

All Entrepreneurship is social

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Abstract

This paper argues that all entrepreneurship is social entrepreneurship. The Parsonian theory of social action is used to explore how this insight assists us to understand various forms of social entrepreneurship.

Introduction and background

To read the extant scholarship in social entrepreneurship means having to negotiate one's way through hundreds of pages of narrative about the lack of definition of the term.

A recent bibliometric survey of the literature shows that fully 54% of the academic corpus on social entrepreneurship deals with "*definitions, theoretical constructs or frameworks for social entrepreneurship, description or understanding of the phenomenon, typologies*" (Sassmannshausen and Volkmann, 2012: 17)

The maintenance of a broad and undefined category for social entrepreneurship seems to have served the movement well as it is now a global movement. Within three decades since the movement's inception with Drayton's formation of the Ashoka Fellowship and the election of the first Ashoka fellow in India in 1980 (Bornstein, 2007), the social entrepreneurship movement has grown to influence the policy of governments (Holtz-Eakin and Rosen, 2004) and has become an influential global concept (Alvord, Brown and Letts, 2004).

Scholarship and academic research into social entrepreneurship has not; as yet played a leading role in the growth of social entrepreneurship but what scholarship there is, is largely based in the United States of America and in business schools in the USA. This is at odds with the demographics for social entrepreneurs. To illustrate this point, in 2007 Ashoka, had less than 100 US-based fellows out of 2,700 across the globe (Ashoka, 2008). In the same year, 54 academic institutions taught social entrepreneurship worldwide. Of these 54 programmes, 37 (69%) were U.S.-based and globally 40 (75%) were in business schools¹.

The role of scholarship in the social entrepreneurship movement is changing perhaps due to its success as a global phenomenon with a scholarship base in business schools in the United States of America and the West. A 2007 survey of the literature by this researcher (D. Racionzer, 2007) showed that research and academic publications have been increasing at an exponential rate since the introduction of the term into the academic literature in 1988. (Waddock, 1988). This trend has continued through to the present. (Sassmannshausen and Volkmann, 2012: 10)

The problem of definition for social entrepreneurship

The increasing interest in social entrepreneurship among scholars has inevitably been reflected in an increasing concern for a more precise definition of this phenomenon. In this respect the interests of the social entrepreneurship movement in maintaining a "fuzzy" definition is perhaps at odds with the interests of academics and scholars who need clear definitions of concepts in order to research them.

Reading the scholarly corpus, one is routinely exposed to a narrative that distinguishes business entrepreneurship from social entrepreneurship. This textual and narrative gambit is ubiquitous throughout the social entrepreneurship literature. Such ubiquity gives support to Derrida's arguments about *différance* and how the logocentrism of our culture's logic must define a thing by placing it in opposition to something it is not.

¹ At a conference in 2007, Stern professor, Jeffrey Robinson presented some findings from his ongoing research in this field. He found 54 academic institutions teaching social entrepreneurship. Of these 54 programs, 69% are U.S.-based and 75% are in business schools. Dr. Robinson's research also found that only 32% of these programs had an explicit emphasis on teaching ethics and values as a component of social entrepreneurship. (Mort and Weerawardena 2007)

The ongoing problem of definition in the field of social entrepreneurship is perhaps that scholars, in their discursive arguments are making a category mistake in thinking that there is a qualitative and substantive distinction to be made between that class of entrepreneurship that we might understand as “business entrepreneurship” and that those instances of entrepreneurship that can be classed as “social entrepreneurship”.

A way to reconstitute a definition that at one stroke would avoid the current logocentric malaise, meet the demands of scholars of social entrepreneurship for more precise definition, and at the same time serve the interests of fellowships and social entrepreneurs, who need a “fuzzy” definition for their field to grow, might be to avoid a direct definition of social entrepreneurship per se and instead define the parameters of the scholarly field. This is precisely what Venkataraman (1997) did when he defined the field of scholarship into entrepreneurship.

The argument

This paper posits as a hypothesis that there is no substantive difference between Business Entrepreneurship and Social Entrepreneurship at the level of sociality.

All entrepreneurship is social in so far as all entrepreneurship, without exception and as a matter of definition, utterly and completely depends upon and relies on the social world for its existence as a field of human action.

The argument for social entrepreneurship using Parson’s theory of social action

Talcott Parson, over half a century ago now, wrote some good social theory where he attempted to define a general theory of social action. That Parsons was an avid reader of Adam Smith becomes apparent when reading his theory of social action. It is perhaps the chief reason for choosing to explore social entrepreneurship through the prism of Parsons. The irony of using a sociological theory that is so evidently

derived from a deep reading of that now “invisible hand” of Adam Smith, whom neo-liberal theorists so admire, to argue for the social foundation of all human action is seductive.²

² Adam Smith’s work; *“The Theory of Moral Sentiments”*, which pre-dates his more famous book: *“The Wealth of Nations”*, sets out an argument for ethics based upon sentiment or feelings.

Smith begins his book by firmly stating:

“How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.... That we often derive sorrow from the sorrow of others is a matter of fact too obvious to require any instances to prove it... The greatest ruffian, the most hardened violator of the laws of society, is not altogether without it.” (Adam Smith, 1759: *The Theory of Moral Sentiments*, Paragraph 1)

Smith goes on to build an entire ethical and moral theory based upon the sentiment of sympathy, fellow feeling and concern for others.

“The Theory of Moral Sentiments” clearly distinguishes between a-social, ante-social, anti-social and pro-social action. Smith embeds his notions of business and life within an ethical theory that understands The Good as a feeling or sentiment, not a cold, dispassionate calculation of self-interest.

In one section, Smith describes exactly the means-end relations which Parsons’ would reduce to sociological theory some 150 years later:

“The same principle, the same love of system, the same regard to the beauty of order, of art and contrivance, frequently serves to recommend those institutions which tend to promote the public welfare. ... From a certain spirit of system, however, from a certain love of art and contrivance, we sometimes seem to value the means more than the end...” (TMS part 4, ch1, para.11)

Smith understood that there are those who “lose the wood for the trees” in their pursuit of efficiency and order. This ante-social action is firmly placed within the social experience of institutions that promote public welfare.

Adam Smith, in part One Section Two of his *“Theory of moral sentiments”*, describes three more “passions” in terms of their ends-means relationship; the “unsocial passions”, the “social passions” and the “selfish passions”. Which accord almost exactly with our interpretation of Parsons’s a-social action, anti-social action, and pro-social action.

Despite many misgivings and critiques about Parsons's theoretical work, most would agree that Parsons's contribution to social theory and especially his creation of a theory of social action represents a major work that edifies and dignifies the person and their actions in society.

Talcott Parsons published "The Structure of Social Action" in 1937 and it was not well received by sociologists at the time. It sought to create a space for sociology beyond the realm of economics and politics, at a time before the Second World War when totalizing faceless systems of control were the only template for understanding society. What Parsons was proposing was a voluntaristic system of social action focussed on the human person that only gained resonance once the Nazi threat had been destroyed and the implications of totalitarian systems of control were more fully understood.

For Parsons, social action occurred within open systems that interact with other systems including cultural systems as well as subsystems such as the personality of the persons involved in social action. The boundaries between these many systems are analytically important but for the actor, they are perhaps less important than the end in mind, the current situation and their mode of orientation.³

For Parsons, a social act may be defined as any mutual act with the following four elements:

1. An actor
2. An end
3. A current situation
4. A mode of orientation

A non-social act may be defined as any act with one of the above four elements missing. A non social action would be a twitch for example. A twitch is an involuntary physical action of the body in which the twitcher's eye closes and then immediately re-opens. A wink however is a social action and although it may look like a twitch, is in fact a richly meaningful social action involving an actor, an end in mind, a current situation and a mode of orientation. The difference between a twitch and a wink is therefore a very important difference if we wish to understand social action.⁴

Given this definition of social action, there seem to be at least four clearly identifiable modes of orientation. I have named these; *a-social action*; *ante-social action*; *anti-social action* and *pro-social action*.

There are, I'm sure many other variants that can be derived from these four elements of social action but these four are those which accord with my experience of entrepreneurship and organizational life.

The following section involves some logic and I must immediately apologize for its rather formal layout. I do recommend that you stick with it however as it drives home the points to be made.

It is entirely consonant that Talcott Parsons should derive much of his thinking in this regard from Adam Smith. Both thinkers were deeply committed to a philosophical personalism that valorises human agency over structural and social forces. Both thinkers attribute the overall functioning of systems to an invisible power that achieves ends which people in their individual actions do not foresee or even desire.

It is worth bringing Parsons and Smith into a conversation about social action and social entrepreneurship because both thinkers have been poorly used by economists and other social scientists who either seek to reject the social nature of business and entrepreneurship or who seek to promote the conflictual and dialectical process of capitalism, of which entrepreneurship is viewed as a particularly pernicious symptom.

³ P 421: T. Parsons (1961) in C Calhoun et al (Eds) 2007, Blackwell, Maldon

⁴ Psychologists would explore behaviour as well as action where behaviour might be explained in terms of subconscious drives and emotions. For this we have Freud to thank because he founded the field of psychology by positing three arguments, which we largely take for granted today: The first is that all behaviour is meaningful with antecedents that are largely traceable; the second is that behaviour may be determined by unconscious motivations; the third is that the motivations that drive behaviour are emotional forces.

A-social action

Described as a **mode of orientation**⁴ in which the **actor**¹ seeks to separate a **defined end**² from any **specific situation**³.

This is the province of the legislator, the policy maker, the procedure manual, the book of rules and standing orders. This is also the realm of donor funders and the narrative reports they insist people write and their log-frames.

In logical terms: If means, then ends

Ante-social action

Described as a **mode of orientation**⁴ in which the **actor**¹ limits the **defined end**² to the current **situation**³

Ante-social activists may become efficient but their effectiveness is never clear. This is the world of the personal assistant, the efficient secretary, the active supporter within a large organization to try and make the institution work efficiently.

In logical terms: means > ends, the means are greater than the ends

Anti-social action

Described as a **mode of orientation**⁴ in which the **actor**¹ seeks a **defined end**² from the **current situation**³ without due regard for the consequences of the action.

This is often achieved by externalizing or ignoring consequences. This is the orientation of the business world and that of the criminal. This is the world in which the end justifies the means.

In logical terms: ends > means, the ends are greater than the means

Pro-social action

Described as a **mode of orientation**⁴ in which the **actor**¹ collapses the **defined end**² into the current **situation**³ using available means in order to stimulate future situations that enhance mutuality.

This is the experience of those seeking to fashion a better world. Citizens who seek the common good, those who work for human flourishing, do so by using what resources they have to hand. It involves assemblage and appropriation and syncretism.

In logical terms: means → ends → means

Social Entrepreneurship

Given the above definition of social action, it may be argued that all entrepreneurship is thus ipso facto *social* entrepreneurship. All entrepreneurship must, without fail and without exception, build upon social interaction, social exchange and works only within a social milieu.

It needs to be affirmed that prior to making any distinctions between business entrepreneurship and social entrepreneurship, all entrepreneurship, indeed all human action is fundamentally social action.

Now there may be some readers who would still resist the argument that all entrepreneurship is social action. Perhaps a simple thought experiment may assist in this regard: imagine any instance of entrepreneurial action. Now imagine taking away from this scene, the elements that involve social interaction. In your mind's eye, take away the recognition and calculation of present and future value, the exchange in value between buyer and seller, the negotiation of price, the market space, the means of exchange, the common language of commerce. Notice how, without these social interactions, entrepreneurship loses its meaning. It is within the essence of entrepreneurship that we find its sociality. Without the social world and social interaction, no entrepreneurship is imaginable. Entrepreneurship is a form of social action.

Conducting this phenomenological reduction upon the idea of entrepreneurship determines entrepreneurship, as a category of human action, as a form of social action which requires of its practitioners to engage with other human beings at the level sociality. The definitional task then is not to differentiate between a "business" entrepreneurship and a "social" entrepreneurship but rather, to distinguish the *forms* of social entrepreneurship in which business enterprises engage. The question becomes what kinds of social entrepreneurship do we experience and which of these do we value?

From a Parsonian perspective then, the question that defines any specific act or project of entrepreneurship is not who the actors are, but how the actors' mode of orientation deals with the means-end relation in a particular situation.⁵

Using this definition of social action we are thus able to segue the four part typology of social action and distinguish between at least four types of social entrepreneurship: Anti-social entrepreneurship, Ante-social entrepreneurship and A-social entrepreneurship on the one hand, and Pro-social entrepreneurship on the other⁶. The former three modes of orientation to social action each involve a separation of means from ends while the latter entails the integration of means with ends.

A-social entrepreneurship Means are kept separate from Ends	Ante-social entrepreneurship Means are more important than ends
Pro-social entrepreneurship Means become ends	Anti-social entrepreneurship Ends are more important than means

These four forms of social entrepreneurship have been derived using logic and Parsons' theory of social action. What is needed now is to see how far these four typologies might work in the real world of entrepreneurship. Does this theoretical exercise actually help us to understand our experience of entrepreneurship? This suggests that we can explore the concepts using case studies.

Case Studies

Schafer and Graham (2002) argue that case studies, including ethnography are criticized by many on the basis that case study findings cannot be generalized to other settings. Many would argue against this, saying that case study findings can be validly applied in other settings. Qualitative researchers prefer to use concepts such as "transferability" or "fittingness" to describe external validity. Some feel that "rich and dense" grounded theory will suggest in itself its own sphere of relevance and application. Perhaps the pivotal insight into the case study method is that case studies may be generalizable to concepts (such as entrepreneurship) and cannot be generalizable to populations.

⁵ T. Parsons, 1937 pp76-82

⁶ I have borrowed the term "pro-social entrepreneurship" from Schafer, Fukukawa and Lee (2007) article: Shafer, William E., Kyoko Fukukawa, and Grace Meina Lee. "Values and the perceived importance of ethics and social responsibility: The US versus China." *Journal of Business Ethics* 70.3 (2007): 265-284.

I have elsewhere argued for case studies and in particular I argued for case studies using Yin who suggests that “in general, case studies are the preferred strategy when ‘how’ or ‘why’ questions are being posed, when the investigator has little control over events and when the focus is on a contemporary phenomenon within some real-life context (Yin, 2014; p17).

The case studies below are taken from the author’s life experience and are therefore written in the first person tense. This narrative serves to reinforce the voluntaristic and personalist approach taken by Talcott Parsons in his theory of social action.

Eight case studies are presented in this paper to display the range of social entrepreneurship within each of the four types as well as across a broad range of entrepreneurial action.

The case studies have also been crafted as brief sketches or vignettes which avoid describing in minute detail, the negotiation of contracts, the formulation of policy and procedure documents and the daily round of activities in each case. Such levels of detail would divert attention from the core argument of this paper which seeks to show that all entrepreneurship is social; entrepreneurship and that when we think about entrepreneurship within a Parsonian theory of social action, we need to consider the actor, the defined end, the situation and the mode of orientation.

Case Study 1: Outboard Motor Insurance

My father made his living by selling insurance. It was a special kind of insurance, specifically the kind that second hand car salesmen sell you when you buy that pre-owned car. His method was to get to know the second hand car dealers very well, to have what approaches a relationship with them and then to get them to sell insurance on vehicles that would probably not break-down within the two or three years that the insurance covered.

In the early 1980’s he was in conversation with one of these salesmen and he noticed that some were also selling outboard motors. He wondered whether the outboard motors needed insurance against mechanical breakdown? “*Oh no*” he was told, “*outboard motors never breakdown in the first two years of use*”. This was how Africa’s first insurance policy against mechanical breakdown for outboard motors in the first two years was formed. In the many years that my father sold the policies, not a single claim was ever made.

Discussion

The end in view for the outboard motor insurance company was to make profit from the fear and perceived risk of customers purchasing outboard motors for their boats. The fact that outboard motors seldom, if ever breakdown within the first 24 months of use meant that the outboard motor insurance business was good but that repeat purchases of this insurance product from the same customer would not be certain as customers did not experience the need to claim insurance.

The consequences of this form of entrepreneurship were that it was not a sustainable business because insurance products require claims in order to fuel fear and the perception of risk.

A further consequence was perhaps the risk to reputation for my father and his agents as customers may perceive that they have been taken for gullible fools.

Case Study 2: Selling Tobacco

I one ran a company supplying fast moving consumer goods to small shops in South African townships. A large tobacco producer offered to pay our company a monthly fee if we advertised their snuff, tobacco and matches at each store we supplied.

We at first refused because tobacco does not promote human flourishing and insisted that we would only sell and promote their matches. Some months later, however the supplier began to insist that we sell and promote snuff and tobacco products or forfeit the monthly fee.

We agreed and began supplying tobacco products to our network of stores.

Discussion

The temptations to make profit regardless of the consequences are overwhelming in business. The tobacco company was very careful not to insist at the outset but to wait until they saw that our business model supplied consistently and that their matches were well received by our customer base, before applying the pressure and threat of withdrawal from the contract to get their tobacco products distributed through our system.

Tobacco sales soon overtook many other line items in our range and became the single largest product we sold. The consequence of this is that we became “hooked” on our supplier as the demand for tobacco and snuff products remained strong and consistent.

Case Study 3: South African Taxi Makhanda Schlent

The South African taxi industry has been well documented and researched. Despite this, the schlent that drives the taxi industry is rarely commented upon or given any serious scholarship.

The taxi industry works through a system of defined benefit. Taxi owners when giving instructions to their drivers in the morning, usually define the money that they need to receive for the day. The taxi driver is expected to clean the vehicle, maintain it and drive a set route. Income from fares is collected until the defined benefit has been achieved. The taxi driver however, usually continues driving the route for his own benefit. This practice is often referred to as “*makhanda*” or “*socks*” in the industry.

Taxi drivers, if sufficiently cautious and diligent, will in a few years, be able to buy their own taxis and thus join the ranks of taxi owners.

Comment

The schlent described in the case study echoes the Ngwato political economy as described by Schepera (1987) and also the political economy that King Mosheshoe I developed in Lesotho. The system involves a chief giving cattle to his people, who are asked to look after the cattle and who become owners of its offspring. In return, *the chief can rely on these people to defend him and go on warring expeditions under his suzerainty.*

The Ngwato system is an exquisite example of African entrepreneurship. The man or woman giving the cattle away is wealthy and has political power, not by what is owned but by what is given to others and the defined reciprocal relationships that accrue from these transactions.

In like manner, the taxi owner provides the taxi driver with opportunities to accrue wealth by defining the benefit to be accrued.

Case Study 4: The fast moving consumable retail chain stores

The four big retail chains in South Africa all use a variant of the following retail supply chain schlent to run their business models.

This schlent involves charging various fees to suppliers. Any item sold on shelves of a large retail store in South Africa has effectively been paid for by the supplier.

The big four retailers charge a “*listing fee*” to list each item at each store in the chain. There is also a “*shelf-space fee*” in which items for sale are paid per cubic centimetre. Suppliers are expected to offer retailers five “*specials*” per year over Christmas, Valentine’s day, Easter, the chain’s birthday and one extra week. Suppliers must pay retailers for “*merchandizing*” the item or find their own merchandisers. Retailers also charge a “*confidentiality fee*” to assure that the pricing structure and terms are kept confidential from competitors. Finally retailers insist on paying 180 days date of stamen, which can mean that the supplier will only get paid for the sale of an item up to four months after it was actually sold.

These five fees combine to form the retail supply chain schlent, ensuring shelves are well stocked and the big four retailers are happy.

Comment

The retail supply chain schlent⁷ is strictly speaking a legal arrangement but its effects on raising the price of goods and creating an oligopolistic system of supply is certainly unjust and fails to serve the common good. It is an unethical system that hurts the consumer and the supplier but assures constant supply and shelves full of goods.

This system is harmful to consumers because the suppliers raise the costs of goods to pay retailers these fees. It essentially is collusion between suppliers and retailers that results in higher prices.

The system is harmful to suppliers because they must participate in this arrangement or risk not having their products for sale in these large retail outlets.

A further harmful consequence of this arrangement is that small and local suppliers are effectively locked-out and barred from selling their goods at these stores because they cannot afford the fees and terms demanded by the retail chains.

The retailers are keen to promote this schlent because they benefit in the following ways; they get an assured income from suppliers; their operations are focussed on the provision of passive marketing spaces; they can earn interest on cash received because the terms are very lenient; they do not own the products in their stores and thus have limited liability for shrinkages.

Case Study 5: Designing a child-care system for street children

In the mid 1990's in South Africa, the new democratic dispensation experienced immense social changes especially in the cities and towns. One of the more visible changes was the increase in children living and working on the streets.

I was a social worker involved in a street child project and during a conference at the Human Sciences Research Council I heard a presentation about traffic management. The fundamental insight of this presentation is that traffic cannot be solved but must be managed.

I took this insight and applied it to the creation of a child-care system for street children where we sought to create a "traffic" management system for the flow of children living and working on the streets. We integrated existing services and facilities for these children into prevention services, street work, day care facilities, shelters and after care services.

This child-care system was tested in Sunnyside, Pretoria and has become official government policy regarding work with street children (DSD, 2014). The problem is that, despite its organisational beauty as an integrator of services, it is extremely expensive to establish and maintain and has not actually ever been implemented again.

⁷ A "Schlent" is the often hidden angle that nonetheless ensures the vitality and ongoing viability of any business venture. A "Schlent" is not a "scam" but may be illegal, hurtful or unethical. A "Schlent" is that special activity or set of relations or exchanges in the heart of every business that gives the business its fun, its dynamism.

A Schlent is not, as business school graduates and marketing professionals seem to always refer to, the "unique selling proposition" or "unique selling point". Schlents are seldom used to sell anything but are rather often hidden and oblique features of organizational and business operations. The "schlent's" are the things that induce the owners and the workers in an organization to come in to work every day even when times are hard.

I have often found that when introducing the notion of the Schlent, people are baffled and curious but somehow unable to grasp what exactly it is. This is a good response, because the Schlent is not meant to be a fixed proposition but rather a heuristic feature of organizations and business enterprises that require perceptive intuiting.

Discussion

The beauty of a system that integrates existing services and resources recommended it to becoming official government policy even though its impracticality and cost ensured that it would never actually be implemented.

A child-care system that requires various state and no-state actors to work together for a common cause is a lofty goal but one which rarely finds traction in real scenes of social life.

Case Study 6: Splitting social work into purchasing and providing

In the United Kingdom, the ideology of capitalism and the market promoted so assiduously in the 1980's and 1990's, was applied to the social services system.

Social work is a profession that involves a process of interpersonal engagement between the social worker and their client. The process has four interlinked stages or phases; The Contact Phase, where the social worker and client meet, build rapport and trust, the Contract Phase, where both client and social worker identify the issues and problems and agree how to work on them, the Work Phase, in which both client and social worker actually address the issues and problems and finally, the Evaluation Phase in which both client and social worker reflect and evaluate the work done.

The government decided to break-up this professional process into three divisions within their County Council Social Services: A Purchasing division where social workers would come into contact with clients, assess their needs and contract with providers. A Providing Division as well as a range of private social services providers who would be contracted to actually deliver services to clients. Overseeing the quality of these services and providing the evaluation of services would be the Quality Assurance division.

This system was implemented by the Conservative government under Thatcher and entrenched by subsequent Labour regimes.

Discussion

The creation of market for social work effectively destroyed the professional social work process in the United Kingdom. Most social workers are employed by the state and the state rigidly applies this division between purchaser and provider (Browning 1989, Demone et al 1992).

The creation of a market for social work services using this structural reorganization has allowed private social service providers to "sell" their services to providers and the quality of these services are partly defined by clients who are often given the choice of whom to use to provide services.

The structural separation of means from ends has, in this case been applied to serve the ideology of the market and the consequence has been the destruction of a professional craft through the commodification of social work (Kirkpatrick, 2006).

Case Study 7: Spaarsaam

I worked in the small town of Prieska as a social worker for a year and it became clear that many of this town's 30 000 citizens were living in desperate poverty, entirely dependent upon social grants and alcohol.

The need for decent clothing was particularly stark as many citizens and the young in particular dressed in cheap and often tattered clothes.

I was struck one day when I witnessed two young boys around nine year of age sharing a pair of slip-slop sandals, the one wearing the left sandal and his friend wearing the right sandal.

A group of us decided to establish a clothing shop that sold quality second hand clothing at very cheap prices (around the price of a bottle of wine per item).

The local Catholic Priest rented us a hall and we secured a supply from a social enterprise called Clothes 2 Cash which supplied good quality second hand clothing by the kilogram. We branded the enterprise as “Spaarsaam” which means “save together” in Afrikaans and began selling clothing with the specific aim of providing dignified clothing to the citizens of Prieska at affordable prices for the poor.

Discussion

The aim of Spaarsaam has been to offer good quality clothing at prices affordable to the poor citizens of Prieska. This goal is a social good in itself and the enterprise formed around this goal involved the entrepreneur using what relationships and resources he found to hand and marshalled them towards this good.

Case Study 8: The Prieska Protocol

Tiger’s Eye is a semi-precious stone. The best quality and the largest deposits of this gemstone are in the central Karoo region of the Northern Cape in South Africa around the small towns of Prieska and Griekwastad.

As part of a wider project to enhance the local beneficiation of Tiger’s Eye, the Prieska Protocol was developed in open dialogue with stakeholders.

This is a transparent and public commitment to create a value chain that justly distributes value on an equitable basis.

Participating stakeholders in the Prieska Protocol agree to the following sharing of value across the value chain:

Artisanal Miners –mine raw stone = 20%
Lapidaries – cut and polish gemstones = 20%
Exporters and brokers = 20%
Marketing and sales = 30%
Environmental recovery of land = 10%

Each stakeholder agrees to receive a defined benefit based on the final retail selling price of cut and polished stone.

Discussion

This pro-social enterprise engages the system of artisanal mining by reorganizing the contracts to afford each stakeholder profits from the final selling price of tiger’s eye which is many thousands of times higher than what the artisanal miners are currently receiving for their work.

The consequences are that the entire integrated value chain collaborates to ensure the supply and quality of the gemstones.

Conclusion

The eight case studies or vignettes present above sketch the variety of entrepreneurship with specific attention to their social arrangements. These case studies weave a pattern of social exchanges into a matrix that gives flesh to the theoretical and logical deductions derived from the work of Talcott Parsons (1937).

The case studies have been taken from personal experience but they are generalizable to the theoretical concept of entrepreneurship developed using the Parsonian theory of social action.

These case studies support the core argument of this paper; that all entrepreneurship is social entrepreneurship and that what we need to consider is not a crude split between “social” entrepreneurship and “business” entrepreneurship but rather the types of social entrepreneurship that exist.

This approach seeks to make a contribution to the ongoing definitional debate around social entrepreneurship by arguing that many have made a category mistake. That our definitions of business entrepreneurship are, in fact all part of a more foundational category of social entrepreneurship rather than a distinct category which is somehow different from social entrepreneurship.

By grounding all entrepreneurship as a form of social action, we are able to legitimately explore the ethical dimensions of entrepreneurship as well as more precisely define what Shafer et al (2007) term as “pro-social” entrepreneurship.

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