets are disrupted or not functioning as during a pandemic shutdown? This raises critical questions pertaining to the assumption that markets are instrumental in solving social problems: (1) On what grounds do social enterprises operate when markets are unstable or ill-equipped to respond to urgent social problems at scale? (2) How does market activity generate positive social outcomes, if at all, when it fails to generate market returns? (3) If market transactions are not taking place as usual or become too unpredictable, what new roles might SE need to play to empower positive social change? (4) What are the market implications of resource repurposing – a proven success factor for social enterprises during the COVID-19 pandemic, such as sharing empty hotels rooms with the homeless, and redistributing food that might have gone to waste (e.g., such as food ordered by schools and restaurants that were closed) to community members who had lost their jobs and experienced food insecurity?

Fourth, SE researchers have spent a considerable amount of effort studying the organizing aspect of social *enterprises* (nuanced here from social *entrepreneurship*). A key assumption underlying organizational-level SE research is that social enterprises' very essence makes them the locus of important tensions which, if not managed, can cause conflicts and confusion over the direction of an enterprise, and may make them conducive to mission drift. However, findings of a recent SE study in nine countries suggest that the supposed problem of competing logics causing tensions may have been exaggerated and that 'forcefully direct(ing) attention to conflicts... has limited organization scholars' interest in this field to a narrow set of theoretical questions about how social enterprises cope with dual logics' (Mair, 2020, p. 335). The COVID-19 pandemic – and its related uncertainty, disruption and rise of new, urgent and overwhelming needs – is forcing SE researchers to look beyond organizational conflicts and tensions, and to consider the 'bigger picture' that includes cross-sector (social and non-social) efforts in addressing global social problems. This perspective opens up a number of avenues for SE research at the organizational level: (1) To what extent does a sudden shift in societal needs expose the boundary conditions of mission drift and reveal the need for 'mission agility' instead? (2) Considering that social problems on the scale of a pandemic are not likely solved by single organizations, how does a focus on collective action change the nature of tensions which social enterprises are subject to in multi-stakeholder cross-sector settings? (3) How can social enterprises engage in collective action while safeguarding their own share of the market? (4) Which untapped methodological tools and theoretical lenses can help SE researchers take into account an extra-organizational level of analysis when investigating social change processes?

Finally, there is an assumption that SE initiatives are championed and carried out by individuals (or, sometimes, small teams). This assumption is evidenced by the emphasis of many SE support organizations (e.g., Ashoka, Schwab Foundation) and by multiple studies aimed at elucidating the drivers of SE intentions captured at the individual, cognitive level. Because COVID-19 is a massive health crisis with implications for major social problems such as housing and hunger, the demands of the crisis call for a re-evaluation of the function of social entrepreneurs and a shift in their role – from individual agents of change to collective resource orchestrators. Whether this is realistic or not raises several questions: (1) What role(s) can individual social entrepreneurs play in addressing social problems that clearly require a coordinated response? (2) What is the

nature and scope of the resource orchestration task presented by widespread social crises such as pandemics? (3) What capabilities would assist social entrepreneurs to quickly orchestrate resources to address widespread social crises such as COVID-19? (4) What resources (human, financial, community, etc.) would social entrepreneurs need to be able to orchestrate to create positive social change, and with what effect?

SE has long been recognized for its ability to challenge the status quo and navigate interactions with markets, institutions and governments to make the world a better place. Now more than ever, with a pandemic that has revealed breaches in established practices and chronic deficiencies in healthcare, finance, housing, etc., and that has exacerbated the need for coordinated responses, we submit that SE has a vital role to play: SE can not only agilely orchestrate new arrangements but also ‘be the glue’ that holds together cross-sector solutions. Despite the many unknowns and considerable challenges surrounding COVID-19, the crisis offers social entrepreneurs many opportunities to crystallize multi-partner efforts to develop innovative solutions that replicate the best of what has worked elsewhere at a scale sufficient to meet the challenge while respecting the locality of social issues (Lumpkin and Bacq, 2019). As such, SE researchers have a responsibility to seek a deeper understanding of the outcomes of SE and its driving motives, and to consider new roles and possibilities for SE within the scope of resource sharing and collective action that bring about social change.

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