Putting Social Emergence in:
A Linkage between Individual and Society in Social
Entrepreneurship

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ABSTRACT

This paper aims at clarifying the social emergence perspective on social entrepreneurship. We argue that even the literature on social entrepreneurship is either focusing on its social dimension or its entrepreneurial dimension, however, the collective and emergent nature, from which view the link between individual and society is re-connected, makes social entrepreneurship distinct from the general study of entrepreneurship. The argument develops upon three parts. First, we ground the social foundation of social entrepreneurship. Second, we focus on enterprising individuals who are social-situated and strive toward some social change. Third, the effects of social entrepreneurship lie in and depend on its emergent and collective process. We conclude by noting that like rationality has two faces, the interplay of society and entrepreneurship should always keep in mind during its emergent process.

Keywords: Social Emergence; Social Entrepreneurship; Third Sector Management

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INTRODUCTION

This paper offers a social emergence perspective on social entrepreneurship. The concept of social emergence has emerged from recent developments in computer science and sociological theory. The central notion of social emergence is: “societies are complex dynamical systems, and the best way to understand how successive symbolic interactions among autonomous individuals result in the emergence of collective phenomena is by linking multiple levels of analysis – individuals, interactions, and groups, that is, the concept of emergence” (Sawyer 2005: 21-22).

Why do we draw on social emergence approach? Our argument is the collective and emergent nature makes social entrepreneurship distinct from the general study of entrepreneurship. In addition, from a social emergence point of view the link between individual and society is re-connected.

In recent years, the interest in social entrepreneurship has increased. Much of the interest is from management scholars. Meanwhile, researchers from the third sector also contribute to the field. As Peredo and McLean (2006) mentioned, both social and entrepreneurship dimensions must be taken into account.

What is the difference between researchers from different backgrounds when they think of social entrepreneurship? Moreover, what is the leading character when they concern with social entrepreneurship? The entrepreneurs, who create new organizations by which they carry out the social mission, or the social, which means the context that enables entrepreneurial activities arising? From sociological literature on entrepreneurship, the former can be regarded as “the supply side of entrepreneurship, specifying potential mechanisms for agency and change”; while the latter can be regarded as “the demand side of entrepreneurship, emphasizing the push and pull of context” (Thornton 1999: 21).

One should keep two sides of entrepreneurship in mind. There are still some angles on definition of social entrepreneurship. For instance, Peredo and McLean (2006) proposed that social entrepreneurship is a concept which applies where people aim to create social value, and pursue that goal through combination of recognizing and exploiting opportunities to create this value. Meanwhile, the entrepreneurs are characterized by innovation-employing, risk-tolerating and declining to accept limitations in available resources (2006: 56). From this angle, individuals with intentions for some social value might take action to entrepreneurship.

On the other hand, Mair and Martí (2006) proposed that social entrepreneurship
can be defined as a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs. From this angle, to catalyze social change and/or address social needs guide the direction of entrepreneurial process.

To be compared, two angles suggest different approaches. One approach is more methodological individualism. The enterprising agents driven by some motivation would take action into entrepreneurship to carry out social value. The other approach put entrepreneurial process in the center, and the direction of process – helping forward social change and/or addressing social needs – is vital as well. Certainly, there is something convergent in implications. Therefore, the place we tend to put social emergence in the discussion of social entrepreneurship is exposed.

When individuals’ motives derived from social needs encounter the constraint power of social structures, what will happen? Can we figure the dynamics and the mechanism of social entrepreneurship out? Putting social emergence in the study of social entrepreneurship might give some insights for the link of individual-society and agency-structure debate.

Our argument develops upon three parts. First, we ground the social foundation, i.e., the collectivity, of social entrepreneurship. Second, we focus on enterprising individuals which are social-situated and strive toward some social change. However, the efforts of social entrepreneurship may or may not result in change. Third, the effects of social entrepreneurship lie in and depend on its emergent and collective process. How does the agency of social entrepreneurship select, adapt, and transform in a dialectic interplay with social structure? To address such question we need a social emergence perspective and some multi-level analytic methodology.

THE SOCIAL FOUNDATIONS OF SOCIAL ENTREPRENEURSHIP

Although social entrepreneurship researchers hope to develop its own distinctive points, their research nourishes from many entrepreneurship studies. Stevenson and Jarillo (1990) have reviewed entrepreneurship literature since the 1970s. They then classified the entrepreneurship literature into three approaches: psychological, economic and management approaches.

The psychological approach generally focuses on why questions: why do some people take part into entrepreneurial activities, and some people not? What are the factors that make the differences between entrepreneurs and non-entrepreneurs? The
economic approach often focuses on what questions: what is the outcome of entrepreneurship? Can the impact of entrepreneurship be measured, be predicted and be applied to some policy implications? The management approach again focuses on how questions: how to start up a new business, how to manage entrepreneurial activities, risks and finally create values. From these approaches, traits and personality, outcomes and impacts, as well as resources and activities are discussed. But the where, when and why questions related to social context seem to be missed (Thornton 1999).

The origins of entrepreneurship studies can be traced back to Schumpeter. In his foundational book, *The Theory of Economic Development* (Schumpeter 1934), he focuses on individual entrepreneurs and their roles in the process of economic and societal change. We quote some words from Greenfield and Strickon (1981: 468-469):

> Schumpeter sees economic and development as a total social reality. He defines development as “the carrying out of new combinations” ... Development then is the creation of new combinations of materials and forces that disturb previous equilibrium state and result in new ones that on a priori grounds are assumed to be better. The question for Schumpeter, then, is how the new combinations are brought about. His answer to the question is entrepreneurship. “The carrying out new combinations,” he writes, "we call 'enterprise'; the individuals whose function is to carry them out we call 'entrepreneurs'..." Entrepreneurship and entrepreneur, then, are the instruments, the means by which the economy — and society — in the Schumpeterian view is transformed and improved (Schumpeter 1934: 66, 74, quoted from Greenfield and Strickon 1981: 468-469).

In spite of the evolutionary assumptions of the progress of development, Schumpeter highlights the relationship between entrepreneur’s creation and innovation and their driving forces toward development, i.e., a new social equilibrium. Owning to this relationship, the enterprising individuals and economic development and social change are linked. The impacts of entrepreneurship are not only on individuals, but also on the higher level of collectivity. Meanwhile, the mechanism and the driving forces that urge entrepreneurs effectuate their visions are still unknown.

To resolve questions of how, where, and why entrepreneurship takes place, Thornton proposes sociology of entrepreneurship. He defines entrepreneurship as the creation of new organization, which occurs as a context-dependent, social and economic process (Thornton 1999: 20).
The definition is in line with many entrepreneurship researchers. Nonetheless, what makes this notion sociological is its contextual implication. In his words, Thornton claims to value the demand side perspective on entrepreneurship, which focuses on “the context of organizational founding” and “the number and nature of entrepreneurial roles” in context. In the contrary, the supply side perspective focuses on “the availability of suitable individuals to occupy entrepreneurial roles” (Thornton 1999: 20).

There are some key words in Thornton’s statement: “suitable individuals”, “occupy”, “entrepreneurial roles”, “creation-of-new-organizations” and “context”, which give us a picture of the social world of entrepreneurship. And this picture is rich in its agency and context-structuring energy.

Then what is social in social entrepreneurship? Steyaert and Hjorth (2006: 1) in their book, *Entrepreneurship as Social Change*, mention that entrepreneurship is a complex social-creative process that influences, multiplies, transforms, re-imagines and alters the outlook of the space of society in which it is at the same time grounded and contextualized.

In sum, our reference to the social foundations of social entrepreneurship includes three implications: first, collectivity as the ends of social entrepreneurship; second, social context as the embedded situation of social entrepreneurship; and finally, collective process as the necessary condition for social entrepreneurship.

**SOCIAL-SITUATEDNESS, AGENCY, AND THE EFFORTS TOWARD SOCIAL CHANGE**

Once we have grounded the social foundations of social entrepreneurship, the angle of view could temporarily shift from society to individuals. In this part, actor-in-situation, roles, needs, wants, institutional responsive ability, and the striving to make institution change are the heart of social entrepreneurship.

**Socially situated agent**

What is a socially situated agent? Conte (1999: 205) views agent as intermediate level (see figure 1), which means socially situated but autonomous agents interplay between social effects and cognitive requirements to select and adopt social action.
In Conte’s definition (1999: 205): “social situatedness implies a complex network of social relationships, in which each agent may find social resources for its goals, and exercise influence, send requests, ask for help, etc.; each agent may turn out to be a resource for someone else’s goals, and undergo others’ influence by receiving requests and inputs of any sort.”

Hence, autonomous agents have their own goals and goals-oriented course of action, and simultaneously agents are socially situated facing demands of their social environment. The key mechanism of adjustment in this intermediate level is social intelligence, namely “a multiple agent (i.e., a social) property which applies to a set of intelligent autonomous agents in a common world”:

Social intelligence implements individual agents’ mental properties and capacities thanks to the objective effects of social action which extend the powers and means of individual agents, and which in turn command higher-level cognitive complexity. The more autonomous the socially situated agents, the more complex the interplay between social effects and cognitive requirements and the higher the demand for cognitive complexity (Conte 1999: 204).

For agents, where do the goals of agents come from? The self and the other’s connectedness and mutual recognition, the autonomous individual and the social-situatedness forces all produce the mobility of social action. In the context of entrepreneurship, we regard this as social entrepreneurship.

**Social structure, order and agency**

Drucker (1995: 57-58) points out that the incongruity between what is and what “ought to be” provides a motive force which may create the instability and bring about a restructuring of the economic or social configuration.
We note that the sense of well-being of socially situated agents is of vital importance. If there are some gaps between the status quo and the ideal aim, the social order of social structure might be weakened gradually like the latent “faults” (Drucker 1985), which call for innovative social action. And these are upward striving forces toward social change.

What carries the weight of social structure? From Bourdieu’s notion, tending to dissolve the dual opposite of structure and agency, he guides an understanding of subjective structures within objective structures by developing conceptions of habitus, field, doxa, and symbolic power (Bourdieu 1977). Furthermore, he theorizes on a variety of forms of capital and lays the root of all types of capital and their rules of conversions on economic capital. But the logic of practice in social world cannot function without the duality: both economism and semiologism depend on each other (Bourdieu 2002 [1986]).

Bourdieu’s theory inspires our linking with the concept of capital and institutional theory. The nature and tendency of capital tends to be fluid and transformation; the nature and tendency of institutions relatively tends to be stable and keep the collective in order.

**Institutions and social entrepreneurship**

By connecting Bourdieu’s contribution and institutional theory, we frame the discussion of social structure on its institutions.

Scott (1987) classified four types of construct of institution(alization): Institutionalization as a process of instilling value; institutionalization as a process of creating reality; institutional systems as a class of elements; and institutions as distinct societal spheres. To draw an analogy with Bourdieu’s concept of “field”, we view institutions as distinct societal spheres. Each institution has its own system of beliefs, symbols and logic of practice. They are viewed as systems of cognition and norms as well as systems of social relations and actions. By these complex adaptive characteristics, institutions are enduring and tend to maintain its stabilization.

In that case, differential societal spheres develop along its own institutional logic. What is dominant in this societal sphere may not fit into another societal sphere. If we take the basic distinction of sector into account: state, markets, communities and families, and the border-crossing civic activities: voluntary sector, like Friedland and Alford’s emphasis:

*The institutional logic of capitalism is accumulation and the commodification of human
activity. (The institutional logic of) the state is rationalization and the regulation of human activity by legal and bureaucratic hierarchies. (The institutional logic of) the family is community and the motivation of human activity by unconditional loyalty to its members and their welfare (Friedland and Alford, 1987: 36, quoted from Scott 1987: 501-502).

Friedland and Alford suggest that there is no necessary harmony among various institutional complexes. From a Schumpeterian perspective, the state of economy and society is not in a stable equilibrium. Moreover, some sources of innovation proposed by Drucker, such as the incongruity between what is and what “ought to be”, demographic change, and unexpected consequences etc., may lead economic and societal reconfiguration toward a new equilibrium.

Tracing along the socially situated agents, their intermediate role between social forces and action, and the differential yet not necessarily compatible institutions in a given society, we claim that social entrepreneurship can be regarded as response to institutional disequilibrium.

In sum, social-situated agents might confront certain situations that are derived from the incompatibility of existing institutions. The deficient states drive some individuals on entrepreneurial activities to make social institutions toward concordance. Once the urgent necessity to break away the status quo of unwell-being and the coincident opportunities are convergent, social entrepreneurship will find its way.

On this account, Hjorth (2007: 714) imagines entrepreneurship as creating “social energy”, that is, “a desire to become the other, to change the style of one’s practice of living and to create new orders, demanding new forms of organization.”

SOCIAL EMERGENCE: THE EMERGENT AND COLLECTIVE NATURE OF SOCIAL ENTREPRENEURIAL PROCESS

Many scholars agree on defining entrepreneurship as creation of new organizations (Katz and Gartner 1988; Katz 1993; Thornton 1999). But how is the nature of the process of organization-in-creation? When we turn to a process approach on social entrepreneurship, the structuring effects of institutions and the latent incompatibility, the agency of social-situated agents and their intermediate roles, and the dialectic interplay of the “inter-actions” (Hosking and Hjorth 2004) become a central issue.
A harmony of institutions and capital

Through the discussion of the social foundation of social entrepreneurship as well as the socially situated but autonomous agents, we consider social entrepreneurship as a harmony of institutions and capital. We use it as a metaphor to narrate what, where, when, how and why do social-situated agents with(out) certain capital select and adopt social action to make institutions change.

Institution tends to be stable and keep the collective in order, but the differential institutions in a given society are not necessarily compatible. It is the incompatibility within society that opens the possibilities for individuals engaged in social entrepreneurship.

Meanwhile, capital tends to be fluid through transformation and accumulation. However, the distribution of capital among the members is uneven. This uneven distribution makes the individual’s access to necessary resources and the autonomy to participate in the way of life as a full member of society different and unequal.

What is the concept of capital? According to Biggart (2002: 277), Bourdieu “extended the concept of ‘capital’ to include assets formed by access to culturally valuable symbols, ways of life, and social network.” Therefore, there is a variety of forms of capital, namely, cultural capital, social capital and economic capital:

...As economic capital, which is immediately and directly convertible into money and may be institutionalized in the form of property rights; as cultural capital, which is convertible, on certain conditions, into economic capital and may be institutionalized in the form of educational qualifications; and as social capital, made up of social obligations (“connections”), which is convertible, in certain conditions, into economic capital and may be institutionalized in the form of a title of nobility (Bourdieu 2002 [1986]: 281).

In other words, the forms of capital provide social agents the base and the extended possibilities to carry out the ways of life. In addition, the uneven distribution of the forms of capital among social members constraints the chances but also has the potential to change. How do these co-exist and co-work? Bourdieu explains that:

...the structure of the distribution of the different types and subtypes of capital at a given moment in time represents the immanent structure of the social world, i.e., the set of constraints, inscribed in the very reality of that world, which govern its functioning in a
durable way, determining the chances of success for practices (Bourdieu 2002 [1986]: 280).

With the metaphor of social entrepreneurship as a harmony of institutions and capital, the major parts of social entrepreneurship and their interrelations between individuals, the distribution of capital, the chances for social agents, and the structure of the social world give us a picture to think of the mechanism and process of social entrepreneurship (Figure 2).

Social emergence: the dialectic interplay of social entrepreneurship

![Figure 2. Social emergence: the structure-agency dialectic of social entrepreneurship](image)

- **Social Structure**
  - Conditions of the social order (class structure, power, welfare regime, value of fairness, solidarity, accomplishment etc.)
  - Structure rigidity/flexibility
  - Carriers: Institutions

- **Opportunities**
  - Uneven distributed
  - Nexus of individuals and social structure

- **Individuals**
  - Need and desire
  - Forms of capital
    - Cultural capital
    - Social Capital
    - Financial Capital

Note:
- """: Social causation
- """: Individuals’ entrepreneurial mobility
- """: The dialectic of individuals’ entrepreneurial mobility and social causation

*Figure 2. Social emergence: the structure-agency dialectic of social entrepreneurship*
In figure 2, we can identify some key “inter-actions”, which show the emergent and collective nature of social entrepreneurial process. These inter-actions include: (a) the need and desire of socially situated agents, i.e., the bottom-up agency of individuals; (b) the uneven distribution of capital, i.e., social position connected to opportunity and its construction, which can be seen as the nexus of individuals and social structure; and (c) institutions and the latent incompatibility, i.e., the social causation of social order and the potential instability of social structure. These major “inter-actions” altogether give fresh impetus to the emergent and contingent process of social entrepreneurship.

Moreover, if we consider institutions as “systems of social interaction under formalized normative control” rather than as “a rigid hardware of social life mechanistically relegating actors and action to narrowly circumscribed residual spaces for voluntarism and rational calculation” (Streeck 2005: 13), the ends of social entrepreneurship, that is, institutional change, will lead multi-level “inter-actions” toward the possibilities for making society work.

CONCLUSION AND PERSPECTIVE

In this paper, we attempt to clarify the social emergence perspective on social entrepreneurship. We consider social entrepreneurship as response to institutional disequilibrium, which is rooted in its social foundations. Our reference to the social foundations includes three implications: first, collectivity as the ends of social entrepreneurship; second, social context as the embedded situation of social entrepreneurship; and finally, collective process as the necessary condition for social entrepreneurship. With social ends-in-view, as well as socially situated agents embedded in social context, the emergent and collective process of social entrepreneurship is distinct from general entrepreneurship.

Unlike the structure paradigm and interaction paradigm of sociological theory, social emergence approach tends to consider societies as complex dynamical systems (Sawyer 2005). Therefore, the study of social emergence requires “a simultaneous focus on three levels of analysis: individuals, their interactional dynamics, and the socially emergent macro-properties of the group” (Sawyer 2005: 191).

Drawing on a social emergence perspective, the dialectic interplay of structure and agency, the inter-actions and the social consequences of social actions during the process of social entrepreneurship can be taken into account.
If we agree on Streeck’s notion, viewing institutions as “systems of social interaction under formalized normative control” rather than as “a rigid hardware of social life mechanistically relegating actors and action to narrowly circumscribed residual spaces for voluntarism and rational calculation”, then the dynamics and possibilities for institutional change are “continuously created and recreated by a great number of actors with divergent interests, varying normative commitments, different powers, and limited cognitions” (2005: 13-16).

In such a way, we understand social entrepreneurship as a harmony of institutions and capital. For this metaphor, both institutions and capital matter for individuals and the society. Moreover, the counter natures of institutions and capital - stabilization and maintaining the collective in order versus fluidity, transformation and accumulation - give fresh impetus to the emergent process of social entrepreneurship.

Where do the goals of social entrepreneurship come from? Where do the endeavors of social entrepreneurship tend to go? From a social emergence perspective, the emergent, collective and contingent process of social entrepreneurship is a central issue. And the answers to the above questions revolve around how to elaborate the social emergence of social entrepreneurship.

In conclusion, from a social emergence perspective, the linkage between individual and society in social entrepreneurship is re-connected. We connect structuring effects of institutions and the latent incompatibility, the agency of social-situated agents and their intermediate roles, as well as the dialectic interplay of these “inter-actions”. We also put these “inter-actions” into account of the mechanism and process of social entrepreneurship. We also remind that, like rationality has two faces, the interplay of society and entrepreneurship should always be kept in mind during the emergent process. The social ends-in-view and the instrumental rationality of carrying out the ends co-enact the route of social entrepreneurship.

REFERENCES


