The Legitimacy of Social Entrepreneurship: Reflexive Isomorphism in a Pre-Paradigmatic Field

Alex Nicholls

Following Kuhn, this article conceptualizes social entrepreneurship as a field of action in a pre-paradigmatic state that currently lacks an established epistemology. Using approaches from neo-institutional theory, this research focuses on the microstructures of legitimation that characterize the development of social entrepreneurship in terms of its key actors, discourses, and emerging narrative logics. This analysis suggests that the dominant discourses of social entrepreneurship represent legitimating material for resource-rich actors in a process of reflexive isomorphism. Returning to Kuhn, the article concludes by delineating a critical role for scholarly research on social entrepreneurship in terms of resolving conflicting discourses within its future paradigmatic development.

Introduction

It has become axiomatic in recent years for scholars to make two observations concerning social entrepreneurship: first, that there is no definitive consensus about what the term actually means (Light, 2006, 2008; Perrini, 2006); second, that the research agenda for the field is not yet clearly defined (Nicholls, 2006a, 2006b, 2009; Short, Moss, & Lumpkin, 2009). It has also been noted that the community of scholars currently engaging with the subject is small, under-resourced, and somewhat marginalized (Battle Anderson & Dees, 2006). Kuhn (1962) observed that an established academic paradigm attracts legitimacy and resources to a field of action that are largely withheld in a pre-paradigmatic state. Following Kuhn, the current status of social entrepreneurship can be conceptualized as a field that has yet to achieve a paradigmatic consensus and that lacks a "normal science" or clear epistemology. However, despite the apparent constraints of its pre-paradigmatic status, an analysis of social entrepreneurship suggests that emergent patterns of institutionalization can be discerned, each characterized by its own discourses, narrative logics, and ideal type organizational models. Such patterns are characterized here as contests for the control of the legitimating discourses that will determine the final shape of the social entrepreneurial paradigm. This is a particular characteristic of a field that is at a less well-developed stage of legitimacy than the key paradigm-building actors within it.

Please send correspondence to: Alex Nicholls, tel.: +44 (0)1865 278811; e-mail: Alex.Nicholls@sbs.ox.ac.uk.

In an exploratory study, this article delineates the construction of social entrepreneurship as an institutional space in terms of the legitimating strategies of the key actors who are driving the processes of paradigm building. Such an analysis suggests that much of this activity reflects a competition for institutional control and paradigmatic dominance as much as a project to support and develop social entrepreneurs. Two new contributions are made here, one theoretical and one empirical. First, the article extends neo-institutional theory in terms of the role played by legitimacy in processes of institutionalization. Using approaches from structuration theory (Giddens, 1984; Nicholls & Cho, 2006), this research explores the microstructures of legitimation in this emergent field and identifies a reflexive relationship between field- and organization-level legitimation strategies in social entrepreneurship. This analysis suggests a new category of organizational isomorphism that is particularly appropriate to emergent fields: reflexive isomorphism. Second, this article carries out a content analysis of the public definitions of social entrepreneurship propagated by eight dominant paradigm-building groups of actors. Following accepted practice for data collection in institutionalist research into organizational legitimacy (e.g., Deephouse, 1996; Singh, Tucker, & House, 1986), two factors are used to identify these actors: their prominence in the existing literature and their level of investment in the field. Categorizing the data reveals distinct clusters of discourses associated with different paradigm-building actors who are used to provide supporting evidence for the article's theoretical propositions. Despite the clear influence of the paradigm-building actors on the emerging normative perceptions of social entrepreneurship as a field, no analysis of their public discourses has yet been carried out from an institutional legitimacy perspective.

This research provides three insights with respect to social entrepreneurship that are also relevant to other institutionalization processes in emergent fields more generally. First, the pre-paradigmatic status of a field allows resource-rich actors to leverage power over the legitimating processes that characterize progress toward institutionalization. Second, such actors enact these processes by aligning the key discourses and norms of the field with their own internal logics of action as part of a process of reflexive self-legitimation. Third, there are significant implications of this process for other field actors who lack power or dominance.

The remainder of the article proceeds as follows. Next, a Kuhnian analysis of social entrepreneurship is set out to explore its pre-paradigmatic phase of development. This suggests that social entrepreneurship currently represents a fluid institutional space for dominant actors to shape and exploit. After this, the processes by which organizations accrue legitimacy are set out in the context of neo-institutional theory. Particular attention is paid to the microstructures of legitimation in terms of key actors and discourses. This leads to the development of a new construct—reflexive isomorphism—that reflects a structuration (Giddens, 1984) perspective on legitimation in emergent fields. Following this, the dominant actors engaged in the paradigmatic development of social entrepreneurship are identified. A content analysis of these actors' public statements concerning social entrepreneurship reveals three discourses: narrative logics based on hero entrepreneur examples; ideal type organizational models based on business; and logics based on communitarian values and social justice. Returning to legitimacy theory, it is then proposed that the emerging normative discourses and narrative logics of social entrepreneurship represent legitimating material for resource-rich actors. The article concludes by delineating a role for scholarly research on social entrepreneurship in terms of its future paradigmatic development.

Social Entrepreneurship as Pre-Paradigm

Kuhn (1962) explored the development of academic fields of study in terms of the conceptual construct of "normal science." Normal science was a function of two elements: "rules," defined as agreed methods and approaches to research, and "paradigms," defined as agreed epistemological systems that set the boundaries for research objects of distinct validity. Normal science was, thus, the application of rules to paradigms. However, Kuhn also observed that this was not a static model and that new paradigms emerge as a consequence of a growing awareness of an anomaly in practice that defied categorization by existing paradigmatic approaches. This recognition is typically characterized by an increase in the empirical and theoretical attention focused on a new field-level phenomenon. In many accounts, social entrepreneurship has been presented as just such a phenomenon—styled as a new field of practice responding to an increasingly urgent set of global crises with innovation at the systemic level (Osberg & Martin, 2007).

However, the development of research into social entrepreneurship to date suggests it is in a pre-paradigmatic phase typified by Kuhn as having deep debates over the legitimate methods, problems, and the usefulness and quality of alternative solutions that are appropriate to the new area of study. Thus, social entrepreneurship research has much in common with the "accumulative fragmentalism" noted by Harrison and Leitch (1996) in the establishment of the field of entrepreneurship (Light, 2008; Perrini, 2006). This has been characterized by a multidisciplinary contest over the epistemology of the field that has failed to set any normative boundaries around the term (Nicholls, 2006a, 2006b; Nicholls & Young, 2008, Peredo & McLean, 2006; Shaw & Carter, 2007; Sullivan Mort, Weerawardena, & Carnegie, 2003; Weerawardena & Sullivan Mort, 2006; see parallels in Aldrich & Baker, 1997, p. 396). Over the past 10 to 15 years since it first entered mainstream public discourse (e.g., Leadbeater, 1997), social entrepreneurship has been subject to a competing range of definitions, and there still remains a distinct lack of clarity over what it means. Variously, it has been presented as a new model of systemic social change (Bornstein, 2004; Nicholls, 2006b), the solution to state failures in welfare provision (Aiken, 2006; Bovaird, 2006; LeGrand, 2003), a new market opportunity for business (Prahalad, 2005), a model of political transformation and empowerment (Alvord, Brown, & Letts, 2004; Yunus, 2008), and a space for new hybrid partnerships (Austin, Gutierrez, & Ogliastri, 2006). Furthermore, Perrini (2006, pp. 6–11) noted that there are "limited" and "extended" definitions of the term: the former positions social entrepreneurship as a new aspect of the not-for-profit world, while the latter discusses it as a wider societal force for change. Similarly, Light (2008) highlighted the apparent tensions between a "big" and "small" tent approach to social entrepreneurship.

The methodologies typical of social entrepreneurship research to date are also clearly pre-paradigmatic in a Kuhnian sense, in that they have often focused on available data—usually in the form of descriptive case studies of the "celebrity" social entrepreneurs identified by other field-building actors—rather than on building new data sets. The lack of a clear epistemology of the field at a societal level presents particular methodological problems since it results in a lack of public data sets (there is no specific legal form for social entrepreneurship) and discourages comparative work. It also has the consequence that innovative research often has to tackle empirical challenges before it can test theory. The effect of these methodological issues has been a polarizing of social entrepreneurship scholarship into either empirical work drawing repeatedly on a small set of the same case examples or theoretical work that lacks empirical support.

With respect to the process of paradigm development, Kuhn suggested that a new paradigm gains status based upon its ability to problem-solve for dominant actors that themselves have influence on relevant institutional structures and logics. Furthermore, Kuhn noted that established paradigms provide sources of legitimacy for such dominant actors, and that this could be a resource strategy. Paradigmatic development is an arena in which power and dominance is expressed often through the deliberative construction of "a dense network of connections" that aims intentionally and systematically to consolidate relevant centers of power and influence to impose the dominance of their views across the institutionalization of the field (Kuhn, 1962, p. 618). Paradigms are inherently exclusionary, to the point where they may "insulate the community from those socially important problems that are not reducible to puzzle form, because they cannot be stated in terms of the conceptual and instrumental tools the paradigm provides" (p. 37).

Building on Kuhn, institutionalist scholars have noted that paradigm development is not a neutral process. In his work on the development of the field of organizational studies, Pfeffer (1993) noted that the observed level of paradigmatic development varies across fields since it is an institutional product dependent on the social structure, culture, and power relations that characterize a field (i.e., how it is organized and the factors that create and perpetuate that organization). Moreover, paradigmatic development is often subject to resistance and objection since the successful establishment of a new paradigm can provide status, legitimacy, and access to resources to its key actors within a competitive epistemological context (see Abbott, 1988; Lodahl & Gordon, 1972). For example, it has been demonstrated that fields with more highly developed paradigms attract more external and internal funding (Lodahl & Gordon, 1973; Pfeffer & Moore, 1980) and have higher peer-reviewed journal acceptance rates (Hargens, 1988). There are also correlations between paradigmatic development and the structure of academic journal editorial boards (Yoels, 1974) and academic departmental governance (e.g., there is more autonomy given to high paradigmatic development fields such as finance: Lodahl & Gordon, 1973).

Following the logic of this research into paradigm development, it becomes clear that an analysis of the progression of a field from pre- to post-paradigmatic status can be understood as a contested process of legitimation between different actors, discourses, and institutional logics (see parallels in Busenitz et al., 2003). The next section establishes a theoretical framework to analyze these microstructures of legitimation in social entrepreneurship.

Reflexive Isomorphism

This article conceives of organizational legitimacy as the consequence of a dynamic interplay between macro-level institutional structures and micro-level organizational actors. This approach draws upon two related strands of institutionalist research. First, research into organizational legitimacy that aims to give an account of the processes of legitimation in terms of agency and dynamic processes. Second, the institutionalist analyses of the relationship between organizational isomorphism and legitimacy that conceives of legitimation as a process of structuration.

There is a well-established history of theorizing organizational legitimacy in terms of conformance to extra-organizational institutional arrangements and forms (DiMaggio & Powell, 1983, 1991; Dowling & Pfeffer, 1975; Roth & Wittich, 1978). This institutionalist school of thought suggests that individual organizations are subject to resource-based pressures to conform to extant sector- or society-level normative frames of reference in

order to survive and prosper (Deephouse, 1996; Oliver, 1997; Pfeffer & Salancik, 1978; Ruef & Scott, 1998; Scott, 1995; Zimmerman & Zeitz, 2002; Zucker, 1977). Institutional theory also acknowledges a cultural dimension in its analysis of the processes of legitimation, noting that organizations also represent theoretical constructs consequent upon, and defined by, existing cultural material and networks of social influence and communication (Carter & Deephouse, 1999; Meyer & Rowan, 1977; Meyer & Scott, 1983; Meyer, Scott, Cole, & Intili, 1978; Meyer, Scott, & Deal, 1981; for an overview see Deephouse & Suchman, 2008). Theorists have identified various classifications or types of legitimacy. Aldrich and Fiol (1994) suggested a bifurcation of legitimacy into "sociopolitical" (the process by which key stakeholders deem an organization appropriate) and "cognitive" (the spread of knowledge about a new venture). Scott (1995) and Suchman (1995) focused on the former type and identified a tripartite structure within it characterized as regulative/pragmatic, normative/moral, and cognitive legitimacies.

Much of the pioneering institutional research into legitimacy did not consider organizational innovation and the processes of change in institutional systems and presented a largely static model of the structural pressures and macro-level influences on organizational behavior and form. However, more recent research into organizational innovation and institutional change has acknowledged a more dynamic set of legitimating processes. Stryker (2000) presented legitimacy as the consequence of dynamic political contests between competing institutional logics. Lounsbury (2007) identified three institutional arenas (rhetorical, discursive, and technical) within which struggles over what is legitimate and who is authorized to theorize and certify are played out. Other research described the microstructures of legitimation in terms of strategic projects that construct appropriate organizational narratives selectively from an extant "stock" of exogenous cultural norms and myths (Hargrave & Van der Ven, 2006; Lounsbury & Glynn, 2001). This more dynamic perspective acknowledges the interplay between organizations and larger institutional structures as legitimation processes that are constantly in flux (Hybels, 1995).

Congruent with this perspective, another stream of institutionalist research has focused on agency in legitimation processes by exploring the legitimating role and function of various actors and their relationships including society at large, the media (Baum & Powell, 1995), and specific legitimacy-granting authorities (i.e., the State: Suddaby & Greenwood, 2005). This body of work also examined organizational strategies aimed at influencing legitimacy perceptions, for example by the use of donations, forming cross-organizational management interconnections, obtaining external endorsements (Galaskiewicz, 1985) or using other forms of impression management (Elsbach, 1994; Elsbach & Sutton, 1992). Ashforth and Gibbs (1990) summarized such techniques under two general headings: "substantive" (legitimating strategies based on organizational action) and "symbolic" (legitimating strategies based upon the "essences" of the organization). Suchman (1995) provided the most developed account of the management of organizational legitimacy in a 12-part model of the strategic techniques through which positive legitimacy perceptions are created, maintained, and recovered. He explicitly suggested that organizations sometimes gain legitimacy by manipulating rather than conforming to their environments, particularly to support the diffusion and adoption of new models of action. In these cases, organizations actively construct and promote new rationales and logics of social reality. However, Suchman ultimately saw this as an instrumental process aimed at aligning environmental factors with organizational ends: the focus is on shaping existing institutional material to an organization's strategic needs rather than creating a new institutional space as a process of field building *per se*.

Subsequent work in this theoretical tradition has focused more on the micro-level actions that support the strategic management of legitimation processes. Phillips, Lawrence, and Hardy (2004) used discourse analysis to explore how the use and creation of texts can shape and determine wider legitimation processes. Drawing on Lukes (1974) and others, such processes were revealed as being inherently political and often coercive expressions of power relationships and structures (for example, in cases of resource scarcity). From this perspective, it is the manipulation of discourses that defines what can be considered as legitimate or illegitimate. These processes reveal dominant actors behaving as "institutional entrepreneurs" who work "to affect the discourses that constitute the institutions or mechanisms of compliance in a particular field in a self-interested way" (Phillips et al., p. 648). Such self-interest is often an expression of strategies of self-legitimation as much as an explicit resource-based issue. Phillips et al. also noted that new textual material often builds legitimacy by drawing explicitly on other, better established, texts—this is presented as part of a process by which the supremacy of particular discourses is established.

Vaara, Tienari, and Laurila (2006) further developed this theme in their analysis of six forms of discourse control within "discursive legitimation" strategies (normalization, authorization, rationalization, moralization, and narrativization). This work also noted the close relationship between sources of power and discourse mobilization and propagation. Finally, Kaplan (2008) drew upon social movement theory to propose that cognitive framing is another strategic approach to legitimation that brings in agency at the level of reality construction.

Developing Weberian theory concerning the influence of bureaucracy on organizational forms, DiMaggio and Powell (1983) identified three types of isomorphic pressure that constitute the homogenization processes apparent in highly structured organizational fields. However, in contrast to earlier work that suggested competitive market pressures drove isomorphism, DiMaggio and Powell suggested that competition for organizational legitimacy within structures of institutional norms and power relations was the important causal factor. Coercive isomorphism captured the process by which powerful external actors, such as the state or resource providers, forced organizations toward uniformity. Mimetic isomorphism encouraged organizations to imitate other models to counter the risks of organizational uncertainty in underdeveloped fields. In terms of normative isomorphism, the influence of professional bodies and standards was shown to exert influence. Following Giddens (1984), DiMaggio and Powell suggested that these isomorphic processes represented examples of structuration between organizations and larger institutional forces. However, whilst a clear account is given of the nature of organizational level change, there is much less said about the effects of organizations on the macro-level institutional structures with which they interact.

This article combines insights from DiMaggio and Powell's work on organizational isomorphism with later institutional theory that examined the patterns of agency in legitimation processes to explore the microstructures within the institutionalization of social entrepreneurship. This approach is used to identify the dominant actors and key discourses that are shaping the field as a paradigm. This research also aims to contribute to a better understanding of the dynamics of agency-structure relationships in institutional legitimation processes, specifically with reference to the power relations between key actors. Although institutional accounts of legitimacy acknowledge the relevance of legitimating actors there is little analysis of their role or function in the larger legitimating process. In a sense, such theorizing has desocialized organizational legitimacy by seeing it as a systemic rather than individualized process (see, for example, Friedland & Alford, 1991).

Social entrepreneurship represents something of a special case with respect to organizational legitimacy since it lacks a well-defined normative logic (within clear epistemological boundaries) against which stakeholder perceptions of action can be compared (Nicholls, 2008, 2010a). In this sense, social entrepreneurs are immune from the conventional isomorphic forces typically identified in start-up or underdeveloped field contexts (Deephouse, 1996; DiMaggio & Powell, 1983; though see Dart, 2004, for a critique of isomorphism in social enterprise). Although this is potentially strategically liberating in the short term, Kuhnian theory suggests that the lack of established institutional patterns and discourses around social entrepreneurship will threaten its overall legitimacy as a field of action over time (by undermining its normative mandate to operate) and may be a fatal constraint on resource flows as population ecologists have proved elsewhere (Rao, 1994; Ruef & Scott, 1998). In response to this, a number of paradigm-building actors can be discerned, each of whom is attempting to build a distinct logic of social entrepreneurship that most effectively enhances their own legitimation strategies in a self-reflexive way.

Morgan (2006), suggested that autopoeisis theory—originally developed in studies of closed biological systems (Maturana & Varela, 1973)—could be applied (with caveats) to an analysis of patterns of organizational development. Morgan observed that organizations attempt to achieve a form of self-referential closure with respect to their environments by enacting them as extensions of their own identity. Ultimately, this produced a closed-loop system in which organizations interacted with projections of themselves, mistaking this for institutional material from outside the loop. Morgan also suggested that this type of action should be seen as part of a process of sustaining self-reproduction.

Following Morgan (2006), an analysis of the processes of paradigm building in social entrepreneurship suggests a fourth type of isomorphic pressure that is characterized here as *reflexive isomorphism*. In contrast to the other three forms, this type of isormophic pressure privileges agency over structure by suggesting that dominant organizations can shape the legitimacy of an emergent field to reflect their own institutional logics and norms. Reflexive isomorphism represents a legitimating strategy in which organizations actively engage in processes that align field-level and internal logics to shape emergent institutional fields as closed systems of self-legitimation. It is proposed here that this is a particular characteristic of social entrepreneurship as a field since it currently functions as a closed system characterized by high levels of self-reference and low levels of interaction outside of its own *habitus* (Bourdieu, 1993).

In order to explore the patterns of reflexive isomorphism that are currently emerging in social entrepreneurship, the remainder of this article, first, identifies the key paradigm-building actors in this field and then analyzes the discourses, narratives, and logics of social entrepreneurship that they are propagating in their public statements. This institutional material serves to reveal the microstructures of legitimation emerging in the field.

Paradigm-Building Actors

While the landscape of social entrepreneurship is populated with many organizations, there are only a small number that are actively engaged with paradigm building. The latter can be identified by their prominence in the literature and debate around social entrepreneurship and by the resources they have committed to developing the field. Their paradigm-building objectives are often made explicit in statements on websites (e.g., www.skollfoundation.org) or are implicit in actions they take such as enacting supporting legislation for social entrepreneurs. Four groups of actors can be discerned: First, government has been active in supporting (and shaping) social entrepreneurship, particularly

in the United Kingdom (OTS, 2006; Social Enterprise Unit, 2002). Second, there are foundations, such as UnLtd (Nicholls, 2006b) and the Skoll Foundation (Lounsbury & Strang, 2009). Third, there are fellowship organizations, such as Ashoka (Bornstein, 2004) and the Schwab Foundation for Social Entrepreneurship (Elkington & Hartigan, 2008). Finally, there are network organizations (Grenier, 2006): in the United Kingdom, these include the Social Enterprise Alliance, the Community Action Network (CAN), and the Social Enterprise Coalition (SEC). Collectively, these paradigm-building actors have been highly influential in establishing the discourses, narratives, and ideal types that characterize the early-stage development of social entrepreneurship. Of course, there are many other influential players active in promoting social entrepreneurship across the globe, many of which are resource providers, for example: Bangladesh Rural Advancement Committee (BRAC) in Asia, Accion in Latin America, and the Jacana Venture Partnership in Africa. However, these actors are typically not focused on paradigm-building issues, but rather direct their efforts toward developing the field of practice by direct interventions.

Government

State investment in social entrepreneurship represents the largest commitment of capital to the field. Such investment typically focuses on capacity development for growing the effectiveness and efficiency of the provision of public goods, often by supporting the social enterprise sector (see Nicholls, 2010c; Nicholls & Pharoah, 2007). In the United Kingdom, state funds already committed to such social investment now amount to approximately £732 million.[1] The U.K. government has also created a new form of incorporation specifically for social enterprises: the Community Interest Company (Nicholls, 2010b). In addition, the Social Enterprise Unit (established in 2000) within the U.K. government has sponsored significant amounts of sector-specific research including a £5 million commitment to a bespoke Third Sector Research Centre at the Universities of Birmingham and Southampton. State expenditure on social investment is far less evident elsewhere in the world, but this is beginning to change in the United States with the establishment of a $50 million (£31 million) Social Innovation Fund within the White House.

Foundations

An important part of the U.K. government support for social entrepreneurs is UnLtd, which was set up in 2002 with a £100 million Millennium Commission grant from the U.K. government. It styles itself as the "Foundation for Social Entrepreneurs" and sets outs its mission as "to support and develop the role of social entrepreneurs as a force for positive change in the United Kingdom."[2] UnLtd is both a grant-giving institution and a consultancy service to social entrepreneurs at different stages of their organizational

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1. This figure is the total of: UnLtd funded by £100 million of public money from the Millennium Fund; Community Investment Tax Relief (CITR) worth £58 million; an investment of £20 million into Bridges Community Ventures first fund; the Adventure Capital Fund worth £12 million, which offers longer-term financial and development investment to support enterprise growth; a Community Asset Transfer fund of £30 million to support local authority asset transfers into community ownership; the Phoenix Fund worth £42 million; Futurebuilders funds worth £215 million, which offers investment packages of grants/loans/technical for highly selected organizations with reasonable prospects of winning service-delivery contracts; £75 million of unclaimed bank deposits to capitalize a Social Investment Wholesale Bank; the £100 million Social Enterprise Investment Fund for health; a Community Builders Fund worth £70 million; a £10 million Social Enterprise Risk Capital Fund in recognition of the need to stimulate growth in the sector.
2. http://www.unltd.org.uk

development. It has four strategic objectives: giving awards, building a fellowship of awardees, carrying out research into the impact of social entrepreneurs on society, and offering consultancy services via its UnLtd Ventures group.[3] To date, UnLtd has supported over 5,000 social entrepreneurs. It has awarded approximately £40 million in grants since its inception.

Based in Palo Alto, CA, the Skoll Foundation was founded in 1999 by Jeff Skoll, cofounder and first president of eBay. It is a grant-giving foundation whose mission is "to advance systemic change to benefit communities around the world by investing in, connecting, and celebrating social entrepreneurs."[4] An important element of this mission has been the creation of the Skoll Centre for Social Entrepreneurship at the University of Oxford (in 2003), where the annual Skoll World Forum on Social Entrepreneurship is held. To date, the foundation has supported 61 Skoll Awardees in Social Entrepreneurship across five continents, providing approximately £120 million in grants.

Fellowship Organizations

Ashoka is the largest and most established fellowship organization in social entrepreneurship. It was founded by Bill Drayton in 1982 (see Bornstein, 2004, for a comprehensive account of the creation and development of Ashoka). Ashoka's mission is to help "shape a global, entrepreneurial, competitive citizen sector: one that allows social entrepreneurs to thrive and enables the world's citizens to think and act as changemakers."[5] Its key objectives are to support and promote social entrepreneurship and help build a supportive infrastructure for social entrepreneurs. The organization is based in Washington, DC but has a global network of field offices and today has over 2,000 fellows in more than 60 countries. To date, Ashoka has invested approximately £220 million in its fellowship.

The Schwab Foundation for Social Entrepreneurship was founded in Geneva in 1998. It grew out of, and is closely linked to, another major institution also created by Klaus Schwab, the World Economic Forum (WEF). Its mission is to provide "unparalleled platforms at the country, regional and global levels that highlight social entrepreneurship as a key element to advance societies and address social problems in an innovative and effective manner."[6] The foundation is not a conventional grant-giving body but rather attempts to build a community of practice and provide access to the WEF for its social entrepreneurs. It is estimated to have invested roughly £4 million directly in social entrepreneurs. There are currently 172 "Schwab Entrepreneurs" across five continents. In 2007, the Foundation embarked on a new project, celebrating a "Social Entrepreneur of the Year" award with key media partners across a number of countries. More recently, the foundation has moved toward closer integration into WEF.

Network Builders

Set up in London in 1998, the CAN was the vision of three individuals—Andrew Mawson, Adele Blakebrough, and Helen Taylor Thompson—all of whom were already proven leaders in innovative community projects. CAN aims to support social

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3. http://www.unltd.org.uk/template.php?ID=17&PageName=introduction
4. http://www.skollfoundation.org/aboutskoll/index.asp
5. http://www.ashoka.org/visionmission
6. http://www.schwabfound.org/sf/AboutUs/OurMission/index.htm

entrepreneurs to scale up their activities and maximize their social impact.[7] The CAN does this through practical strategies including providing office space, business support, and leveraging social investment. CAN is not a funder itself.

Growing out of the first National Gathering for Social Entrepreneurs held in Colorado in 1998, the Social Enterprise Alliance emerged in 2002 as a partnership between the National Gathering and Seachange, a financial services brokerage organization for social enterprises and funders. The Alliance is a membership network that aims to "build stronger, more effective social enterprises by mobilizing a community of practitioners and investors to advance earned income strategies."[8] The Alliance has a specific focus on not-for-profits that develop earned income strategies, stating that "earned income strategies help to make organizations high-performing. More social benefit can be generated when individual mission-based organizations adopt appropriate earned income strategies as part of their revenue base. Social value can be enhanced when mission-based organizations come together to increase the impact and effectiveness of the field."[9]

Founded in 2000, the SEC acts as the U.K. "industry body" for social enterprises. It was originally government-funded and represented one of several policy measures to raise the profile of social enterprise and increase its impact. However, it is not politically aligned and engages with all parties in the U.K. The SEC sets out its objectives as the following:

- To promote the benefits of social enterprise through press work, campaigns, and events.
- To share best practice amongst social enterprises through networks and publications.
- To inform the policy agenda working with key decision makers.
- To undertake research to expand the social enterprise evidence base.[10]

While each of these groups of actors is engaged in paradigm-building activity, the distribution of resources across them varies significantly. This is reflected in the capital they have invested in the sector and its promotion.

The next section considers the different discourses of social entrepreneurship that are being projected by each of these groups of paradigm builders and reflects on the power dynamics across them. Drawing on institutional theory, it is suggested later that these patterns of resource distribution represent important microstructures of power and influence that are promoting particular legitimating discourses in a process of reflexive isomorphism.

Discourses of Social Entrepreneurship

An analysis of the public statements from the leading paradigm-building actors noted earlier concerning definitions of social entrepreneurship reveals two important dyadic clusters based upon narrative logic and ideal-type organizational models (see Table 1). In terms of the narrative logics of social entrepreneurship two sets of discourses can be seen: those that present the hero social entrepreneur as central and those that locate social entrepreneurship in community settings and networks of action. The former is

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7. http://www.can-online.org.uk
8. http://www.se-alliance.org/about_movement.cfm
9. http://www.se-alliance.org/about_movement.cfm
10. http://www.socialenterprise.org.uk/pages/who-we-are.html

Table 1

Paradigm-Building Discourses of Social Entrepreneurship

Discourse cluster	Key words	Source
Narrative logic		
Hero entrepreneur	Leadership	Skoll Foundation; Center for the Advancement of Social Entrepreneurship (CASE)
	Ambitious	Ashoka; Skoll Foundation
	Persistent	Ashoka; Schwab Foundation; UnLtd
	Opportunistic	Ashoka
	Ethical fiber	Ashoka
	Resourceful	Skoll Foundation; CASE
	Results-oriented	Skoll Foundation; Schwab Foundation; CASE
	Pragmatic	Schwab Foundation
	Visionary	Schwab Foundation; UnLtd
	Passionate	Schwab Foundation; UnLtd
	Risk-taking	Schwab Foundation
Community	Community investment	U.K. Government
	Community cohesion	Community Action Network (CAN)
	Grass-roots driven	CAN
Ideal-type organizational model		
Business-like	Business(-like)	Social Enterprise (SE) Alliance; U.K. Government; Social Enterprise Coalition; CASE
	Responsive	U.K. Government
	Sustainable	Schwab Foundation; Skoll Centre; SE Alliance
	Scale	Ashoka; Schwab Foundation
	Earned income	SE Alliance
	Sustainability professional	Schwab Foundation; Schwab Foundation Skoll Centre
Advocacy/social change	Give voice	CAN
	Social value	SE Alliance
	Social justice	Social Enterprise Coalition

characterized by an individualized focus on key words that capture innate qualities ("leadership," "ambitious," "persistent"), attributes of action ("results-oriented," "pragmatic," "risk-taking"), or normative judgments on character ("ethical fiber," "visionary," "passionate"). The former draws on the institutional logic, narratives, and myths of commercial entrepreneurship that present successful action as the product of the exceptional individual (Dart, 2004). The latter, in contrast, focuses not on the heroic actor but on localism and bottom-up solutions. This cluster is typified by references to the community and "grass roots" and prioritizes group or network action over individualism. The institutional logic here resonates with the cooperative, communitarian traditions of left-wing politics and ideology and decouples narratives of enterprise from commercial action. This discourse is located within long-standing narratives and rationales of third sector action (Clotfelter, 1992; Evers & Laville, 2004; Salamon & Anheier, 1999).

The second cluster concerns the ideal-type organizational model for social entrepreneurship. In this case, two other sets of opposing institutional logics are evident: those that propose business and commercial models as being central to social entrepreneurship (often associated with notions of sustainability and scale) and those that set social entrepreneurship within a framework of advocacy and social change. The first category presents social entrepreneurship as social business and includes key words drawing on the perceived benefits of market-driven organizations ("sustainability," "scale," "professional"). These discourses also suggest that business-like social action is more

"responsive" to its social mission and beneficiaries (Blair, 2006). This ideal type reflects institutional norms concerning the efficiency and effectiveness of commercial organizations in comparison to the state or third sector and draws heavily on the logics of New Public Management and the marketization of the state (LeGrand, 2003; Osbourne & Gaebler, 1992). The second category of key words, on the other hand, builds a discourse of social entrepreneurship based on advocacy and social change. Here, key words include "social value" and "social justice" and ideal-type organizational behavior is characterized as giving beneficiaries voice. Such a discourse draws upon the foundational institutional logics of the third sector and social movements (Davis, McAdam, Scott, & Zald, 2005; Salamon, Anheier, List, Toepler, & Sokolowski, 2003).

This analysis suggests some tensions and conflict across the discourses, narratives, and ideal types being presented in the public definitions of social entrepreneurship provided by the main paradigm-building actors. The next section suggests that the clusters can be best understood within microstructures of reflexive isomorphism for specific actors.

Hero Entrepreneur Narrative Logic

The hero entrepreneur model is given precedence by foundations and fellowship organizations. The dominant internal logic of foundations is to mobilize their resources to bring about change. However, in contrast to traditional philanthropic grant makers that derive their legitimacy from gift giving, the foundations supporting social entrepreneurship draw upon models from private capital that reflect the logics of commercial entrepreneurship. This new venture philanthropy is consistent with the normative logics of a number of the successful commercial entrepreneurs—particularly from Silicon Valley—who are currently active in supporting social entrepreneurship. This venture approach legitimates grants as investments that demand a maximum "return" on capital. As a consequence, demonstrating effective return on investment becomes the key self-legitimating logic. This leads to a primary focus on success stories (Lounsbury & Strang, 2009) that resonate with existing narratives around commercial entrepreneurs and their achievements. The logic of reflexive isomorphism here is to suggest that social entrepreneurship is legitimated by its hero entrepreneurs and their success stories.

The individual/hero entrepreneur discourse focused on the social entrepreneur itself not only reflects normative notions of the commercial entrepreneur but also lends itself well to marketing activity around building compelling and emotive narratives and myths. The focus on "systemic" change, though never very clearly defined, and going to scale also legitimates a philanthropic model predicated on maximizing return on investment. Presenting social entrepreneurship in this light also satisfies donors who expect more from their money than supporting a welfare service or growing an existing program.

Fellowship organizations have a different internal logic to foundations, based on leveraging social capital around a carefully selected elite. For these actors, demonstrating this leverage effect is their key legitimating factor—a logic borrowed from private capital. As with the foundations engaged with social entrepreneurship, the fellowship organizations also embed the logics of the private sector in their actions, often with explicit connections to important commercial partners such as McKinsey or WEF. Similarly, these organizations exploit the legitimating value of the hero entrepreneur narrative by importing it into the social sphere but also explicitly suggest that such actors gain from a connection to other private-sector actors. The reflexive isomorphism here aims to shape social entrepreneurship as a tightly interconnected elite that shares models and learning within controlled boundaries. The field-shaping role of the paradigm-building actors is

quite explicit here since they craft not only the criteria for fellowship but also make the selection decisions.

Foundations and fellowship organizations often use sophisticated marketing communications with which to promulgate their particular legitimating discourses around social entrepreneurship. For example, Participant Productions—an initiative founded by Jeff Skoll in 2004—has pioneered television and film projects that highlight social entrepreneurs and their work, most notably the "New Heroes" series for Public Broadcasting Service (PBS) in the United States and Al Gore's hit film "An Inconvenient Truth."[11] Participant Media aims to use entertainment to bring about social change and also designs campaigns around each of its projects to generate what it calls "lights, camera . . . social action."[12] Similarly, the Schwab Foundation established key media partners in many countries to promote its hero entrepreneurs and their success stories.

Business Model Ideal Types

The internal logic of the state is to deliver public goods. In recent years, the public sector has gone through a period of reform that has introduced new management approaches and models based closely on private sector practices. As noted earlier, this model of more responsive and efficient public services delivery—particularly through outsourcing—draws upon the legitimating discourses of New Public Management (Osbourne & Gaebler, 1992; Walsh, 1995) and quasi-markets (LeGrand & Bartlett, 1993), much of which predates the rise of social entrepreneurship by at least 10 years. In line with such reforms, the U.K. government has an internal legitimating agenda best understood in terms of notions of increased efficiency, responsiveness, and sustainability drawn from business. The dominant model of social entrepreneurship that has attracted government resources has been social enterprise or "businesses trading for a social purpose" (OTS, 2006). These are organizations that explicitly combine social and financial return and apply business models and thinking to achieving their social and environmental aims (Alter, 2006). This ideal type organizational model has a particular focus on earned income and the use of commercial logics and strategies. The government has used its resources both to grow the social enterprise/social business field and to support the establishment of a consistent paradigm of social entrepreneurship based on this model through its use of public policy, more than £610 million of government resources, and support of particular public discourses. The effect of this has been striking with more than 55,000 organizations now identified as social enterprises (OTS, 2006). Similarly, more than 50% of charity-earned income now comes from the government as contracts rather than grants—introducing business logics into philanthropic contexts (NCVO, 2008). This focus on an ideal-type organizational model drawn from business is also consistent with the Third Way ideology of the New Labour government in the United Kingdom that aimed to break down the barriers between the state, the private sector, and the third sector (Giddens, 1998, 2000). The reflexive isomorphism here suggests that social entrepreneurship is a field dominated by social purpose businesses, many delivering public welfare contracts.

Community Models/Social Change Logics

The pure network organizations demonstrate a dominant internal logic focused on building community voice (Barnes, 1999). This is reflected in logics that aim to legitimate

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11. http://www.participantmedia.com
12. http://www.participantmedia.com/company/about_us.php

their actions in terms of maximizing community engagement and empowerment. The dominant discourse here is social justice and communitarianism. These organizations closely resemble the conventional structures of the third sector based upon equality and altruism and are self-defined in opposition to models that prioritize individuals or commercial strategies. In this case, reflexive isomorphism suggests that social entrepreneurship shares the cognitive legitimacy of the traditional third sector but with a clearer focus on innovation in goods and services.

The pure network builders have limited capital, do little grant making, and lack the dissemination reach of government or marketing power of foundations. As a consequence, they cannot easily propagate their own discourses of social entrepreneurship in opposition to hero entrepreneur narratives and business model ideal types. Resource constrained actors have two strategies with which to achieve impact. First, they can align their interests with those of more powerful, resource-rich, actors. Thus, while remaining nominally independent of the U.K. government, the SEC has generally aligned itself with broader policy initiatives as they emerge rather than providing a critical voice against them. Second, they can adopt resistance strategies to counter other trends in the development of the field. Reflecting this, Edwards (2008, 2010) has highlighted the struggle of traditional not-for-profit logics against a new wave of business-driven and business-supported discourses characterized as "philanthrocapitalism."

The analysis earlier suggests two features of the pre-paradigmatic development of social entrepreneurship. First, a small number of actors are shaping the discourses and institutional logics of the field to reflect their own internal logics and to align with their own legitimating norms in a process of reflexive isomorphism (see Table 2). Second, this is a process intrinsically connected to power and resource mobilization in which the logics and discourses of those organizations that have access to the greatest resources would be expected to dominate. The four institutional logics of social entrepreneurship described earlier can be reclassified according to how they relate to providers of greater or lesser resources to field-level actors. This suggests that the logics of the hero entrepreneur working within a business (or business-like) setting will come to dominate the paradigmatic development of the field, while the logics of communitarian action linked to social justice and empowerment will become marginalized. Indeed there is already evidence of this (Dart, 2004). The implications of this for practice are profound since as Kuhn (1962) noted, developed paradigms are, of necessity, exclusionary constructs.

In their account of the development of social entrepreneurship, Lounsbury and Strang (2009) supported this assumption by noting how resource-rich actors are shaping a new

Table 2

Reflexive Isomorphism in Social Entrepreneurship

Paradigm-building actor	Internal logic	Logic of reflexive isomorphism	Legitimating discourse
Government	Deliver public goods	Maximize efficiency, responsiveness, sustainability	Business model ideal type
Foundations	Mobilize resources to bring about change	Maximize return on investment	Hero entrepreneur
Fellowship organizations	Build social capital	Maximize leverage effects	Hero entrepreneur
Pure network organizations	Build community voice	Maximize engagement and empowerment	Social justice

institutional logic of social action to address failures in the established bureaucracies of social welfare. This process takes concrete case study examples selectively from the field to use as "discursive fodder" to develop and support new logics that give precedence to institutional myths and narratives drawn from business and accounts of the hero entrepreneur rather than the traditions of structured collective action and solidarity. Of particular importance are success stories as legitimating material for philanthropic activity. Lounsbury and Strang see this as a characteristically American cultural archetype combining private action and social interest. Yet, as they note, this is a model that prioritizes elites and is far from being grounded in the target communities of social entrepreneurs on the ground (see also Alvord et al., 2004).

Social Innovation: Toward an Inclusive Paradigm?

This article has attempted to map the microstructures of institutional legitimation in social entrepreneurship. It has proposed that social entrepreneurship is in a pre-paradigmatic state of development that allows resource-rich actors to shape its legitimation discourses in a self-reflexive way. Moreover, it has suggested that this process is prioritizing two discourses: narratives based on hero entrepreneur success stories and organizational models reflecting ideal types from commercial business. The former supports internal logics that legitimate new venture philanthropic practices while the latter endorses internal logics that legitimate efficiency and the marketization of the state.

A valid objection to the argument presented in this article thus far would be that it ignores the paradigm shaping influence of scholarship itself. Indeed, this could be argued to undermine any Kuhnian analysis. To respond to this, the discussion concludes by acknowledging the role of scholarship in paradigm-building in social entrepreneurship and suggests that academic research may offer a means to resolve some of the tensions between the discourses identified earlier.

The three most influential academic programs on social entrepreneurship are located in the business schools at Harvard, Duke, and Oxford. Harvard Business School was the first university to establish a Social Enterprise Initiative (SEI) in 1993.[13] The aim of the initiative was to integrate social enterprise into the MBA curriculum and build a core of cases and research in the subject across its faculty. In 2002, the Center for the Advancement of Social Entrepreneurship (CASE) was established at Duke University by a former Harvard professor J. Gregory Dees. Finally, the Skoll Centre for Social Entrepreneurship was established with a donation from the Skoll Foundation at the Said Business School, University of Oxford in 2003.[14] In addition to these three academic initiatives, there are two other important research networks within the social entrepreneurial space. The first is the Social Enterprise Knowledge Network (SEKN), a consortium of nine Latin American and Spanish universities linked to Harvard Business School's SEI (see aforementioned). The network was formed in 2001 and since then, has published two books, 39 case studies, and a variety of other materials. In line with the dominant logic of the SEI, SEKN has a strong focus on the role of business models in social change.[15] The second network is

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13. http://www.hbs.edu/socialenterprise/about/history.html
14. Paradigm-building actors have also proved to be influential in supporting academic initiatives either through direct funding or though providing access to case material and data leading to the possibility of assimilation or capture of the internal logics of scholarship. Indeed, the assumption that academics are immune to reflexive isomorphism themselves remains unsupported.
15. http://www.sekn.org

EMES, a group of nine European universities researching the social economy within the continent that has been active since 2000.[16] The research group has a particular interest in cooperative models and work integration social enterprises and has published books (Borzaga & Defourny, 2001; Nyssens, 2006) as well as a range of working articles and other materials.

The work of these pioneers in social entrepreneurship research has produced two different perspectives on the field. First, there is a conceptualization championed by the Harvard Business School SEI that gave precedence to the business logics and hero entrepreneur models already noted earlier. However, an alternative perspective comes from the social innovation tradition that conceptualizes social entrepreneurship as being a process of change in the delivery of public goods and social/environmental services. The logic of this innovation model is focused at the systems level and argues that market failures in public and environmental goods can only be addressed by systems change rather than a socialization of business (Mulgan, 2007). The model also suggests that this can only be brought about by innovating third sector organizations since they stand independent of the public and private sectors the inherent inertia of whose institutional arrangements are chiefly responsible for the social market failures in the first place. A number of research centers have propagated the innovation model of social entrepreneurship including the EMES research network in Europe, the CASE at Duke University, the Skoll Centre at Oxford University, and other influential bodies in the United Kingdom such as The Young Foundation, Demos, and National Endowment for Science Technology and the Arts (NESTA). It is also becoming fashionable with policy makers as a solution to reducing welfare costs without reducing entitlements. The social innovation model of social entrepreneurship does not give precedence to any of the four discourses noted earlier and is agnostic about the role of business. The model also recognizes social innovation as being episodic and dynamic rather than as being epitomized in discrete success stories (Mulgan). Furthermore, it does not recognize the precedence of any given internal logic but looks instead to draw its logics (and ultimately, its legitimacy) from an inductive process of grounded field research.

Of course, scholarship in social entrepreneurship has also been subject to the influence of resource rich providers either as direct or indirect funders or as gatekeepers to case study materials, key social entrepreneurs, and other data sources. However, from a Kuhnian perspective, the paradigm of social entrepreneurship can only establish its legitimacy by means of further academic work focused on rigorous theory building and careful empirical testing. Taking a social innovation perspective offers scholars an opportunity to enact their own reflexive isomorphism based on the legitimacy of impartial research. Such work would move social entrepreneurship toward paradigmatic status without prejudicing the terms of research a priori.

Furthermore, a social innovation model of social entrepreneurship offers the opportunity to address one of the most problematic issues arising from the relationship between reflexive isomorphism and resource allocation in the development of the field to date: the relative marginalization of social entrepreneurs, their peers and—critically—their beneficiaries from the processes of legitimation at the discourse level. The marginalization of the legitimating voices of these actors can be seen as a failure of accountability on behalf of the more powerful actors that aim to build the paradigm of social entrepreneurship. Furthermore, over time, this imbalance might be expected to undermine and perhaps even destroy the normative and cognitive legitimacy of social entrepreneurship to a wider

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16. http://www.emes.net/index.php?id=2

audience. While the social innovation construct may offer a space in which scholars can reconcile competing legitimating discourses around social entrepreneurship to build a new paradigm, this process can only lead to the institutionalization of the field in practical terms when the currently dominant actors are prepared to give way to a more pluralistic and grounded debate about the limits, possibilities, and values of social entrepreneurship across the world (see further Nicholls & Young, 2008).

The Special Issue Contents

In this special issue, social entrepreneurship is explored in a number of contexts, from a variety of theoretical positions and via a range of methods. Grimes (2010) uses a case study analysis of performance measurement practices in three social enterprises to explore the strategic use of metrics. He discovers that social entrepreneurs use measurement systems not only to improve accountability but also as a tool to socially construct meanings and organizational identity and that this is a work in progress. Meyskens, Robb-Post Stamp, Carsrud, and Reynolds (2010) use a resource-based view to analyze the key characteristics of a sample of 70 Ashoka fellows. Their exploratory study suggests that from this perspective, social entrepreneurship exhibits many similar features in terms of resource strategies as commercial entrepreneurship. In an inductive study, Corner and Ho (2010) analyze opportunity recognition processes in social entrepreneurship. Their work draws on effectuation theory to suggest that the process of surfacing opportunities in this sector is the product of networks of interconnected actors combining their skills and resources to craft a pathway to effective social action driven by means not ends. This is in contrast to more economic-rational models of entrepreneurship. Di Domenico, Haugh, and Tracy (2010) apply the concept of *bricolage* to social entrepreneurship. Their research extends the current theoretical boundaries of this approach, as defined in commercial entrepreneurship, to include other aspects unique to social value creation. Miller and Wesley (2010) provide an analysis of the decision-making criteria for a group of 44 social "venture capitalists" that provide resources to social entrepreneurs. Taking an organizational identity theory approach, their article suggests that such funders use complex assessments criteria that mix factors relating to both social and entrepreneurial performance, often in unique ways. Kistruck and Beamish (2010) draw upon a comparative study of 10 cases from Africa and Latin America to explore the implications of different forms and structures in social entrepreneurship. One important insight from their work is the significance of different forms of embeddedness as forms of constraint on socially entrepreneurial action. However, they also suggest that processes of decoupling can be seen that address such constraints.

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Alex Nicholls is University Lecturer in Social Entrepreneurship at the Said Business School, University of Oxford and the Fellow in Management at Harris Manchester College.